

08-15-2002

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

102190629

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

1. Name of conveying party(ies):

Primary Investments Group Limited

8-13-02

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation- British Virgin Islands
- Other

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

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

Name: First Source Loan Obligations Insured Trust
Internal Address: _____

Street Address: 2850 West Golf Road, Fifth Floor
Rolling Meadows, Illinois 60608
United States of America

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation _____
- Other Business Trust - State of Delaware

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
- Change of Name
- Security Agreement
- Merger
- Other

Execution Date: April 10, 2002

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

A. Trademark Application No.(s)

Please see Attachment A

B. Trademark Registration No.(s)

Please see Attachment A

Additional numbers attached? Yes

Additional numbers attached? Yes

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

Name: Thomas W. Cook, Esq.

Internal Address: _____

Street Address: P.O. Box 1989

3030 Bridgeway, Suite 425

City: Sausalito

State: California Zip: 94965

6. Total number of applications and registrations involved: 49

7. Total fee (37 CFR 3.41):..... \$ 1,240.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number: _____

(Attached 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.

Thomas W. Cook
Name of Person Signing

Signature

Date

August 5, 2002

Total number of pages comprising cover sheet: _____

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.

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FRANCE SECTION

TRADEMARK
REEL: 002554 FRAME: 0897

Attachment A

TRADEMARK REGISTRATIONS		
Trademark	Country	Registration Number
151 BAR & Design	United States	2,421,264
APPLIED NUTRITION	United States	2,120,594
BURNMORE	United States	2,047,620
CANDISTROY	United States	2,156,503
CELLULITE BURNER	United States	2,427,644
CRAVELESS	United States	2,047,619
DIET SYSTEM 6	United States	2,120,614
ENDURANCE ENERGY	United States	2,417,568
ESTRO GENESIS	United States	2,465,824
FULFILL	United States	2,233,592
GINKGO SMART	United States	1,983,826
GINZA-PLUS	United States	1,901,441
HARMONY FORMULAS & Design	United States	1,915,940
INHOLTRA	United States	2,135,818
IRWIN NATURALS	United States	2,101,234
MEMORY SHARP	United States	2,210,948
MIND ENERGY	United States	2,417,567
NATURE'S SECRET	United States	1,791,241
NATURE'S SECRET (Basket Design)	United States	1,970,032
NATURE'S SECRET (Oval Design)	United States	1,982,374
PARA-CONTROL	United States	2,463,824
PHEN SAFE	United States	2,360,576
REZYME	United States	2,134,401
SIX WAY ENERGY	United States	2,259,586
SIX WAY MULTI	United States	2,256,918
SIX-WAY CLEANSE	United States	2,304,242
SYSTEM-SIX	United States	2,101,669

Attachment A
Security Agreement -
Primary Investments Group Limited to First Source Loan Obligations Insured Trust

TRADEMARK
REEL: 002554 FRAME: 0898

THIN SOLUTION	United States	2,397,749
ULTIMATE B	United States	1,848,487
ULTIMATE CLEANSE	United States	2,023,228
ULTIMATE ENERGY	United States	2,164,284
ULTIMATE FASTING CLEANSE	United States	2,478,514
ULTIMATE FIBER	United States	1,848,486
ULTIMATE GREEN	United States	2,166,580
ULTIMATE LIVER	United States	2,292,962
ULTIMATE MULTI	United States	2,048,647
ULTIMATE MULTIPLUS	United States	2,136,011
ULTIMATE OIL	United States	1,847,555
XENEDROL	United States	2,532,302
TRADEMARK APPLICATIONS		
Trademark	Country	Application Number
ESTRO-PAUSE	United States	78/095,993
IMMUNO-SHIELD	United States	78/096,002
LUBRI JOINT	United States	78/096,074
PROSTA-STRONG	United States	78/074,964
PROTEIN BURST	United States	78/095,951
STEEL LIBIDO	United States	78/096,013
THE NEW GRAPEFRUIT DIET	United States	75/779,389
VEROXEN-7	United States	78/101,881
VIROXEN-7	United States	78/101,669
XENEDROL	United States	78/096,022

SECURITY AGREEMENT
(Buyer)

THIS SECURITY AGREEMENT, dated as of April 10, 2002 (herein, as the same may at any time be amended or modified and in effect, called this "**Agreement**"), is by and between **PRIMARY INVESTMENTS GROUP LIMITED**, a British Virgin Islands corporation ("**Buyer**"), and **FIRST SOURCE LOAN OBLIGATIONS INSURED TRUST**, a Delaware business trust (in such capacity, herein, together with its successors and assigns, called the "**Seller**").

WITNESSETH:

WHEREAS, Buyer and Seller have entered into a certain Asset Purchase Agreement dated as of April 10, 2002 (herein, as it may at any time be amended, modified or supplemented from time to time and in effect, called the "**APA**"), pursuant to which the Seller has agreed to sell the "**Acquired Assets**" (as defined in the APA) to Buyer, and

WHEREAS, it is a condition precedent to the sale of the Acquired Assets under the APA that this Agreement be executed and delivered.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. Definitions. Capitalized terms not otherwise defined shall have the meanings ascribed to them in the APA. When used herein, the following terms shall have the following meanings:

"Computer Hardware and Software Collateral" shall mean (i) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware, whether now owned, licensed or leased or hereafter acquired, owned, licensed or leased by Buyer, (ii) all software programs (including source code and object code and all related applications and data files), whether now owned, licensed or leased or hereafter acquired, owned, licensed or leased by Buyer, designed for use on any of the computers and electronic data processing hardware or other items described in clause (i) above; (iii) all firmware associated with the hardware and software described in clauses (i) and (ii), whether now owned, licensed or leased or hereafter acquired, owned, licensed or leased by Buyer; (iv) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) for such hardware, software and firmware described in the preceding clauses (i), (ii) and (iii), whether now owned, licensed or leased or hereafter acquired, owned, licensed or leased by Buyer; and (v) all rights with respect to all of the foregoing, whether now owned, licensed or leased or hereafter acquired, owned, licensed or leased, including, without limitation, any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

"Copyright Collateral" shall mean (a) the copyrights and mask works referred to in Schedule IV attached hereto, (b) to the extent relating to or used in connection with the Covered Products, all other copyrights and semiconductor chip product mask works of Buyer, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world, (c) all applications for registration of each of the foregoing, whether pending or in preparation, (d) all copyright and mask work licenses referred to in Schedule IV attached hereto, and all other copyright and mask work licenses relating to or used in connection with the Covered Products, (e) the right to sue for past, present and future infringements of any of the foregoing, (f) all rights corresponding to the foregoing throughout the world, (g) all extensions, renewals, improvements or modifications of any of the foregoing and (h) all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

"Covered Products" shall mean (a) any and all products currently, or from time to time hereafter, labeled or sold under the name "Joint Pain" or "Nature's Secret" and any modifications or substitutions thereof, (b) any product now or hereafter developed or acquired by Buyer or any affiliate of Buyer (including, without limitation, Irwin Naturals) that includes a combination of analgesic pain relievers and Glucosamine (including, any product that includes such items in combination with other components), and (c) any product now or hereafter developed or acquired by Buyer or any affiliate of Buyer (including, without limitation, Irwin Naturals) that is substantially similar to any of the foregoing.

"Default" shall mean any Unmatured Event of Default or any Event of Default.

"Document" shall have the meaning assigned to such term in Article 9 of the Uniform Commercial Code.

"Event of Default" - see Section 10.

"General Intangibles" shall have the meaning assigned to such term in the Uniform Commercial Code.

"Intellectual Property Collateral" shall mean, collectively, (a) the Copyright Collateral, (b) the Patent Collateral, (c) the Trademark Collateral, (d) the Trade Secrets Collateral, (e) to the extent related to or used in connection with any of the foregoing or the Covered Products, the Computer Hardware and Software Collateral.

"Inventory" shall have the meaning assigned to such term in the Uniform Commercial Code, and in any event shall include all Goods, merchandise, and other personal property furnished under any contract of service or intended for sale or lease, including, without limitation, all raw materials, work in process, finished goods and materials and supplies, of any kind, nature or description, that are used or consumed by Buyer's business, or are or might be used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such Goods, merchandise, and other personal property and all returned or repossessed Goods, merchandise, and other personal property now or at any time or times hereafter in the possession or under the control of, Seller or any Lender.

"Irwin Naturals" means Irwin Naturals, a Nevada corporation.

"License Agreement" means that certain License and Sublicense Agreement, dated as of April 10, 2002, among Buyer, Spartan Marketing Limited, a United Kingdom corporation, and Irwin Naturals.

"Patent Collateral" shall mean:

(a) (i) each patent and patent application referred to in Schedule IV attached hereto, and (ii) to the extent relating to or used in connection with the Covered Products, all letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world, including letters patent and applications in the United States Patent and Trademark Office;

(b) (i) all patent licenses, including each patent license referred to in Schedule IV attached hereto, and (ii) to the extent relating to or used in connection with the Covered Products, all other patent licenses;

(c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and re-examinations of any of the items described in clauses (a) and (b); and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any of the foregoing patents or patent applications, including any patent or patent application referred to in Schedule IV attached hereto, and for breach or enforcement of any of the foregoing patent licenses, including any patent license referred to in Schedule IV attached hereto, and all rights corresponding thereto throughout the world.

"Security" shall have the meaning assigned to such term in the Uniform Commercial Code.

"Security Interest" shall, when used with respect to any Person, mean any interest in any real or personal property, asset or other right owned or being purchased or acquired by such Person for its own use, consumption or enjoyment in its business which secures payment or performance of any obligation and shall include any mortgage, lien, pledge, encumbrance, charge or other security interest of any kind, whether arising under a security agreement, mortgage, deed of trust, chattel mortgage, assignment, pledge, financing or similar statement or notice or as a matter of law, judicial process or otherwise. As used herein in this Agreement with respect to the rights granted to Seller hereunder in the Collateral, "Security Interest" means a security interest under the Uniform Commercial Code.

"Trademark Collateral" shall mean:

(a) (i) each of the trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, certification marks, collective marks, logos, other sources of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (each of the foregoing items being called a "Trademark") referred to in

Schedule IV attached hereto, (ii) to the extent relating to or used in connection with the Covered Products, all other Trademarks, now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, and (iii) all registrations and recordings of any of the foregoing and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country;

(b) (i) each Trademark license referred to in Schedule IV attached hereto, and (ii) to the extent relating to or used in connection with the Covered Products, all other Trademark licenses;

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a), (b) and (c); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by Buyer against third parties for past, present or future infringement or dilution of any of the foregoing Trademarks, Trademark registrations or Trademark licenses, including any Trademark, Trademark registration or Trademark license referred to in Schedule IV attached hereto, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

"Trade Secrets Collateral" shall mean (i) to the extent related to or used in connection with the Covered Products, all common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of Buyer (each of the foregoing being called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, (ii) each Trade Secret license referred to in Schedule IV attached hereto, (iii) to the extent relating to or used in connection with the Covered Products, all other Trade Secret licenses, and (iv) the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any of the foregoing Trade Secrets and for the breach or enforcement of any of the foregoing Trade Secret licenses.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of Illinois from time to time.

Unless otherwise defined herein, terms defined in the APA shall have the same meaning when used herein notwithstanding any termination thereof. Terms not otherwise defined herein or in the APA shall have the meanings, if any, ascribed to them under the Uniform Commercial Code.

SECTION 2. Grant of Security Interest. As collateral security for the prompt and complete payment, performance and observance of all Liabilities and Obligations Buyer hereby mortgages, grants, pledges and assigns to Seller, and grants to Seller a continuing security

interest in all right, title and interest in and the following, wherever located, whether now owned or hereafter arising or acquired (herein collectively referred to as the "Collateral"):

- (a) all of Buyer's Intellectual Property Collateral,
- (b) all goodwill of Buyer associated with the Intellectual Property Collateral,
- (c) the License Agreement,
- (d) all of Buyer's General Intangibles to the extent relating to or used in connection with any of the foregoing or the Covered Products,
- (e) all other property and interests in property of Buyer relating to or used in connection with the Covered Products,
- (f) all books, ledgers, books of account, records, writings, data bases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing; and
- (g) all proceeds, products, rents, issues, profits and returns of and from any of the foregoing.

SECTION 3. Buyer to Remain Liable. Buyer hereby expressly agrees that, anything herein to the contrary notwithstanding, it shall remain liable under each contract, agreement, interest or obligation assigned to Seller hereunder to observe and perform all of the conditions and obligations to be observed and performed by Buyer thereunder, all in accordance with and pursuant to the terms and provisions thereof. The exercise by Seller of any of the rights assigned hereunder shall not release Buyer from any of its duties or obligations under any such contract, agreement, interest or obligation. Seller shall not have any duty, responsibility, obligation or liability under any such contract, agreement, interest or obligation by reason of or arising out of the assignment thereof to Seller or the granting to Seller of a Security Interest therein or the receipt by Seller of any payment relating to any such contract, agreement, interest or obligation pursuant hereto, nor shall Seller be required or obligated in any manner to perform or fulfill any of the obligations of Buyer thereunder or pursuant thereto, or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it or the sufficiency of any performance of any party under any such contract, agreement, interest 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 which may have been assigned to it, in which it may have been granted a Security Interest or to which it may be entitled at any time or times.

SECTION 4. Representations and Warranties and Agreements. Buyer represents and warrants to, and covenants and agrees with, Seller that:

- (a) No Uniform Commercial Code financing statement (other than any which may have been filed on behalf of Seller) covering any of the Collateral is on file in any public office.

(b) Buyer has and will have a valid leasehold interest in all Collateral it leases, and good and marketable title to all its other Collateral of any nature whatsoever (which, with respect to licenses, means that Buyer is the lawful owner of its rights under licenses), free of all Security Interests whatsoever, other than the Security Interest created hereby, with full power and authority to execute this Agreement, to perform Buyer's obligations hereunder, and to subject the Collateral to the assignment and Security Interest created hereby.

(c) All of Buyer's books and records are now located at one or more of the premises shown on Schedule I hereto, and all of Buyer's Equipment, Inventory and other Goods are located either at one or more of the premises shown on Schedule I hereto or at one or more of the premises shown on Schedule II hereto.

(d) To the extent that any of the premises shown on Schedules I or II hereto are or become owned by and/or subject to a Security Interest in favor of any Person other than Buyer, Buyer shall provide Seller, in accordance with the APA, with a Waiver Agreement or a Collateral Access Agreement, respectively, in form and substance satisfactory to Seller executed by such Person.

(e) All information with respect to the Collateral set forth in any schedule, certificate, or other writing at any time heretofore or hereafter furnished by or on behalf of Buyer to Seller, and all other information heretofore or hereafter furnished by or on behalf of Buyer to Seller, is and will be true, correct and complete in all material respects as of the date furnished and does not and will not omit any material fact necessary to make the statements not misleading in light of the circumstances under which they were or will be made.

(f) Buyer will at all times maintain its jurisdiction of organization and form of organization, in each case, as set forth in the preamble hereto and Buyer shall take such action from time to time as is required so that a creditor of Buyer would reasonably expect the chief executive office identified on Schedule I to be its chief executive office for purposes of Article 9 of the Uniform Commercial Code.

(g) With respect to the Intellectual Property Collateral:

(i) Such Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part.

(ii) Such Intellectual Property Collateral is valid and enforceable.

(iii) Buyer has made or Omni Nutraceuticals heretofore has made all necessary filings and recordations to ensure that Buyer is able to use, in the manner in which it has heretofore used such Intellectual Property Collateral, including, without limitation, recordations of all of its interest in the Patent Collateral and Trademark Collateral in the United States Patent and Trademark Office and in corresponding offices throughout the world and its claims to the Copyright Collateral in the United States Copyright Office and in corresponding offices throughout the world.

(iv) Buyer is the exclusive owner of the entire and unencumbered right, title and interest in and to or is otherwise entitled to use, without payment, such Intellectual Property Collateral and no claim has been made that the use of such Intellectual Property Collateral does or may violate the asserted rights of any third party.

(v) Buyer has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every item of Intellectual Property Collateral in full force and effect throughout the world, as applicable.

Buyer owns directly or is entitled to use by license or otherwise, all patents, Trademarks, Trade Secrets, copyrights, mask works, licenses, technology, know-how, processes and rights with respect to any of the foregoing used in, necessary for or material to the conduct of Buyer's business. No litigation is pending or, to the best knowledge of Buyer, threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property Collateral.

(h) None of the Collateral has, within the four (4) months preceding the date of this Agreement, been located at any place other than Buyer's or Omni Nutraceuticals' own premises at the address shown in the APA or at one or more of the premises listed on Schedules I and II hereto.

(i) Schedule III hereto lists all trade names by which Buyer is now known or was previously known.

(j) All patents, patent applications and patent licenses of Buyer relating to or used in connection with the Covered Products, are described in Schedule IV. All Trademarks and Trademark licenses of Buyer relating to or used in connection with the Covered Products are described in Schedule IV and Trademark licenses of Buyer are described in Schedule IV. All copyrights and copyright licenses of Buyer relating to or used in connection with the Covered Products are described on Schedule IV. As of the date hereof, except as listed on Schedule IV, Buyer does not own or have any rights in any Patent Collateral, Trademark Collateral or Copyright Collateral, in each case, relating to or used in connection with the Covered Products. If any items are listed on Schedule IV Buyer shall enter into an Intellectual Property Security Agreement with respect thereto satisfactory in form and substance to Seller.

(k) Buyer will not change the name, design or formulation of any of the Collateral without Seller's written consent.

SECTION 5. Processing, Sale, Collections, etc.

(a) Until notice from Seller to the contrary given at any time after the occurrence and during continuance of any Event of Default, Buyer (i) may, in the ordinary course of its business, at its own expense, sell, lease or furnish under contracts of service any of the Inventory normally held by Buyer for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by Buyer for such purpose (but no such sale or use shall limit or impair Seller's Security Interest in any

proceeds thereof, including, without limitation, any Account), (ii) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Intellectual Property Collateral, including the taking of such action with respect to such collection as Seller may reasonably request or, in the absence of such request, as Buyer may deem advisable, and (iii) may grant, subject to the next sentence hereof, to any Person obligated on any of the Intellectual Property Collateral, any rebate, refund or allowance to which such Person may be lawfully entitled, and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given rise to such Intellectual Property Collateral. Seller, however, may at any time, whether before or after the maturity of any of the Liabilities, so long as an Event of Default shall have occurred and be continuing, (1) notify any Person obligated on any of the Intellectual Property Collateral to make payment to Seller of any amounts due or to become due thereunder; (2) enforce collection of any of the Intellectual Property Collateral by suit or otherwise; (3) surrender, release or exchange all or any part of the Collateral, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby; and (4) notify Buyer (and upon receipt of such notice Buyer agrees to notify, at its sole expense, any parties obligated on any of the Collateral) to make payment to Seller of any amount due or to become due under the Collateral.

(b) Subject to the Royalty Agreement, Buyer will, forthwith upon receipt, transmit and deliver to Seller, in the form received, all cash, checks, drafts and other instruments or writings for the payment of money (properly endorsed, where required or where requested by Seller, so that such items may be collected by Seller) which may be received by Buyer at any time in full or partial payment or other proceeds of any Collateral. Except as Seller may otherwise consent in writing, any such items which may be so received by Buyer will not be commingled by Buyer with any of its other funds or property, but, until delivery to Seller, will be held separate and apart from such other funds and property and in trust for Seller.

(c) Seller is authorized to endorse, in the name of Buyer, any item, howsoever received by Seller representing any payment on or other proceeds of any of the Collateral.

SECTION 6. Agreements of Buyer.

(a) Buyer shall keep all its Inventory and other Goods, unless Seller shall otherwise consent in writing, at one or more of its own premises (as shown on Schedule I hereto) or at one or more of the premises listed on Schedule II hereto; provided, however, that (i) so long as no Event of Default shall have occurred and be continuing, and subject to Section 6(j), Buyer may designate additional premises (such premises shall be located in the contiguous continental United States) for inclusion on Schedule I hereto upon 30 days' advance written notice to Seller (which notice shall contain evidence that Buyer has taken all action required or reasonably desirable to maintain the Security Interest in favor of Seller in the Collateral, free and clear of any other Security Interest whatsoever) and (ii) in the case of the premises listed on Schedule II hereto from time to time, Buyer's Inventory and other Goods shall be kept separate from the Inventory and other Goods of those Persons (other than Buyer) using such premises and shall be clearly and conspicuously designated as being Buyer's sole property (for example, by posting signs or by affixing Buyer's name on its Inventory and other Goods).

(b) Buyer shall immediately notify Seller of (i) the occurrence of any casualty event causing loss or decrease in value of any of Buyer's Goods relating to the Collateral in excess, in the aggregate during any of Buyer's fiscal years, of \$25,000, and (ii) the amount of such loss or decrease.

(c) Buyer shall furnish Seller such information concerning Buyer and the Collateral as Seller may from time to time reasonably request.

(d) Buyer shall defend Buyer's title to the Collateral against all Persons and against all claims and demands whatsoever.

(e) Buyer shall do all acts reasonably necessary to maintain, preserve and protect all Collateral, keep all Collateral in good condition and repair (ordinary wear and tear excepted), and prevent any waste or unusual or unreasonable depreciation thereof.

(f) Seller or any Person designated by Seller in writing, at least once each calendar quarter shall have the right, from time to time hereafter, to call at Buyer's place or places of business (or any other place where the Collateral or any information relating thereto is kept or located) during reasonable business hours, and, without hindrance or delay, (i) to inspect, audit, check and make copies of and extracts from Buyer's books, records, journals, orders, receipts and any correspondence and other data relating to Buyer's business or to any transactions between the parties hereto, (ii) to make such verification concerning the Collateral as Seller or any Lender may consider reasonable under the circumstances, and (iii) to discuss the affairs, finances and business of Buyer with any officers, employees or directors of Buyer. Buyer shall reimburse Seller for up to \$5,000 of Seller's costs relating to such inspection each calendar quarter.

(g) Buyer shall, upon request of Seller, stamp on its records concerning the Collateral (and/or enter into its computer records concerning the Collateral), a notation, in form satisfactory to Seller, of the Security Interest created hereby.

(h) Buyer shall, except for the sale or lease of Inventory in the ordinary course of its business, not sell, lease, assign, license, sublicense, abandon or otherwise transfer, or create or permit to exist any Security Interest on any Collateral to or in favor of anyone other than Seller, other than the license granted pursuant to the License Agreement.

(i) Buyer shall at all times keep all Inventory insured against loss, damage, theft and other risks by maintaining liability, property damage and casualty insurance with financially sound and reputable insurance companies reasonably satisfactory to Seller (i) as may be required by law or otherwise by Seller, and (ii) in any event to such extent and against such hazards and liabilities, as is customarily maintained by prudent companies similarly situated. With respect to each liability insurance policy, Buyer shall (i) cause such policy to provide, pursuant to endorsements in form and substance satisfactory to Seller, that Seller is named as an additional insured and that the insurer will give Seller 30 days prior written notice of the termination or other material modification of such policy and (ii) notify Seller within 5 days after obtaining any new policy, or increasing coverage under any existing policy, describing in detail in such notice any such new policy or increase, and (iii) with respect to each physical damage or

casualty policy, (w) cause such policy to provide, pursuant to endorsements in form and substance satisfactory to Seller, that Seller is named as a loss payee as to personal property, mortgagee as to real property and an assignee with respect to life insurance and that the insurer will give 30 days' prior written notice of the termination or other material modification of such policy, (x) cause such policy to provide, pursuant to endorsements in form and substance satisfactory to Seller, that the insurance shall not be invalidated as against Seller by any action or inaction of any Person other than Seller or, regardless of any breach or violation of any warranty, declaration or condition contained in such policy, (y) as against the Seller, the insurers shall waive any rights of subrogation to the extent that the named insured has waived such rights (and Buyer hereby irrevocably and unconditionally waives any right of subrogation against Seller, except for claims arising out of the gross negligence or willful misconduct of Seller), and (z) notify Seller within 5 days of obtaining any new policy or increasing coverage under any existing policy, describing in detail in such notice any such new policy or increase and, if Seller so requests, deposit with Seller originals or certified copies of the relevant policies and certificates of insurance.

(j) Buyer shall furnish to Seller, notice in writing as soon as possible and in any event no later than 30 days prior to the occurrence from time to time of (i) any change in the location of Buyer's chief executive office and (ii) any change in the name of Buyer or the name under or by which it conducts its business, each of such notices also to contain evidence that Buyer has taken all action required or reasonably desirable to maintain and preserve the Security Interest in favor of Seller in the Collateral, free and clear of any other Security Interest whatsoever.

(k) Buyer shall reimburse Seller for all expenses, including reasonable attorneys' fees and legal expenses, and expenses of any repairs to realty or other property to which any Collateral may be affixed or be a part, incurred by Seller in seeking to collect or enforce any rights under or with respect to the Collateral, in seeking to collect the Liabilities, and in enforcing its rights hereunder, together with interest thereon from the date incurred until reimbursed by Buyer at a rate per annum equal to the Default Rate specified in the Deferred Purchase Note (or such lower maximum rate as shall be legal under applicable law).

(l) Buyer shall not sell, assign or license to any third party any of its right, title or interest in any of the Intellectual Property Collateral and General Intangibles, other than the license granted pursuant to the License Agreement.

(m) Buyer shall, at its sole expense, (i) without any request by Seller, immediately deliver or cause to be delivered to Seller, in due form for transfer (i.e., endorsed in blank or accompanied by duly executed undated blank stock or bond powers), all Certificated Securities, Chattel Paper, instruments and documents, if any, at any time representing all or any of the Collateral, (ii) upon request of Seller cause Seller's Security Interest hereunder and under the other Transaction Documents to be at all times duly noted on any certificate of title issuable with respect to any of the Collateral and forthwith deliver or cause to be delivered to Seller each such certificate of title, and (iii) execute and deliver, or cause to be executed and delivered, to Seller, in due form for filing or recording (and pay the cost of filing or recording the same in all public offices deemed necessary or advisable by Seller) such assignments (including, without limitation, assignments of life insurance), security agreements, mortgages, deeds of trust, pledge

agreements, consents, waivers, financing statements, stock or bond powers, and other documents, and do such other acts and things, all as may from time to time be necessary or desirable to establish and maintain to the satisfaction of Seller a valid perfected, first priority lien on and Security Interest in the Collateral (free of all other Security Interests, claims and rights of third parties whatsoever) to secure payment of the Liabilities and performance of the Obligations.

(n) Buyer shall, at Seller's request after the occurrence and during the continuance of an Event of Default, transfer all or any part of the Collateral (including, with respect to any Trademark Collateral, the goodwill associated therewith) into the name of Seller or its nominee.

(o) Buyer shall at all times comply with the requirements of all applicable laws (including, without limitation, the provisions of the Fair Labor Standards Act), rules, regulations and orders of every governmental authority, the non-compliance with which, as Seller determines in its sole discretion, might materially and adversely affect the value of the Collateral or the worth of the Collateral as collateral security.

(p) Buyer shall at all times hereafter maintain a perpetual inventory, keeping correct and accurate records itemizing and describing the kind, type, quality and quantity of Inventory, Buyer's cost therefor and daily withdrawals therefrom and additions thereto, all of which records shall be available during Buyer's usual business hours at the prior written or telephonic request of any of Seller's officers, employees or agents. Buyer shall conduct a physical count of the Inventory, if any, at least once each year (and, following the occurrence of an Event of Default, at such other intervals as may be requested by Seller) and promptly following such physical inventory shall supply Seller with a report in a form and with such specificity as may be satisfactory to Seller concerning such physical count of the Inventory.

(q) Seller shall not be responsible for: (i) the safekeeping of the Inventory; (ii) any loss of or damage to the Inventory; (iii) any diminution in the value of the Inventory; or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency or any other Person. As between Buyer and Seller, all risk of loss, damage, destruction or diminution in value of the Inventory shall be borne by Buyer. No Inventory shall be, without Seller's prior written consent, at any time or times hereafter stored with a bailee, warehouseman, consignee or similar third party. Buyer shall not sell any of its Inventory on a bill-and-hold, guaranteed sale, sale-or-return, sale on approval or consignment basis or any other basis subject to a repurchase obligation or return right (other than any return rights incurred in the ordinary course of business).

SECTION 7. Renewals, Amendments and Other Security; Partial Releases.

(a) Seller may from time to time, whether before or after any of the Liabilities shall become due and payable, without notice to Buyer, take any or all of the following actions (provided that actions under clause (v) may only be taken after an Event of Default has occurred and is continuing): (i) retain or obtain a Security Interest in any property to secure payment and performance of any of the Liabilities, (ii) retain or obtain the primary or secondary liability of any Person, in addition to Buyer, with respect to any of the Liabilities, (iii) create, extend or

renew for any period (whether or not longer than the original period) or alter or exchange any of the liabilities or release or compromise any obligation of any nature of any Person with respect thereto, (iv) release or fail to perfect its Security Interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the Liabilities, or create, extend or renew for any period (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any Person with respect to any such property, and (v) resort to the Collateral for payment of any of the Liabilities whether or not it (1) shall have resorted to any other property securing payment and performance of the Liabilities or (2) shall have proceeded against any Person primarily or secondarily liable on any of the Liabilities (all of the actions referred to in preceding clauses (1) and (2) being hereby expressly waived by Buyer).

(b) No release from the Security Interest created by this Agreement of any part of the Collateral by Seller shall in any way alter, vary or diminish the force or effect of the Security Interest created by this Agreement against the balance or remainder of the Collateral.

SECTION 8. Grant of License to Use Intangibles. In addition to Section 6(n) and solely for the purpose of enabling Seller to exercise rights and remedies hereunder after the occurrence and during the continuance of an Event of Default, Buyer hereby grants to Seller an irrevocable (so long as this Agreement shall be in effect), nonexclusive license (exercisable without payment of royalty or other compensation to Buyer) to use, assign, license or sublicense any of Buyer's General Intangibles, now owned or hereafter acquired by Buyer relating to the Collateral, and wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof. No agreements hereafter acquired or agreed to or entered into by Buyer shall prohibit, restrict or impair the rights granted hereunder.

SECTION 9. Event of Default. (a) As used herein, the term "Event of Default" shall mean any one or more of the following:

(i) a default under (a) any of the Transaction Documents, (b) that certain Guaranty, dated as of April 7, 2002, by American Brand Lab, Inc. in favor of Alliance Financial Capital, Inc., or (c) that certain Accounts Receivable Financing Agreement, dated as of April 3, 2002, by and between Irwin Naturals, Inc. and Alliance Financial Capital, Inc.;

(ii) a notice of lien, levy, or assessment is filed or recorded with respect to all or a substantial part of the Collateral by the United States, or any department, agency or instrumentality thereof, or by any state, county, municipality or other governmental agency or any taxes or debts owing at any time or times hereafter to any one or more of them become a lien upon all or a substantial part of Collateral, and such lien, levy or assessment is not discharged or released within twenty (20) days of the notice or attachment thereof, provided that this Section 9(a)(ii) shall not apply to any liens, levies or assessments which relate to current taxes not yet due and payable;

(iii) there shall occur any loss, theft, substantial damage or destruction of any item or items of the Collateral for which Buyer is not fully insured as required by

this Agreement (a "Loss"), if the amount of such Loss not fully covered by insurance (including any deductible in connection therewith), together with the amount of all other Losses not fully covered by insurance (including any deductibles in connection therewith) occurring in the same Fiscal Year, exceeds \$25,000; and

(iv) all or any part of the Collateral is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors and on or before the thirtieth (30th) day thereafter such assets are not returned to Buyer and/or such writ, distress warrant or levy is not dismissed, stayed or lifted if the amount of such Collateral or assets or collateral, together with any other such Collateral, assets and collateral that is so attached, seized, subjected to writ or distress warrant or levied upon, exceeds \$25,000 at any time.

(v) (A) Buyer becomes insolvent or generally fails to pay, or admits in writing its inability to pay, debts as they become due;

(B) Buyer applies for, consents to, or acquiesces in the appointment of, a trustee, receiver or other custodian or similar Person for itself or for any of its property, or makes a general assignment for the benefit of creditors;

(C) in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian or similar Person is appointed for a substantial part of its property, unless (I) Buyer institutes appropriate proceedings to contest or discharge such appointment within 10 days and thereafter continuously and diligently prosecutes such proceedings and (II) such appointment is in fact discharged within 60 days of such appointment;

(D) any bankruptcy, reorganization, debt arrangement, or other case or proceeding is commenced by or against Buyer; or

(E) Buyer takes any action to authorize, or in furtherance of, any of the foregoing.

(vi) Any warranty or representation made by or on behalf of Buyer or any other Person herein or in any other Transaction Documents, or otherwise in connection herewith or therewith is inaccurate or incorrect, or is breached or false or misleading, in any material respect as of the date such warranty or representation is made; or any schedule, certificate, financial statement, report, notice, or other writing furnished by or on behalf of Buyer is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

(b) (i) Whenever an Event of Default shall be existing, Seller may exercise from time to time any rights and remedies available to it hereunder, and under the Uniform Commercial Code as in effect from time to time in Illinois or otherwise available to it under applicable law, all of which rights and remedies shall be cumulative and non-exclusive, to the extent permitted by law. In addition to all such rights and remedies, Seller shall have the right, subject to the provisions of applicable law, to sell,

lease or otherwise dispose of all or any part of the Collateral and the sale, lease or other disposition of the Collateral, or any part thereof, by Seller after an Event of Default may be for cash, credit or any combination thereof, and Seller may purchase all or any part of the Collateral at public or, if permitted by law, private sale, and in lieu of actual payment of such purchase price, may set-off the amount of such purchase price against the Liabilities then owing. Any sales of the Collateral may be adjourned from time to time with or without notice. Seller shall have the right to conduct such sales on Buyer's premises, at Buyer's expense, or elsewhere, on such occasion or occasions as Seller may see fit.

(ii) Any notice required to be given by Seller of a sale, lease or other disposition or other intended action by Seller with respect to any of the Collateral which is given to Buyer as specified in Section 11 of the APA, 10 days prior to such proposed action, shall constitute fair and reasonable notice to such Buyer of any such action. The net proceeds realized by Seller upon any such sale or other disposition, after deduction for the expenses of retaking, holding, storing, transporting, preparing for sale, selling or otherwise disposing of the Collateral incurred by Seller in connection therewith, shall be applied as provided herein toward satisfaction of the Liabilities. Seller shall account to Buyer for any surplus realized upon such sale or other disposition, and Buyer shall remain liable for any deficiency. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for any deficiency, shall not affect Seller's Liens on the Collateral until the Liabilities are fully paid. Upon acceleration of the Liabilities, Seller shall have the right to take possession of Buyer's original books and records (except for those books and records which Buyer is required to maintain by law), to obtain access to Buyer's data processing equipment, computer hardware and software relating to the Collateral and to use all of the foregoing and the information contained therein in any manner Seller deems appropriate; and Seller shall have the right to notify postal authorities to change the address for delivery of Buyer's mail to an address designated by Seller and to receive, open and dispose of all mail addressed to Buyer and to take possession of all checks or other original remittances contained in such mail; provided, however, that in any such event, Seller shall promptly furnish copies to Buyer of all mail addressed to Buyer which is received and disposed of by Seller.

(iii) Buyer hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by Seller of any of its rights and remedies after an Event of Default.

(iv) Buyer agrees, upon the occurrence of an Event of Default and upon the request of Seller, to assemble, at Buyer's expense, all Collateral at a convenient place acceptable to Seller.

(v) To the fullest extent permitted by applicable law, Buyer hereby waives the right to object to the manner or sufficiency of advertising, refurbishing of the Collateral, or solicitation of bids in connection with any sales or other disposition of the Collateral. Any sale by Seller may be made at any broker's board or public or private sale, with or without notice or advertisement, for cash or credit, and for present or future

delivery. At any such public or private sale or other disposition of Collateral, Seller may, to the extent permissible under applicable law, purchase the whole or any part of any Collateral sold, or may sell or dispose of the Collateral to any other Person, free from any and all claims of Buyer or of any other Person claiming by, through, or under Buyer. Buyer hereby expressly waives and releases, to the fullest extent permitted by applicable law, any right of redemption on the part of Buyer. Any proceeds of any Collateral, or of the disposition by Seller of any of the Collateral, may be applied by Seller to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Seller toward the payment of such of the Liabilities, and in such order of application, as Seller may from time to time elect.

(c) Without limiting any other provision of this Agreement: whenever an Event of Default shall be existing, Seller, with or without process of law, may enter upon any premises where the Collateral or any part thereof may be, and take possession of all or any part thereof; and Seller may, without being responsible for loss or damage, hold, store, keep idle, lease, operate or otherwise use or permit the use of the Collateral or any part thereof for such time and upon such terms as Seller may deem to be reasonable, or may render all or part of the Collateral unusable, and may demand, collect and retain all earnings and all other sums due and to become due in respect of the Collateral from any Person whomsoever, accounting only for net earnings, if any, arising from use or from the sale thereof after charging against all receipts from use or from the sale thereof all costs and expenses of, and damages or losses by reason of, such use or sale.

(d) Buyer hereby agrees to pay any and all expenses incurred by Seller in retaking, holding, preparing for sale, selling and the like with regard to the Collateral, including, without limitation, reasonable attorneys' fees and expenses incurred by Seller in connection therewith.

(e) Buyer agrees that in any sale of any of the Collateral Seller is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise Seller is necessary in order to avoid any violation of applicable law (including, without limitation, compliance with such procedures as may restrict the number of prospective bidders or purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any governmental or regulatory authority or official, and Buyer further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall Seller or any Lender be liable or accountable to Buyer for any discount allowed by reason of the fact that such Collateral was sold in compliance with any such limitation or restriction.

(f) If sufficient sums are not realized upon any disposition of the Collateral to pay all Liabilities and any expenses of such disposition, including, without limitation, reasonable attorneys' fees and expenses, Buyer hereby promises to pay immediately any resulting deficiency.

(g) No right or remedy herein conferred is intended to be exclusive of any other right or remedy, but every such right or remedy shall be cumulative and shall be in addition to every other right or remedy herein conferred, or conferred upon any one or more of Seller and Lenders by any other agreement or instrument or security, or now or hereafter existing at law or in equity or by statute.

(h) Seller shall not be under any obligation to marshal any assets in favor of the Buyer or any other party or against or in payment of any or all of the Liabilities.

SECTION 10. Authority of Seller. (a) Seller shall have, and be entitled to exercise, all such powers hereunder as are specifically delegated to Seller by the terms hereof, together with such powers as are incidental thereto. Seller may execute any of its duties hereunder by or through Seller's employees and shall be entitled to retain counsel concerning all matters pertaining to its duties hereunder. Neither Seller, nor any director, officer, employee or Seller of Seller, shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct. Buyer agrees to reimburse Seller, on demand, for all reasonable costs and expenses incurred by Seller in connection with the administration and enforcement of this Agreement (including reasonable costs and expenses incurred by any Person employed by Seller) and agrees to indemnify (which indemnification shall survive any termination of this Agreement) and hold harmless Seller (and any such Person) from and against any and all liability incurred by Seller (or such Seller) hereunder or in connection herewith, unless such liability shall be due to gross negligence or willful misconduct on the part of Seller.

(b) Seller may from time to time, without notice to Buyer, at its option, perform any obligation to be performed by Buyer hereunder, or under the Transaction Documents which shall not have been performed and take any other action which, in its sole discretion, Seller deems necessary or desirable for the maintenance or preservation of any of the Collateral or Seller's security interest in the Collateral. All moneys advanced by Seller in connection with the foregoing shall, whether or not there are then outstanding any Loans made under the Deferred Purchase Note, bear interest at the Default Rate (or such lower maximum rate as shall be legal under applicable law), and shall be repaid together with such interest by Buyer to Seller, upon Seller's demand, and shall be secured hereby prior to any other indebtedness or obligation secured hereby, but the making of any such advance by Seller or such Lender shall not relieve Buyer of any default hereunder or thereunder.

SECTION 11. Termination. Subject to Section 13(n) hereof, this Agreement shall terminate when all the Liabilities and Obligations have been fully paid and performed, at which time Seller shall promptly (upon Buyer's request therefor) reassign and redeliver (or cause to be reassigned and redelivered) to Buyer, or to such person as Buyer shall designate, against receipt, such of the Collateral (if any) as shall not have been sold or otherwise applied by Seller pursuant to the terms hereof and shall still be held by it hereunder, together with appropriate instruments of termination, reassignment and release. Any such reassignment shall be without recourse upon, or representation or warranty by, Seller and at the sole cost and expense of Buyer.

SECTION 12. SUBMISSION TO JURISDICTION. SELLER MAY ENFORCE ANY CLAIM ARISING OUT OF THIS AGREEMENT, ANY COLLATERAL OR

ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR ARISING FROM OR RELATED TO ANY CREDIT RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT IN ANY STATE OR FEDERAL COURT HAVING SUBJECT MATTER JURISDICTION AND LOCATED IN CHICAGO, ILLINOIS. FOR THE PURPOSE OF ANY ACTION OR PROCEEDING INSTITUTED WITH RESPECT TO ANY SUCH CLAIM, BUYER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND ALSO HAS IRREVOCABLY DESIGNATED THE PERSON WHOSE NAME AND ADDRESS ARE SET FORTH IN THE APA TO RECEIVE FOR AND ON BEHALF OF BUYER SERVICE OF PROCESS IN ILLINOIS. BUYER FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF SAID COURTS BY MAILING A COPY THEREOF, BY REGISTERED MAIL, POSTAGE PREPAID, TO BUYER AND AGREES THAT SUCH SERVICE, TO THE FULLEST EXTENT PERMITTED BY LAW, (i) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON IT IN ANY SUCH SUIT, ACTION OR PROCEEDING AND (ii) SHALL BE TAKEN AND HELD TO BE VALID PERSONAL SERVICE UPON AND PERSONAL DELIVERY TO IT. NOTHING HEREIN CONTAINED SHALL AFFECT THE RIGHT OF SELLER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR PRECLUDE SELLER FROM BRINGING AN ACTION OR PROCEEDING IN RESPECT HEREOF IN ANY OTHER COUNTRY, STATE OR PLACE HAVING JURISDICTION OVER SUCH ACTION. BUYER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT LOCATED IN CHICAGO, ILLINOIS AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 13. Miscellaneous Provisions.

(a) Seller shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral if it takes such action for that purpose as Buyer requests in writing, but failure of Seller to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of Seller to preserve or protect any rights with respect to Collateral against prior or other parties, or to do any act with respect to the preservation of Collateral not so requested by Buyer, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

(b) Buyer hereby irrevocably designates, makes, constitutes and appoints Seller (and all officers, employees, and other Persons designated by Seller) with full power of substitution, as Buyer's true and lawful attorney-in-fact for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument which Seller may reasonably deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, Buyer agrees that Seller shall have the right and authority: (i) while any Event of Default shall exist, to assign, sell, license, sublicense or otherwise dispose of all right, title and interest of Buyer in and to the Collateral, or any portion thereof, including, without limitation,

assignments, recordings, registrations and applications therefor in the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency of the United States, any State thereof or any other country or political subdivision thereof, 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 deemed necessary or advisable by Seller to effect such purpose; and (ii) to make claim for, and receive and give acquittance for payment on account of, loss under any insurance policy covering the Collateral, or any part thereof, and to receive, endorse and collect all checks, drafts and other orders for the payment of money representing the proceeds of such insurance.

(c) All notices or other communications hereunder shall be given in the manner specified under Section 11 of the APA whether or not then in effect.

(d) No delay on the part of Seller in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Seller of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

(e) No amendment to, modification or waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed and delivered by Seller, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(f) THIS AGREEMENT HAS BEEN DELIVERED AT CHICAGO, ILLINOIS, AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW. WHENEVER POSSIBLE, EACH PROVISION OF THIS AGREEMENT SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS AGREEMENT SHALL BE PROHIBITED BY OR INVALID UNDER SUCH LAW, SUCH PROVISION SHALL BE INEFFECTIVE TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS AGREEMENT. ALL OBLIGATIONS OF BUYER, ANY OF ITS SUBSIDIARIES OR ANY RELATED PERSON AND RIGHTS OF SELLER AND LENDERS AND ANY OTHER HOLDER OF A NOTE OR LIABILITY EXPRESSED IN THIS AGREEMENT SHALL BE IN ADDITION TO AND NOT IN LIMITATION OF THOSE PROVIDED UNDER APPLICABLE LAW OR IN ANY OTHER WRITTEN INSTRUMENT OR AGREEMENT RELATING TO ANY OF THE LIABILITIES. NOTWITHSTANDING THE FOREGOING, EXCEPT AS PROVIDED IN SECTION 9-103 OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF CALIFORNIA, PERFECTION AND THE EFFECT OF PERFECTION OR NON-PERFECTION OF A SECURITY INTEREST IN COLLATERAL ARE GOVERNED BY THE LAW OF THE JURISDICTION WHERE THE COLLATERAL IS WHEN THE LAST EVENT OCCURS ON WHICH IS BASED THE ASSERTION THAT THE SECURITY INTEREST IS PERFECTED OR UNPERFECTED.

(g) The rights and privileges of Seller hereunder shall inure to the benefit of its respective successors and assigns. This Agreement shall be binding upon Buyer and its successors and assigns, provided, however, that Buyer shall have no right to assign its rights or delegate its duties under this Agreement.

(h) At the option of Seller, this Agreement, or a carbon, photographic or other reproduction of this Agreement or of any Uniform Commercial Code financing statement covering the Collateral or any portion thereof, shall be sufficient as a Uniform Commercial Code financing statement and may be filed as such.

(i) The section headings in this Agreement are inserted for convenience of reference and shall not be considered a part of this Agreement or used in its interpretation.

(j) This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall for all purposes be deemed an original, but all such counterparts shall together constitute but one and the same Agreement. Buyer hereby acknowledges receipt of a true, correct and complete counterpart of this Agreement.

(k) EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR RELATED TO THIS AGREEMENT, ANY COLLATERAL OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING OR ARISING FROM ANY CREDIT RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BUYER WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO ABOVE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES.

(l) Buyer hereby expressly waives to the fullest extent permitted by law: (i) notice of the acceptance by Seller of this Agreement, (ii) notice of the existence or creation or non-payment of all or any of the Liabilities, (iii) presentment, demand, notice of dishonor, protest, and all other notices whatsoever, and (iv) all diligence in collection or protection of or realization upon the Liabilities or any thereof, any obligation hereunder, or any security for or guaranty of any of the foregoing.

(m) Subject to the provisions of the APA, Seller may, from time to time, without notice to Buyer, assign or transfer any or all of the Liabilities or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Liabilities shall be and remain Liabilities for the purposes of this Agreement, and each and every immediate and successive assignee or transferee of any of the Liabilities or of any interest therein shall, to the extent of the interest of such assignee or transferee in the Liabilities, be entitled to the benefits of this Agreement to the same extent as if such assignee or transferee were the Seller.

(n) Buyer agrees that, if at any time all or any part of any payment theretofore applied by Seller or any Lender to any of the Liabilities is or must be rescinded or returned by Seller for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of Buyer or any of its Affiliates), such Liabilities shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by Seller, and the Security Interest granted hereunder shall continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by Seller had not been made.

(o) Buyer hereby acknowledges that there are no conditions to the effectiveness of this Agreement.

(p) If any item of Collateral hereunder also constitutes collateral granted to Seller under any other mortgage, agreement or instrument, in the event of any conflict between the provisions under this Agreement and those under such other mortgage, agreement or instrument relating to such Collateral, the provision or provisions selected by Seller shall control with respect to such Collateral.

(q) In case of conflict between any provision of this Agreement and any provision of any of the Transaction Documents, the provisions of this Agreement shall control.

(r) Buyer waives the posting of any bond otherwise required of Seller in connection with any judicial process or proceeding to obtain possession of, replevy, attach or levy upon collateral or any other security for the liabilities, to enforce any judgment or other court order entered in favor of any one or more of Seller, or to enforce by specific performance, temporary restraining order, preliminary or permanent injunction, this Agreement or any other agreement or document between Buyer and Seller.

(s) Buyer acknowledges and represents to Seller that it has discussed this Agreement with its lawyers.

(t) Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(u) Notwithstanding any contrary provision contained in this Agreement or in any of the other Transaction Documents, Buyer irrevocably waives the right to direct the application of any and all payments at any time or times hereafter received by Seller from Buyer or with respect to any of the Collateral, and Buyer does hereby irrevocably agree that Seller shall have the continuing exclusive right to apply and reapply any and all payments received at any time or times hereafter, whether with respect to the Collateral or otherwise, against the Liabilities in such manner as Seller may deem advisable, notwithstanding any entry by Seller upon any of its books and records.

(v) Demand, presentment, protest and notice of nonpayment are hereby waived by Buyer. Buyer also waives the benefit of all valuation, appraisal and exemption laws.

(w) UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF A DEFAULT, BUYER (PURSUANT TO AUTHORITY GRANTED BY ITS BOARD OF DIRECTORS) HEREBY WAIVES ALL RIGHTS TO NOTICE AND HEARING OF ANY KIND PRIOR TO THE EXERCISE BY SELLER OF ITS RIGHTS TO REPOSSESS THE COLLATERAL WITHOUT JUDICIAL PROCESS OR TO REPLEVY, ATTACH OR LEVY UPON THE COLLATERAL WITHOUT PRIOR NOTICE OR HEARING. BUYER ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY COUNSEL OF ITS CHOICE WITH RESPECT TO THIS TRANSACTION AND THIS AGREEMENT.

[Remainder of page intentionally left blank.]

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

PRIMARY INVESTMENTS GROUP LIMITED

By: [Signature] 2002
Name: Seyed Haidi Saedi
Its: President

**FIRST SOURCE LOAN OBLIGATIONS
INSURED TRUST**

By: First Source Financial, Inc.
Its: Servicer and Administrator

By _____
Name: _____
Title: _____


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

PRIMARY INVESTMENTS GROUP

By: _____
Name: _____
Its: _____

**FIRST SOURCE LOAN OBLIGATIONS
INSURED TRUST**

By: First Source Financial, Inc.
Its: Servicer and Administrator

By 
Name: _____
Title: _____

Schedule I
Locations of Collateral / Chief Executive Office

Irwin Naturals, Inc.
777 East Williams St., Suite 202
Carson City, N.V 89701

Irwin Naturals, Inc.
5310 Beethoven St.
Los Angeles, CA 90066

Schedule II
Third Party Locations of Goods

Irwin Naturals
5310 Beethoven Street
Los Angeles, CA 90066

Schedule III
Trade Names

151 BAR & DESIGN
APPLIED NUTRITION
BURNMORE
CANDISTROY
CELLULITE BURNER
CRAVE LESS
DIET SYSTEM 6
DIET SYSTEM SIX
ENDURANCE ENERGY
ESTRO GENESIS
ESTRO-PAUSE
FULFILL
GINKO SMART
GINZA-PLUS
HARMONY FORMULAS
IMMUNO-SHIELD
INHOLTRA
IRWIN NATURALS
LUBRI JOINT
MEMORY SHARP
MIND ENERGY
NATURE'S SECRET
PARA-CONTROL
PHEN-SAFE
PROSTA-STRONG
PROTEIN BURST
REZYME
SIX WAY ENERGY
SIX WAY MULTI
SIX-WAY CLEANSE
STEEL LIBIDO
SYSTEM-SIX
THE NEW GRAPEFRUIT DIET
THINSOLUTION
ULTIMATE B
ULTIMATE CLEANSE
ULTIMATE ENERGY
ULTIMATE FASTING CLEANSE
ULTIMATE FIBER
ULTIMATE GREEN
ULTIMATE LIVER
ULTIMATE MULTI
ULTIMATE MULTI PLUS
ULTIMATE OIL
VEROXIN-7
VIROXEN-7
XENEDROL

Schedule IV
Intellectual Property (Copyright, Patent and Trademark Collateral)

TRADEMARK NAME	Country	Trademark No	Reg. Date
Registered Marks			
151 BAR & DESIGN	U.S.	2,421,264	1/16/2001
APPLIED NUTRITION	U.S.	2,120,594	12/9/1997
BURNMCRE	Canada	TMA 532,264	9/7/2000
BURNMCRE	U.S.	2,047,620	3/25/1997
CANDISTROY	U.S.	2,156,503	5/12/1998
CELLULITE BURNER	U.S.	2,427,644	2/6/2001
CRAVE LESS	U.S.	2,047,619	3/25/1997
DIET SYSTEM 6	Canada	TMA 552,560	10/17/2001
DIET SYSTEM 6 (design)	E.C.	CTM 922,419	3/7/2000
DIET SYSTEM 6 (design)	U.S.	2,120,614	12/9/1997
ENDURANCE ENERGY	US	2,417,568	1/2/2001
ESTRO GENESIS	U.S.	2,465,824	7/3/2001
FULFILL	U.S.	2,233,592	3/23/1999
GINKO SMART	U.S.	1,983,826	7/2/1996
GINZA-PLUS	U.S.	1,901,441	6/27/1995
HARMONY FORMULAS and DESIGN	U.S.	1,915,940	9/5/1995
INHOLTRA (patent)	AUS	AU 9726237	7/3/1997
INHOLTRA (patent)	Canada	CA 2240165	12/11/1995
INHOLTRA (patent)	E.C. (UK)	EP 855908	2/6/2002
INHOLTRA (patent)	U.S.	US 5840715	11/24/1998
INHOLTRA (patent)	U.S.	6,136,795	10/24/2000
INHOLTRA (trademark)	E.C. Netherlands	598,870	4/16/1999
INHOLTRA (trademark)	Switzerland	451,523	3/13/2000
INHOLTRA (trademark)	U.S.	2,135,818	2/10/1998
IRWIN NATURALS	U.S.	2,101,234	9/30/1997
MEMORY SHARP	U.S.	2,210,948	12/15/1998
MIND ENERGY	U.S.	2,417,567	1/2/2001
NATURE'S SECRET	U.S.	1,791,241	9/7/1993
NATURE'S SECRET (basket design)	Argentina	1,674,652	
NATURE'S SECRET (oval design)	Argentina	1,674,651	
NATURE'S SECRET (basket design)	Brazil	819,908,290	12/14/1999
NATURE'S SECRET (basket design)	China	1,228,146	12/7/1998
NATURE'S SECRET (basket design)	Mexico	544,919	3/26/1997
NATURE'S SECRET (basket design)	Puerto Rico	36,806	7/20/1995
NATURE'S SECRET (basket design)	S. Korea	414,368	8/4/1998
NATURE'S SECRET (basket design)	U.S.	1,970,032	4/23/1996
NATURE'S SECRET (fanciful basket design)	Chile	541,672	5/31/1999
NATURE'S SECRET (oval design)	Brazil	819,908,304	12/14/1999
NATURE'S SECRET (oval design)	Chile	502,793	
NATURE'S SECRET (oval design)	China	1,224,264	11/21/1998
NATURE'S SECRET (oval design)	Mexico	550,434	5/30/1997
NATURE'S SECRET (oval design)	Puerto Rico	36,807	7/20/1995
NATURE'S SECRET (oval design)	U.S.	1,992,374	6/25/1996
NATURE'S SECRET (oval design)	U.S.	2,463,824	6/26/2001
PARA-CONTROL	U.S.	2,360,576	6/20/2000
PHEN-SAFE	U.S.		

REZYME	U.S.	2,134,401	2/3/1998
SIX WAY ENERGY	U.S.	2,259,586	7/6/1999
SIX WAY MULTI	U.S.	2,256,918	6/29/1999
SIX-WAY CLEANSE	U.S.	2,304,242	12/28/1999
SYSTEM SIX	E.C.	921,262	11/19/1999
SYSTEM SIX	Japan	4,176,629	
SYSTEM-SIX	U.S.	2,101,669	9/30/1997
THINSOLUTION	U.S.	2,397,749	10/24/2000
ULTIMATE B	U.S.	1,848,487	8/9/1994
ULTIMATE CLEANSE	U.S.	2,023,228	12/17/1996
ULTIMATE ENERGY	U.S.	2,164,284	6/9/1998
ULTIMATE FASTING CLEANSE	U.S.	2,478,514	8/14/2001
ULTIMATE FIBER	U.S.	1,848,486	8/9/1994
ULTIMATE GREEN	U.S.	2,166,580	6/16/1998
ULTIMATE LIVER	U.S.	2,292,962	11/16/1999
ULTIMATE MULTI	U.S.	2,048,647	4/1/1997
ULTIMATE MULTI PLUS	U.S.	2,136,011	2/10/1998
ULTIMATE OIL	U.S.	1,847,555	8/2/1994
XENEDROL	U.S.	2,532,302	1/22/2002
Pending Registration	Country	Application #	Filing Date
DIET SYSTEM 6 (design)	Malaysia	97-13268	9/17/1997
DIET SYSTEM SIX	Singapore	PENDING	
ESTRO-PAUSE	U.S.	78/095,993	11/30/2001
IMMUNO-SHIELD	U.S.	78/096,002	11/30/2001
INHOLTRA (trademark)	Estonia	PENDING	
INHOLTRA (trademark)	Lithuania	PENDING	
INHOLTRA (trademark)	Russia	97,713,288	
INHOLTRA - JOINT PAIN (patent)	U.S.	09/665,651	9/04/2000
LUBRI JOINT	U.S.	78/096,074	11/30/2001
MEMORY SHARP (COPYRIGHT-VISUAL ARTS)	U.S.	928-098	
NATURE'S SECRET	Canada	787,745	
NATURE'S SECRET (basket design)	Canada	851,750	11/17/1997
PROSTA-STRONG	U.S.	78/074964	7/20/2001
PROTEIN BURST	U.S.	78/095,951	11/30/2001
STEEL LIBIDO	U.S.	78/096,013	11/30/2001
THE NEW GRAPEFRUIT DIET	U.S.	75/779,389	8/18/1999
ULTIMATE CLEANSE	Canada	863,296	
VEROXIN-7	Russia	2000727075	10/19/2000
VEROXEN-7	U.S.	78/101,881	1/10/2002
VIROXEN-7	U.S.	78/101,669	1/9/2002
XENEDROL	U.S.	78/096,022	11/30/2001