

11-14-2003

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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



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

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

1. Name of conveying party(ies): Sundance Catalog Co., LLC

S-14-03

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

2. Name and address of receiving party(ies) Name: Zions First National Bank

Internal Address: Street Address: 10 East South Temple, Suite 20 City: Salt Lake City State: UT Zip: 84111

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

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

3. Nature of conveyance: Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date:

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 75692452

B. Trademark Registration No.(s) 2594762

Additional number(s) attached Yes No

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

Name: T. Richard Davis, Esq.

Internal Address: trdavis@cnmlaw.com

Street Address: 900 Gateway Tower East

City: Salt Lake City State: UT Zip: 84133

6. Total number of applications and registrations involved: 1

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

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

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DO NOT USE THIS SPACE

9. Signature.

T. Richard Davis Name of Person Signing

Signature

11-6-03 Date

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

Additional Names of Conveying Parties

Item 1:

Sundance Catalog Company, Ltd., a Texas Limited Partnership

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

1. Name of conveying party(ies): **5-K-03**
Sundance Catalog Co., LLC
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other Limited Liability Company
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Zions First National Bank
Internal Address: _____
Street Address: 10 East South Temple, #200
City: Salt Lake City State: UT Zip: 84133
 Individual(s) citizenship
 Association
 General Partnership
 Limited Partnership
 Corporation-State
 Other National 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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: 4/16/03

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) 75692452
B. Trademark Registration No.(s) _____
Additional number(s) attached Yes No


6. Total number of applications and registrations involved: **1**

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: T. Richard Davis, Esq.
Internal Address: trdavis@cnmlaw.com
Street Address: 900 Gateway Tower East
City: Salt Lake City State: UT Zip: 84133

7. Total fee (37 CFR 3.41).....\$ 65.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.
T. Richard Davis  May 9, 2003
Name of Person Signing Signature Date

05/15/2003 BRYNE 00000000 75692452
40.00 OP
25.00 OP

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

Additional Names of Conveying Parties

Item 1:

Sundance Catalog Company, Ltd., a Texas Limited Partnership

SECURITY AGREEMENT

This Security Agreement (the "Security Agreement") is made between Sundance Catalog Company, LLC, a Delaware limited liability company ("Borrower"), and Zions First National Bank, a national association ("Lender"), pursuant to a Loan Agreement, dated April 16, 2003, between Borrower and Lender (the "Loan Agreement").

For good and valuable consideration, receipt of which is hereby acknowledged, Borrower and Lender hereby agree as follows:

1. Definitions. Except as otherwise provided herein, terms defined in the Loan Agreement shall have the same meanings when used herein. Terms defined in the singular shall have the same meaning when used in the plural and vice versa. Terms defined in the Uniform Commercial Code as adopted now or in the future in the State of Utah which are used herein shall have the meanings set forth in the Utah Uniform Commercial Code, except as expressly defined otherwise. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State of Utah differently than in another Article of the Uniform Commercial Code of the State of Utah, the term has the meaning specified in Article 9. As used herein, the term:

"Collateral" means the collateral described in Section 2, Grant of Security Interest, below.

"Default Rate" means the default interest rate provided in the Revolving Note, Term Note A and Term Note B.

"Liquidation Costs" means the reasonable costs and out of pocket expenses incurred by Lender in obtaining possession of any Collateral, in storage and preparation for sale, lease or other disposition of any Collateral, in the sale, lease, or other disposition of any or all of the Collateral, and/or otherwise incurred in foreclosing on any of the Collateral, including, without limitation, (a) reasonable attorneys fees and legal expenses, (b) transportation and storage costs, (c) advertising costs, (d) sale commissions, (e) sales tax and license fees, (f) costs for improving or repairing any of the Collateral, and (g) costs for preservation and protection of any of the Collateral.

"Permitted Encumbrances" means liens for taxes and assessments not yet due and payable or, if due and payable, those being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained, security interests and liens created by the Loan Documents, and security interests and liens authorized in writing by Lender.

2. Grant of Security Interest. Borrower hereby grants to Lender a security interest in all personal property of Borrower, wherever located, now owned or hereafter acquired or created, including, without limitation, the following (the "Collateral"):

a. All inventory as defined in the Uniform Commercial Code, wherever located, all goods, merchandise or other personal property held for sale or lease, names or marks affixed thereto for purposes of selling or identifying the same or the seller or manufacturer thereof and all

related rights, title and interest, all raw materials, work or goods in process or materials or supplies of every nature used, consumed or to be used in Borrower's business, all packaging and shipping materials, and all other goods customarily or for accounting purposes classified as inventory, of Borrower, now owned or hereafter acquired or created, all proceeds and products of the foregoing and all additions and accessions to, replacements of, insurance or condemnation proceeds of, and documents covering any of the foregoing, all leases of any of the foregoing, and all rents, revenues, issues, profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition of any of the foregoing or any interest therein (collectively, the "Inventory").

b. All accounts as defined in the Uniform Commercial Code (including health-care-insurance receivables), accounts receivable, amounts owing to Borrower under any rental agreement or lease, payments on construction contracts, promissory notes or on any other indebtedness, any rights to payment customarily or for accounting purposes classified as accounts receivable, and all rights to payment, proceeds or distributions under any contract, of Borrower, presently existing or hereafter created, and all proceeds thereof (collectively, the "Accounts").

c. All equipment and goods as defined in the Uniform Commercial Code, all motor vehicles, including all tires, accessories, spare and repair parts, and tools, wherever located, and all related right, title and interest, of Borrower, now owned or hereafter acquired or created, all proceeds and products of the foregoing and all additions and accessions to, replacements of, insurance or condemnation proceeds of, and documents covering any of the foregoing, all leases of any of the foregoing, and all rents, revenues, issues, profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition of any of the foregoing or any interest therein (collectively, the "Equipment").

d. All general intangibles as defined in the Uniform Commercial Code, choses in action, proceeds, contracts, customer lists, distributions, dividends, refunds, security deposits, judgments, insurance claims, any right to payment of any nature, intellectual property rights or licenses, payment intangibles, licenses, tax refunds, any other rights or assets of Borrower customarily or for accounting purposes classified as general intangibles, and all documentation and supporting information related to any of the foregoing, all rents, profits and issues thereof, and all proceeds thereof.

e. All of the following (collectively, "Financial Obligations Collateral"):

i. Any and all promissory notes and instruments payable to or owing to Borrower or held by Borrower, whether now existing or hereafter created (collectively, the "Promissory Notes");

ii. Any and all leases under which Borrower is the lessor, whether now existing or hereafter created (collectively, the "Leases");

c. Borrower is a limited liability company organized and existing under the laws of the State of Delaware.

Borrower agrees that it will not change its state of organization or any of the above locations or create any new locations for such matters without giving Lender at least thirty (30) days prior written notice thereof.

6. Representations and Warranties Concerning Collateral. Borrower represents and warrants that:

a. Borrower is the sole owner of the Collateral.

b. The Collateral is not subject to any security interest, lien, prior assignment, or other encumbrance of any nature whatsoever except Permitted Encumbrances.

c. The Accounts are each a bona fide obligation of the obligor identified therein for the amount identified in the records of Borrower, except for normal and customary disputes which arise in the ordinary course of business and which do not affect a material portion of the Accounts.

d. To the best knowledge of Borrower, there are no defenses or setoffs to payment of the Accounts which can be asserted by way of defense or counterclaim against Borrower or Lender, except for normal and customary disputes which arise in the ordinary course of business and which do not affect a material portion of the Accounts.

e. There is presently no default or delinquency in any payment of the Accounts except for any default or delinquency which has been reserved against by Borrower in accordance with generally accepted accounting principles and, except for normal and customary disputes which arise in the ordinary course of business and which do not affect a material portion of the Accounts.

f. Borrower has no knowledge of any fact or circumstance which would materially impair the ability of any obligor on the Accounts to timely perform its obligations thereunder, except those which arise in the ordinary course of business and which do not affect a material portion of the Accounts.

g. Any services performed or goods sold giving rise to the Accounts have been rendered or sold in compliance with applicable laws, ordinances, rules, and regulations and in the ordinary course of Borrower's business.

by Lender for perfection or enforcement of any security interest or lien, and to give good faith, diligent cooperation to Lender, and to perform such other acts reasonably requested by Lender for perfection and enforcement of any security interest or lien created hereunder, including, without limitation, obtaining control for purposes of perfection with respect to Collateral consisting of deposit accounts, investment property, letter-of-credit rights, and electronic chattel paper. Lender is authorized to file, record, or otherwise utilize such documents as it deems necessary to perfect and/or enforce any security interest or lien granted hereunder.

c. Borrower shall keep the Equipment in good repair, ordinary wear and tear and obsolescence excepted. Borrower shall pay when due all taxes, license fees and other charges on the Equipment. Borrower shall not sell, misuse, conceal, or in any way dispose of the Equipment or permit it to be used unlawfully or for hire or contrary to the provisions of any insurance coverage. Risk of loss of the Equipment shall be on Borrower at all times unless Lender takes possession of the Equipment. Loss of or damage to the Equipment or any part thereof shall not release Borrower from any of the obligations secured by the Equipment. Lender or its representatives may, at any time and from time to time upon reasonable notice to Borrower, enter any premises owned or leased by Borrower where the Equipment is located and inspect, audit and check the Equipment.

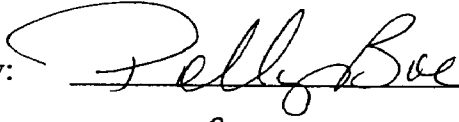
d. Borrower agrees to insure the Equipment, at Borrower's expense, against loss, damage, theft, and such other risks as Lender may reasonably request to the full insurable value thereof with insurance companies and policies reasonably satisfactory to Lender. Proceeds from such insurance shall be payable to Lender as its interest may appear and such policies shall provide for a minimum ten days written cancellation notice to Lender. Upon request, policies or certificates attesting to such coverage shall be delivered to Lender. Insurance proceeds may be applied by Lender toward payment of any obligation secured by this Security Agreement, whether or not due, in such order of application as Lender may elect.

e. Borrower agrees to insure the Inventory, at Borrower's expense, against loss, damage, theft, and such other risks as Lender may request to the full insurable value thereof with insurance companies and policies reasonably satisfactory to Lender. Proceeds from such insurance shall be payable to Lender as its interest may appear and such policies shall provide for a minimum ten days written cancellation notice to Lender. Upon request, policies or certificates attesting to such coverage shall be delivered to Lender. Insurance proceeds may be applied by Lender toward payment of any obligation secured by this Security Agreement, whether or not due, in such order of application as Lender may elect.

f. Borrower shall submit to Lender reports as to the Inventory and the Accounts at such times and in such form as Lender may reasonably request. Borrower will at all times keep accurate and complete records of the Inventory and the Accounts. Lender or its representatives may, at any time and from time to time, enter any premises where the Inventory and the records pertaining to the Accounts are located and inspect, audit, check, copy, and otherwise review the Inventory and the Accounts.

Borrower:

SUNDANCE CATALOG COMPANY, LLC

By: 

Its: CFO