

Form PTO-1594

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

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RECORDATION FORM COVER SHEET
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):

Celebrity Inc.
Celebrity Holdings, Inc.

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

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: 08/18/2003

2. Name and address of receiving party(ies)

Name: U.S. Bank National Association
Internal
Address: One Firststar Plaza
Street Address: 7th and Washington Street
City: St. Louis State: MO Zip: 63101-1643

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

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) 76/517,967

B. Trademark Registration No.(s) 1,146,226;
1,355,577; 2,165,247; 2,148,766; contd.

Additional number(s) attached Yes No

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

Name: Ameer Gado

Internal Address: _____

Street Address: 211 N. Broadway, Suite 3600
One Metropolitan Square

City: St. Louis State: MO Zip: 63102-2750

6. Total number of applications and registrations involved:

14

7. Total fee (37 CFR 3.41) \$ 365.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

02-4467

DO NOT USE THIS SPACE

9. Signature.

Ameer Gado
Name of Person Signing


Signature

10/24/2003
Date

15

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

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

CH \$365.00 024467 76617967

CONTINUATION OF ITEM 4:

Trademark Registration Numbers CONT'D.

1,571,071	1,715,990
2,041,695	2,029,321
1,720,427	1,562,341
1,258,647	2,283,611
1,035,411	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (as may be amended, supplemented and otherwise modified from time to time, "IP Security Agreement") is made and effective as of August 18, 2003, by **CELEBRITY INC.**, a Texas corporation and **CELEBRITY HOLDINGS, INC.**, a Texas corporation (each including any successors or permitted assignees thereof, individually, a "Grantor", and collectively, "Grantors"), in favor of U.S. BANK NATIONAL ASSOCIATION (including any successor, participant, assignee or transferee thereof, "Administrative Agent"), as administrative agent for itself and the Lenders (as defined in the Credit Agreement referred to below).

RECITALS

WHEREAS, Celebrity, Inc. (the "Borrower") desires and has applied to Administrative Agent and the Lenders for a credit facility consisting of a revolving loan pursuant to which up to \$11,000,000.00 can be borrowed from time to time and a term loan pursuant to which up to \$13,000,000.00 million can be borrowed from time to time; and

WHEREAS, pursuant to that certain Credit Agreement by and among Borrower, Lenders, Administrative Agent and Madison Capital Funding, LLC, as syndication agent ("Syndication Agent"), dated as of August 18, 2003 (as may be amended from time to time, "Credit Agreement"), a condition precedent to the obligation of the Administrative Agent, Syndication Agent or any Lender to execute and perform under the Credit Agreement is that Borrower shall have executed and delivered that certain Security Agreement executed by Borrower in favor of Administrative Agent for the benefit of Administrative Agent, Syndication Agent and the Lenders dated as of August 18, 2003 (as may be amended from time to time, "Security Agreement") encumbering all of Borrower's tangible and intangible personal property assets in favor of Administrative Agent for the benefit of Administrative Agent, Syndication Agent and the Lenders; and

WHEREAS, under the terms of the Security Agreement, each Grantor has agreed to encumber certain intellectual property to Administrative Agent for purposes of securing the obligations to Administrative Agent, Syndication Agent and the Lenders under the Credit Agreement and related Loan Documents; and

WHEREAS, each Grantor has determined that it is in its best interest to execute this IP Security Agreement inasmuch as Borrower and Celebrity Holdings, Inc., a direct subsidiary of Borrower, will derive substantial direct and indirect benefits from the funding of the Loans by Administrative Agent pursuant to the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Grantors and Administrative Agent hereby agree as follows:

1. Grant. Each Grantor hereby grants to Administrative Agent an absolute, present, unconditional, continuing first priority security interest in and to such Grantor's entire right, title and interest in and to the following property and rights (collectively, the "Collateral"):

(a) The U.S. and foreign copyrights, associated copyright registrations and applications for copyright registration, and copyright licenses set forth on Schedule A attached hereto (collectively, the "Copyrights"); and

(b) The U.S. and foreign patents and patent applications, and patent licenses set forth on Schedule B attached hereto, including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the "Patents"); and

(c) The U.S., state and foreign reexaminations of trademarks and service marks, and trademark and service mark registrations, trademark and service mark applications (except for "intent to use" applications for trademark or service mark applications filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Section 1(c) or 1(d) of said Act has been filed), and trademark and service mark licenses set forth on Schedule C attached hereto (including all associated goodwill, collectively, the "Trademarks"); and

(d) The internet domain names, registrations, internet addresses, URLs and applications for same set forth on Schedule D attached hereto; and

(e) Any and all claims and causes of action for past, present or future infringement of any of the Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the Collateral; and

(f) Any and all licenses or rights granted under any of the Collateral, and all license fees and royalties arising from such licenses or rights, to the extent permitted by such licenses or rights; and

(g) Any and all amendments, renewals, extensions, reissuances and replacements of any of the Collateral; and

(h) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Each Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks (and any state, foreign or other authorities to which this IP Security Agreement is submitted) to file and record this IP Security Agreement (and any corresponding or separate application forms of such jurisdiction) in order to publicly reflect Administrative Agent's interest in the Collateral.

3. Assignment. Upon the occurrence of an Event of Default (as defined in the Security Agreement), any Grantor shall upon the request of Administrative Agent execute and deliver to Administrative Agent an absolute assignment transferring its entire right, title, and interest in and to the Collateral to Administrative Agent.

4. Power of Attorney. Each Grantor hereby irrevocably grants Administrative Agent a power of attorney, to act as such Grantor's attorney-in-fact, with full authority in the name, place and stead of such Grantor, from time to time in Administrative Agent's reasonable discretion regardless of whether a Default or Event of Default is occurring:

(a) To modify or amend (in Lender's sole discretion and without first obtaining such Grantor's approval of or signature thereto) Schedule A, Schedule B, Schedule C and/or Schedule D hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by such Grantor after the execution hereof or to delete any reference to any Collateral in which such Grantor no longer has or claims any right, title or interest; and

(b) To execute, file and pursue (in Administrative Agent's sole discretion and without first obtaining such Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect Administrative Agent's interest or such Grantor's rights in the Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; and

(c) To execute any assignment or other document required to acknowledge, register or perfect Administrative Agent's interest in any part of the Collateral without the signature of such Grantor unless prohibited by applicable law.

Each Grantor also hereby irrevocably grants Administrative Agent a power of attorney, to act as such Grantor's attorney-in-fact, with full authority in the name, place and stead of such Grantor, from time to time in Administrative Agent's discretion after the occurrence and during the continuance of a Default or an Event of Default, to take any other action and to execute any other instrument which Administrative Agent may deem reasonably necessary or advisable to accomplish the purposes of the Security Agreement or this IP Security Agreement.

The foregoing power of attorney is coupled with an interest and is irrevocable but will terminate upon the termination of the Security Agreement.

5. Release. The security interest granted herein will terminate (and all rights to the Collateral will revert to Grantors) upon satisfaction of the following conditions: (a) payment and performance in full of all the obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Credit Agreement (and the Facilities thereunder). Upon any such termination, Administrative Agent (at any Grantor's request and sole expense) will execute and deliver to such Grantor (without any representation, warranty or recourse of any kind whatsoever) such documents as such Grantor may reasonably request and provide to Administrative Agent to evidence such termination.

6. Miscellaneous. This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to Administrative Agent under the Security Agreement. The rights and remedies of Grantors and Administrative Agent with respect to the security interest granted herein are in addition and without prejudice to those set forth in the Security Agreement and the Credit Agreement, all terms and provisions of which are hereby incorporated herein by reference. This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original but all counterparts together will constitute one and the same instrument. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Security Agreement or the Credit Agreement, the provisions of the Security Agreement or Credit Agreement shall govern.

[BALANCE OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

WITNESS:

CELEBRITY, INC.

(as Grantor)

By: *R Chenault*
Name: Rakisha Chenault
Title: VP Controller

By: *Robert Patterson*
Name: Robert Patterson
Title: President

[CORPORATE SEAL]

Address: 4520 Old Troup Hwy, Suite C
Tyler, Texas 75707

Telephone: (903) 561-3981

Facsimile: (903) 509-3631

WITNESS:

CELEBRITY HOLDINGS, INC.

(as Grantor)

By: *R Chenault*
Name: Rakisha Chenault
Title: VP Controller

By: *Robert Patterson*
Name: Robert Patterson
Title: President

[CORPORATE SEAL]

Address: 4520 Old Troup Hwy, Suite C
Tyler, Texas 75707

Telephone: (903) 561-3981

Facsimile: (903) 509-3631

WITNESS:

By: *Melika K. Kemp*

U.S. BANK NATIONAL ASSOCIATION
(as Administrative Agent)

By: *Juli K. Wisniewski*
Name: Juli K. Wisniewski
Title: Vice President

One Firststar Plaza
7th and Washington Street
St. Louis, MO 63101-1643

Telephone: (314) 418-8676
Facsimile: (314) 418-1963

ACKNOWLEDGMENT

STATE OF Texas :
 : SS
COUNTY OF Smith :

Before me, the undersigned, a Notary Public, on this 9th day of September, 2003, personally appeared Robert Patterson to me known personally, who, being by me duly sworn, did say that he/she is the President of CELEBRITY, INC., and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said CELEBRITY, INC. by authority of its board of directors, and the said President acknowledged said instrument to be his/her free act and deed.



Shanna Warden
Notary Public

My Commission Expires: November 15, 2006

ACKNOWLEDGMENT

STATE OF Texas :
 : SS
COUNTY OF Smith :

Before me, the undersigned, a Notary Public, on this 9th day of September, 2003, personally appeared Robert Patterson to me known personally, who, being by me duly sworn, did say that he/she is the President of CELEBRITY HOLDINGS, INC., and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said CELEBRITY HOLDINGS, INC. by authority of its board of directors, and the said President acknowledged said instrument to be his/her free act and deed.



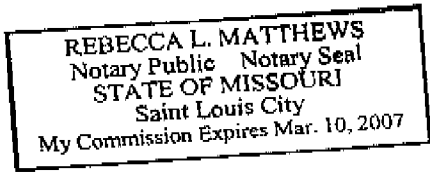
Shanna Warden
Notary Public

My Commission Expires: November 15, 2006

ACKNOWLEDGEMENT

STATE OF MO :
 City : SS
COUNTY OF St. Louis :

Before me, the undersigned, a Notary Public, on this 24th day of September 2003, personally appeared Julie K. Wisniewski to me known personally, who, being by me duly sworn, did say that he is the Vice President U.S. BANK NATIONAL ASSOCIATION, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said U.S. BANK NATIONAL ASSOCIATION by authority of its Board of Directors, and the said Julie K. Wisniewski acknowledged said instrument to be his free act and deed.



Rebecca L. Matthews
Notary Public

My Commission Expires: 3-10-07