

07-26-2004

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



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

102798851

Tab settings

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

1. Name of conveying party(ies):

THE ROBERT E. MORRIS COMPANY 7-14-04

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other AMENDED & RESTATED

Execution Date: 6/30/04

2. Name and address of receiving party(ies)

Name: WELLS FARGO Foothill, INC.

Internal Address: SUITE 3000 WEST

Street Address: 2450 COLORADO AVE.

City: SANTA MONICA State: CA Zip: 90404

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State CALIFORNIA 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)

B. Trademark Registration No.(s)

1,281,287 & 2,456,524

Additional number(s) attached Yes No

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

Name: TONYA CHAPPLE

Internal Address: C/O CSC

Street Address: 80 STATE STREET

City: ALBANY State: NY Zip: 12207

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 3.41) \$ 65.00

- 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.

TONYA CHAPPLE

Name of Person Signing

Signature (Handwritten)

7/13/04

Date

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

07/23/2004 NGETACHE 00000038 1281287

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

01 FC:8521 02 FC:8522

40.00 25.00



07-14-2004

TRADEMARK REEL: 003012 FRAME: 0515

AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT

This **AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of June 30, 2004, is entered into among **THE ROBERT E. MORRIS COMPANY**, a Maryland corporation ("Parent I"), **MORRIS GROUP, INC.**, a Connecticut corporation ("Parent II") and each of Parent I's and Parent II's respective Subsidiaries identified on the signature pages hereof (such Subsidiaries, together with Parent I and Parent II, are referred to hereinafter each individually as a "Debtor", and individually and collectively, jointly and severally, as the "Debtors"), and **WELLS FARGO FOOTHILL, INC.** (formerly known as Foothill Capital Corporation), a California corporation ("WFF"), as the arranger and administrative agent for the Lenders ("Secured Party"), with reference to the following:

WHEREAS, certain Debtors, certain other Persons that were Affiliates of the Debtors ("the Meritage/Sierra Concepts/Hartwig Companies"), Secured Party, and WFF, as sole "Lender", are each party to that certain Loan and Security Agreement dated as of April 5, 2002, which was amended pursuant to that certain Amendment Number One to Loan and Security Agreement, dated as of May 31, 2002 and that certain Amendment Number Two to Loan and Security Agreement, dated as of December 1, 2003 (as so amended, the "Original Loan Agreement"), pursuant to which the Lender Group has agreed to make certain financial accommodations to such Debtors, and pursuant to which such Debtors have granted to Secured Party, for the benefit of the Lender Group and any Bank Product Provider, security interests in (among other things) certain of the general intangibles of Debtors;

WHEREAS, certain Debtors, the Meritage/Sierra Concepts/ Hartwig Companies and Secured Party are each a party to that certain Trademark Security Agreement dated as of April 5, 2002 (the "Original Trademark Security Agreement");

WHEREAS, Parent I and certain of the Meritage/Sierra Concepts/Hartwig Companies have entered into that certain Omnibus Agreement dated as of June 30, 2004 (the "Omnibus Agreement"), pursuant to which (a) Meritage, Inc., a Maryland corporation ("Meritage"), the parent corporation of Parent I, is liquidating and dissolving and distributing the shares of its subsidiaries to its stockholders and (b) certain Debtors are separating their business from the businesses of the Meritage/Sierra Concepts/Hartwig Companies (the "Corporate Reorganization");

WHEREAS, in connection with the Corporate Reorganization and contemporaneous herewith, the Debtors, the Lender, and Secured Party are amending and restating the Original Loan Agreement (the Original Loan Agreement, as amended and restated, and as further amended, restated, supplemented or modified from time to time, the "Loan Agreement"), subject to the terms and conditions set forth therein, to, among other things, restructure the terms of the credit facilities attributable to the Debtors that were

provided under the Original Loan Agreement and provide working capital financing to the Debtors and funds for other general corporate purposes of the Debtors;

WHEREAS, Debtors beneficially own the Trademarks specified on Schedule A attached hereto (or any addendum thereto);

WHEREAS, to induce the Lender Group to make the financial accommodations provided to Debtors pursuant to the Loan Agreement, Debtors desire to pledge, grant, transfer, and assign to Secured Party, for the benefit of the Lender Group and any Bank Product Provider (as defined below), a security interest in the Trademark Collateral (as defined below) to secure the Secured Obligations, as provided herein; and

WHEREAS, pursuant to the Loan Agreement and as one of the conditions precedent to the obligations of the Lender Group under the Loan Agreement, Debtors have agreed to amend and restate the Original Trademark Security Agreement, for filing with the PTO and with any other relevant recording systems in any domestic or foreign jurisdiction, and as further evidence of and to effectuate Secured Party's existing security interests in the Trademark Collateral (as defined below) and other general intangibles described herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations, and warranties set forth herein and for other good and valuable consideration, the parties hereto agree to amend and restate the Original Trademark Security Agreement in its entirety as follows:

1. Definitions; Interpretation.

(a) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“Agreement” shall have the meaning ascribed to such term in the preamble to this Agreement.

“Debtors” shall have the meaning ascribed to such term in the preamble to this Agreement.

“Corporate Reorganization” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Loan Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Meritage/Sierra Concepts/Hartwig Companies” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Omnibus Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Original Loan Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Original Trademark Security Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Parent I” shall have the meaning ascribed to such term in the preamble to this Agreement.

“Parent II” shall have the meaning ascribed to such term in the preamble to this Agreement.

“Proceeds” shall mean whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Trademark Collateral, including “proceeds” as defined in the Code, and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of any Debtor, from time to time in respect of any of the Trademark Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of any Debtor from time to time with respect to any of the Trademark Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to any Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Trademark Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Trademark Collateral or for or on account of any damage or injury to or conversion of any Trademark Collateral by any Person.

“PTO” shall mean the United States Patent and Trademark Office and any successor thereto.

“Secured Obligations” shall mean, with respect to any Debtor, all liabilities, obligations, or undertakings owing by such Debtor to the Lender Group of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, any of the other Loan Documents, or this Agreement, irrespective of whether for the payment of money, direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, now existing or hereafter arising, and including all interest (including interest that accrues after the filing of a case under the Bankruptcy Code irrespective of whether a claim therefore is allowed) and any and all costs, indemnities, fees (including attorneys’ fees), and expenses which such Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

“Secured Party” shall have the meaning ascribed to such term in the preamble of this Agreement.

“Trademark Collateral” shall have the meaning ascribed to such term in Section 2.

“Trademarks” shall have the meaning ascribed to such term in Section 2.

“United States” and “U.S.” shall each mean the United States of America.

“WFF” shall have the meaning ascribed to such term in the preamble to this Agreement.

(b) Terms Defined in Code. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the Code.

(c) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the section or subsection in which the reference appears.

(ii) The words “hereof,” “herein,” “hereto,” “hereunder” and the like mean and refer to this Agreement as a whole and not merely to the specific section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation.”

(v) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto.

(vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) Capitalized words not otherwise defined herein shall have the respective meanings assigned to them in the Loan Agreement.

(ix) In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreement, it is the intention of the parties hereto that such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable

conflict between this Agreement and the Loan Agreement that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of Debtors and supplemental rights and remedies in favor of Secured Party (whether under federal law or applicable California law), in each case in respect of the Trademark Collateral, shall not be deemed a conflict in the Loan Agreement.

2. Security Interest.

(a) Assignment and Grant of Security in respect of the Secured Obligations. To secure the prompt payment and performance of the Secured Obligations, Debtors hereby grant, assign, transfer and convey to Secured Party, for the benefit of the Lender Group and any Bank Product Provider, a continuing security interest in all of Debtors' right, title and interest in and to the following property, whether now existing or hereafter acquired or arising and whether registered or unregistered (collectively, the "Trademark Collateral"):

(i) all state (including common law) and federal trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, together with and including all licenses therefor held by any Debtor, and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the PTO, any State of the United States (but excluding each application to register any trademark, service mark, or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark or service mark) and all extensions or renewals thereof, including, without limitation, any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in the name of any Debtor or in the name of Secured Party for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(ii) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles related to or arising out of any of the Trademarks and all the goodwill of any Debtor's business symbolized by the Trademarks or associated therewith; and

(iv) all Proceeds of any and all of the foregoing.

The foregoing notwithstanding, the "Trademark Collateral" shall not include any General Intangibles that are now or hereafter held by any Debtor as licensee, in the event that: (a) as a result of the grant of a security interest therein, any such Debtor's rights in or with respect to such asset would be forfeited or would become terminable, or if any such Debtor would be deemed to have breached or defaulted under the applicable license or other agreement; and (b) any such restriction is effective and enforceable under applicable law; provided, however, that the term "Trademark Collateral" shall include (1) any and all proceeds of such assets, and (2) such assets at any time that the restrictions in the license or other agreement are no longer effective and enforceable or at any time that the applicable licensor or other applicable party's consent is obtained to the grant of a security interest in and to such asset in favor of Secured Party.

(b) Continuing Security Interest. Debtors hereby agrees that this Agreement shall create a continuing security interest in the Trademark Collateral which shall remain in effect until terminated in accordance with Section 18.

(c) Incorporation into Loan Agreement. Without limiting the foregoing, the Trademark Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreement.

(d) Licenses. Anything in this Agreement to the contrary notwithstanding, Debtors may grant new licenses of the Trademark Collateral to any other Person on a non-exclusive basis (subject to the security interests of Secured Party therein) in the ordinary course of business consistent with past practice.

3. Further Assurances; Appointment of Secured Party as Attorney-in-Fact. Debtors at their expense shall execute and deliver, or cause to be executed and delivered, to Secured Party any and all documents and instruments, in form and substance reasonably satisfactory to Secured Party, and take any and all action which Secured Party, in the exercise of its Permitted Discretion, may request from time to time to perfect and continue the perfection or to maintain the priority of, or provide notice of the security interest in, the Trademark Collateral held by Secured Party, for the benefit of the Lender Group and any Bank Product Provider, and to accomplish the purposes of this Agreement. If any Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party in accordance with the foregoing, Secured Party shall have the right, in the name of such Debtor, or in the name of Secured Party or otherwise, without notice to or assent by such Debtor, and each Debtor hereby irrevocably constitutes and appoints Secured Party (and any of Secured Party's officers or employees or agents designated by Secured Party) as such Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of such Debtor on all or any of such documents or instruments and perform all other acts that Secured Party in the exercise of its Permitted Discretion deems necessary in order to perfect or continue the perfection of, maintain the priority or enforceability of or provide notice of the security interest in the Trademark Collateral held by Secured Party and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of such Debtor,

which Secured Party, in the exercise of its Permitted Discretion, may deem necessary or advisable to maintain, preserve and protect the Trademark Collateral and to accomplish the purposes of this Agreement, including (A) after the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Trademark Collateral, (B) after the occurrence and during the continuation of any Event of Default, to assert or retain any rights under any license agreement for any of the Trademark Collateral, and (C) after the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Secured Party to use the Trademark Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Trademark Collateral, and to assign, convey or otherwise transfer title in or dispose of the Trademark Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 18; provided, however, that the foregoing power of attorney shall terminate when all of the Secured Obligations have been fully and finally repaid and performed and the Lender Group's obligation to extend credit under the Loan Agreement is terminated.

4. Representations and Warranties. Each Debtor represents and warrants to Secured Party, as follows:

(a) No Other Trademarks. Schedule A sets forth a true and correct list of all of the existing Trademarks of such Debtor that are registered, or for which any application for registration has been filed with the PTO or any corresponding or similar trademark office of any other U.S. jurisdiction, and that are owned or held (whether pursuant to a license or otherwise) and used by such Debtor.

(b) Trademarks Subsisting. Each of the Trademarks of such Debtor listed on Schedule A is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of such Debtor's knowledge, each of the Trademarks set forth on Schedule A is valid and enforceable.

(c) Ownership of Trademark Collateral; No Violation. (i) Such Debtor has rights in and good and defensible title to the existing Trademark Collateral, (ii) with respect to the Trademark Collateral shown on Schedule A hereto as owned by it, such Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than the security interest created hereunder and other than Permitted Liens), including licenses, registered user agreements and covenants by such Debtor not to sue third persons, and (iii) with respect to any Trademarks for which such Debtor is either a licensor or a licensee pursuant to a license or licensing agreement regarding such Trademark, each such license or licensing agreement is in full force and effect, such Debtor is not in material default of any of its obligations thereunder and, (i) other than the parties to such licenses or licensing agreements, or (ii) in the case of any non-exclusive license or license agreement entered into by such Debtor or any such licensor regarding such Trademark, the parties to any other such non-exclusive licenses or license agreements entered into by such Debtor or any such licensor with any other Person, no other Person has any rights in or to any of the

Trademark Collateral. To the best of such Debtor's knowledge, the past, present and contemplated future use of the Trademark Collateral by such Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person or give any such Person the right to terminate any such right, privilege or license agreement.

(d) No Infringement. To the best of such Debtor's knowledge, (i) no material infringement or unauthorized use presently is being made of any of the Trademark Collateral by any Person, and (ii) the past, present, and contemplated future use of the Trademark Collateral by such Debtor has not, does not and will not infringe upon or violate any right, privilege, or license arrangement of or with any other Person or give such Person the right to terminate any such license arrangement.

(e) Powers. Such Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party security interests in the Trademark Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. So long as any of the Secured Obligations remain unsatisfied, each Debtor agrees: (i) that it will comply in all material respects with all of the covenants, terms and provisions of this Agreement, and (ii) that it will promptly give Secured Party written notice of the occurrence of any event that could have a material adverse effect on any of the Trademarks and the Trademark Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Trademarks for which such Debtor is a licensee.

6. Future Rights. For so long as any of the Secured Obligations shall remain outstanding, or, if earlier, until Secured Party shall have released or terminated, in whole but not in part, its interest in the Trademark Collateral, if and when any Debtor shall obtain rights to any new Trademarks, or any reissue, renewal or extension of any Trademarks, the provisions of Section 2 shall automatically apply thereto and any such Debtor shall give to Secured Party prompt notice thereof. Each Debtor shall do all things reasonably deemed necessary by Secured Party in the exercise of its Permitted Discretion to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party in such future acquired Trademark Collateral. Each Debtor hereby authorizes Secured Party to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on such Debtor's behalf and as its attorney-in-fact to include any future Trademarks which are or become Trademark Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO.

7. Duties of Secured Party. Notwithstanding any provision contained in this Agreement, Secured Party shall not have any duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to the Debtors or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received

by Secured Party hereunder or in connection herewith, Secured Party shall not have any duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Trademark Collateral.

8. Events of Default. The occurrence of any "Event of Default" under the Loan Agreement shall constitute an Event of Default hereunder.

9. Remedies. From and after the occurrence and during the continuation of an Event of Default, Secured Party shall have all rights and remedies available to it under the Loan Agreement and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Trademark Collateral. Debtors hereby agrees that such rights and remedies include the right of Secured Party as a secured party to sell or otherwise dispose of the Trademark Collateral after default, pursuant to the Code. Debtors hereby agree that Secured Party shall at all times have such non-exclusive royalty-free licenses, to the extent permitted by law and the Loan Documents, for any Trademark Collateral that is reasonably necessary to permit the exercise of any of Secured Party's rights or remedies upon or after the occurrence of (and during the continuance of) an Event of Default with respect to (among other things) any tangible asset of any Debtor in which Secured Party has a security interest, including Secured Party's rights to sell inventory, tooling or packaging which is acquired by any Debtor (or its successor, assignee or trustee in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right but shall in no way be obligated to bring suit, or to take such other action as Secured Party, in the exercise of its Permitted Discretion, deems necessary, in the name of any Debtor or Secured Party, to enforce or protect any of the Trademark Collateral, in which event Debtors shall, at the request of Secured Party, do any and all lawful acts and execute any and all documents required by Secured Party necessary to such enforcement. To the extent that Secured Party shall elect not to bring suit to enforce such Trademark Collateral, each Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violation thereof by others and, for that purpose, agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtors and Secured Party and their respective successors and assigns.

11. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the federal laws of the United States of America and the laws of the State of California.

13. Entire Agreement; Amendment. This Agreement and the other Loan Documents, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersede all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties to this Agreement. Notwithstanding the foregoing, Secured Party may reexecute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

14. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

15. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

16. Loan Agreement. Each Debtor acknowledges that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Loan Agreement and all such rights and remedies are cumulative.

17. No Inconsistent Requirements. Each Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and such Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms. Each Debtor agrees that, to the extent of any conflict between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall govern.

18. Termination. Upon the payment and performance in full in cash of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all Secured Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall terminate, and Secured Party shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtors, at Debtors' expense, as shall be necessary to evidence termination of the security interest granted by Debtors to Secured Party hereunder, including cancellation of this Agreement by written notice from Secured Party to the PTO.

19. Release of Collateral. Upon any sale, license or other disposition of assets of any Debtor constituting Trademark Collateral permitted under the Loan Documents, the

security interest and other rights granted hereunder with respect to such Trademark Collateral shall be automatically terminated and released, and Secured Party, at the request of any such Debtor, will execute and deliver to such Debtor the proper instruments (including Code termination statements) acknowledging the release of Secured Party's security interest in such Trademark Collateral and will file such instruments with the PTO as may be necessary to evidence the release of Secured Party's security interest in such Trademark Collateral.

20. No Novation. This Agreement constitutes an amendment and restatement of the Original Trademark Security Agreement effective from and after the Restatement Effective Date. Each of the parties hereto hereby acknowledges and agrees that the grant of the security interests in the Trademark Collateral pursuant to Section 2 of this Agreement and in any other Loan Document (unless explicitly agreed to by Secured Party in writing) is not intended to, nor shall it be construed, as constituting a novation, substitution or release of any prior security interests granted by Debtors in favor of the Secured Party in or to any Trademark Collateral or any other property of Debtors, but is intended to constitute a restatement and reconfirmation of the prior security interests granted by the Debtors in favor of Secured Party in and to the Trademark Collateral and a grant of a new security interest in any Trademark Collateral that is not included in the prior security grants by the Debtors and in favor of Secured Party to the extent such grant was not included in the prior security grants.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

THE ROBERT E. MORRIS COMPANY,
a Maryland corporation

By: *John B. Morris*
Title:

MACHINE TOOL SYSTEMS, INC.,
a South Carolina corporation

By: *John B. Morris*
Title:

MERITAGE SERVICES, INC.,
a Connecticut corporation

By: *John B. Morris*
Title:

**MIDWEST MANUFACTURING
RESOURCES, INC.**
an Ohio corporation

By: *John B. Morris*
Title:

REM SALES, INCORPORATED,
a Connecticut corporation

By: *John B. Morris*
Title:

[AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT]

R.O. DEADERICK COMPANY, INC.,
a Delaware corporation

By: Lu B. Morris
Title:

**THE TECHNICAL EQUIPMENT SALES
COMPANY,**
an Ohio corporation

By: Lu B. Morris
Title:

TRIDENT MACHINE TOOLS, INC.,
a Connecticut corporation

By: Lu B. Morris
Title:

MORRIS GROUP, INC.,
a Connecticut corporation

By: Lu B. Morris
Title:

NEWREMCOOPCO, LLC,
a Connecticut limited liability company

By: Lu B. Morris
Title:

**MACHINERY FINANCE RESOURCES,
INC.,**
a Connecticut corporation

By: Lu B. Morris
Title:

[AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT]


WELLS FARGO FOOTHILL, INC.,
a California corporation, as Agent

By: *Stacy Yucht*
Name: *Stacy Yucht*
Title: *Sr. Vice President*

[AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT]

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NEWREMCOOPCO, LLC,
a Connecticut limited liability company

By: 
Title: Sole Manager

[AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT]

SCHEDULE A

Trademarks of Debtors

Debtor	Mark	USPTO Application or Registration Number	Issue Date
REM Sales, Incorporated	Alliant	1,281,287	6/12/1984
The Robert E. Morris Company	CALM	2,456,524	5/29/01