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YU.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Patents

101508374

Attached original documents or copy thereof.

1. Name of conveying party(ies):

E&B Giftware LLC

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☐ Corporation-State
☒ Other Delaware limited liability company

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 26, 2000

2. Name and address of receiving party(ies):

Name: Union Bank of California, N.A.,
as Administrative Agent
Internal Address: Attn: E&B Giftware Account
Officer
Street Address: 445 S. Figueroa St., 15th Floor
City: Los Angeles State: CA ZIP: 90071

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☐ Corporation-State _____
☒ Other national banking association

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)

n/a

B. Trademark registration No.(s)

1,322,696

1,137,903

Additional numbers attached? ☐ Yes ☒ No

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

Name: Sheppard, Mullin, Richter & Hampton
LLPInternal Address: Attn: J. CravitzStreet Address: 333 S. Hope St., 48th FloorCity: Los Angeles State: CA ZIP: 90071

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

11/07/2000 DBYRNE 00000103 1322696

1 FD-481 40.00 DP
2 FD-481 25.00 DP

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.

Mark Spitzer, Esq.
Name of Person Signing

Signature

Date

10-17-00

Total number of pages comprising cover sheet: _____

21

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK

REEL: 002170 FRAME: 0135

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement") is made and entered into as of June 26, 2000 by each of the Persons listed on the signature pages hereto, together with each other Person who may become a party hereto pursuant to Section 16 of this Agreement (each a "Grantor" and collectively "Grantors"), jointly and severally in favor of UNION BANK OF CALIFORNIA, N.A., a national banking association, as Administrative Agent for the benefit of the Lenders that are or become party to the Loan Agreement referred to below (collectively, "Secured Party"), with reference to the following facts:

RECITALS

A. Pursuant to the Revolving/Term Loan Agreement dated as of June 26, 2000 among E&B Giftware Holdings LLC, a Delaware limited liability company ("Holdings"), E&B Giftware LLC, a Delaware limited liability company ("E&BLLC" and, together with Holdings, the "Borrowers"), the Lenders therein named and Union Bank of California, N.A., a national banking association, as Administrative Agent for the Lenders (as such agreement may from time to time be amended, extended, renewed, supplemented or otherwise modified, the "Loan Agreement"), the Lenders have agreed to extend certain credit facilities to Borrowers.

B. The Loan Agreement provides, as a condition of the availability of such credit facilities, that Grantors shall enter into this Agreement and shall grant security interests to Secured Party as herein provided.

C. Each Grantor expects to realize direct and indirect benefits as a result of the availability of the aforementioned credit facilities.

AGREEMENT

NOW, THEREFORE, in order to induce the Lenders to extend the aforementioned credit facilities to Borrowers, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantors hereby jointly and severally represent, warrant, covenant and agree as follows:

1. Definitions. This Agreement is the Trademark Security Agreement referred to in the Loan Agreement. Terms defined in the Loan Agreement and not otherwise defined in

this Agreement shall have the respective meanings defined for those terms in the Loan Agreement. As used in this Agreement, the following terms shall have the meanings respectively set forth after each:

"Agreement" means this Trademark Security Agreement, and any extensions, modifications, renewals, restatements, supplements or amendments hereof, including, without limitation, any documents or agreements by which additional Grantors become party hereto.

"Collateral" means and includes all of the following: (a) all of Grantors' presently existing, or hereafter acquired, right, title, and interest in and to all of Grantors' trademarks, trade names, trade styles, and service marks existing or registered in the United States of America; all prints and labels on which said trademarks, trade names, trade styles, and service marks appear, have appeared, or will appear, and all designs and general intangibles of a like nature; all applications, registrations, and recordings relating to the foregoing in the United States Patent and Trademark Office ("USPTO") or in any similar office or agency of the United States of America, any State thereof, or any political subdivision thereof, or in any other countries, and all reissues, extensions, and renewals thereof, including those trademarks, terms, designs, and applications described in Schedule 1 hereto (the "Trademarks"); (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and (c) any and all proceeds of any of the foregoing, including any claims by Grantors against third parties for past, present and future infringement of the Trademarks or any licenses with respect thereto.

"Secured Obligations" means any and all present and future Obligations of any type or nature of any Borrower or any other Obligor to Secured Party, arising under or relating to the Loan Documents or any one or more of them, whether due or to become due, matured or unmatured, liquidated or unliquidated, or contingent or noncontingent, including Obligations of performance as well as Obligations of payment, and including interest that accrues after the commencement of any bankruptcy or insolvency proceeding by or against any Borrower or any other Obligor.

"Secured Party" means the Administrative Agent (acting as the Administrative Agent and/or on behalf of the Lenders), and the Lenders, and each of them, and any one or more of them. Subject to the terms of the Loan Agreement, any right, remedy, privilege or power of Secured Party may be exercised by the Administrative Agent, or by the Requisite Lenders, or by any Lender acting with the consent of the Requisite Lenders.

2. Incorporation of Representations, Warranties, Covenants and Other Provisions of Loan Documents. This Agreement is one of the "Loan Documents" referred to in the Loan Agreement. All representations, warranties, affirmative and negative covenants and other provisions contained in any Loan Document that are applicable to Loan Documents generally

are fully applicable to this Agreement and are incorporated herein by this reference as though set forth herein in full.

3. Security Interest. For valuable consideration, Grantors and each of them hereby jointly and severally grants to Secured Party, to secure the prompt and indefeasible payment and performance of all of the Secured Obligations, a security interest in all of the presently existing and hereafter acquired Collateral. This Agreement is a continuing and irrevocable agreement and all the rights, powers, privileges and remedies hereunder shall apply to any and all Secured Obligations, including those arising under successive transactions which shall either continue the Secured Obligations, increase or decrease them and notwithstanding the bankruptcy of any Grantor or any other Person or any other event or proceeding affecting any Person.

4. Representations, Warranties and Covenants. Grantors, and each of them, represent, warrant and agree that:

(a) All of the existing Collateral is valid and subsisting in full force and effect, and each Grantor owns the sole, full, and clear title to its respective portion of the existing Collateral, and the right and power to grant the security interests granted hereunder. Grantors will, at their expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting, and registered trademarks, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any Liens, claims, mortgages, assignments or licenses of any nature whatsoever, whether recorded or unrecorded, except as permitted by the Loan Agreement.

(b) As of the date hereof, none of Grantors has any Trademarks registered, or subject to pending applications, in the USPTO, or any similar office or agency in the United States of America or Canada other than those described in Schedule 1.

(c) Except as listed on Schedule 2, to the best of Grantors' knowledge, there are no actions, suits, proceedings or investigations pending or threatened in writing against any Grantor before any Governmental Agency which, if determined adversely to such Grantor, would cause the Collateral, or any portion thereof, to be adjudged invalid or unenforceable, in whole or in part.

(d) No Grantor shall assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or Lien upon, encumber, grant an exclusive or nonexclusive license or sublicense relating thereto, except as permitted herein or in the Loan Agreement, or otherwise dispose of, any of the Collateral without the prior written consent of Administrative Agent. Nothing in this Agreement shall be deemed a

consent by Administrative Agent or any Lender to any such action, except as such action is expressly permitted hereunder.

(e) No Grantor shall file any application for the registration of a trademark with the USPTO or any similar office or agency in the United States of America, or any State therein, or Canada or any Province thereof, unless such Grantor has, by thirty (30) days' prior written notice, informed Administrative Agent of such action. Upon request of Secured Party, Grantors shall execute and deliver to Administrative Agent any and all assignments, agreements, instruments, documents, and such other papers as may be requested by Secured Party to evidence the grant of a security interest in such trademark to Secured Party. Each Grantor authorizes Administrative Agent to modify this Agreement by amending Schedule 1 to include any new trademark or service mark, and any trademark or service mark renewal of any Grantor applied for and obtained hereafter.

(f) No Grantor has abandoned any of the Trademarks, and no Grantor will do any act, or omit to do any act, whereby any material Trademarks may become abandoned, cancelled, invalidated, unenforceable, avoided, or avoidable. Each Grantor shall notify Administrative Agent immediately if it knows, or has reason to know, of any reason why any application, registration, or recording may become abandoned, cancelled, invalidated, or unenforceable.

(g) Grantors will render any assistance, as Secured Party may reasonably determine is necessary, to Secured Party in any proceeding before the USPTO, any federal or state court, or any similar office or agency in the United States of America, or any State therein, to maintain the Trademarks and to protect Secured Party's security interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability, and opposition, interference, and cancellation proceedings.

(h) Each Grantor will promptly notify Administrative Agent if such Grantor (or any Affiliate or Subsidiary thereof) learns of any material use by any Person of any term or design likely to cause confusion with any of the Trademarks, or of any material use by any Person of any other process or product which infringes upon any of the Trademarks. If requested by Secured Party, Grantors, at their expense, shall join with Secured Party in such action as Secured Party in Secured Party's discretion, may reasonably deem advisable for the protection of Secured Party's interest in and to the Trademarks.

(i) Grantors assume all responsibility and liability arising from the use of the Trademarks, and each Grantor hereby indemnifies and holds the Administrative Agent and each of the Lenders harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees) arising out of any

alleged defect in any product manufactured, promoted, or sold by any Grantor (or any Affiliate or Subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale, or advertisement of any such product by any Grantor or any Affiliate or Subsidiary thereof; provided that Secured Party shall not be entitled to indemnification for any loss caused by its own gross negligence or willful misconduct or for any loss arising out of any alleged defect in any product manufactured by Secured Party in connection with any Trademark.

(j) Grantors shall promptly notify Administrative Agent in writing of any adverse determination in any proceeding in the USPTO or any other foreign or domestic Governmental Agency, court or body, regarding any Grantor's claim of ownership in any of the Trademarks. In the event of any material infringement of any of the Trademarks by a third party, Grantors shall promptly notify Administrative Agent of such infringement and sue for and diligently pursue damages for such infringement. If any Grantor shall fail to take such action within one (1) month after such notice is given to Administrative Agent, Secured Party may, but shall not be required to, itself take such action in the name of any or all Grantors, and each Grantor hereby appoints Secured Party the true and lawful attorney of Grantors, for them and in their name, place and stead, on behalf of Grantors, to commence judicial proceedings in any court or before any other tribunal to enjoin and recover damages for such infringement, any such damages due to Grantors, net of costs and reasonable attorneys' fees, to be applied to the Secured Obligations.

(k) Each Grantor shall, at its sole expense, do, make, execute and deliver all such additional and further acts, things, deeds, assurances, and instruments, in each case in form and substance satisfactory to Secured Party, relating to the creation, validity, or perfection of the security interests provided for in this Agreement under 35 U.S.C. Section 261, 15 U.S.C. Section 1051 et seq., the Uniform Commercial Code or other Law of the United States of America, the State of California, or other States as Secured Party may from time to time reasonably request, and shall take all such other action as the Secured Party may reasonably require to perfect Secured Party's security interest in any of the Collateral and to completely vest in and assure to Secured Party its rights hereunder or in any of the Collateral, and each Grantor hereby irrevocably authorizes Administrative Agent (and the Lenders, during such times as there shall be no Administrative Agent) or its designee, at such Grantor's expense, upon such Grantor's failure to do so upon request therefor by Secured Party if no Default or Event of Default has occurred and is continuing, and at all times if a Default or Event of Default has occurred and is continuing, to execute such documents, and file such financing statements with respect thereto with or without such Grantor's signature, as Administrative Agent (or the Lenders, as applicable) may reasonably deem appropriate. In the event that any recording or refileing (or the filing of any statement of continuation or assignment of any financing statement) or any other action, is required at any time to protect and preserve such security interests, Grantors shall, at their sole cost and

expense, cause the same to be done or taken at such time and in such manner as may be necessary and as may be reasonably requested by Secured Party. Each Grantor further authorizes Secured Party to have this or any other similar security agreement recorded or filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(l) Administrative Agent (and the Lenders, during such time as there shall be no Administrative Agent) are hereby irrevocably appointed by each Grantor as its lawful attorney and agent, with full power of substitution to execute and deliver on behalf of and in the name of any or all Grantors, such financing statements, pledges and other documents and agreements, and to take such other action as Administrative Agent may deem necessary for the purpose of perfecting, protecting or effecting the security interests granted herein and effected hereby, and any mortgages or Liens necessary or Administrative Agent (and the Lenders, as applicable) desirable to implement or effectuate the same, under any applicable Law, and Administrative Agent (and the Lenders as applicable) are hereby authorized to file on behalf of and in the name of any or all Grantors, at Grantors' sole expense, such financing statements, documents, and agreements in any appropriate governmental office; provided, however, that (i) if no Default or Event of Default has occurred and is continuing, Administrative Agent (and the Lenders, as applicable) shall only be entitled to exercise the rights set forth in this section as to each Grantor upon such Grantor's failure to perform the applicable action following request therefor by Administrative Agent (or the Lenders, as applicable), and (ii) Administrative Agent (and the Lenders, as applicable) shall be entitled to exercise the rights set forth in this section as to each Grantor, without notice to, or request being made upon, such Grantor, at all times if a Default or Event of Default has occurred and is continuing.

(m) Secured Party, without duplication, may, in its sole discretion, pay any amount, or do any act which Grantors fail to pay or do as reasonably required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record, amend, or enforce the Secured Obligations, the Collateral, or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, and reasonable attorneys' fees. Grantors will be liable to such Secured Party for any such payment, which payment shall be deemed an advance by the Lenders to Grantors, shall be payable on demand, together with interest at the rate(s) set forth in the Loan Agreement, and shall be part of the Secured Obligations.

5. Retention of Rights. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Loan Agreement), each Grantor shall retain the right to use such Grantor's portion of the Collateral in the ordinary course of such Grantor's business.

6. Events of Default. Any "Event of Default" as defined in the Loan Agreement shall constitute an Event of Default hereunder.

7. Rights and Remedies. Upon the occurrence and during the continuance of any such Event of Default, in addition to all other rights and remedies of Secured Party, whether provided under Law, the Loan Agreement or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, any Grantor, except as such notice or consent is expressly provided for hereunder.

(a) Secured Party may use any of the Trademarks for the sale of goods, completion of work in process, or rendering of services in connection with enforcing any security interest granted to Secured Party by Grantors.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions and in such manner, as Secured Party shall, in its sole discretion, deem appropriate. Such license or licenses may be general, special, or otherwise, and may be granted on an exclusive or nonexclusive basis throughout all or part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell, or otherwise dispose of the Collateral, or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide Grantors with seven (7) days' prior written notice of any proposed disposition of the Collateral. The requirement of sending notice conclusively shall be met if such notice is mailed, first class mail, postage prepaid, to E&BLLC, on behalf of all Grantors. Each Grantor hereby irrevocably appoints E&BLLC as its agent for the purpose of receiving notice of sale hereunder, and agrees that such Grantor conclusively shall be deemed to have received notice of sale when notice of sale has been given to E&BLLC. Each Grantor expressly waives any right to receive notice of any public or private sale of any Collateral or other security for the Secured Obligations except as expressly provided in this Section 7(c). Secured Party shall have the power to buy the Collateral, or any part thereof, in accordance with applicable Law, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Grantors shall be liable for any deficiency in accordance with applicable Law.

(d) In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to Section 7(c) hereof, Administrative Agent (and the Lenders, during such time as there shall be no Administrative Agent) may, at any time, execute and deliver, on behalf of Grantors, and each of them, pursuant to the authority granted in powers of attorney, one or more

instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Grantors agree to pay Secured Party, on demand, all costs incurred in any such transfer of the Collateral, including, but not limited to any taxes, fees, and reasonable attorneys' fees.

(e) Secured Party may apply the proceeds actually received from any such license, assignment, sale, or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all reasonable legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Secured Obligations as provided in the Loan Agreement. Grantors shall remain liable to Secured Party for any expenses or Secured Obligations remaining unpaid after the application of such proceeds, and Grantors will pay Secured Party, on demand, any such unpaid amount, together with interest at the rate(s) set forth in the Loan Agreement.

(f) If any such license, assignment, sale, or other disposition of the Collateral (or any part thereof) is made after the occurrence of an Event of Default, Grantors shall supply to Secured Party, or Secured Party's designee, Grantors' knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Grantors' customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Each Grantor hereby waives any and all rights that it may have to a judicial hearing, if any, in advance of the enforcement of any of Secured Party's rights hereunder, including, without limitation, its rights following any Event of Default to take immediate possession of the Collateral and exercise its rights with respect thereto.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under Law, the Loan Agreement, this Agreement, or otherwise shall be cumulative, and none is exclusive of any right or remedy otherwise provided herein or in any of the other Loan Documents, at law or in equity. Such rights and remedies may be enforced alternatively, successively, or concurrently.

8. Waivers and Consents. Each Grantor acknowledges that the Liens created or granted herein will or may secure Obligations of Persons other than such Grantor and, in full recognition of that fact, each Grantor consents and agrees that Secured Party may, at any time and from time to time, without notice or demand, and without affecting the enforceability or security hereof: (a) supplement, modify, amend, extend, renew, accelerate or otherwise change the time for payment or the terms of the Secured Obligations or any part thereof,

including any increase or decrease of the rate(s) of interest thereon, in each case in accordance with the applicable Loan Documents; (b) supplement, modify, amend or waive, or enter into or give any agreement, approval or consent with respect to, the Secured Obligations or any part thereof, or any of the Loan Documents or any additional security or guaranties, or any condition, covenant, default, remedy, right, representation or term thereof or thereunder; (c) accept new or additional instruments, documents or agreements in exchange for or relative to any of the Loan Documents or the Secured Obligations or any part thereof; (d) accept partial payments on the Secured Obligations; (e) receive and hold additional security or guaranties for the Secured Obligations or any part thereof; (f) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer and/or enforce any security or guaranties, and apply any security and direct the order or manner of sale thereof as Secured Party in its sole and absolute discretion may determine; (g) release any Person from any personal liability with respect to the Secured Obligations or any part thereof; (h) settle, release on terms satisfactory to Secured Party or by operation of applicable Laws or otherwise liquidate or enforce any Secured Obligations and any security or guaranty in any manner, consent to the transfer of any security and bid and purchase at any sale; and/or (i) consent to the merger, change or any other restructuring or termination of the corporate or other existence of any Grantor or any other Person, and correspondingly restructure the Secured Obligations, and any such merger, change, restructuring or termination shall not affect the liability of any Grantor or the continuing existence of any Lien hereunder, under any other Loan Document to which any Grantor is a party or the enforceability hereof or thereof with respect to all or any part of the Secured Obligations.

Upon the occurrence and during the continuance of any Event of Default, Secured Party may enforce this Agreement independently as to each Grantor and independently of any other remedy or security Secured Party at any time may have or hold in connection with the Secured Obligations secured hereby, and it shall not be necessary for Secured Party to marshal assets in favor of any Grantor or any other Person or to proceed upon or against and/or exhaust any other security or remedy before proceeding to enforce this Agreement. Each Grantor expressly waives any right to require Secured Party to marshal assets in favor of any Grantor or any other Person or to proceed against any other Grantor or any Collateral provided by any other Grantor, and agrees that Secured Party may proceed against Grantors and/or the Collateral in such order as it shall determine in its sole and absolute discretion. Secured Party may file a separate action or actions against any Grantor, whether action is brought or prosecuted with respect to any other security or against any other Person, or whether any other Person is joined in any such action or actions. Each Grantor agrees that Secured Party and Borrowers and any other Obligors and any Affiliate of Borrowers and any other Obligors may deal with each other in connection with the Secured Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the security of this Agreement. Secured Party's rights hereunder shall be reinstated and revived, and the enforceability of this Agreement shall continue, with respect to any amount at any time paid on account of the Secured Obligations which thereafter shall be required to be restored or

returned by Secured Party upon the bankruptcy, insolvency or reorganization of any Borrower or any other Person or otherwise, all as though such amount had not been paid. Each Grantor agrees that the Liens created or granted herein and the enforceability of this Agreement at all times shall remain effective, as to such Grantor, to secure the full amount of all the Secured Obligations even though the Secured Obligations, including any part thereof or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against any other Obligor and whether or not any other Obligor shall have any personal liability with respect thereto. Each Grantor expressly waives any and all defenses now or hereafter arising or asserted by reason of (a) any disability or other defense of any Borrower or any other Obligor with respect to the Secured Obligations, (b) the unenforceability or invalidity of any security or guaranty for the Secured Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Secured Obligations (other than any security or guaranty given by such Grantor), (c) the cessation for any cause whatsoever of the liability of any Borrower or any other Obligor (other than by reason of the full payment and performance of all Secured Obligations), (d) any failure of Secured Party to marshal assets in favor of any Grantor or any other Person, (e) except as otherwise provided in this Agreement or any other Loan Document, any failure of Secured Party to give notice of sale or other disposition of Collateral to any Grantor or any other Person or any defect in any notice that may be given in connection with any sale or disposition of Collateral, (f) any act or omission of Secured Party or others that directly or indirectly results in or aids the discharge or release of any Borrower or any other Obligor or the Secured Obligations or any other security or guaranty therefor by operation of Law or otherwise, other than through the gross negligence or willful misconduct of Secured Party, (g) any Law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, (h) any failure of Secured Party to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person other than such Grantor, (i) the election by Secured Party, in any bankruptcy proceeding of any Person other than such Grantor, of the application or non-application of Section 1111(b)(2) of the United States Bankruptcy Code, (j) any extension of credit or the grant of any Lien under Section 364 of the United States Bankruptcy Code, (k) any use of cash collateral under Section 363 of the United States Bankruptcy Code, (l) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any Person other than such Grantor, (m) the avoidance of any Lien in favor of Secured Party for any reason (other than, as to each Grantor, the avoidance of the Lien granted by such Grantor pursuant to this Agreement), (n) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any Person other than such Grantor, including any discharge of, or bar or stay against collecting, all or any of the Secured Obligations (or any interest thereon) in or as a result of any such proceeding, (o) to the extent permitted, the benefits of any form of one-action rule under any applicable Law, or (p) any action taken by Secured Party that is authorized by this Section 8 or any other provision of any Loan Document and otherwise enforceable under applicable Law. Except as provided herein, each Grantor expressly waives all setoffs and counterclaims and all

presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Secured Obligations, and all notices of acceptance of this Agreement or of the existence, creation or incurring of new or additional Secured Obligations.

9. Condition of Borrowers and Their Subsidiaries. Each Grantor represents and warrants to Secured Party that such Grantor has established adequate means of obtaining from each Borrower and its Subsidiaries, on a continuing basis, financial and other information pertaining to the businesses, operations and condition (financial and otherwise) of each Borrower and its Subsidiaries and their Properties, and each Grantor now is and hereafter will be completely familiar with the businesses, operations and condition (financial and otherwise) of each Borrower and its Subsidiaries and their Properties. Each Grantor hereby expressly waives and relinquishes any duty on the part of Secured Party (should any such duty exist) to disclose to any Grantor any matter, fact or thing related to the businesses, operations or condition (financial or otherwise) of any Borrower or its Subsidiaries or their Properties, whether now known or hereafter known by Secured Party during the life of this Agreement. With respect to any of the Secured Obligations, Secured Party need not inquire into the powers of any Borrower or any Subsidiaries thereof or the officers or employees acting or purporting to act on their behalf, and all Secured Obligations made or created in good faith reliance upon the professed exercise of such powers shall be secured hereby.

10. Waiver of Rights of Subrogation. Until no part of any Commitment remains outstanding and all of the Secured Obligations have been paid and performed in full, notwithstanding anything to the contrary elsewhere contained herein or in any other Loan Document to which any Grantor is a party, Grantors hereby waive with respect to each Borrower and its successors and assigns (including any surety) and any other Person, any and all rights at Law or in equity to subrogation, to reimbursement, to exoneration, to indemnity, to contribution, to setoff or to any other rights that could accrue to a surety against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, or to a holder or transferee against a maker and which Grantors may have or hereafter acquire against any Borrower or any other Party in connection with or as a result of Grantors' execution, delivery and/or performance of this Agreement or any other Loan Document to which any Grantor is a party. Until no part of any Commitment remains outstanding and all of the Secured Obligations have been paid and performed in full, each of the Grantors agrees that it shall not have or assert any such rights against any other Grantor or any such Grantor's successors and assigns or any other Person (including any surety), either directly or as an attempted setoff to any action commenced against such Grantor by the other such Grantor (as borrower or in any other capacity) or any other Person. Grantors hereby acknowledge and agree that this waiver is intended to benefit Secured Party and shall not limit or otherwise affect Grantors' liability hereunder, under any other Loan Document to which any Grantor is a party, or the enforceability hereof or thereof. Until such time, if any, as all of the Secured Obligations have been paid and performed in full and no portion of any Commitment remains in

effect, each Grantor expressly waives any right to enforce any remedy that Secured Party now has or hereafter may have against any other Person and waives the benefit of, or any right to participate in, any Collateral now or hereafter held by Secured Party.

11. Waiver of Discharge. Without limiting the generality of the foregoing, each Grantor hereby waives discharge, to the fullest extent permitted under applicable Law, by waiving all defenses based on suretyship or impairment of collateral.

12. Understandings with Respect to Waivers and Consents. Grantors and each of them warrant and agree that each of the waivers and consents set forth herein are made after consultation with legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which Grantors otherwise may have against any Borrower, Secured Party or others, or against Collateral, and that, under the circumstances, the waivers and consents herein given are reasonable. If any of the waivers or consents herein are determined to be contrary to any applicable Law or public policy, such waivers and consents shall be effective to the maximum extent permitted by Law.

13. Costs and Expenses.

(a) Grantors will pay, subject to the applicable provisions of the Loan Agreement, any and all charges, costs and taxes incurred by Administrative Agent in implementing or subsequently amending this Agreement, including, without limitation, recording and filing fees, appraisal fees, stamp taxes, and reasonable fees and disbursements of counsel and the allocated cost of in-house counsel to Administrative Agent, in connection with this Agreement, and all such charges, costs and taxes (including fees and disbursements of counsel and in-house counsel) incurred by Administrative Agent and the Lenders in the enforcement of this Agreement and in the enforcement or foreclosure of any Liens, security interests or other rights of the Secured Party under this Agreement, or under any other documentation heretofore, now, or hereafter given to Secured Party in furtherance of the transactions contemplated hereby.

(b) Grantors agree to reimburse Secured Party for and indemnify it against, any and all losses, expenses and liabilities (including liabilities for penalties) of whatever kind or nature sustained and reasonably incurred in connection with any claim, demand, suit or legal or arbitration proceeding relating to this Agreement, or the exercise of any rights or powers hereunder, including reasonable attorneys' fees and disbursements, and the allocated cost of in-house counsel to the Secured Party, except losses, expenses and liabilities arising out of Secured Party's own gross negligence or willful misconduct.

14. Miscellaneous.

(a) Grantors and Secured Party may from time to time agree in writing to the release of certain of the Collateral from the security interest created hereby.

(b) Any notice, request, demand or other communication required or permitted under this Agreement shall be in writing and shall be deemed to be properly given if done in accordance with Section 11.6 of the Loan Agreement.

(c) Except as otherwise set forth in the Loan Agreement, the provisions of this Agreement may not be modified, amended, restated or supplemented, whether or not the modification, amendment, restatement or supplement is supported by new consideration, except by a written instrument duly executed and delivered by Administrative Agent (or the Lenders during such time as there shall be no Administrative Agent) and Grantors.

(d) Except as otherwise set forth in the Loan Agreement or this Agreement, any waiver of the terms and conditions of this Agreement, or any Event of Default and its consequences hereunder or thereunder, and any consent or approval required or permitted by this Agreement to be given, may be made or given with, but only with, the written consent of Secured Party on such terms and conditions as specified in the written instrument granting such waiver, consent or approval.

(e) Any failure or delay by Secured Party to require strict performance by Grantors of any of the provisions, warranties, terms, and conditions contained herein, or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein, or in any other agreement, document, or instrument, shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Grantors, specifying such waiver.

(f) If any term or provision of this Agreement conflicts with any term or provision of the Loan Agreement, the term or provision of the Loan Agreement shall control.

(g) If any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

(h) This Agreement shall be binding upon, and for the benefit of, the parties hereto and their respective legal representatives, successors, and assigns.

15. Continuing Effect. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Obligor for liquidation or reorganization, should any Obligor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of any Obligor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable Law, rescinded or reduced in amount, or must otherwise be restored or returned by Administrative Agent or any Lender, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

16. Additional Grantors. From time to time following the Closing Date, Subsidiaries of the Borrowers may become parties hereto, as additional Grantors, by executing and delivering to Administrative Agent an Instrument of Joinder substantially in the form of Exhibit A hereto, accompanied by such documentation as Administrative Agent may require in connection therewith, wherein such additional Grantors agree to become a party hereto and to be bound hereby. Upon delivery of such Instrument of Joinder to and acceptance thereof by Administrative Agent, notice of which acceptance is hereby waived by Grantors, each such additional Grantor shall be as fully a party hereto, effective as of such delivery, but in all other respects, as if such Grantor were an original signatory hereof. Each Grantor expressly agrees that its Secured Obligations and the Liens upon its Property granted herein shall not be affected or diminished by the addition or release of additional Grantors hereunder, nor by any election of Secured Party not to cause any Subsidiary of the Borrowers to become an additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor who is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

17. Release of Grantors. This Agreement and all Secured Obligations of Grantors hereunder shall be released when all Secured Obligations have been paid in full in cash or otherwise performed in full and when no portion of any Commitment remains outstanding. Upon such release of Grantors' Secured Obligations hereunder, Secured Party shall return any Collateral to Grantors, or to the Person or Persons legally entitled thereto, and shall endorse, execute, deliver, record and file all instruments and documents, and do all other acts and things, reasonably required for the return of the Collateral to Grantors, or to the Person or Persons legally entitled thereto, and to evidence or document the release of Secured Party's interests arising under this Agreement, all as reasonably requested by, and at the sole expense of, Grantors.

18. Additional Powers and Authorization. The Administrative Agent has been appointed as the Administrative Agent hereunder pursuant to the Loan Agreement and shall be entitled to the benefits of the Loan Agreement and the other Loan Documents. Notwithstanding anything contained herein to the contrary, the Administrative Agent may employ agents, trustees, or attorneys-in-fact and may vest any of them with any Property (including, without limitation, any Collateral in which a security interest is granted hereunder), title, right or power deemed necessary for the purposes of such appointment.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.


20. **GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF CALIFORNIA.**

21. WAIVER OF JURY TRIAL. EACH GRANTOR AND SECURED PARTY EXPRESSLY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED OR INCIDENTAL TO THIS AGREEMENT, THE LOAN AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER NOW EXISTING OR HEREFTER ARISING AND WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH GRANTOR AND SECURED PARTY AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY ARE WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE LOAN AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, THE LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

IN WITNESS WHEREOF, each Grantor has executed this Agreement by its duly authorized officer as of the date first written above.

"Grantors"

E&B GIFTWARE HOLDINGS LLC,
a Delaware limited liability company

By: 

Robert G. Levine, CEO
[Printed Name and Title]

E&B GIFTWARE LLC,
a Delaware limited liability company

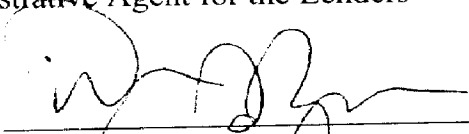
By: 

EDWARD S. SACKS, CEO
[Printed Name and Title]

ACCEPTED AND AGREED
AS OF THE DATE FIRST
ABOVE WRITTEN:

"Secured Party"

UNION BANK OF CALIFORNIA, N.A.,
as Administrative Agent for the Lenders

By: 

VPO
[Printed name and title]

EXHIBIT A
TO
TRADEMARK SECURITY AGREEMENT

INSTRUMENT OF JOINDER

THIS INSTRUMENT OF JOINDER ("Joinder") is executed as of

_____, _____, by _____, a _____ ("Joining Party"), and delivered to Union Bank of California, N.A., a national banking association, as Administrative Agent, pursuant to the Trademark Security Agreement dated as of June 26, 2000 made by E&B Giftware Holdings LLC, a Delaware limited liability company ("Holdings") and E&B Giftware LLC, a Delaware limited liability company ("E&B LLC" and, together with Holdings, the "Borrowers"), as initial Grantors, and the other Grantors party thereto, in favor of the Administrative Agent and the Lenders referred to in the Loan Agreement referred to below (as amended, extended, renewed, supplemented, or otherwise modified from time to time, the "Trademark Agreement"). Terms used but not defined in this Joinder shall have the meanings defined for those terms in the Trademark Agreement.

RECITALS

(a) The Trademark Agreement was made by the Grantors in favor of the Administrative Agent for the benefit of the Lenders that are parties to that certain Revolving/Term Loan Agreement (as amended, extended, renewed, supplemented, or otherwise modified from time to time, the "Loan Agreement") dated as of June 26, 2000, among the Borrowers, the Lenders which are parties thereto, and Union Bank of California, N.A., a national banking association, as the Administrative Agent for the Lenders.

(b) Joining Party has become a Subsidiary of _____, and as such is required pursuant to Section 5.11 of the Loan Agreement to become a Grantor under the terms and conditions of the Trademark Agreement.

(c) Joining Party expects to realize direct and indirect benefits as a result of the availability to Borrowers of the credit facilities under the Loan Agreement.

NOW, THEREFORE, Joining Party agrees as follows:

AGREEMENT

(1) By this Joinder, Joining Party becomes a "Grantor" under and pursuant to Section 16 of the Trademark Agreement. Joining Party agrees that, upon its execution hereof, it will become a Grantor under the Trademark Agreement with respect to the Secured Obligations,

and will be bound by all terms, conditions, and duties applicable to a Grantor under the Trademark Agreement.

(2) The effective date of this Joinder is _____, _____.

"Joining Party"

a _____

By: _____

Title: _____

ACKNOWLEDGED:

UNION BANK OF CALIFORNIA, N.A.,
as Administrative Agent

By: _____

Title: _____

SCHEDULE 1

Existing and Pending Trademarks

<u><i>Registered Mark</i></u>	<u><i>Registration #</i></u>
LOOK-A-LITE	Trademark Reg. 1,137,903
STARCASE	U.S. TM 1,322,696
STARCASE	Spanish TM 1R695.058

SCHEDULE 2

Existing Litigation or Disputes

None, except as otherwise disclosed in Schedule 4.10 to the Loan Agreement.