

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
EFFECTIVE DATE:	08/01/2006
CONVEYING PARTY DATA	
Name	Execution Date
Schroeder & Tremayne, Inc.	08/01/2006
RECEIVING PARTY DATA	
Name:	Wells Fargo Bank, National Association
Street Address:	101 S. Hanley Road, Suite 1400
Internal Address:	Wells Fargo Business Credit Division
City:	St. Louis
State/Country:	MISSOURI
Postal Code:	63105
PROPERTY NUMBERS Total: 4	
Property Type	Number
Patent Number:	D520795
Application Number:	29232477
Application Number:	29231585
Application Number:	29231584
CORRESPONDENCE DATA	
Fax Number:	(816)421-0596
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	(816) 329-4756
Email:	patricia.toalson@husch.com
Correspondent Name:	Patricia Toalson
Address Line 1:	1200 Main Street, Suite 2300
Address Line 2:	Husch & Eppenger, LLC
Address Line 4:	Kansas City, MISSOURI 66212
ATTORNEY DOCKET NUMBER:	10768.077

CH \$160.00 D520795

PATENT

500140664

REEL: 018132 FRAME: 0627

NAME OF SUBMITTER:

Patricia Toalson

Total Attachments: 10

source=WellsFargoSBIPatent&TrademarkSecAgt#page1.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page2.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page3.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page4.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page5.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page6.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page7.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page8.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page9.tif

source=WellsFargoSBIPatent&TrademarkSecAgt#page10.tif

## PATENT AND TRADEMARK SECURITY AGREEMENT

This PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of August 1, 2006, is made by SCHROEDER & TREMAYNE, INC., a Missouri corporation, having a mailing address at 8500 Valcour Avenue, St. Louis, MO 63123 (the "Debtor"), for the benefit of WELLS FARGO BANK, NATIONAL ASSOCIATION, acting through its Wells Fargo Business Credit operating division, having a place of business at 101 S. Hanley Road, Suite 1400, St. Louis, MO 63105 (the "Secured Party").

### Recitals

The Debtor and the Secured Party are parties to a Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party may now or hereafter extend credit to or for the account of the Debtor and certain affiliates of the Debtor.

As a condition to extending credit to or for the account of the Debtor and its affiliates, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents (as defined in the Credit Agreement) and herein, the Debtor hereby agrees as follows:

1. Definitions. Terms defined in the Credit Agreement and not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means all of the Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" is defined in Section 2.

"Trademarks" means all of the Debtor's right, title and interest in and to: (a) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (b) licenses, fees or royalties with respect to each, (c) the right to sue for past, present and future infringement, dilution and damages therefor, and (d) licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the marks listed on Exhibit B.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants to, the Secured Party a security interest (the "Security Interest"), with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Indebtedness. As set forth in the Credit Agreement, the Security Interest is coupled with a

security interest in substantially all of the personal property of the Debtor. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. The Debtor represents, warrants and agrees as follows:

(a) **Existence; Authority.** The Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Debtor.

(b) **Patents.** Exhibit A accurately lists all Patents owned by the Debtor as of the date hereof, or to which the Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If, after the date hereof, the Debtor owns or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then within sixty (60) days the Debtor shall provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) **Trademarks.** Exhibit B accurately lists all Trademarks owned by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Debtor's, any Borrower's or any Guarantor's business. If, after the date hereof, the Debtor owns any Trademarks not listed on Exhibit B (other than common law marks which are not material to the Debtor's, any Borrower's or any Guarantor's business), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then within sixty (60) days the Debtor shall provide written notice to the Secured Party with a replacement Exhibit B, which upon acceptance by the Secured Party shall become part of this Agreement.

(d) **Affiliates.** As of the date hereof, no Borrower or Guarantor other than the Debtor owns or has a right to have assigned to it any item that would, if such item were owned by the Debtor, constitute Patents or Trademarks. If, after the date hereof, any Borrower or Guarantor owns or has a right to have assigned to it any such items, then the Debtor shall promptly notify the Secured Party of such items and cause such Affiliate to execute and deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** The Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Credit Agreement, the Debtor will not assign, transfer, encumber or otherwise dispose of the Patents or the Trademarks, or any interest therein, without the Secured Party's prior written consent.

(g) **Defense.** The Debtor, at its own expense and using commercially reasonable efforts, will protect and defend the Patents and the Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** The Debtor, at its own expense, will maintain the Patents and the Trademarks to the extent reasonably advisable in its business, including but not limited to filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or any Trademark used in its, any Borrower's or any Guarantor's business, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least thirty (30) days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patent or any Trademark, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such power of attorney or other authorization be necessary or desirable.

(i) **Secured Party's Right to Take Action.** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent or a Trademark used in its, any Borrower's or any Guarantor's business, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 5, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(k) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 5, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create,

prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3 or necessary for the Secured Party, during a Default Period, to enforce or use the Patents or the Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or the Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or the Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Indebtedness.

4. Debtor's Use of the Patents and the Trademarks. The Debtor shall be permitted to control and manage the Patents and the Trademarks, including without limitation the right to exclude others from making, using or selling items covered by the Patents and the Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as an Event of Default has not occurred and is not continuing.

5. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party, at its option, may take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and the Trademarks.

(c) The Secured Party may enforce the Patents and the Trademarks and any licenses thereunder, and if the Secured Party shall commence any suit for such enforcement, the Debtor, at the request of the Secured Party, shall do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such enforcement.

6. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to the Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents and the Trademarks at all or in any particular manner or order, or to apply any cash proceeds of the Patents and the Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and

the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of Missouri without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Indebtedness.

**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

[Remainder of page blank]

IN WITNESS WHEREOF, the Debtor has executed this Patent and Trademark Security Agreement as of the date written above.

SCHROEDER & TREMAYNE, INC., a  
Missouri corporation

By: John G. Wilmsen Sr.  
Name: John G. Wilmsen, Sr.  
Its President

STATE OF MISSOURI )  
                                  ) SS.  
COUNTY OF ST. LOUIS )

On this 1 day of August, 2006, before me appeared John G. Wilmsen, Sr., to me personally known, who being by me duly sworn did say that he is the President of Schroeder & Tremayne, Inc., a Missouri corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Carolyn Swarm  
Notary Public

My Commission Expires:

May 27, 2008

CAROLYN SWARM  
Notary Public - State of Missouri  
County of St. Louis  
My Commission Expires May 27, 2008



## Exhibit A to Patent and Trademark Security Agreement

### PATENTS

#### UNITED STATES ISSUED PATENTS

<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
Wing Display Shelf	D520,795	6/7/05

#### UNITED STATES PATENT APPLICATIONS

<u>Title</u>	<u>Application Number</u>
Gear Shift Coat Hanger	29/232,477
Guage Cluster	29/231,585
Bullet Mirror Clock	29/231,584

#### FOREIGN ISSUED PATENTS

None

#### FOREIGN PATENT APPLICATIONS

None

## Exhibit B to Patent and Trademark Security Agreement

### TRADEMARKS

#### TRADEMARK REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
Elizabeth'Spa	2974175	7/19/05
Essence of the Season	2875527	8/17/04
Design Only	2668765	12/31/02
Spa Botanika	2662233	12/17/02
Design Only	3067106	3/14/06
G.L.O.W Girls Leading Our World	2698663	3/18/03
GB	2964792	7/5/05
Design Only	2668346	12/31/02
Design Only	2538270	2/12/02
Design Only	2656037	12/3/02
Lady Elizabeth	2581936	6/18/02
Lady Elizabeth	2581935	6/18/02
Clean Weave	2597651	7/23/02
Lady Elizabeth	2614777	9/3/02
The Claw	2638733	10/22/02
The Claw	2651405	11/19/02
Girls Leading Our World	2691514	2/25/03
G.L.O.W. Girls Leading Our World	2555576	4/2/02
Girls Leading Our World	2504593	11/6/01
Purely Bath	2714170	5/6/03
G.L.O.W. Girls Leading Our World	2660337	12/10/02
G.L.O.W. Girls Leading Our World	2650273	11/12/02
G.L.O.W. Girls Leading Our World	2664096	12/17/02
Eversoft	2509399	11/20/01
Pouf!	2555122	4/2/02
Pouf!	2555121	4/2/02
Viking	2457085	6/5/01
Spa	2589216	7/2/02
Seasons in the Garden	2297034	11/30/99
Transparencies	2124322	12/23/97
Transparencies	2166309	6/16/98
Garden Botanika	2257409	6/29/99
GB	1912158	8/15/95
Garden Botanika	1690931	6/2/92
Garden Botanika	2076273	7/1/97
Garden Botanika	2107685	10/21/97
Design Only	1921419	9/26/95

GB	1859407	10/25/94
LE	2416970	1/2/01
Botanikids	1783184	7/20/93
Garden Botanika	1835945	5/10/94
GB	1687495	5/19/92
GB	1826051	3/15/94
Lady Elizabeth	1780760	7/6/93
Lady Elizabeth	2370614	7/25/00
Lady Elizabeth	2370616	7/25/00
LE	2380931	8/29/00
Sequence	2300350	12/14/99
Sun and Sport	1775680	6/8/93
Sequence	2345896	4/25/00
Flo-Thru	2567839	5/7/02
Flo-Thru	2567840	5/7/02
Super Soaper	2556515	4/2/02
LE	1826948	3/15/94
Lady Elizabeth	1828893	3/29/94
Sequence	2300351	12/14/99
Spa	1211588	10/5/82
Spa	2532308	1/22/02
Viking	2318959	2/15/00
Garden Botanika	1847480	7/26/94
Garden Botanika	1806602	11/23/93
John Bull	1291120	8/21/84
Design Only	1297604	9/25/84

### TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Serial Number</u>	<u>Filing Date</u>
Healthy Home Kitchen	Pending	9/27/05
Healthy Home Bath	Pending	9/27/05
The Bath Source	Pending	10/6/05
The Botanical Bath Company	Pending	4/28/06
Botanical Bath	Pending	4/21/06
Botanika Baby	Pending	4/17/06
Botanika Bath	Pending	4/13/06
Spa	Suspended	10/20/03

### COLLECTIVE MEMBERSHIP MARKS

None

UNREGISTERED MARKS

None