

06-05-2003

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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Carolina Biological Supply Company

- Individual(s) Association General Partnership Limited Partnership Corporation-State North Carolina Other

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

2. Name and address of receiving party(ies)

Name: Wachovia Bank, National Association

Internal Address:

Street Address: 191 Peachtree Street, N.E., 30th Floor

City: Atlanta State: GA Zip: 30303

- Individual(s) citizenship Association National Banking Association General Partnership Limited Partnership Corporation-State Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: May 29, 2003

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

A. Trademark Application No.(s) None.

B. Trademark Registration No.(s) See Schedule A, attached hereto.

Additional number(s) attached Yes No

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

Name: Elizabeth G. Hartnett, Paralegal

Internal Address: Parker, Hudson, Rainer & Dobbs LLP

Street Address: 285 Peachtree Center Ave., N.E. 1500 Marquis Two Tower

City: Atlanta State: GA Zip: 30303

6. Total number of applications and registrations involved: 39

7. Total fee (37 CFR 3.41) \$ 990.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Elizabeth G. Hartnett Name of Person Signing

Signature

06-03-03 Date

Total number of pages including cover sheet, attachments, and document: 11

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

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TRADEMARK REEL: 002747 FRAME: 0501

SCHEDULE A

NOTE: With respect to U.S. Reg. No. 2,327,440 for the mark BIO LAB, Company is contractually obligated to negotiate a non-exclusive license allowing Robert M. Doltar ("Doltar") to use the BIO LAB mark in the event Company terminates its software agreement with Doltar.

<u>Trademark</u>	<u>Jurisdiction</u>	<u>Federal Registration Number</u>	<u>Registration Date</u>
ACTIVE SCIENCE	United States	2,413,951	December 19, 2000
ACTIVE SCIENCE and Design	United States	2,413,950	December 19, 2000
ALGA-GRO	United States	915565	June 29, 1971
BIOKIT	United States	988374	July 16, 1974
BIO LAB	United States	2,327,440	March 7, 2000
BIOPHOTO	United States	979993	March 5, 1974
BIOREVIEW	United States	979992	March 5, 1974
CABISCO	United States	1458800	September 22, 1987
CABISCO MATHEMATICS & DESIGN	United States	1458053	September 22, 1987
CAROLINA BIOLOGICAL/SQUID DESIGN	United States	880864	November 18, 1989
CAROLINA HEALTH & FITNESS	United States	1390410	April 15, 1987
CAROLINA WITH SQUID DESIGN/COLOR BAR	United States	2194762	October 13, 1998
CAROLINA KALEIDOSCOPE	United States	2573172	May 28, 2002
CAROLINA TIPS	United States	2,522,129	December 25, 2001
CAROPAK	United States	756206	September 3, 1963
CAROSAFE	United States	2,630,353	October 8, 2002
CAROSPRAY	United States	2,691,272	February 28, 2003
CBR & DESIGN	United States	1361851	September 24, 1985
ECO-SEEKER and ECO-SEEKER & Design	United States	2,512,343 & 2,512,333	November 27, 2000
FLYNAP	United States	1345396	July 2, 1985
FORMULA 4-24	United States	919215	August 31, 1971
KLEERMOUNT	United States	840716	September 19, 1967
LIVING WONDERS	United States	1391787	April 29, 1986
MICROKWIK	United States	1545941	July 4, 1989

<u>Trademark</u>	<u>Jurisdiction</u>	<u>Federal Registration Number</u>	<u>Registration Date</u>
CULTURE			
MOL-E-CLUES	United States	2,555,703	April 2, 2000
PBLU	United States	1726843	October 27, 1992
PERMACAST	United States	2336747	October 18, 1977
PLANASLO	United States	936386	June 27, 1972
PROTOSLO	United States	903705	December 8, 1970
PUFFNS	United States	2,408,159	November 28, 2000
READI-STAIN	United States	943612	September 26, 1972
STERILGEL	United States	1347127	July 9, 1985
STERILGEL DESIGN	United States	1316508	January 29, 1985
TEAMED WITH TEACHERS	United States	2124917	December 30, 1997
THE MOLE PAD	United States	2,555,704	April 2, 2002
VITACHROME	United States	926445	January 4, 1972
WOLFE	United States	804649	March 1, 1966
X-JUMBO	United States	745005	February 12, 1963

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is made this 24<sup>th</sup> day of May, 2003, between **CAROLINA BIOLOGICAL SUPPLY COMPANY**, a North Carolina corporation having its principal place of business at 2700 York Road, Burlington, North Carolina 27215 (the "Company"), and **WACHOVIA BANK, NATIONAL ASSOCIATION**, a national banking association having an office at 191 Peachtree Street, N.E., 30<sup>th</sup> Floor, Atlanta, Georgia 30303 ("Lender").

### WITNESSETH:

WHEREAS, the Company desires to obtain loans from Lender pursuant to a certain Loan and Security Agreement, dated the date hereof by and among the Company, the other borrowers named therein and Lender (as at any time amended, the "Loan Agreement"); and

WHEREAS, Lender is willing to make loans to the Company from time to time, in Lender's discretion, provided the Company executes this Agreement;

WHEREAS, the Company has contemporaneously herewith pursuant to the Loan Agreement, granted to Lender a lien upon and security interest in the Company's now existing or hereafter acquired inventory, machinery, equipment, equipment formulations, manufacturing procedures, quality control procedures and product specifications relating to products sold under the Trademarks (as hereinafter defined);

NOW, THEREFORE, for Ten Dollars (\$10.00) and other valuable consideration, and in consideration of the premises, the Company hereby agrees with Lender as follows:

1. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement.

2. To secure the payment and performance of the Obligations, the Company hereby pledges, assigns and grants to Lender a continuing security interest in and lien upon all of the following property of the Company, whether now owned or existing or hereafter acquired (the "Collateral"):

(a) all trademarks, trademark registrations, tradenames and trademark applications, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof (as the same may be amended from time to time), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, tradenames and applications,

together with the items described in clauses (i)-(iv), are hereinafter collectively referred to as the "Trademarks");

(b) the goodwill of the Company connected with and symbolized by the Trademarks; and

(c) all proceeds of the foregoing.

3. The Company represents and warrants that:

(a) Each of the Trademarks is subsisting and has not been adjudged invalid or unenforceable;

(b) Upon filing of this Agreement in the United States Patent and Trademark Office, this Agreement will create a legal and valid perfected lien upon and security interest in the Collateral (other than foreign trademarks), enforceable against Borrower and all third Persons in accordance with its terms;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person; and

(d) The Company has the unqualified right to enter into this Agreement and perform its terms.

4. The Company covenants and agrees that:

(a) Each of the Trademarks is valid and enforceable;

(b) Except with respect to those Trademarks licensed to the Company as described in Schedule A, the Company is the sole and exclusive owner of the entire right, title and interest in and to each of the Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by the Company not to sue third Persons;

(c) The Company will maintain the quality of the products associated with the Trademarks, at a level consistent with the quality at the time of this Agreement, and will, upon the request of Lender, provide Lender quarterly with a certificate to that effect in the form attached hereto as Exhibit 1 executed by an officer of the Company;

(d) The Company will not change the quality of the products associated with the Trademarks without Lender's prior written consent; and

(e) The Company has used and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks, including, without limitation, filing an affidavit of use with the United States Patent and Trademark Office during the sixth year of registration for each registered Trademark as required by law.

5. The Company hereby grants to Lender and its employees and agents the right upon prior notice to the Company to visit the Company's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. The Company shall do any and all acts required by Lender to ensure the Company's compliance with paragraph 4(c) of this Agreement.

6. The Company agrees that, until all of the Obligations have been satisfied in full, it will not enter into any agreement (including, without limitation, any license agreement) which is inconsistent with the Company's duties under this Agreement.

7. If, before the Obligations have been satisfied in full, the Company shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark or any renewal of any Trademark, trademark applications or registrations, the provisions of paragraph 2 hereof shall automatically apply thereto, and the Company shall give to Lender prompt notice thereof in writing, no later than the end of the fiscal quarter of the Company during which the Company acquired such rights.

8. The Company authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications within the definition of Trademarks under paragraph 2 or paragraph 7 hereof.

9. Upon and at any time after the occurrence of an Event of Default (as defined in the Loan Agreement), Lender shall have, in addition to all other rights and remedies given it by this Agreement, all rights and remedies under Applicable Law and all rights and remedies of a secured party under the Uniform Commercial Code as adopted and then in force in the State of Georgia. Without limiting the generality of the foregoing, Lender may immediately, without notice or demand, each of which the Company hereby waives, collect directly any payments due the Company in respect of the Collateral, or sell at public or private sale or otherwise realize upon all or from time to time, any of the Collateral. The Company hereby agrees that ten (10) days written notice to the Company of any public or private sale or other disposition of any of the Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Lender may, to the extent permitted by law, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of the Company, which right the Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Collateral all costs and expenses incurred by Lender in enforcing its rights hereunder (including, without limitation, all attorneys' fees), Lender shall apply the remainder of such proceeds to the payment of the Obligations in such order and

manner as Lender in its sole discretion may determine. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Company. If any deficiency shall arise, the Company and each guarantor of the Obligations shall remain jointly and severally liable to Lender therefor.

10. The Company hereby makes, constitutes and appoints Lender and any officer or agent of Lender as Lender may select as the Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse the Company's name on all applications, documents, papers and instruments necessary for Lender to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any other Person. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated.

11. At such time as all of the Obligations shall have been satisfied finally and in full and the Loan Agreement shall have been terminated, Lender shall execute and deliver to the Company all releases and other instruments necessary to terminate Lender's security interest in the Collateral.

12. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be borne and paid by the Company (it being the intent of the Company and Lender that the Company shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all renewal fees with respect to the Trademarks) or, if paid Lender, shall be paid by the Company **on demand** by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the rate prescribed in the Loan Agreement.

13. The Company shall use its best efforts to detect any infringers of the Trademarks and shall notify Lender in writing of infringements detected. The Company shall have the duty, through counsel acceptable to Lender (subject to Company's reasonable discretion in the Ordinary Course of Business, or, during the existence of an Event of Default, promptly upon Lender's request), to prosecute diligently any trademark application of the Trademarks pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to enforce the Trademarks and to do any and all acts which are deemed necessary or desirable by Lender to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with such applications or proceedings shall be

borne by the Company. The Company shall not abandon any right to file a trademark application, or any pending trademark application or trademark without the consent of Lender.

14. Notwithstanding anything to the contrary contained in paragraph 13 hereof, Lender shall have the right, but shall in no way be obligated, to bring suit instead in its own name to enforce the Trademarks and any license thereunder, in which event the Company shall at the request of Lender do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Lender to aid such enforcement, and the Company shall promptly, **upon demand**, reimburse and indemnify Lender for all costs and expenses incurred in the exercise of Lender's rights under this paragraph 14. Nothing herein shall be deemed to prohibit the Company from bringing any such suit in its own name at any time that an Event of Default does not exist, if Lender declines to institute such suit.

15. If the Company fails to comply with any of its obligations hereunder, to the extent permitted by Applicable Law, Lender may do so in the Company's name or in Lender's name, but at the Company's expense, and the Company agrees to reimburse Lender in full for all expenses, including attorneys' fees, incurred by Lender in prosecuting, defending or maintaining the Trademarks or Lender's interest therein pursuant to this Agreement.

16. No course of dealing between the Company and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

17. All of Lender's rights and remedies with respect to the Collateral, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

18. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

19. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 8 hereof.

20. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Lender and upon the successors of the Company. The Company shall not assign its rights or delegate its duties hereunder without the prior written consent of Lender.



21. Notice of acceptance hereof is hereby waived by the Company.

22. This Agreement has been negotiated, executed and delivered at and shall be deemed to have been made in Atlanta, Georgia. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.

23. THE COMPANY AND LENDER EACH WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE COLLATERAL.

WITNESS the execution hereof under seal as of the day and year first above written.

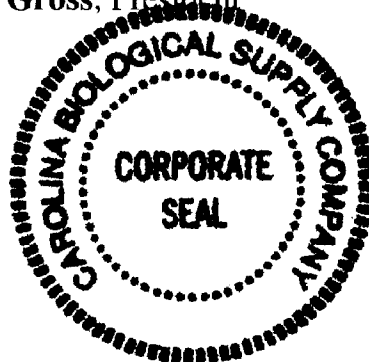
ATTEST:

CAROLINA BIOLOGICAL SUPPLY  
COMPANY  
(the "Company")

Frances P. Barnes  
Frances P. Barnes, Secretary

By: [Signature]  
Larry J. Gross, President

[CORPORATE SEAL]



Elizabeth G. Harnett  
Witness

Accepted:

WACHOVIA BANK, NATIONAL  
ASSOCIATION ("Lender")

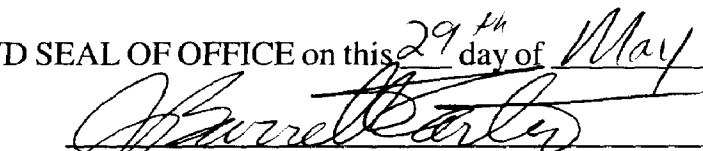
By: Laurie D. Galliano  
Name: Laurie D. Galliano  
Title: Vice President

STATE OF Georgia  
COUNTY OF Fulton

§  
§  
§

BEFORE ME, the undersigned authority, on this day personally appeared Larry J. Gross, President of Carolina Biological Supply Company, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 29<sup>th</sup> day of May, 2003.

  
Notary Public  
My Commission Expires: Notary Public, Cobb County, Georgia  
My Commission Expires December 21, 2003

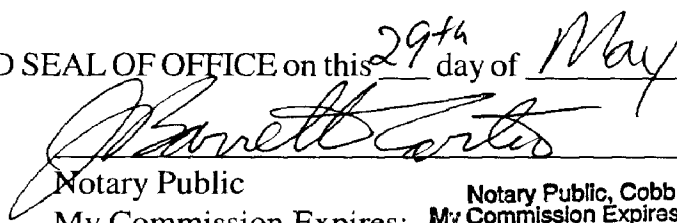
[NOTARIAL SEAL]

STATE OF Georgia  
COUNTY OF Fulton

§  
§  
§

BEFORE ME, the undersigned authority, on this day personally appeared Laurie D. Calliano Vice President of Wachovia Bank, National Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 29<sup>th</sup> day of May, 2003.

  
Notary Public  
My Commission Expires: Notary Public, Cobb County, Georgia  
My Commission Expires December 21, 2003

[NOTARIAL SEAL]

Exhibit 1

CERTIFICATE

The undersigned officer of **CAROLINA BIOLOGICAL SUPPLY COMPANY** (the "Company"), DOES HEREBY CERTIFY to **WACHOVIA BANK, NATIONAL ASSOCIATION** ("Lender") that the quality of the products associated with the Trademarks listed on Schedule A of the Trademark Security Agreement dated \_\_\_\_\_, 2003, between the Company and Lender (as amended from time to time to include future trademarks and trademark applications) (the "Agreement"), has been maintained at a level consistent with the quality of such products at the time of the execution of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, this \_\_\_ day of \_\_\_\_\_, 20\_\_.

**CAROLINA BIOLOGICAL SUPPLY  
COMPANY**

By: \_\_\_\_\_

Title: \_\_\_\_\_