

11/2/01

12-10-2001

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D

N FORM COVER SHEET

Please record the attached original documents or copy thereof.

To the Honorable

O I P E

1. Name of

101911593

Source Intermarketing, AG

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

Name: Epicurean International Corp.

Address: 27 Turnberry Road

City: Wallingford

State: CT

Zip Code: 06492

Additional Name(s) & Address(es) attached?

[] Yes

[X] No

Additional name(s) of conveying party(ies) attached?

[] Yes

[X] No

3. Nature of Conveyance:

[] Assignment

[] Merger

[X] Security Agreement

[] Change of Name

[] Other

Execution Date: September 14, 1995

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

If this document is being filed together with a new application, the execution date of the application is: _____, 20____.

A. Patent Application No.(s)

B. Patent No.(s)

D327,647

5,031,785

5,638,607

6,036,988

Additional numbers attached? [] Yes [X] No

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

Name: DeLIO & PETERSON, LLC

Street Address: 121 Whitney Avenue

City: New Haven

State: CT

Zip Code: 06510-1241

6. Total number of applications and patents involved:.....[4]

7. Total Fee (37 CFR 3.41) \$ 160.00

[X] Enclosed

[] Authorized to be charged to Deposit Account number below

8. [X] Authorized to charge Deposit Account Number 04-0566 for any over or under payment

12/07/2001 6TOM11 00000052 D327647

01 FC:581

160.00 DP

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.

Peter W. Peterson

Name of Person Signing

Reg. No. 31,867

Signature

November 2, 2001

Date

Total number of pages including cover sheet, attachments, and document: [8]

CERTIFICATE OF MAILING UNDER 37 CFR 1.10

I hereby certify that, on the date shown below, this correspondence is being deposited with the United States Postal Service in an envelope addressed to the Commissioner of Patents and Trademarks, Washington, D.C. 20231, as "Express Mail Post Office to Addressee" Mailing Label No.

E1810071811US

Carol M. Thomas

Name of person mailing paper

Signature

Date: November 2, 2001

sic608SecAgree

PATENT
REEL: 012343 FRAME: 0103



SECURITY AGREEMENT

THIS SECURITY AGREEMENT (hereinafter the "Agreement"), made this 14th day of SEPTEMBER, 1995, by and among **EPICUREAN INTERNATIONAL CORP.**, a Connecticut corporation with a principal place of business at 27 Turnberry Road, Wallingford, Connecticut ("Seller"); **SOURCE INTERMARKETING, AG**, a Switzerland corporation with a principal place of business at KIRCHWEG 6, 8555 HÜTTLINGEN, SWITZERLAND (the "Purchaser"); **KATARINA RICHARDSON**, of 4 PARADISE PLACE, UPPER MERIDALE, N.J. ("Richardson"); and **MARY HEILMAN**, of 15 HILL ACRES DR., WALLINGFORD, CT. ("Heilman").

WITNESSETH:

WHEREAS, on even date herewith the Purchaser has purchased certain assets of Seller (the "Purchased Assets") pursuant to the terms and conditions of a certain Asset Purchase Agreement (the "Asset Purchase Agreement");

WHEREAS, Seventy-Five Thousand Dollars (\$75,000) of the purchase price for the Purchased Assets is being paid by the Purchaser on or before April 1, 1996, pursuant to Paragraph 3.1.B of the Asset Purchase Agreement (the "Deferred Cash Payment");

WHEREAS, the Purchaser is also obligated to make certain payments to Richardson and Heilman as set forth in the Redemption Agreements attached as Exhibits 6A and 6B of the Asset Purchase Agreement (the "Redemption Payments")

WHEREAS, in order to induce the Seller to enter into the Asset Purchase Agreement, the Purchaser has agreed to secure the payment of the Deferred Cash Payment and the Redemption Payments by granting a security interest in its assets in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing, the mutual covenants, agreements and promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Security Interest.** The Purchaser hereby grants to the Seller, Richardson and Heilman (hereinafter referred to collectively as the "Secured Party") a security interest in the collateral described in Section 2 hereof to secure the payment of the Obligations, as hereinafter defined.
2. **Collateral.** The collateral under this Agreement shall consist of all of the assets owned by the Purchaser and shall include any and all machinery, equipment, inventory, fixtures, supplies, office supplies, furniture, accounts receivable, contract rights, goodwill tradenames and other intangibles of the Purchaser now existing or hereafter acquired, wherever located and all additions, accessions, substitutions and proceeds and products thereof together with all other

collateral in which the Purchaser may hereinafter grant a security interest to the Secured Party (hereinafter referred to as the "Collateral").

3. **Obligations of the Purchaser.** The Collateral shall secure the payment of the Deferred Cash Payment and the Redemption Payments (hereinafter referred to as the "Obligations").

4. **Location of Collateral.** Throughout the term of this Agreement, the Collateral shall be kept at its existing location in Taiwan or at 27 Turnberry Road, Wallingford, Connecticut where the Secured Party may inspect it at any time; and, subject to the provisions of this Agreement, shall not be removed unless the Buyer notifies the Secured Party in writing and the Secured Party consents in writing in advance of its removal to another location.

5. **Warranties and Representations.** The Purchaser represents and warrants to the Secured Party as follows:

A. The Purchaser has full right, power and lawful authority to transfer, convey, assign and pledge all of the Collateral to the Secured Party;

B. The security interest created hereunder is a valid security interest and upon filing shall be a perfected security interest of first priority in the Collateral.

C. The Purchaser has not granted a security interest covering any of the Collateral to any person or entity and no Financing Statement of the Debtor covering the Collateral is on file in any public office.

D. The execution, delivery and performance of this Agreement and all other documents that may be required to be executed by the Purchaser in connection herewith are within the powers of the Purchaser, and do not (i) violate any provision of law, order of any court or other agency of government, or any indenture, agreement or other instrument to which the Purchaser is a party, or by which the Purchaser is bound or (ii) conflict, result in a breach of or constitute (with due notice or lapse of time or otherwise) a default under any such indenture, agreement or other instruments.

E. Consent or approval of any governmental bodies is not necessary to the validity of the security interest effected hereby.

F. The grant of the security interest hereunder is effective to vest in the Secured Party the rights of the Secured Party in the Collateral as set forth herein.

6. **Covenants.** The Purchaser warrants and agrees as follows:

A. The Purchaser shall warrant and defend the Collateral against the claims and demands of all persons at any time claiming the same or any interest therein.

B. The Purchaser shall not dispose of, waste or destroy the Collateral or any portion thereof, unless: (1) Purchaser obtains the prior written consent of Seller, or (2) the Collateral disposed of (other than by way of a sale of all or substantially all of the assets of the business of Purchaser), wasted or destroyed is replaced by Purchaser within thirty (30) days with assets of equal or greater value. The Purchaser shall keep the Collateral free from unpaid charges, including taxes, and from any and all liens, encumbrances, and security interests other than that of the Secured Party. At its sole option, the Secured Party may discharge after thirty (30) days prior written notice to the Purchaser, the Purchaser's share of any unpaid charges, taxes, liens, encumbrances or security interests, but shall not be obligated to do so. The Purchaser agrees to reimburse the Secured Party within thirty (30) days of written demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization.

C. The Purchaser shall execute alone or with the Secured Party financing statements pursuant to the Uniform Commercial Code in form satisfactory to the Secured Party, which statements shall be filed in all jurisdictions necessary to perfect the security interest in the Collateral as herein created.

7. **Default.** The Purchaser shall be in default under this Agreement upon the happening of any of the following events or conditions:

A. The Purchaser defaults in the payment or the performance of any of the Obligations beyond any applicable grace periods.

B. The breach of any warranty, representation or statement made or furnished to the Secured Party herein by or on behalf of the Purchaser.

C. Loss, theft, damage, destruction, sale (other than in the ordinary course of business), disposition or encumbrance of all or a substantial part of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; provided that if the event of default is not a sale of all or substantially all of the assets of the business of Purchaser, Purchaser may replace said Collateral with assets of greater or equal value within thirty (30) days of the loss, theft, damage, destruction, etc., and if Purchaser does so, Purchaser shall not be in default under this paragraph.

D. The Purchaser dissolves or is liquidated or terminates its legal existence.

E. The Purchaser shall cause to be filed or permit the filing by or against it of any petition for adjudication, arrangement, reorganization or the like under any bankruptcy or

insolvency law, makes an assignment for the benefit of creditors or suffers or permits the appointment of a receiver for any part of its property.

8. **Secured Party; Remedies.** Upon the occurrence of and event of Default provided for in Section 7 hereof and at any time thereafter, the Secured Party may declare all obligations secured hereby immediately due and payable and shall have all of the remedies of a secured party under the Uniform Commercial Code. The Secured Party will give the Purchaser reasonable notice of the time and place of any public sale or of the time at which any private sale or any other intended disposition is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of the Purchaser set forth in Section 20 hereof at least ten (10) days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include the Secured Party's reasonable attorneys' fees and legal expenses.

9. **Termination of Agreement.** The parties hereto agree that if the Obligations which are secured by this Agreement shall be promptly paid and performed in full according to the terms of this Agreement, then the security interests herein created shall be terminated.

10. **Secured Party's Rights.** The Secured Party may, at any reasonable time during normal business hours, enter upon the Purchaser's premises to inspect the Collateral and the Purchaser's books and records pertaining to the Collateral or its proceeds, and the Purchaser shall assist the Secured Party in making such inspection.

11. **Benefit.** No promises, agreements, representations, or warranties shall be binding upon the Secured Party unless made a part of this Agreement in writing.

12. **Survival of Agreement.** All representations, warranties, terms, conditions, covenants and agreements made herein shall survive the execution of this Agreement.

13. **Entirety, Modifications and Assignment.** This Agreement and the attached Exhibits made a part hereof constitute the entire agreement among the parties and supersedes all other agreements, arrangements, representations and communications, either oral or written with respect to the matters herein stated. This Agreement shall not be modified or amended, except by written agreement of the parties hereto or their legal representatives, heirs, assigns or successors. This Agreement has been negotiated at arm's length by each of the parties and the individuals named herein and no portion of this Agreement shall be construed more favorably for any party by reason of the fact that the Agreement may have been prepared or drafted by any other party or counsel representing such other party. Each party acknowledges that it has had the right to engage the services of counsel of its choice in negotiating, drafting and executing this Agreement.

14. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties, their heirs, executors, administrators or other legal representatives and their successors and assigns.

15. **Usage.** In construing this Agreement, feminine or neuter pronouns shall be substituted for those of the masculine form and vice versa, and the plural for the singular, in any case in which the context may require.

16. **Headings.** Any headings or captions in this Agreement are for reference purposes only, and shall not expand, limit, change or affect the meaning of any provision of this Agreement.

17. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original; and all of which together shall constitute one and the same Agreement.

18. **Waiver.** Failure to insist upon strict compliance with any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of such terms, covenants or conditions, nor shall any waiver or relinquishment of such right or power hereunder at any time or times be deemed a waiver or relinquishment of such right or power at any other time or times. A waiver of any term, covenant or condition hereof shall be effective only if it is set forth in writing, specifies whether such waiver is permanent, specific or otherwise, and is signed by the waiving party.

19. **Severability.** The invalidity of any portion of this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and in the event that any portion or portions contained herein shall be invalid, this instrument shall be construed as if such invalid portion or portions had not been inserted.

20. **Notices.** All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed by certified or registered mail, return receipt requested, charges prepaid to:

If to Seller: Anthony R. Lemme
Epicurean International Corp.
27 Turnberry Road
Wallingford, CT 06489

With copies to: Joseph P. Jaconetta, Esq.
36 Welles Street, Suite 220
Glastonbury, CT 06033

If to Richardson: 4 PARKSIDE PLACE
UPPER MONTCLAIRE, N.J.
07043
U.S.A.

If to Heilman: 15 HALL ACRES DR.
WALLINGFORD, CT. 06492
U.S.A.

If to Purchaser: SOURCE INTERNATIONAL AG
KIRCHWEG 6, 8553
HÜTTLINGEN, SWITZERLAND


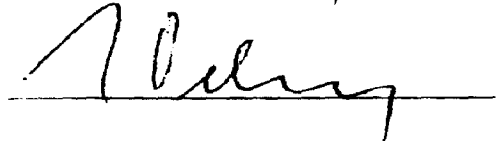
With copies to: HEIRIC HOLDINGS INC.
80 RANDOLPH ROAD
TORONTO, ONTARIO
CANADA.

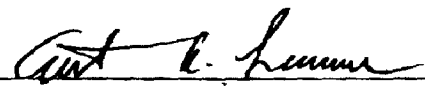
21. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the United States of America and the State of Connecticut.

IN WITNESS WHEREOF, the parties have hereto set their hands and seals on the date first written above.

WITNESSES:

SELLER:
EPICUREAN INTERNATIONAL CORP.

By: 
Anthony R. Lemme
Its President
Duly Authorized