

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Security Agreement
CONVEYING PARTY DATA	
Name	Execution Date
NATROL, INC.	08/25/2006
PROLAB NUTRITION, INC.	08/25/2006
RECEIVING PARTY DATA	
Name:	Wachovia Capital Finance Corporation (Western)
Street Address:	251 South Lake Avenue,
Internal Address:	Suite 900
City:	Pasadena
State/Country:	CALIFORNIA
Postal Code:	91101
PROPERTY NUMBERS Total: 5	
Property Type	Number
Patent Number:	5770207
Patent Number:	6080410
Patent Number:	4973467
Patent Number:	6113949
Application Number:	11084189
CORRESPONDENCE DATA	
Fax Number:	(866)459-2899
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	202-783-2700
Email:	Oleh.Hereliuk@federalresearch.com
Correspondent Name:	CBCInnovis dba Federal Research
Address Line 1:	1023 Fifteenth Street, NW, Ste 401
Address Line 2:	attn: Oleh Hereliuk
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20005

CH \$200.00 5770207

500147847

PATENT
REEL: 018224 FRAME: 0936

ATTORNEY DOCKET NUMBER:

366760

NAME OF SUBMITTER:

Oleh Hereliuk

Total Attachments: 10

source=366760#page1.tif

source=366760#page2.tif

source=366760#page3.tif

source=366760#page4.tif

source=366760#page5.tif

source=366760#page6.tif

source=366760#page7.tif

source=366760#page8.tif

source=366760#page9.tif

source=366760#page10.tif

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

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)

NATROL, INC., a Delaware corporation

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

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

Execution Date(s) August 25, 2006

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Joint Research Agreement
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☐ Other _____

2. Name and address of receiving party(ies)

Name: WACHOVIA CAPITAL FINANCE CORPORATION (WESTERN)

Internal Address: _____

Street Address: 251 South Lake Avenue, Suite 900

City: Pasadena

State: California

Country: USA Zip: 91101

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application or patent number(s):

☐ This document is being filed together with a new application.

A. Patent Application No.(s)

11/084,189

B. Patent No.(s)

5,770,207
6,080,410
4,973,467
6,113,949

Additional numbers attached? ☐ Yes ☒ No

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

Name: Federal Research Co. LLC

Internal Address: Attention: Oleh Hereliuk

Street Address: 1023 15th Street, NW

Suite 401

City: Washington

State: D.C. Zip: 20005

Phone Number: (800) 846-3190

Fax Number: _____

Email Address: _____

6. Total number of applications and patents involved: 5

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 200.00

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed
☐ None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Malia Herndon

Signature

September 6, 2006

Date

Malia Herndon

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents:

10

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

RECORDATION FORM COVER SHEET
PATENTS ONLY
(CONTINUED)

Item No. 1 continued: Name of conveying parties:

PROLAB NUTRITION, INC., a Connecticut corporation

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Security Agreement"), dated August 25, 2006, is entered into between NATROL, INC., a Delaware corporation with its chief executive office located at 21411 Prairie Street, Chatsworth, California 91311 ("Natrol"), PROLAB NUTRITION, INC., a Connecticut corporation with its chief executive office located at 21411 Prairie Street, Chatsworth, California 91311, ("Prolab" and, together with Natrol, "Pledgors" and each a "Pledgor"), and WACHOVIA CAPITAL FINANCE CORPORATION (WESTERN), a California corporation, as agent with an office at 251 South Lake Avenue, Suite 900, Pasadena, California 91101 ("Pledgee").

W I T N E S S E T H:

WHEREAS, Pledgee and Pledgors have entered into a Loan and Security Agreement of even date herewith (together with all supplements thereto and other agreements entered into in connection therewith, the "Financing Agreements"), pursuant to which Pledgee and the lenders from time to time party thereto ("Lenders") have agreed to extend certain loans and financial accommodations to Pledgors, subject to the terms and provisions of the Financing Agreements;

WHEREAS, Pledgors own all right, title, and interest in and to, among other things, all the United States patents, registrations and applications for the protection of inventions or designs set forth on Exhibit A hereto (the "Patents"); and

WHEREAS, in order to secure each Pledgor's Obligations (as defined in the Financing Agreements) to Pledgee and Lenders, each Pledgor has granted to Pledgee a security interest in the Patents and certain other patents, inventions and assets with respect to the Patents as further set forth herein and in the Financing Agreements, and Pledgee has requested each Pledgor to enter into this Security Agreement to evidence further such security interest.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for valuable consideration received and to be received, as security of the full payment and performance of each Pledgor's Obligations, and to induce Pledgee to make loans and advances to Pledgors, each Pledgor hereby grants to Pledgee a security interest in:

- (a) the Patents;
- (b) all patents, registrations and applications for the protection of inventions and designs hereafter acquired by, granted to, or filed by each Pledgor, whether based upon, derived from or variations of any invention or designs disclosed in the Patents or otherwise (the "Future Patents");
- (c) all extensions, renewals, and continuations, re-issues, divisions, and continuations-in-part of the Patents and Future Patents;
- (d) all rights to sue for past, present and future infringements of the Patents and Future Patents;

(e) all proceeds, including without limitation, license royalties and proceeds of infringement suits, based on the Patents and Future Patents;

(f) all licenses and other agreements and all fees, rents, royalties, proceeds or monies thereunder, relating to the Patents and Future Patents and the use thereof; and

(g) all formulae, processes, compounds, methods, know-how, and trade secrets relating to the manufacture of each Pledgor's products under, utilizing, or in connection with the Patents and Future Patents and all goodwill connected with, symbolized by or related to the foregoing.

All of the foregoing items set forth in clauses (a) through (g) are hereinafter referred to collectively as the "Collateral."

AND each Pledgor hereby covenants with Pledgee as follows:

1. Pledgors' Obligations. Each Pledgor agrees that, notwithstanding this Security Agreement, it will perform and discharge and remain liable for all of its covenants, duties, and obligations arising in connection with the Collateral and any licenses and agreements related thereto. Pledgee shall have no obligation or liability in connection with the Collateral or any licenses or agreements relating thereto by reason of this Security Agreement or any payment received by Pledgee relating to the Collateral, nor shall Pledgee be required to perform any covenant, duty or obligation of any Pledgor arising in connection with the Collateral or any license or agreement related thereto or to take any other action regarding the Collateral or any such licenses or agreement.

2. Representations and Warranties. Each Pledgor represents and warrants to Pledgee that:

(a) such Pledgor is the registered owner of, and no adverse claims have been made with respect to its title to or the validity of such Patent Collateral;

(b) such title is indefeasible for the duration of each such Patent; the Patents are subsisting and no part thereof has been adjudicated invalid or unenforceable, in whole or in part; each Patent is, to its best knowledge, valid and, if granted and registered, enforceable;

(c) the Patents are the only patents in which such Pledgor has any or all right, title and interest; none of its Collateral is subject to any mortgage, pledge, lien, security interest, lease, charge, license (by any Pledgor as licensor) or encumbrance, except Pledgee's security interest; and

(d) when this Security Agreement is filed in the United States Patent and Trademark Office and Pledgee has taken the other actions contemplated in this Security Agreement and by the other Financing Agreements, this Security Agreement will create a legal and valid perfected and continuing lien on and security interest in the Collateral in favor of Pledgee, enforceable against each Pledgor and all third parties, subject to no other mortgage, lien, charge, encumbrance, or security or other interest.

3. Covenants. Each Pledgor will maintain and renew all items of Collateral, and will defend the Collateral against the claims of all persons; provided, however, that no Pledgor will be required to maintain any Collateral which no longer has any material economic value. Without limiting the generality of the foregoing, so long as any Patent or Future Patent has any material economic value, no Pledgor shall permit the expiration of any registration or termination of any application for any such Patent and Future Patent without the prior written consent of Pledgee. If before the Obligations have been satisfied in full, any Pledgor shall obtain rights to or be licensed to use any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent, or any improvement on any Patent, the provisions of Section 1 hereof shall automatically apply thereto and such Pledgor shall give Pledgee prompt notice thereof in writing.

4. Use Prior to Default. Effective until Pledgee's exercise of its rights and remedies upon an Event of Default under and as defined in the Financing Agreements (an "Event of Default"), Pledgee hereby grants to each Pledgor the exclusive non-transferable right and license to use the Collateral and make, use and sell the inventions disclosed and claimed in the Patents and Future Patents in the ordinary course of its business, subject to the terms and covenants of the Financing Agreements and this Security Agreement.

5. Remedies Upon Default. Whenever any Event of Default shall have occurred and be continuing, Pledgee shall have all the rights and remedies granted to it in such event by the Financing Agreements, which rights and remedies are specifically incorporated herein by reference and made a part hereof and any and all rights and remedies of law available to Pledgee. Pledgee in such event may collect directly any payments due to each Pledgor in respect of the Collateral and may sell, license, lease, assign or otherwise dispose of the Collateral in the manner set forth in the Financing Agreements. Each Pledgor agrees that, in the event of any disposition of the Collateral upon any such Event of Default, it will duly execute, acknowledge and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of the Patents and Future Patents. In the event any Pledgor fails or refuses to execute and deliver such documents, each Pledgor hereby irrevocably appoints Pledgee as its attorney-in-fact, with power of substitution, to execute, deliver, and record any such documents on such Pledgor's behalf. Notwithstanding any provision hereof to the contrary, during the continuation of an Event of Default, each Pledgor may sell any merchandise incorporating or utilizing the Patents and Future Patents in the ordinary course of its business and in a manner consistent with its past practices until it receives written notice from Pledgee of an intended sale or other disposition of the Collateral. The preceding sentence shall not limit any right or remedy granted to Pledgee with respect to any Pledgor's inventory under the Financing Agreements or any other agreement now or hereafter in effect.

6. Cumulative Remedies. The rights and remedies provided herein are cumulative and not exclusive of any other rights or remedies provided by law. The rights and remedies provided herein are intended to be in addition to and not in substitution of the rights and remedies provided by the Financing Agreements.

7. Amendments and Waivers. This Security Agreement may not be modified, supplemented or amended, or any of its provisions waived, without the prior written consent of Pledgee. Each Pledgor hereby authorizes Pledgee to modify this Security Agreement by amending Exhibit A hereto to include any Future Patents or additional licenses.

8. Waiver of Rights. No course of dealing between the parties to this Security Agreement or any failure or delay on the part of any such party in exercising any rights or remedies hereunder shall operate as a waiver of any rights or remedies of such party or any other party and no single or partial exercise of any rights or remedies by one party hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies of such party or any other party. No waiver by Pledgee of any breach or default by any Pledgor shall be deemed a waiver of any other previous breach or default or of any breach or default occurring thereafter.

9. Assignment. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto; provided, however, that no interest herein or in or to the Collateral may be assigned by any Pledgor without the prior written consent of Pledgee; and provided, further, that Pledgee may assign the rights and benefits hereof to any party acquiring any interest in the Obligations or any part thereof.

10. Further Acts. Each Pledgor shall have the duty to prosecute diligently any applications for the Patents and Future Patents pending as of the date of this Security Agreement or thereafter, until the Obligations shall have been paid in full, to make applications on material unpatented or unregistered but patentable or registrable inventions, in any location where such Pledgor does business, and to preserve and maintain all rights in the Patents. Any expenses incurred in connection with such applications or actions shall be borne by such Pledgor. No Pledgor shall abandon any right to file a patent application or registration for any invention, nor abandon any such pending patent application or registration, without the consent of Pledgee, except to the extent that the invention covered thereby has no material economic value.

11. Enforcement. Upon any Pledgor's failure to do so after Pledgee's demand, or upon an Event of Default, Pledgee shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Patents and Future Patents and any license thereunder, in which event such Pledgor shall at the request of Pledgee do any and all lawful acts and execute any and all proper documents required by Pledgee in aid of such enforcement and such Pledgor shall promptly, upon demand, reimburse and indemnify Pledgee for all costs and expenses incurred by Pledgee in the exercise of their rights under this Section 11.

12. Re-Assignment. At such time as Pledgors shall completely satisfy all of the Obligations, and the Financing Agreements have been terminated, other than upon enforcement of Pledgee's remedies under the Financing Agreements after an Event of Default, Pledgee will execute and deliver to Pledgors all deeds, security agreements and other instruments as may be necessary or proper to re-vest Pledgors with full title to the Patents and Future Patents, subject to any dispositions thereof which may have been made by Pledgee pursuant hereto.

13. Severability. If any clause or provision of this Security Agreement shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or

unenforceability shall attach only to such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such or any other clause or provision in any other jurisdiction.

14. Notices. All notices, requests and demands to or upon any Pledgor or Pledgee under this Security Agreement shall be given in the manner prescribed by the Financing Agreements.

15. Governing Law. This Security Agreement shall be governed by and construed, applied, and enforced in accordance with the federal laws of the United States of America applicable to patents and the laws of the State of California, except that no doctrine of choice of law shall be used to apply the laws of any other State or jurisdiction. The parties agree that all actions or proceedings arising in connection with this Security Agreement shall be tried and litigated only in the state and federal courts located in the County of Los Angeles, State of California, whichever Pledgee may elect (except that Pledgee shall have the right to bring any action or proceeding against any Pledgor or its property in the courts of any other jurisdiction which Pledgee deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against such Pledgor or its property). EACH PLEDGOR AND PLEDGEE EACH WAIVES THE RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING UNDER THIS SECURITY AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND ANY RIGHT EITHER MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS, LACK OF PERSONAL JURISDICTION, OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 15.

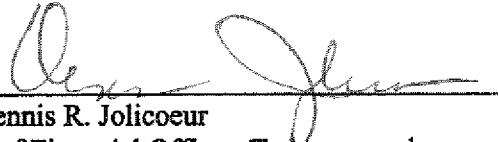
16. Counterparts, etc. This Security Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Security Agreement by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Security Agreement. Any party delivering an executed counterpart of this Security Agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Security Agreement.

17. Supplement. This Security Agreement is a supplement to, and is hereby incorporated into, the Financing Agreements and made a part thereof.

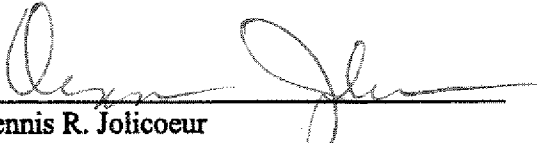
IN WITNESS WHEREOF, the parties have entered into this Security Agreement as of the date first above written.

PLEDGORS

NATROL, INC.,
a Delaware corporation

By: 
Name: Dennis R. Jolicoeur
Title: Chief Financial Officer, Treasurer and
Executive Vice President

PROLAB NUTRITION, INC.,
a Connecticut corporation

By: 
Name: Dennis R. Jolicoeur
Title: Chief Financial Officer, Treasurer and
Executive Vice President

PLEDGEE

WACHOVIA CAPITAL FINANCE
CORPORATION (WESTERN),
a California corporation, as agent

By: _____
Name: James E. Campbell
Title: Director

IN WITNESS WHEREOF, the parties have entered into this Security Agreement as of the date first above written.

PLEDGORS

NATROL, INC.,
a Delaware corporation

By: _____
Name: Dennis R. Jolicoeur
Title: Chief Financial Officer, Treasurer and
Executive Vice President

PROLAB NUTRITION, INC.,
a Connecticut corporation

By: _____
Name: Dennis R. Jolicoeur
Title: Chief Financial Officer, Treasurer and
Executive Vice President

PLEDGEE

WACHOVIA CAPITAL FINANCE
CORPORATION (WESTERN),
a California corporation, as agent

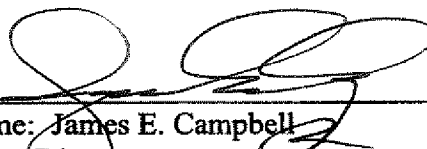
By:  _____
Name: James E. Campbell
Title: Director

EXHIBIT A

List of Patents

Type of Intellectual Property	Registration Number and Date of Registration or Issue Date	Owned or Licensed	Name and Address of Licensor
U.S. Patent	5,770,207 6/23/98 (Issue Date)	Natrol	Natrol 21411 Prairie Street Chatsworth, CA 91311
U.S. Patent	6,080,410 6/27/00 (Issue Date)	Natrol	Natrol 21411 Prairie Street Chatsworth, CA 91311
U.S. Patent	4,973,467 11/27/90 (Issue Date)	Natrol	Natrol 21411 Prairie Street Chatsworth, CA 91311
U.S. Patent Application	11/084,189 March 21, 2005 (File Date)	Natrol	Natrol 21411 Prairie Street Chatsworth, CA 91311

Type of Intellectual Property	Registration Number and Date of Registration	Owned or Licensed	Name and Address of Licensor
U.S. Patent	6,113,949 9/5/2000	Prolab Nutrition, Inc.	Prolab Nutrition, Inc. 21411 Prairie Street Chatsworth, CA 91311

PATENT

RECORDED: 09/07/2006

REEL: 018224 FRAME: 0947