

7-7-03



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

RE 102491873 TRADEMARKS ONLY

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):

Haggerty Enterprises, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State of Illinois Other

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: June 27, 2003

2. Name and address of receiving party(ies)

Name: Cole Taylor Bank

Internal Address:

Street Address: 111 West Washington, Suite 400

City: Chicago State: IL Zip: 60602

- Individual(s) citizenship Association 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

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

A. Trademark Application No.(s) 75/598,284 75/598,283; 75/219,800; 75/312,038

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: Holly Miller

Internal Address:

Vedder, Price, Kaufman & Kammholz

Street Address: 222 North LaSalle St. - 24th Floor

City: Chicago State: IL Zip: 60601

6. Total number of applications and registrations involved:

29

7. Total fee (37 CFR 3.41): \$ 740.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Angelo J. Bufalino

Name of Person Signing

Signature

July 3, 2003

Date

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

14

07/08/2003 LMUELLER 00000104 75598284

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

01 FC:852X 40.00 OP 02 FC:852A 700.00 OP

FINANCE SECTION JUL 7 2003

**CONTINUATION OF RECORDATION FORM COVER SHEET – Item 4**

**Twenty-Five Additional Trademark Serial Numbers:**

75/303,861  
75/219,192  
76/124,415  
78/166,033  
75/007,693  
74/574,812  
74/543,969  
73/629,562  
75/904,926  
72/333,927  
72/259,746  
73/683,217  
75/141,931  
76/124,416  
78/076,332  
78/166,021  
73/799,141  
73/761,875  
75/698,471  
76/075,244  
78/075,921  
76/340,947  
78/113,034  
78/191,251  
78/219,254

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Security Agreement") made as of this 27th day of June, 2003, by Haggerty Enterprises, Inc., an Illinois corporation ("**Borrower**") in favor of Cole Taylor Bank ("**Lender**");

### W I T N E S S E T H:

WHEREAS, Borrower, Lava World International, Inc., an Illinois corporation, and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "**Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**Loan Documents**"), which Loan Documents provide, among other things, (i) for Lender to, from time to time, extend credit to or for the account of Borrower and (ii) for the grant by Borrower to Lender of a security interest in certain of Borrower's assets, including, without limitation, its trademarks and trademark applications;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Incorporation of Loan Documents. The Loan Documents and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Borrower hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the Loan Documents of, a continuing security interest in Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Borrower warrants and represents to Lender that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Borrower not to sue third persons but subject to license agreements entered into in the ordinary course of business and disclosed to Lender in writing pursuant to the Loan Agreement;

(iii) Borrower, except as disclosed pursuant to the Loan Agreement, has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) Borrower has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Borrower agrees that until the Obligations shall have been satisfied in full and the Loan Documents shall have been terminated, Borrower shall not, without the prior written consent of Lender, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement except for license agreements entered into in the ordinary course of business and disclosed to Lender in writing pursuant to the Loan Agreement and except for the abandonment of Trademarks which Borrower reasonably determines have no commercial value.

5. New Trademarks. Borrower represents and warrants that, based on a diligent investigation by Borrower, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Borrower. If, before the Obligations shall have been satisfied in full or before the Loan Documents have been terminated, Borrower shall (i) become aware of any existing Trademarks of which Borrower has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Borrower shall give to Lender prompt written notice thereof. Borrower hereby authorizes Lender to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of the Obligations and the termination of the Loan Documents. Borrower agrees that upon the occurrence and during the continuation of an Event of Default, the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender to Borrower.

7. Product Quality. Borrower agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable

business practices. Upon the occurrence and during the continuation of an Event of Default, Borrower agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of the Obligations and termination of the Loan Documents, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Loan Documents.

9. Reinstatement. If at any time all or any part of any payment applied by Lender to any of the Obligations is or must be rescinded or returned by Lender for any reason whatsoever (including the insolvency, bankruptcy, reorganization or assignment for the benefit of creditors of Borrower or any other Obligor), such Obligations shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by Lender had not been made.

10. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Borrower and until paid shall constitute Obligations.

11. Duties of Borrower. Borrower shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until the Obligations shall have been paid in full and the Loan Documents have been terminated, provided however, that Borrower may discontinue prosecution of any application and abandon any trademarks which Borrower reasonably determines have no commercial value, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with the Obligations under this Section 11 shall be borne by Borrower.

12. Lender's Right to Sue. During the continuation of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit, Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 12.

13. Waivers. No course of dealing between Borrower 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 Documents 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.

14. Severability. The provisions of this Security 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 Security Agreement in any jurisdiction.

15. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies; Power of Attorney; Effect on Loan Documents. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Documents, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Lender upon the occurrence and during the continuation of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Borrower 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 the Obligations shall have been paid in full and the Loan Documents have been terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Loan Documents, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

17. Binding Effect; Benefits. This Security Agreement shall be binding upon Borrower and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

18. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

19. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

20. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

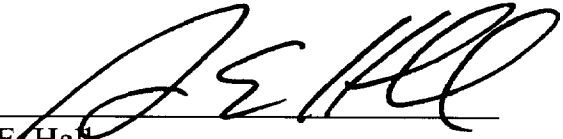
21. Survival of Representations. All representations and warranties of Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Loan Documents.

*Signature Page to Trademark Security Agreement*

IN WITNESS WHEREOF, Borrower has duly executed this Security Agreement as of the date first written above.

**Haggerty Enterprises, Inc.,**  
an Illinois corporation

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

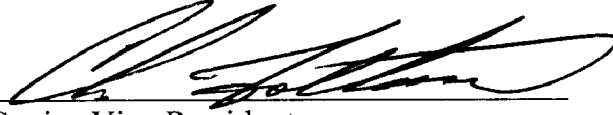
  
Barr E. Hall  
President



*Signature Page to Trademark Security Agreement*

Agreed and Accepted  
As of the Date First Written Above

COLE TAYLOR BANK

By   
Senior Vice President

**SCHEDULE A**  
**TRADEMARK REGISTRATIONS**

Please see attached.

A-1

CAGO/#1081643.3

**TRADEMARK**  
**REEL: 002773 FRAME: 0978**

CountryName	TrademarkName	Status	AppNumber	FileDate	RegNumber	RegDate
Argentina	LAVA	Registered	2207393	3/11/99	2243567	5/4/99
Australia	LAVA	Pending	940111	1/14/03		
Australia	LAVA LITE	Renewed	A585271	8/25/92	1129900	1/29/80
Australia	DESIGN	Pending	905014	3/1/02	2085022	7/29/97
Australia	LAVA BRAND AND DEVICE	Pending	952137	4/29/03		
Benelux	LAVA LITE	Renewed	781805	6/18/92		
Benelux	MODERN LAMP DESIGN	Registered	959435	3/9/00	1491169	6/7/88
Brazil	LAVA	Published	822862808	6/23/00		
Brazil	LAVA LITE	Published	822862700	6/23/00	515471	1/4/93
Brazil	LAMP DESIGN	Allowed	821583786	4/30/99		
California	LAVA	Registered			30556	5/7/01
Canada	LAVA	Registered	1007329	3/3/99		
Canada	LAVA	Accepted	1093258	2/19/01		
Canada	LAVA LITE	Renewed	538831	3/26/85		
Canada	DESIGN	Pending	1078940	10/17/00		
Canada	LAMP DESIGN CONFIGURATION	Pending	1078938	10/17/00	1649510	7/2/91
Canada	COLORIZER	Pending	1150279	8/20/02		
Canada	LAVA BRAND AND DEVICE	Pending		5/7/03		
Chile	LAVA	Registered	449390	5/19/99	102766	7/17/97
Chile	LAMP DESIGN	Registered	449389	5/19/99		
China	LAVA	Registered	9900032522	4/2/99	535433	10/23/00
China	LAVA BRAND AND DEVICE	Pending		5/13/03		
Colombia	LAVA	Registered	99-080761	12/27/99		
Costa Rica	LAVA	Registered		4/16/99	556659	12/23/99
Costa Rica	LAMP DESIGN	Registered		4/16/99		
Czech Republic	LAVA	Registered	140775	3/10/99	229887	9/29/00
Denmark	LAVA LITE	Registered	VA00.3561994	1/22/94		
Ecuador	LAVA	Published	95063	4/8/99	116427	9/28/99
Ecuador	LAVA & DESIGN	Published	104228	5/23/00		
Ecuador	LAVA & DESIGN	Registered	95063	11/16/00		

European Community	GLOBE PRODUCT CONFIGURATION	Pending	1435668	12/22/99		
European Community	BASE PRODUCT CONFIGURATION	Pending	1436070	12/22/99		
Community	LAVA	Registered	1199876	6/9/99	226052	8/24/00
Community	LAVA LADY	Registered	1164755	5/7/99	2566730	5/7/02
European Community	LAVA BRAND AND DEVICE	Unfiled				
France	LAVA LITE	Renewed	92428954	7/30/92		
France	DESIGN	Registered	00/6738	11/17/00		
Germany	LAVA	Pending	30071818.7	9/26/00		
Germany	LAVA LITE	Renewed	H67660/11Wz	6/1/92	VR02.7151994	4/29/94
Germany	DESIGN	Pending	30018354.2	3/9/00	686976	10/1/01
Guatemala	LAVA	Registered	3554-99	5/4/99	1199876	12/11/00
Guatemala	LAMP DESIGN	Registered	3555-99	5/4/99	116419	9/28/99
Hong Kong	LAVA	Registered	99/02637	3/4/99		
Hong Kong	LAVA LITE	Renewed	741/94	1/20/94	92428954	1/21/94
Hong Kong	LAVA BRAND AND DEVICE	Pending	300010781	4/25/03		
Iceland	LAVA	Registered	535/1999	3/4/99	110601	4/23/01
Illinois	LAVA	Registered			76437	1/17/00
Illinois	LAVA LITE	Registered		3/18/97		
Israel	LAVA	Registered	126312	3/5/99	16579of1999	12/21/99
Italy	LAVA LITE	Registered	RM94C000588	2/11/94	8191/95	9/28/95
Japan	LAVA	Registered	41073/1999	5/11/99	476/1999	4/28/99
Japan	LAVA LITE	Registered	138977/92	7/14/92		
Japan	LAVA BRAND AND DEVICE	Pending	37205/2003	5/8/03		
Malaysia	LAVA	Registered	99/05277	6/16/99	80118	3/18/97
Mexico	LAVA	Registered	366408	3/5/99		2/7/00
Mexico	LAVA LITE	Registered	188170	1/18/94	80117	3/18/97
Mexico	COLORIZER	Registered	562567	8/23/02		
Mexico	LAVA BRAND AND DEVICE	Pending	598927	4/30/03		
Mexico	LAVA BRAND AND DEVICE	Pending	598928	4/30/03		
Mexico	LAVA BRAND AND DEVICE	Pending	598929	4/30/03		
Mexico	DEVICE	Pending	598930	4/30/03		
Mexico	DEVICE	Pending	598931	4/30/03		
New Zealand	LAVA	Registered	306484	3/12/99	4391256	6/9/00
New Zealand	LAVA BRAND AND DEVICE	Pending	678343	5/2/03		

New Zealand	LAVA BRAND AND DEVICE	Pending	678344	5/2/03		
New Zealand	LAVA BRAND AND DEVICE	Pending	678345	5/2/03		
New Zealand	LAVA BRAND AND DEVICE	Pending	678346	5/2/03		
New Zealand	LAVA BRAND AND DEVICE	Pending	678347	5/2/03		
Norway	LAVA	Registered	199902342	3/8/99	99005277	12/13/02
Norway	LAVA LITE	Registered	940194	1/13/94	3056669	6/30/95
Norway	LAVA BRAND AND DEVICE	Pending	200304209	4/29/03		
Panama	LAVA	Registered	101933	7/29/99	644620	3/5/99
Peru	LAVA	Registered	80206	3/3/99	306484	11/9/00
Peru	LAMP DESIGN	Registered	80207	3/3/99	111175	6/20/01
Federation	LAVA	Registered	99702906	3/4/99	56990	8/31/99
Saudi Arabia	LAVA	Registered	50352	8/4/99		
Singapore	LAVA	Registered	99/03003	3/26/99		
Singapore	LAMP DESIGN	Pending	99/02134	3/4/99	58539	10/26/99
Singapore	LAVA BRAND AND DEVICE	Pending	T03/060311	4/25/03		
Singapore	LAVA BRAND AND DEVICE	Pending	T03/06032G	4/25/03		
Singapore	LAVA BRAND AND DEVICE	Pending	T03/06034C	4/25/03		
Singapore	LAVA BRAND AND DEVICE	Pending	T03/06035A	4/25/03		
Singapore	LAVA BRAND AND DEVICE	Pending	T03/06037H	4/25/03		
Spain	LAVA LITE	Renewed	1721080	9/21/92		
Sweden	LAVA LITE	Registered	94-00270	1/13/94		
Switzerland	LAVA	Registered	4944/1999	6/4/99	543/34	10/7/00
Switzerland	LAVA LITE	Registered	6928/1992.3	8/26/92		
Switzerland	LAVA BRAND AND DEVICE	Pending	51572/2003	5/9/03		
Turkey	LAVA	Registered	17930	3/11/99		
Turkey	LAMP DESIGN	Registered	17929	3/11/99		
Emirates	LAVA	Registered	32492	8/9/99	466416	11/4/99
United Kingdom	LAVA	Registered	2248557	10/13/00	898691	8/1/00
United Kingdom	LAVA LITE	Renewed	1567615	4/5/94	263734	1/27/95
US	CONFIGURATION BASE PRODUCT	Registered	598284	12/2/98		
US	CONFIGURATION	Registered	598283	12/3/98	2316231	2/8/00
US	LAVA WORLD INTERNATIONAL	Registered	219800	12/11/98		
US	CHOKE-YOUR BOSS	Registered	312038	6/20/97		

US	COSMIC DROPS	Registered	303861	6/5/97 2314046	2/1/00
US	LAVA	Registered	219192	12/30/96 207309	3/11/99
US	LAVA	Pending	76/124415	9/8/00 25331	9/16/00
US	LAVA	Published	78/166033	9/19/02 2248557	12/28/01
US	MAGMA-LITE	Registered	7693	10/18/95	
US	LAVA LICK	Registered	74/574812	9/16/94	
US	LAVA LARRY	Registered	74/543969	6/30/94 P-236752	12/7/01
US	CREATORS	Registered	629562	11/10/86 2089803	8/19/97
US	GEMPLITE	Allowed	75/904926	1/28/00 1913221	8/22/95
US	THE WAVE	Renewed	333927	7/30/69 1455043	6/30/87
US	LAVA LITE	Renewed	259746	11/30/66 400133	4/22/93
US	EXOTIC SANDS	Registered	683217	9/8/87	
US	DESIGN	Registered	75/141931	7/30/96	
US	DESIGN	Published	76/124416	9/8/00	
US	MODERN LAMP DESIGN	Registered	78/076332	7/30/01	
US	DESIGN	Pending	78/166021	9/19/02 2113753	11/18/97
US	WAVE DESIGN	Renewed	799141	5/8/89	
US	LAMP DESIGN	Renewed	761875	11/4/88	
US	WIZARD	Registered	698471	5/5/99 1611140	8/28/90
US	HOBBY HILL	Registered	76/075244	6/20/00	
US	MAGMA	Allowed	78/075921	7/26/01	
US	ALPINE	Published	76/340947	11/21/01	
US	COLORIZER	Published	78/113034	3/6/02	
US	LAVA BRAND AND DEVICE	Pending	78/191251	12/4/02	
US	ENDS UP	Pending	78/219254	2/26/03	
Venezuela	LAVA	Registered	6978-99	4/27/99 2121684	12/16/97
Venezuela	LAMP DESIGN	Registered	14.807-99	8/26/99	