

4/18/05

04-20-2005

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To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

Perio, Inc.

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) 4/5/05

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

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: The Huntington National Bank

Internal Address: HC0820

Street Address: 41 South High Street

City: Columbus

State: Ohio

Country: USA Zip: 43215

- Association
- General Partnership
- Limited Partnership
- Corporation
- 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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See attached.

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

See attached.

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

Name: Stephanie D. Champ, Esq.

Internal Address: Carlisle Patchen & Murphy LLP

Street Address: 366 East Broad Street

City: Columbus

State: Ohio Zip: 43215

Phone Number: (614) 228-6135

Fax Number: (614) 221-0216

Email Address: gdc@cpmlaw.com

6. Total number of applications and registrations involved:

13

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 340.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Stephanie D. Champ
Signature

4/8/05
Date

Stephanie D. Champ

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 27

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:

Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

04/19/2005 EC00PER 00000058 712264

FC:6521
FC:8500

40.00 00

TRADEMARK
REEL: 003148 FRAME: 0677

U.S. TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
BARBASOL	712,264	3/17/61
BARBASOL (Stylized)	135,022	9/21/20
BEARD BUSTER	833,787	8/15/67
BIKINI AID	2,544,731	3/5/02
DINOPASTE & Design	1,894,519	5/16/95
FRESH DROPS & Design	1,580,950	2/6/90
HERS	2,593,828	7/16/02
HERS	2,726,334	6/17/03
MORGAN & BERRY	1,884,180	3/14/95
PERIO PRODUCTS INC. & Design	1,437,887	4/28/87
PURE SILK	1,956,686	2/13/96
QWIK-WASH (Stylized)	1,841,614	6/28/94
Striped Carton Design	880,602	11/11/69

LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement ("Agreement") is entered into at Columbus, Ohio, among THE HUNTINGTON NATIONAL BANK (the "Bank"), a national banking corporation, whose principal place of business is 41 South High Street, Columbus, Ohio, PERIO, INC., an Ohio corporation (the "Company"), as of the 5th day of April, 2005 ("Closing Date").

Recitals

I. The Bank has agreed to advance up to \$7,000,000 to the Company, pursuant to the terms of this Agreement.

SECTION 1. THE LOAN

1.1 Line of Credit. From the date hereof until April 30, 2006 (the "Termination Date"), the Bank agrees to make available to the Company a revolving line of credit in the maximum amount of \$7,000,000.00 ("Line of Credit"), subject to a maximum outstanding balance in accordance with the Borrowing Base, and further subject to the terms and conditions of this Agreement; provided, however, that the Bank will have no obligation to advance or readvance any sums pursuant hereto at any time where there exists any set of facts or circumstances which, by themselves or upon giving of notice or the lapse of time, or both, would constitute an Event of Default under this Agreement. The Line of Credit will be used by the Company for working capital. The Line of Credit will be evidenced by, and repayment thereof will be made in accordance with the terms of a promissory note of even date herewith or by one or more promissory notes agreed upon by the parties hereto in substitution or partial substitution therefore in favor of the Bank ("Note"). After an Event of Default or after maturity, whether by acceleration or otherwise, such note or notes will bear interest at a rate 500 basis points in excess of the existing rate thereon at the time of such Event of Default or after maturity.

1.2 Advances. Subject to Availability, the Line of Credit may be disbursed by the Bank to the Company in one or more Advances. Each Advance will be subject to the following conditions:

(a) A request for Advance submitted by the Company to the Bank in a form reasonably acceptable to the Bank;

(b) Each of the representations and warranties contained in Section 3 are true and correct as of the date of each Advance;

(c) No Event of Default or other default shall exist;

(d) Advances under the Line of Credit will be requested prior to the Termination Date;

1.3 Maturity and Payoff. All outstanding Advances, together with all accrued but unpaid interest on the Note will be due and payable in full on the Termination Date. Payment on the outstanding principal balance of the Note and all accrued and unpaid

interest and unpaid fees payable as provided for in this Agreement may be accelerated upon the occurrence of an Event of Default as set forth herein.

1.5 Principal Payment Upon Renewal. Prior to the Termination Date and prior to any renewal of this Line of Credit, the Company shall make a principal payment on the outstanding balance in an amount of the greater of 60% of Excess EBITDA or \$150,000.00, which amount shall not be available for re-borrowing and the Line of Credit shall be reduced accordingly.

1.7 Late Fee. Any installment or other payment not made within five (5) days of the date such payment or installment is due will be subject to a late charge equal to 5% of the amount of such installment or payment.

SECTION 2. INTEREST RATES AND FEES

2.1 Interest. Until December 31, 2005, interest will accrue on the outstanding principal balance of the Note at a fluctuating rate of interest equal to the LIBO Rate plus 1.75% per annum. Thereafter, interest on the outstanding principal balance will be adjusted annually as provided for in Schedule 2.1. The LIBO Rate will be reset automatically by the Bank from time to time without notice to the Company.

2.2 Interest Payment Date. Interest on Advances will be calculated on a 360-day year basis and will be based on the actual number of days elapsed. Interest on the outstanding principal balance of the Note shall be due and payable on each Interest Payment Date.

2.3 Additional Costs. In the event that any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect, or any interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive of any such authority (whether or not having the force of law), (a) will impose, modify or deem applicable any reserve, special deposits or similar requirement against assets of, deposits with or for the account of, or credit extended by the Bank, or (b) will impose any other condition, requirement or charge with respect to this Agreement or the Loans (including, without limitation, any capital adequacy requirement, any requirement which affects the manner in which the Bank allocates capital resources to its commitments or any similar requirement), and the result of any of the foregoing is to increase the cost to the Bank of making or maintaining the Line of Credit, or any Advance thereunder, to reduce the amount of any sum receivable by the Bank thereon, or to reduce the rate of return on the Bank's capital, then the Company will pay to the Bank, from time to time, upon written request of the Bank, additional amounts sufficient to compensate the Bank for such increased cost, reduced sum receivable or reduced rate of return, to the extent the Bank is not compensated therefore in the computation of the interest rates applicable to the Line of Credit. A detailed statement as to the amount of such increased cost, reduced sum receivable or reduced rate of return, prepared in good faith and submitted by the Bank to the Company, will be conclusive and binding for all purposes relative to the Bank, absent manifest error in computation. The Bank will promptly notify the Company in writing of

any event occurring after the date of this Agreement that entitles the Bank to additional compensation pursuant to this Section 2.3.

SECTION 3. WARRANTIES AND REPRESENTATIONS

The Company warrants and represents to the Bank to the best of its knowledge:

3.1 Organization and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio; has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as now conducted and as presently proposed to be conducted; is not now operating in violation of any legal or regulatory statute, code, ordinance or rule, nor operating under such circumstances that with the passage of time would become a violation thereof, and is not doing business or conducting any activity in any jurisdiction in which it has not duly qualified and become authorized to do business, which failure to qualify or become authorized may materially and adversely affect the businesses, prospects, profits, properties or conditions (financial or otherwise of the Company).

3.2 Borrowing is Legal and Authorized. The directors of the Company have duly authorized the execution and delivery of this Agreement and the Note and documents contemplated herein; the Note executed in connection with this Agreement will constitute a valid and binding obligation of the Company enforceable in accordance with its terms; the execution of this Agreement and the related Note and documents and the compliance by the Company with all the provisions of this Agreement (i) are within the powers of the Company; and (ii) are legal and binding obligations of the Company and will not conflict with, result in any breach in any of the provisions of, or constitute a default under or result in the creation of any lien or encumbrance upon any property (other than the creation of a lien granted hereunder to the Bank) of the Company under the provisions of any agreement, charter instrument, bylaw, or other instrument to which the Company is a party or by which the Company may be bound; and there are no limitations in any indenture, contract, agreement, mortgage, deed of trust or other agreement or instrument to which the Company is now a party or by which the Company may be bound with respect to the payment of principal or interest on any indebtedness, or the Company's ability to incur this indebtedness, including the Note.

3.3 Taxes. All tax returns required to be filed by the Company in any jurisdiction have in fact been filed, and all taxes, assessments, fees and other governmental charges upon the Company, or upon any of its respective properties, which are due and payable have been paid or contested in good faith with appropriate reserves established for the same. The Company does not know of any proposed additional tax assessment against it. The provisions for taxes on the books of the Company for its respective current fiscal periods are adequate.

3.4 Compliance With Law. The Company is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject, including without limitation any (i) environmental laws, rulings, or regulations and (ii) laws, rulings, or regulations relating to the Employee Retirement Income Security Act of 1974, Section 4975

of the Internal Revenue Code, and has not failed to obtain any licenses, authorizations necessary to the ownership of its properties or to the conduct of its businesses, which violation or failure would materially and adversely affect the businesses, prospects, profits, properties or condition (financial or otherwise) of the Company.

3.5 Financial Statements, Full Disclosure. The financial statements provided pursuant to Section 6 will not, nor does this Agreement or any written statement furnished by Company to the Bank in connection with obtaining the Line of Credit, contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading. The Company has disclosed to the Bank, in writing, all facts which materially affect the properties, businesses, prospects, profits or condition (financial or otherwise) of the Company or the ability of the Company to perform this Agreement.

3.6 No Insolvency. On the date of the Company entering into this Agreement and, after giving effect to all indebtedness of the Company (including the Line of Credit), the Company will be able to pay its obligations as they become due and payable; the present fair saleable value of the Company's assets exceeds the amount that will be required to pay its probable liability on obligations as the same become absolute and matured: the sum of the Company's property at a fair valuation exceeds the Company's indebtedness; and, the Company will have sufficient capital to engage in its business.

3.7 Government Consent. Neither the nature of the Company or its businesses or properties, nor any relationship between the Company and any other entity or person, nor any circumstance in connection with the execution of this Agreement, is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental authority on the part of the Company as a condition to the execution and delivery of this Agreement, the Note and the other Loan Documents.

3.8 No Defaults. No event has occurred and no condition exists which with the passage of time would constitute an Event of Default pursuant to this Agreement. The Company is not in violation in any material respect of any term of any agreement, charter instrument, bylaw or other instrument to which it is a party or by which they may be bound.

3.9 Representations True; No Claims. All representations and warranties contained in this Agreement and in any and all of the other Loan Documents executed in connection with the Line of Credit are true and correct as of the date of this Agreement, and all such representations and warranties shall survive the execution of this Agreement.

3.10 Assumed Business Name. The Company does not do business under any assumed business names.

3.11 Subsidiaries and Joint Ventures. The Company has no subsidiaries and does not otherwise own or control, directly or indirectly, or have any other equity investment in or other interest in, any other person. The Company is not a member, partner or participant in any partnership, joint venture, association or similar arrangement.

3.12 Title to and Condition of Properties and Assets. The Company owns, has a valid leasehold interest in, or has legal right to use, as well as transfer, all of the assets, properties and tangible personal property necessary for the conduct of its businesses, free and clear of any Liens, but for the Liens contemplated by this Agreement. The personal property owned and leased by the Company is in good operating condition and repair, ordinary wear and tear accepted. Any real estate owned and leased by the Company is in good condition and it is not obligated to perform any material repairs to such real estate. All Collateral consisting of goods is located solely in the states listed on attached Schedule 3.12 ("Collateral States").

3.13 Books and Records. The books of account, asset ledgers, inventory ledgers, minute books and stock record books of the Company, all of which have been made available to the Bank, are complete and correct in all material respects, and have been maintained on a consistent basis in accordance with sound business practices.

3.14 Material Adverse Change; Material Events. Except as disclosed in the financial statements, and obligations arising in the ordinary course of business, the Company has no Indebtedness, or other material liability, claim, loss, deficiency or obligation of any nature whether absolute or contingent, liquidated or unliquidated and whether due or to become due. Since the date of the most recent financial statement provided to the Bank there has not been any material adverse change in the Company's businesses, operations, properties, prospects, assets or condition and no event has occurred or circumstance exists that may result in such a material adverse change. The Company has no knowledge of any circumstance, condition, event or arrangement that may hereafter give rise to any such liability other than in the ordinary course of business.

3.15 Intellectual Property. The Company owns or is licensed to use, without restriction or adverse claim, all Intellectual Property free and clear of any Liens other than the Liens granted to the Bank pursuant to this Agreement, and has the right to use its Intellectual Property without payment to any person. There are no interference, opposition or cancellation proceedings or infringement suits pending or, to the knowledge of the Company, threatened with respect to any of the Intellectual Property. To the Company's knowledge, no person is interfering with, infringing upon, misappropriating or otherwise in conflict with any of its Intellectual Property. The Company has not interfered with, infringed upon, misappropriated or otherwise come into conflict with any Intellectual Property rights of any person, and it has not received any claim alleging such action.

3.16 Legal Proceedings. The Company is not (i) subject to any outstanding injunction, judgment, order, decree or ruling, whether or not subject to appeal, or (ii) a party or, to its knowledge, threatened to be made a party, to any action, suit, proceeding, hearing, audit or investigation, of or before any court, quasi-judicial agency, administrative agency or arbitrator.

3.17 Insurance. The Company maintains and has maintained such insurance as is required by any and all applicable laws and such other insurance, in amounts and insuring against hazards and other liabilities, as is customarily maintained by companies similarly situated.

3.18 Compliance with Laws. The Company has complied and is currently in compliance with all applicable laws where the failure to so comply may have a material adverse effect on its financial or business condition, and no notice has been received by the Company alleging non-compliance which remains uncured as of the date hereof.

3.19 Licenses and Permits. The Company has obtained all licenses, permits and other governmental authorizations required in order for it to own its assets and conduct its businesses as presently conducted. All of such licenses, permits and authorizations are in full force and effect. No material violation or remedial obligation exists in respect of any such license or permits. No proceeding is pending, or to the knowledge of the Company, threatened to revoke or limit any such license, permit or authorization.

3.20 Hazardous Materials. No property of the Company ever has been, or ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are fined in the "CERCLA," "SARA," applicable state of federal laws, or regulations adopted pursuant to any of the foregoing. The representations and warranties contained herein are based on the Company's due diligence in investigating the properties for hazardous waste and hazardous substances. The Company hereby (a) releases and waives any future claims against the Bank for indemnity or contribution in the event the Company becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless the Bank against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify shall survive the satisfaction of this Agreement.

3.21 Labor Relations. The Company is not a party to or bound by any collective bargaining or other labor agreement, and there are no organizational efforts affecting its employees. There are no unremedied violations of any federal, state or local labor or employment laws or regulations, including wages, hours, collective bargaining, taxes and the like, and the Company has no knowledge of the existence of any grounds for any such claims.

3.22 Use of Proceeds. The Company shall use the proceeds of the Line of Credit for the purpose of providing working capital and re-financing term debt.

3.23 State of Incorporation; Principal Place of Business; Taxpayer Identification Number. The Company's state of organization, principal place of business, and federal taxpayer identification number as shown on Schedule 3.23 is true, accurate and correct.

3.24 Standard of Review. No representations or warranties made by the Company pursuant to this Agreement or any certificate or other documents furnished or to be furnished by the Company pursuant to this Agreement contains or will contain an untrue statement of material fact. All statements made by the Company in this Agreement or any certificate or schedule or exhibit provided to the Bank pursuant to this Agreement are deemed to be representations and warranties made under this Agreement to the Bank by such Company. To the extent that any representations and warranties made under this Agreement are stated as being to the best knowledge of the Company, the same is being

made after an investigation by the Company, which investigation is reasonable under the circumstances, as to the subject matter thereof.

3.25 Chief Executive Office; Exact Legal Name. The Company's chief executive office is located in the State of Ohio and its exact legal name is as set forth in the first paragraph of this Agreement.

SECTION 4. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE BANK

The performance by the Bank of the actions to be taken by it on the date of this Agreement and thereafter is subject to fulfillment of each of the following conditions precedent.

4.1 Representations and Warranties True. All the representations and warranties of the Company in this Agreement shall have been true on the date when made and shall be true on and as of the date of execution of this Agreement and on the date of each Advance, as if made on and as of such date and time. The Company shall deliver a certificate of its chief executive officer dated the date of this Agreement certifying that this condition has been complied with.

4.2 No Defaults. On the date of this Agreement, the Company shall be in compliance with all the applicable terms and provisions of this Agreement to be observed or performed by them, and no Event of Default, nor any event which upon notice or lapse of time or both, would constitute such an the Event of Default, shall have occurred and be continuing. Upon the request of the Bank, compliance with this condition shall be evidenced on the date of this Agreement by the delivery of a certificate of the Company.

4.3 Supporting Documents. On or before the date of this Agreement, the Company shall deliver to the Bank the following:

(a) a certificate of good standing from the state of its incorporation and from each state where it is qualified to do business, dated as of a date as near to the Closing Date as practicable;

(b) a certificate of its Secretary dated as of the date of this Agreement certifying (i) that attached thereto are true and complete copies of the Articles of Incorporation of said Company, as in effect on the date of such certificate; and (ii) that attached thereto is a true and complete copy of resolutions adopted by the directors of said Company, authorizing the execution, delivery, and performance of this Agreement, the Note, the other Loan Documents, and the obligations to be performed by said Company;

(c) a Compliance Certificate; and

(d) such other documents as the Bank may reasonably request to implement this Agreement and the transactions contemplated hereby.

4.4 Performance of Obligations. The Company shall have performed all obligations and taken all actions to be performed or taken by it hereunder on or prior to the date of this Agreement.

4.5 Financing Statements. The financing statements required by this Agreement executed and delivered by the Company shall have been filed for record with the appropriate governmental authorities.

4.6 Disbursements and Deliveries. The Company will pay all costs reasonably required to process and close the loan consistent with prudent banking standards and procedures, including, but not limited to costs such as lien searches, recording fees and any outside legal costs.

SECTION 5. THE COMPANY'S BUSINESS COVENANTS

The Company covenants that on and after the date of this Agreement, so long as any of the indebtedness provided for herein remains unpaid:

5.1 Payment of Taxes and Claims. The Company will pay, discharge or otherwise satisfy before they become delinquent (a) all taxes, assessments and governmental charges or levies imposed upon it or its property; and (b) all claims or demands of material men, mechanics, carriers, warehousemen, landlords, bailees and other like persons which, if unpaid, might result in the creation of a lien or encumbrance upon its property; provided, however, that no such charge or claim need be paid if the amount, applicability or validity thereof is currently being contested in good faith and if such reserve or other appropriate provision, if any, as will be required by generally accepted accounting principles will have been made therefore.

5.2 Maintenance of Properties and Existence. The Company will (a) maintain its properties in good condition and make all renewals, replacements, additions, betterments and improvements thereto which are deemed necessary by the Company; (b) maintain, with financially sound and reputable insurers, insurance with respect to its properties and businesses against such casualties and contingencies, of such types (including but not limited to fire and casualty and public liability) and in such amounts as is customary in the case of corporations of established reputations engaged in the same or a similar businesses and similarly situated; (c) keep true books of records and accounts in which full and correct entries will be made of all its business transactions, and reflect in its financial statements adequate accruals and appropriations to reserves; (d) do or cause to be done all things necessary (i) to preserve and keep in full force and effect its existing rights and franchises, and (ii) to maintain its status as a corporation duly organized and existing and in good standing under the laws of the state of its formation; (e) not acquire, incur, or assume directly or indirectly, any material contingent liability in connection with the release of any toxic or hazardous waste or substance into the environment, or dispose of or allow to be disposed of or otherwise release hazardous or toxic substances or solid waste on or into the real property of the Company; (f) keep true records and accounts of the Company's equipment and inventory which is located at the sites of the Company's customers; and (g) not be in violation of any laws, ordinances, or governmental rules and regulations to which it is subject and will not fail to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its businesses, which violation or failure to obtain might materially and adversely affect the businesses, prospects, profits, properties or condition (financial or otherwise) of the Company.

5.3 Sale of Assets; Merger, Subsidiaries. The Company will not, except in the ordinary course of business sell, lease, transfer, or otherwise dispose of assets in excess of \$100,000.00 aggregate per year, without the prior written consent of the Bank. The Company will not, without the prior written consent of the Bank, acquire, enter into any joint venture or otherwise consolidate with or merge into any other entity, or permit any other entity to consolidate with or merge into it. The Company has no subsidiaries and will not create or acquire any subsidiaries without the prior written consent of the Bank.

5.4 Negative Pledge. The Company will not cause or permit or agree or consent to cause or permit in the future (upon the happening of a contingency or otherwise), any of its properties, whether now owned or hereafter acquired, to become subject to a lien or encumbrance, except: (a) liens incurred or deposits made in the ordinary course of business for sums not due in connection with workers' compensation, unemployment insurance, social security, statutory liens of landlords, liens of carriers, warehousemen, mechanics, workers and material men and other like laws; (b) liens for taxes, assessments, reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases, mechanics' liens for sums not yet due or which are being contested in good faith and by appropriate proceeding if adequate reserves with respect thereto are maintained in accordance with GAAP and other similar title exceptions or encumbrances affecting real property, provided they do not in the aggregate materially detract from the value of said property or materially interfere with its use in the ordinary conduct of the Company's businesses; (c) inchoate liens arising under ERISA to secure the contingent liability of the Company; and (d) liens incurred in connection with the acquisition of hereafter acquired property or assets. Furthermore, the Company will not make a negative pledge as that provided in this Section to any other financial lending institution.

5.5 Ownership and Management. No shareholder of the Company may transfer any of his or her ownership interest in the Company without the prior written consent of the Bank, except for transfers to immediate family members for estate planning purposes.

5.6 Cash Dividends and Other Distributions. The Company will not declare or pay any cash dividends or distributions of any kind without the written consent of the Bank; provided, however, that the Company may declare or pay cash dividends or distributions in order to fund payments to the Bank and to enable shareholders of the Company to satisfy their tax obligations relative to income generated from their ownership interest in the Company.

5.7 Fiscal Year Change. The Company will not change its fiscal year end without the Bank's prior written consent, which consent will not be unreasonably withheld.

5.8 Acquisition of Capital Stock. Without the written consent of the Bank, which consent will not be withheld unreasonably, the Company will not redeem or acquire any of its own capital stock.

5.9 Loans and Advances. The Company will not make any loans or advances in excess of \$50,000 to any person, corporation, or entity.

5.10 Additional Borrowing. Without the consent of the Bank, the Company may not incur any additional Indebtedness or Liens, except in connection with the acquisition of hereafter acquired property or assets or Permitted Indebtedness as set forth in Schedule 5.10.

5.11 Operating Accounts. The Company will maintain all of its primary operating accounts at the Bank.

5.12 Tangible Net Worth. The Company will have a Tangible Net Worth of not less than -\$6,400,000.00 at all times during the 2005 fiscal year (the "Tangible Net Worth Floor"). The Tangible Net Worth Floor will increase annually thereafter in an amount equal to 50% of the net income earned by the Company in the most recent fiscal year. In no event will the Tangible Net Worth Floor decrease below its then current amount in the event that there is a loss by the Company for any fiscal year.

5.13 Fixed Charge Coverage Ratio. Beginning September 30, 2005, the Fixed Charge Coverage Ratio will not at any time be less than 1.00:1.00. Beginning December 31, 2005, the Fixed Charge Coverage Ratio shall not at any time be less than 1.15:1.00. This ratio will be measured quarterly on a rolling twelve (12) month basis.

5.14 Calculations. All computations made to determine compliance with the requirements contained in this Agreement will be made in accordance with GAAP, applied on a consistent basis, and certified by the Company as true and correct.

5.15 Covenants Applied to Additional Loans. By executing this Agreement, each of the signatories to this Agreement hereby agrees that the covenants contained in Section 5 of this Agreement will be applicable to any other loans and loan documents which any of the parties may have pursuant to other financing arrangements between the Company and the Bank and that a default under this Agreement will create a default under such other loan documents and agreements.

5.16 Unrelated Business. The Company shall not enter into any businesses unrelated to those presently disclosed to the Bank.

5.17 The Company's Covenants. Until the Loan is paid in full, the Company agrees that it will not, without providing the Bank with 30 days' prior written notice, (i) change the state of its formation or (ii) change its name.

SECTION 6. FINANCIAL STATEMENTS

The Company shall furnish to the Bank the following financial statements and certificates at the following times:

(a) Within 120 days after the end of each fiscal year of the Company the Company shall furnish reviewed financial statements, including a balance sheet, and statement of income and retained earnings, showing the financial condition of the Company as of the close of such fiscal year and the results of its operations during such year, which shall be accompanied by customary additional statements, schedules and footnotes.

(b) Within 30 days after the end of each month, the Company will furnish to the Bank an internally prepared balance sheet and statement of income. These statements shall be certified by an authorized officer of the Company.

(c) Within 30 days after the end of each month the Company will furnish to the Bank an accounts receivable aging report, a list of inventory, and a Borrowing Base Certificate.

(d) Within 30 days after the filing of its tax returns, the Company will provide to the Bank copies of all tax returns so filed.

(e) The Company will cause Thomas J. Murray ("Guarantor") to provide signed and sworn financial statements to the Bank within 90 days of each calendar year end, beginning year end 2004.

(f) The Company will cause Guarantor to furnish to the Bank his signed tax returns within 90 days of filing.

(g) The Company shall furnish promptly, from time to time, such other information regarding operations, business, affairs and financial condition as the Bank may reasonably request including, without limitation, an annual detailed listing of year end adjustments.

SECTION 7. SECURITY AGREEMENT

7.1 Grant of Security Interest. The Company grants a security interest in the Collateral to the Bank to secure the payment or performance of the Obligations. "Collateral" means all of the personal property of Company described below, wherever located, and whether now owned or hereafter acquired: Accounts, Inventory, Chattel Paper, Electronic Chattel Paper, Equipment, Instruments, Investment Property, Documents, Deposit Accounts, Letter-Of-Credit Rights, General Intangibles (including Software and Payment Intangibles), Commercial Tort Claims, other rights to payment and performance, Supporting Obligations; and to the extent not listed above as original collateral, Proceeds and Products of the foregoing, as well as all such Collateral acquired by the Company after the execution of this Agreement (each capitalized term used herein which is defined in Article 8 of the UCC or Revised Article 9 of the UCC has the meaning ascribed to such term therein).

"Collateral" shall also include any and all Intellectual Property belonging to the Company, including, without limitation, the Barbasol trademarks.

"Collateral" shall also include any and all Investment Property subject to the Pledge Agreements executed and delivered to the Bank by David L. Gray, Ronald Mayfield and Marilyn Mayfield, Allen M. Morgan and Beverly G. Morgan, and Edward Gleason and Kathleen A. Gleason to secure the Line of Credit.

7.2 Perfection of Security Interest.

7.2.1 *Filing of Financing Statements.*

(i) The Company authorizes the Bank to file financing statements naming the Company as debtor and the Bank as secured party describing the Collateral as collateral thereon.

(ii) The Company authorizes the Bank to file financing statements describing any agricultural liens or other statutory liens held by the Bank.

(iii) The Company agrees to file financing statements with respect to leased equipment owned by the Company which are located at sites of the Company's customers.

7.2.2 *Possession.*

(i) The Company shall have possession of the Collateral, except where expressly otherwise provided in this Agreement or in other Loan Documents or where the Bank chooses to perfect its security interest by possession.

(ii) In the Event of Default, where Collateral is in the possession of a third party, the Company will join with the Bank in notifying the third party of the Bank's security interest and obtaining an acknowledgment from the third party that such third party is holding the Collateral for the benefit of the Bank.

7.2.3 *Control.* The Company will cooperate with the Bank in obtaining control with respect to the Collateral consisting of:

- (i) Deposit Accounts;
- (ii) Investment Property;
- (iii) Letter-of-credit rights; and
- (iv) Electronic chattel paper.

7.2.4 *Marking of Chattel Paper.* The Company will not create any Chattel Paper without filing financing statements in appropriate jurisdictions indicating the Company's ownership interest therein.

7.3 Post-Closing Covenants and Rights Concerning the Collateral.

7.3.1 *Inspection.* The Bank may inspect any Collateral in the Company's possession, or in the possession of third parties, at any time, upon reasonable notice.

7.3.2 *Personal Property.* The Collateral shall remain personal property at all times. The Company shall not affix any of the Collateral to any real property in any

manner which would change its nature from that of personal property to real property or to a fixture.

7.3.3 *The Bank's Collection Rights.* After the occurrence of an Event of Default, or otherwise at the request of or by agreement with the Company, the Bank shall have the right to enforce the Company's rights against the Company's account debtors and obligors.

(i) Risk of Loss. The Company shall have the risk of loss of the Collateral.

(ii) No Collection Obligation. The Bank has no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral.

SECTION 8. DEFAULT AND REMEDIES

8.1 Events of Default. An "Event of Default" will exist if any of the following occurs: (a) the Company fails to make any payment of principal or interest on the Note within five (5) days after the date such payment is due; (b) the Company fails to comply with any other provision of this Agreement, and such failure continues for more than 30 days after such failure will first become known to any officer of the Company; (c) any warranty, representation or other statement by or on behalf of the Company contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect; (d) the Company becomes insolvent or bankrupt, makes an assignment for the benefit of creditors, or consents to the appointment of a trustee, receiver or liquidator, or institutes bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings; (e) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings are instituted against the Company and are not dismissed within 120 days from the filing thereof; (f) a final judgment or judgments, from which no further right of appeal exists, for the payment of money aggregating in excess of \$100,000.00 is or are outstanding against the Company and any one of such judgments has been outstanding for more than 30 days from the date of its entry and has not been discharged in full, stayed, vacated, satisfied or bonded pending appeal; (g) the occurrence of any event which results in the acceleration of the maturity of the indebtedness of the Company, or any of its Affiliates, to the Bank, or any material indebtedness to any other person, corporation or entity under any indenture, agreement or undertaking of any guarantor, insurer or other surety for the Company; or (h) the Bank in good faith deems itself insecure with respect to the repayment of the indebtedness provided for herein.

8.2 Cross-Defaults. An Event of Default will occur if the Company shall fail to pay when due any principal or interest payable to any person, corporation or entity other than the Bank, including, without limitation, any agreement governing indebtedness, any promissory note, any lease agreement, any security agreement or real estate mortgage, except for bona fide disputes with suppliers in the ordinary course of business, and such failure shall continue beyond any applicable grace period; or if the Company shall permit the occurrence or existence of any other default under any such agreement, lease, note or mortgage, and any applicable grace period shall have expired; provided, that, there shall not

be an Event of Default hereunder if the Company is diligently contesting in good faith any payment of less than \$50,000.00 under any such agreement, lease, note or mortgage, the Company has set aside adequate reserves for the ultimate payment thereof, including any amounts due by reason of the acceleration of such agreement, lease, note or mortgage, and no remedies have been exercised thereunder against the Company's property described in the security agreements executed and delivered to the Bank. Any default by the Company in any agreement or other Obligation to the Bank that is not cured within any grace period shall be a default under this Agreement.

8.3 Remedies Upon Default.

8.3.1 *General.* If an Event of Default has occurred, the Bank may immediately exercise any right, power or remedy permitted to the Bank by law, and will have, in particular, without limiting the generality of the foregoing, the right to declare the entire principal, all interest, and any other amounts accrued on the Note or any other notes and agreements then outstanding pursuant to this Agreement to be forthwith due and payable, without any presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Company. No course of dealing on the part of the Bank or any delay or failure on the part of the Bank to exercise any right will operate as a waiver of such right or otherwise prejudice the Bank's rights, powers and remedies.

8.3.2 *Selective Remedies.* Upon any Event of Default, the Bank shall have the right to pursue any of the following remedies separately, successively or simultaneously:

(i) File suit and obtain judgment and, in conjunction with any action, the Bank may seek any ancillary remedies provided by law, including replevin, levy of attachment, and garnishment.

(ii) Take possession of any Collateral, if not already in its possession, without demand and without legal process. Upon the Bank's demand, the Company will assemble and make the Collateral available to the Bank as it may direct. The Company grants to the Bank the right, for this purpose, to enter into or on any premises where Collateral may be located.

(iii) Without taking possession, sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC.

(iv) Foreclose any real property mortgage liens.

8.4 Collection of Accounts.

(a) Notwithstanding the security interest of the Bank hereunder, the Company shall have the right to collect all the Company's accounts at its own expense until such time as the Bank shall have notified the Company that such right has been revoked. Upon the occurrence and during the continuation of an Event of Default, the Bank shall have the right at any time to revoke the right of the Company to collect its accounts by delivering notice to the Company to such effect. Upon receipt of such notice,

the Company shall hold all payments of any account in trust for the Bank and shall forthwith deliver the same to the Bank in the form received by the Company (duly endorsed by the Company to the Bank) and shall notify its account debtors and shall indicate on all invoices to such account debtors that the accounts are payable directly to the Bank. Upon the occurrence and during the continuation of an Event of Default, the Bank shall also have the right to (i) so notify any account debtors, (ii) direct such account debtors to make payment with respect to accounts to the Bank, (iii) to take control of the accounts of the Company and the Proceeds thereof, (iv) to take possession of the Company's books and records relating thereto, and (v) enforce, collect, sue for, compromise and settle any and all of the accounts, but the Bank shall have no duty to do so.

(b) With respect to any accounts collected by the Bank pursuant to Section 7.3.3. or 8.4(a), the Company authorizes the Bank to indorse the name of the Company upon any checks or other items received in payment of any account and to do any and all things necessary in order to reduce the same to money. All amounts received by the Bank representing payment of accounts may be applied by the Bank to the payment of the Obligations in such order of preference as the Bank may determine. The Company also authorizes the Bank at any time upon the occurrence and during the continuation of an Event of Default, without notice, to appropriate and apply any balances, credits, property, deposits, accounts or money of or owing to the Company in the Bank's possession, custody or control to the payment of any of the Obligations.

(c) If any of Company's accounts arise out of contracts with or orders from the United States or any State or any department, agency or instrumentality thereof, the Company shall immediately notify the Bank thereof in writing and shall execute any instrument and take any steps required by the Bank in order that all money due and to become due under such contract or order shall be assigned to the Bank and due notice thereof given to the appropriate governmental agency.

8.5 UCC Foreclosure Procedures.

8.5.1 *No Waiver.* No delay or omission by the Bank to exercise any right or remedy accruing upon any Event of Default shall: (a) impair any right or remedy, (b) waive any default or operate as an acquiescence to the Event of Default, or (c) affect any subsequent default of the same or of a different nature.

8.5.2 *Notices.* The Bank shall give the Company such notice of any private or public sale as may be required by the UCC.

8.5.3 *Condition of Collateral.* The Bank has no obligation to clean-up or otherwise prepare the Collateral for sale.

8.5.4 *No Obligation to Pursue Others.* The Bank has no obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them and the Bank may release, modify or waive any collateral provided by any other person to secure any of the Obligations, all without affecting the Bank's rights against the Company. The Company waives any right they may have to require the Bank to pursue any third person for any of the Obligations.

8.5.5 *Compliance with Other Laws.* The Bank may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

8.5.6 *Warranties.* The Bank may sell the Collateral without giving any warranties as to the Collateral. The Bank may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

8.5.7 *Purchases by The Bank.* In the event the Bank purchases any of the Collateral being sold, the Bank may pay for the Collateral by crediting some or all of the Obligations of the Company.

8.5.8 *No Marshaling.* The Bank has no obligation to marshal any assets in favor of the Company, or against or in payment of (i) the Line of Credit, (ii) any of the other Obligations, or (iii) any other obligation owed to the Bank by the Company or any other person.

8.6 Setoff. In addition to any rights now or hereafter granted under applicable law or this Agreement and not by way of limitation of any such rights, upon the occurrence and continuance of any Event of Default, the Bank is hereby authorized by the Company, without notice to the Company, or any other person or entity, any such notice being hereby expressly waived, to setoff and to appropriate and to apply any and all deposits (general, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts or other accounts, the proceeds of which may not by law be so applied), and any other indebtedness at any time held or owing by the Bank, including, but not limited to, all claims of any nature or description arising out of or connected with the this Agreement or the other Loan Documents regardless of whether or not the Bank will have made any demand under any such document or otherwise.

SECTION 9. MISCELLANEOUS

9.1 Notices.

(a) Except for requests for loan advances which may be made by email, facsimile, or similar expedited methods, all communications under this Agreement, under the Note executed pursuant hereto and under the other Loan Documents, will be in writing and will be mailed by first class mail, postage prepaid, (1) if to the Bank, at the following address, or at such other address as may have been furnished in writing to the Company by the Bank:

The Huntington National Bank
41 South High Street, HC0820
Columbus, Ohio 43215
Tele: (614) 480.3052
Attn.: Mark L. Miller, Vice President

(2) if to the Company, at the following address, or at such other address as may have been furnished in writing to the Bank by the Company:

Perio, Inc.
6156 Wilcox Road
Dublin, Ohio 43016
Tele: (614) 792.2573
Attn.: Thomas J. Murray, President

(b) any notice so addressed and mailed by registered or certified mail or nationally recognized overnight courier will be deemed to be given when so mailed.

9.2 Reproduction of Documents. This Agreement and all documents relating hereto, including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received by the Bank at the closing or otherwise, and (c) financial statements, certificates and other information previously or hereafter furnished to the Bank, may be reproduced by the Bank by any photographic, photostatic, microfilm, micro-cared, miniature photographic or other similar process and the Bank may destroy any original document so reproduced. The Company agrees and stipulates that any such reproduction will be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by the Bank in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction will likewise be admissible in evidence.

9.3 Survival, Successors and Assigns. All warranties, representations, and covenants made by the Company herein or on any certificate or other instrument delivered by it or on its behalf under this Agreement will be considered to have been relied upon by the Bank and will survive the closing of this transaction regardless of any investigation made by the Bank on its behalf. All statements in any such certificate or other instrument will constitute warranties and representations by the Company. This Agreement will inure to the benefit of and be binding upon the successors and assigns of each of the parties.

9.4 Amendment and Waiver. This Agreement may be amended, and the observance of any term of this Agreement may be waived, with (and only with) the written consent of the parties.

9.5 Enforceability and Governing Law. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction, as to such jurisdiction, will be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. No delay or omission on the part of the Bank in exercising any right will operate as a waiver of such right or any other right. All of the Bank's rights and remedies, whether evidenced hereby or by any other Agreement or instrument, will be cumulative and may be exercised singularly or concurrently. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio.

9.6 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which counterparts, when so executed and delivered, will be deemed to be an original and all of which counterparts, taken together, will constitute but one and the same agreement. This Agreement will become effective upon the execution of a counterpart hereof by each of the parties hereto.

9.7 Severability. Should any part, term or provision of this Agreement be by the courts decided to be illegal, unenforceable or in conflict with any law of the State of Ohio, federal law or any other applicable law, the validity and enforceability of the remaining portions or provisions of this Agreement will not be affected thereby.

9.8 Further Assurance. The Company agrees to execute such other and further documents and instruments as the Bank may reasonably request to implement the provisions of this Agreement.

9.9 Limitation on Relationship. This Agreement, the Note and the other Loan Documents will not be deemed or construed to create a partnership, tenancy in common, joint tenancy, joint venture, co-ownership or any other relationship aside from a continuing debtor/creditor relationship between the Company, on the one hand and the Bank on the other.

9.10 Integration. This Agreement, the Note and the other Loan Documents are intended by the parties as the final expression of their agreement and therefore incorporate all negotiations of the parties hereto and are the entire agreement of the parties hereto. The Company acknowledges that it is relying on no written or oral agreement, representation, warranty, or understanding of any kind made by the Bank or any employee or agent of the Bank except for the agreements by the Bank set forth herein, in the Note or in the other Loan Documents.

9.11 Reversals of Payments. If the Bank receives any payments or proceeds of Collateral which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be paid to a trustee, debtor-in-possession, receiver or any other party under any bankruptcy law, common law, equitable cause or otherwise, then, to such extent, the Line of Credit or any part thereof intended to be satisfied by such payments or proceeds will be reserved and continue as if such payments or proceeds had not been received by the Bank.

9.12 Certain Defined Terms. As used in the Loan Documents, the following terms shall have the meanings set forth below. Additional defined terms may appear elsewhere in the Loan Documents.

“Advance” means a future advance of funds with respect to the Line of Credit.

“Affiliate” means, as to any person, any other person (i) that directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such person (ii) that directly or indirectly owns ten percent (10%) or more of the voting power of such person, (iii) ten percent (10%) or more of the voting power of which is directly or indirectly

owned by such person, or (iv) that has the power directly or indirectly to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise.

“Authorized Officer” means the President or Secretary of the Company.

“Bank” means The Huntington National Bank.

“Borrowing Base” means the sum of (i) 80% of Eligible Accounts Receivable plus (ii) 60% of Eligible Inventory.

“Borrowing Base Certificate” means the certificate to be provided by the Company, pursuant to this Agreement, which calculates the Borrowing Base as described herein. The form of the Borrowing Base Certificate will be as required by the Bank.

“Business Day” means any day other than a Saturday, Sunday or day upon which banking institutions are authorized or required by law or executive order to be closed in the City of Columbus, Ohio.

“Closing Date” means the date of the execution of this Agreement.

“Collateral States” means each state in which Collateral is located.

“Company” means Perio, Inc..

“Compliance Certificate” means a certificate provided to the Bank by an Authorized Officer indicating compliance by the Company with the terms and conditions of this Agreement, all in a form satisfactory to the Bank, at its sole discretion.

“EBITDA” means, for any period, the aggregate Net Income (or net loss) of the Company for such period, plus: (a) the sum of the following expenses of the Company for such period, in each case to the extent included in determining Net Income (or net loss), (i) Interest Expense, (ii) total Federal, state and local income and franchise tax expense, (iii) depreciation expense, (iv) amortization, and (v) non-cash charges, minus (b) the sum of the following items for the Company for such period, in each case to the extent deducted in determining said Net Income (or net loss); (i) extra ordinary gains, and (ii) extra ordinary non-operating income.

“Eligible Accounts Receivable” means that portion of the Company’s accounts receivable on which the Bank has a first and exclusive perfected security interest, and that the Bank determines, in its reasonable discretion from time to time, based on credit policies, market conditions, Company’s business and other matters, is eligible for use in calculating the Borrowing Base. For purposes of determining the Borrowing Base, Eligible Accounts Receivable shall not include (a) accounts receivable which are ninety (90) days past due or one hundred twenty (120) days past invoice date, (b) inter-company accounts, (c) foreign accounts receivable, (d) any accounts receivable from a single debtor if fifty percent (50%) or more of such account debtor’s receivables are more than ninety (90) days past due or more than one hundred twenty (120) days past invoice date, (e) to the extent that any receivable exceeds 20% of all accounts receivable.

"Eligible Inventory" means that portion of the Company's inventory on which the Bank has a first and exclusive perfected security interest, and that the Bank determines in its reasonable discretion from time to time, based on credit policies, market conditions, the Company's business and other matters, is eligible for use in calculating the Borrowing Base. For purposes of determining the Borrowing Base, Eligible Inventory will not include (a) inventory which has been returned to the Company after sale or lease thereof or which Bank, in the exercise of its good faith judgment, determines to be defective, unmerchantable, or obsolete for any reason, (b) work in progress, (c) slow moving, obsolete or discontinued inventory (d) supply items, packaging, or the freight portion of raw materials, (e) inventory under the control of a third person for processing, storage, or otherwise unless the Company has obtained and delivered to the Bank, a bailee's waiver, in form satisfactory to the Bank, (f) consigned inventory, (g) inventory in transit unless the Company will have delivered to the Bank a bill of lading for such inventory, (h) inventory located outside of the United States of American, or (i) inventory in which any third party has a security interest in or lien. All inventory will be valued at the lessor of cost (on a LIFO basis) or market.

"Excess EBITDA" means EBITDA less Fixed Charges.

"Event of Default" means any of the events specified in Section 8, provided that any requirement of notice, the lapse of time, or both, or any other condition has been satisfied.

"Fixed Charge Coverage Ratio" means a ratio determined as of the last day of each fiscal quarter, equal to the ratio of (i) EBITDA plus lease and rent expenses for the twelve (12) month period ending on such determination date; to (ii) the sum of current maturities of long term debt plus interest expense plus lease and rental expenses for the twelve (12) month period ending on such determination date.

"GAAP" means those generally accepted accounting principles and practices which are recognized as such by the Financial Accounting Standards Board (or any generally recognized successor), consistently applied, as such principals exist from time to time.

"Indebtedness" means, with respect to any person, as of any date of determination, monetary obligations of the person, including (without duplication): (i) all liability for borrowed money or for the deferred purchase price of property or services; (ii) all liabilities evidenced by a note, bond, debenture, or similar instrument; (iii) all obligations under any conditional sale, lease or other title retention or security agreement with respect to property acquired; (iv) all obligations in respect of letters of credit, bankers' acceptances, surety or other bonds, interest rate protection agreements, currency hedge agreement or similar obligations issued or created for the account of the person; (v) all direct or indirect guaranty obligations; (vi) all liabilities or obligations secured by any lien on any property owned by the person, whether or not the person has assumed or otherwise become liable for the payment thereof; (vii) any liability of such person or a "commonly controlled entity" to a "multiemployer plan," both as defined in the Employee Retirement Act of 1974, as amended from time to time; and (viii) any amendment, renewal, extension, revision, or refunding of such liability or obligation.

"Intellectual Property" means all business and trade names, trademarks, logos, service marks, brand names, patents, patent applications, copyrights, know how, trade secrets, processes, techniques, discoveries, inventions, developments, research, formulas, designs, confidential information, customer lists, software, technical information, data, plans and drawings, and other proprietary rights required for or incidental to a person's business or operations.

"Interest Payment Date" means the last day of each month, beginning May 1, 2005, and the Termination Date.

"LIBO Rate" means the rate obtained by dividing (1) the actual or estimated per annum rate, or the arithmetic mean of the per annum rates, of interest for deposits in U.S. dollars for one (1) month periods, as determined by the Bank in its discretion based upon information which appears on page LIBOR01, captioned British Bankers Assoc. Interest Settlement Rates, of the Reuters America Network, a service of Reuters America Inc. (or such other page that may replace the page on that service for the purpose of displaying London interbank offered rates; or, if such service ceases to be available or ceases to be used by the Bank, such other reasonable comparable money rate service as the Bank may select) or upon information obtained from any other reasonable procedure, on each date the LIBO Rate is determined; by (2) an amount equal to one minus the stated maximum rate (expressed as a decimal), if any, of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves) that is specified on each date the LIBO Rate is determined by the Board of Governors of the Federal Reserve System (or any successor agency thereto) for determining the maximum reserve requirement with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of such Board) maintained by a member bank of such System, or any other regulations of any governmental authority having jurisdiction with respect thereto, all as conclusively determined by the Bank. Subject to any maximum or minimum interest rate limitation specified herein or by applicable law, the LIBO Rate shall change automatically without notice to the Company immediately on each LIBO Rate Banking Day with each change in the LIBO Rate or the reserve requirement, as applicable, with any change thereto effective as of the opening of business on the day of the change.

As used herein, LIBO Rate Banking Day shall mean any day other than a Saturday or Sunday on which banks are open for business in Columbus, Ohio, and on which banks in London, England, settle payments.

In the event that on any date on which the Company requests an advance hereunder based upon the LIBO Rate the Bank reasonably determines that by reason of (1) any change arising after the date of this Agreement affecting the interbank eurocurrency market or affecting the position of the Bank with respect to such market, adequate and fair means do not exist for ascertaining the applicable interest rates by reference to which the LIBO Rate then being determined is to be determined, (2) any change arising after the date of this Agreement in any applicable law or governmental rule, regulation or order (or any interpretation thereof, including the introduction of any new law or governmental rule, regulation or order) or (3) any other circumstance affecting the Bank or the interbank market (such as, but not limited to, official reserve requirements required by Regulation D of the Board of Governors of the Federal Reserve System), the LIBO Rate plus the

applicable spread shall not represent the effective pricing to the Bank of making advances based upon such rate, then, and in any such event, the ability of the Company to request advances based upon the LIBO Rate shall be suspended until the Bank shall notify the Company that the circumstances causing such suspension no longer exist and interest shall accrue on the unpaid balance of the Note at a variable rate of interest per annum, which shall change in the manner set forth below, equal to 0 percentage points in excess of the Prime Commercial Rate, as set by the Bank from time to time.

In the event that on any date the Bank shall have reasonably determined that the making or continuation of advances based upon the LIBO Rate has become unlawful by compliance by the Bank in good faith with any law, governmental rule, regulation or order, then and in any such event, the Bank shall promptly give notice thereof to the Company. In such case, the ability of the Company to request an advance hereunder based upon the LIBO Rate shall be terminated and thereafter interest shall accrue on the unpaid balance of the Note at a variable rate of interest per annum, which shall change in the manner set forth below, equal to 0 percentage points in excess of the Prime Commercial Rate.

If, due to (1) the introduction of or any change in or in the interpretation of any law or regulation, (2) the compliance with any guideline or request from any central bank or other public authority (whether or not having the force of law), or (3) the failure of the Company to repay any advance when required by the terms of this Note, there shall be any loss or increase in the cost to the Bank of agreeing to make or making, funding or maintaining any advance hereunder based upon the LIBO Rate, then the Company agrees that the Company shall, from time to time, upon demand by the Bank, pay to the Bank additional amounts determined in good faith by the Bank to be sufficient to compensate the Bank for such loss or increased cost. A certificate as to the amount of such loss or increase cost setting forth in reasonable detail the basis for such determination and submitted to the Company by the Bank, shall be conclusive evidence, absent manifest error, of the correctness of such amount. Such amount shall be due and payable by the Company to the Bank within ten (10) days after such certificate is received by the Company.

"Lien" means any mortgage, assessment, security interest, easement, claim, trust, charge, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise, including judgment and mechanics' lien), or preference, priority or other security agreement or similar preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC or comparable law of any jurisdiction in respect of any of the foregoing).

"Line of Credit" means the \$7,000,000.00 revolving line of credit between the Company and the Bank of even date herewith, and the aggregate advances to the Company thereunder, secured by the Collateral and further evidenced by the Note, commencing on the Closing Date and terminating on the Termination Date.

"Loan Documents" means this Agreement, the Note, any Security Instruments, including, without limitation, the Continuing Guaranty and Pledge Agreements dated of

even date herewith, and any and all other documents relating thereto whether or not specifically enumerated herein.

“Note” means the cognovit revolving promissory note, dated as of the date hereof, due on the Termination Date in the principal amount of not more than \$7,000,000.00, evidencing the Line of Credit, as amended, modified or restated from time to time.

“Obligations” means (i) the Company’s obligations under the Loan and this Agreement; (ii) all of Company’s other present and future obligations to the Bank; (iii) the repayment of (a) any amounts that the Bank may advance or spend for the maintenance or preservation of the Collateral and (b) any other expenditures that the Bank may make under the provisions of this Agreement or for the benefit of the Company; (iv) all amounts owed under any modifications, renewals or extensions of any of the foregoing obligations; (v) all other amounts now or in the future owed by the Company to the Bank; and (vi) any of the foregoing that arises after the filing of a petition by or against the Company under the Bankruptcy Code, even if the obligations do not accrue because of the automatic stay under Bankruptcy code §362 or otherwise.

“Permitted Indebtedness” means indebtedness of the Company as set forth on Schedule 5.10, attached hereto.

“Tangible Net Worth” means, for any period, the shareholder equity of the Company minus the following (a) the excess of cost over value of net assets of purchased businesses, rights, and other similar intangibles; (b) organizational expenses; (c) intangible assets excluding liquor licenses (to the extent not reflected in the foregoing); (d) goodwill; (e) deferred charges or deferred financing costs; (f) loans or advances to and/or accounts or notes receivable from Affiliates; (g) non-compete agreements; and (h) any other asset not directly related to the operation of the businesses of the Company.

“Termination Date” means April 30, 2006.

“UCC” means the Uniform Commercial Code as enacted in the State of Ohio, including, without limitation, Article 8 and Revised Article 9.

9.13 Attorney’s Fees. The Company agrees to reimburse the Bank promptly upon demand for all costs and expenses (to the extent permitted by law), including, without limitation, reasonable attorneys’ fees and expenses, expended or incurred by the Bank in any arbitration, judicial reference, legal action or otherwise in connection with the amendment and enforcement of this Agreement and the other Loan Documents, including without limitation, during any workout, attempted workout, and/or in connection with (a) the rendering of legal advice as to the Bank’s rights, remedies and obligations under this Agreement and the other Loan Documents (b) collecting any sum which becomes due the Bank under this Agreement or any of the other Loan Documents, (c) any proceeding, or any appeal, (d) the protection, preservation or enforcement of any rights or remedies of the Bank, whether or not any form of legal proceedings is commenced, or (e) any action necessary to defend, protect, assert, or preserve any of the Bank’s rights or remedies as a result of or related to any case or proceeding under Title 11 of the United States Code, as

amended, or any similar law of any jurisdiction. All of such costs and expenses will bear interest from the time of demand at the rate then in effect under the Note.

9.14 Waivers Voluntary. The releases and waivers contained in this Agreement are freely, knowingly and voluntarily given by each party, without any duress or coercion, after each party has had opportunity to consult with its counsel and has carefully and completely read all of the terms and provisions of this Agreement.

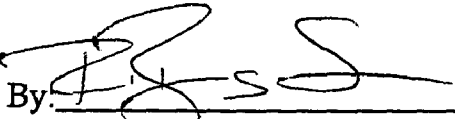
9.15 Waiver of a Jury Trial. THE BANK AND THE COMPANY ACKNOWLEDGES AND AGREES THAT THERE MAY BE A CONSTITUTIONAL RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM, DISPUTE OR LAWSUIT ARISING BETWEEN OR AMONG THEM, BUT THAT SUCH RIGHT MAY BE WAIVED. ACCORDINGLY, THE PARTIES AGREE THAT NOTWITHSTANDING SUCH CONSTITUTIONAL RIGHT, IN THIS COMMERCIAL MATTER THE PARTIES BELIEVE AND AGREE THAT IT WILL BE IN THEIR BEST INTEREST TO WAIVE SUCH RIGHT, AND, ACCORDINGLY, HEREBY WAIVE SUCH RIGHT TO A JURY TRIAL, AND FURTHER AGREE THAT THE BEST FORUM FOR HEARING ANY CLAIM, DISPUTE OR LAWSUIT, IF ANY, ARISING IN CONNECTION WITH THIS AGREEMENT, ANY LOAN DOCUMENTS OR THE RELATIONSHIP AMONG THE BANK AND THE COMPANY WILL BE A COURT OF COMPETENT JURISDICTION SITTING WITHOUT A JURY.


9.16 Warrant of Attorney. The Company authorize any attorney at law to appear in any Court of Record in the State of Ohio or in any other state or territory of the United States of America after any of the Loans becomes due, whether by acceleration or otherwise, to waive the issuing and service of process, and to confess judgment against any Company in favor of the Bank for the amount then appearing due together with costs of suit, and thereupon to waive all errors and all rights of appeal and stays of execution. The attorney at law authorized hereby to appear for any Company may be an attorney at law also representing the Bank, and the Company hereby expressly waive any conflict of interest that may exist by virtue of such representation.

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IN WITNESS WHEREOF, the Bank and the Company have executed this Agreement as of the date set forth above.

THE HUNTINGTON NATIONAL BANK PERIO, INC.

By: 
R. Bradley Smith, Senior Vice President

By: 
Thomas J. Murray, President

WARNING - BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME, A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

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