

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
The Love Factor, Inc.		10/14/2004	CORPORATION: TEXAS

RECEIVING PARTY DATA

Name:	American Bank of Texas
Street Address:	2011 Texoma Parkway
City:	Sherman
State/Country:	TEXAS
Postal Code:	75090
Entity Type:	Texas Banking Association: TEXAS

PROPERTY NUMBERS Total: 18

Property Type	Number	Word Mark
Serial Number:	78374349	BOO KOO
Serial Number:	78226114	LIQUID LOVE FACTOR
Serial Number:	78383131	WHET ENERGY
Serial Number:	78383547	MOTO ENERGY
Serial Number:	78383533	JACKED UP ENERGY
Serial Number:	78383506	KONGG ENERGY
Serial Number:	78383482	DARK HORSE ENERGY
Serial Number:	78383467	FURIO ENERGY
Serial Number:	78383434	SWANK ENERGY
Serial Number:	78383417	IRON CROSS ENERGY
Serial Number:	78383372	GRAIL ENERGY
Serial Number:	78383357	GAZOO ENERGY
Serial Number:	78315954	SHOTZ
Serial Number:	78332023	BUZZ ENERGY DRINK
Serial Number:	76575205	PURE POWER

OP \$465.00 78374349

Serial Number:	76607376	SHOTX 2
Serial Number:	76576119	PURE POWER
Serial Number:	76575206	LOVE FACTOR

CORRESPONDENCE DATA

Fax Number: (903)463-3024
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 903-463-3751
Email: wdkeese@munsonlaw.com
Correspondent Name: William David Keese
Address Line 1: 301 W. Woodard
Address Line 4: Denison, TEXAS 75020

ATTORNEY DOCKET NUMBER:	ABT/LOVE FACTOR
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NAME OF SUBMITTER:	William David Keese
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Total Attachments: 5
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**SECURITY AGREEMENT
(INTELLECTUAL PROPERTIES)**

**THE LOVE FACTOR, INC.,
a Texas Corporation**

**4951 Airport Parkway, Suite 660
Dallas, Texas 75001**

(hereafter called "Love Factor")

AMERICAN BANK OF TEXAS

P. O. Box 1234

Sherman, Texas 75091-1234

(hereafter called "Lender")

The Lender and Borrower agree as follows:

SECTION I. CREATION OF SECURITY INTEREST.

In order to secure a promissory note of even date herewith in the original amount of \$300,000.00, executed by **THE LOVE FACTOR, INC., a Texas Corporation** ("Borrower"), and made payable to Lender, and guaranteed by **DANIEL D. DOWER, MICHAEL POWERS, JAMES COTTON and JOHN GREENWOOD**, ("Guarantor") and interest thereon, and all renewals, extensions and rearrangements thereof), hereafter referred to as "Obligations," **Love Factor** grants to Lender a security interest in all of **Love Factor's** presently existing and hereafter arising or acquired "Intellectual Properties" which shall mean all trademarks, trademark registrations or applications, service marks, trade names, copyrights, copyright registrations or applications, trade secrets, assumed names, trade names, inventions, processes, designs, formulas, patent registrations or applications, license agreements, engineering drawings and computer records, including, but not limited to, those items described in Schedule A attached hereto, together with all instruments, documents of title, computer programs, printouts, copies and records of Borrower pertaining to any of the foregoing; all of which are hereafter referred to as "Collateral."

SECTIONS II. LOVE FACTOR'S REPRESENTATIONS AND WARRANTIES.

Love Factor Represents and Warrants to Lender That:

- (1) The office where Love Factor's records are kept concerning the Collateral is located at the address shown at the top of this page;
- (2) Love Factor is duly organized and existing under the laws of the State of Texas and is duly qualified and in good standing in every other State in which it is doing business; and the execution, delivery, and performance of this Agreement and the Obligations secured hereby are within Love Factor's corporate powers, have been duly authorized, are not in contravention of law or the terms of Love Factor's articles of incorporation, by-laws, or other incorporation papers, or of any indenture, agreement, or undertaking to which Love Factor is a party or by which it is bound;
- (3) There is no lien, security interest, or other encumbrance on all or any part of the Collateral covered by this Agreement at the time of execution of this Agreement, nor is there any financing statement on file in Love Factor's name which purports to cover any of the Collateral or the proceeds thereof;
- (4) Love Factor's principal place of business is the address shown at the beginning of this Agreement;
- (5) All financial statements delivered to Lender at or prior to the execution of this Agreement, and all financial statements which may hereafter be delivered to Lender, fairly present the financial condition and the results of Love Factor's operations at the times and for the periods therein stated, and since the latest date covered by the most recent financial statements delivered prior to the execution of this Agreement there has been no adverse change in the financial condition, the operations, or any other status of Love Factor;
- (6) All information furnished to or to be furnished to Lender by or on behalf of Love Factor concerning the Collateral and the proceeds thereof or in connection with the Obligations secured by this Agreement, including Schedule "A" attached hereto, is (or will be at the time the same is furnished) complete and accurate in all material respects;
- (7) Each of Love Factor's papers and documents relating to the Collateral are (or will be at the time such Collateral comes into existence) genuine and in all respects what they purport to be;
- (8) All of the Collateral is (or will be at the time such Collateral comes into existence) owned by Love Factor; and
- (9) The Collateral is not subject to any setoffs, counter-charges or liens.

SECTION III. LOVE FACTOR'S AFFIRMATIVE COVENANTS.

Love Factor Covenants and Agrees That Love Factor Shall:

- (1) If requested by Lender, turn over to Lender possession and control of copies of all instruments or documents evidencing the Collateral;
- (2) Immediately execute instruments and take steps required by Lender to perfect the security interest evidenced by this Agreement;
- (3) Pay promptly when due (unless they are being contested in good faith) all taxes, assessments, costs, and expenses necessary to preserve, protect, and maintain the Collateral; keep the Collateral free from other liens, security interests or other encumbrances; defend the Collateral if necessary against all claims and demands of all persons at any time claiming an interest therein adverse to Lender; file all tax returns and pay all taxes when due, and cause any and all liens for taxes to be properly released; and in the event of failure to do so, Borrower agrees that Lender may make expenditures for any or all such purposes (but is not obligated to do so), and the amount so expended together with interest thereon at 18% per annum shall constitute one of Borrower's Obligations to Lender secured by the security interest granted in Section I above, and any such expenditures by Lender will be repayable by Borrower on demand, Love Factor hereby appoints Lender as Love Factor's attorney-in-fact to enable Lender to act for Love Factor in fulfilling all Love Factor's responsibilities and exercising all of Love Factor's rights under this Agreement for the purpose of preserving and protecting the Collateral and Lender's interest therein;
- (4) Maintain at all times complete and accurate books and records covering the Collateral Immediately upon the execution of this Agreement, Love Factor shall mark all books and records with an entry showing the absolute assignment to Lender of all Collateral, and Lender is hereby given the right and privilege of auditing the books and records of Love Factor relating to the Collateral and inspecting Love Factor's business locations and operations at any reasonable time Lender deems proper;
- (5) Without hindrance or delay, furnish reports, data, and financial statements, including audits by independent public accountants, in respect of its business and financial conditions, as Lender may reasonably require;
- (6) Join with Lender in executing a financing statement, notice, affidavit, or any similar instruments which Lender deems necessary or advisable to establish or maintain its security interest in a form satisfactory to Lender together with such other instruments as Lender may from time to time request and pay all costs of filing same in any public office or offices deemed advisable by Lender; and
- (7) Immediately notify Lender of any event causing loss or depreciation in value of any of the Collateral and the amount of such loss or depreciation;
- (8) Keep the Collateral insured to its maximum insurable value with Lender being shown as an additional insured. Upon request, Love Factor shall furnish Lender copies of such insurance policies.

SECTION IV. LOVE FACTOR'S NEGATIVE COVENANTS.

Love Factor Covenants and Agrees That Without Authorization from Lender, Love Factor Shall Not:

- (1) Change Love Factor's principal place of business to an address different from that shown at the beginning of this Agreement;
- (2) Move the Collateral to any office having an address different from that shown in Paragraph "(1)" of Section II;
- (3) Agree to any material modification of the terms of any of the Collateral;
- (4) Allow to be filed in any public office any financing statement in Love Factor's name covering the Collateral;
- (5) Sell, exchange, encumber or otherwise dispose of any part or all of the Collateral or any of Love Factor's rights therein or under this Agreement;
- (6) Assert any claims or defenses Love Factor may have against Lender's assignee, it being understood that Lender may assign any part or all of Love Factor's Obligations and this Security Agreement to an assignee who will be entitled to all of the rights, privileges, and remedies granted in this Agreement to Lender; and
- (7) Create or permit the existence of any lien or security interest in any of the Collateral other than the security interest created hereby.

SECTION V. EVENTS OF DEFAULT.

Each of the following events shall constitute a Default:

- (1) Default by Borrower, Love Factor or Guarantor in the timely payment of any installment of principal and interest under any of the Obligations or in the performance of any covenant or provision of any writings evidencing such Obligations (the "Loan Documents").
- (2) Borrower, Love Factor or Guarantor, shall: (a) execute an assignment for the benefit of creditors or take any action in furtherance thereof; or (b) admit in writing its inability to pay its debts generally as they become due; or (c) as a debtor, file a petition, case, proceeding, or other action pursuant to, or voluntarily seek the benefit or benefits of any debtor relief law or take any action in furtherance thereof; or (d) seek, acquiesce in, or suffer the appointment of a receiver, trustee, or custodian of Borrower, Love Factor or any Guarantor, the Collateral, in whole or in part, or any significant portion of other property belonging to Borrower, Love Factor or Guarantor that affects performance under the Obligations; or (e) voluntarily become a party to any proceeding seeking to effect a

suspension or having the effect of suspending any of the rights of Lender or the Trustee granted or referred to in the Loan Documents or take any action in furtherance thereof.

(3) The filing of a petition, case, proceeding, (3) or other action against Borrower, Love Factor or Guarantor, as a debtor under any debtor relief law; or seeking appointment of a receiver, trustee, or custodian of Borrower, Love Factor or Guarantor, or of any property described in the Loan Documents or any part thereof, or of any significant portion of other property belonging to Borrower, Love Factor, or Guarantor, that affects its ability to perform under the Obligations, or seeking to effect a suspension or having the effect of suspending any of the rights of Lender or the Trustee granted or referred to in the Loan Documents, and: (a) Borrower, Love Factor or Guarantor admits, acquiesces in, or fails to contest the material allegations thereof; or (b) the petition, case, proceeding, or other action results in entry of an order for relief or order granting the relief sought against Borrower, Love Factor or Guarantor; or (c) the petition, case, proceeding, or other action is not permanently dismissed on or before the earliest of trial thereon or sixty (60) days next following the date of its filing.

(4) The discovery by Lender that any warranty, covenant, or representation made to Lender by or on behalf of Borrower, Love Factor or Guarantor is false, misleading, erroneous, or breached in any material respect.

A Default shall not be an Event of Default if the Default is cured within ten (10) days following the delivery of or the mailing of written notice from Lender to Borrower's most current address as reflected in Lender's business records specifying the existence of any such Default. If such Default is not cured within the ten (10) day period, the Default shall be an Event of Default without need of any further notice or action by Lender

SECTION VI. LENDER'S RIGHTS IN EVENT OF DEFAULT.

(1) Upon the occurrence of any Event of Default, and at any time thereafter, Lender may, without notice to or demand upon Borrower (Borrower hereby expressly waives all notices, demands for payment, presentations for payment, notice of intention to accelerate the maturity and actual acceleration of maturity, protest and notice of protest as to the Obligations), exercise its right to declare all Obligations secured by the security interest created herein to be immediately due and payable, in which case Lender will have all rights and remedies granted by law and particularly by the Texas Business and Commerce Code, including, but not limited to, immediate possession of all books and records evidencing the Collateral, and may (as long as no breach of peace occurs) enter into any of Love Factor's premises where any of the Collateral may be or is supposed to be, and, without notice or demand and without any legal proceedings, take possession, remove, keep and store any such books and records. Lender may also require Love Factor to provide all books and records relating to the Collateral and make them available to Lender at a place to be designated by Lender which is reasonably convenient to both parties. Lender will send Love Factor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Collateral is to be made. This requirement of sending reasonable notice will be met if such notice is mailed, postage prepaid, to Love Factor at the address designated at the beginning of this Agreement at least five days before the time of the sale or disposition. In addition to the expenses of retaking, holding, preparing for sale, selling and the like, Lender will be entitled to recover reasonable attorneys' fees and legal expenses as provided for in this Agreement and in the writings evidencing said Obligations before applying the balance of the proceeds from the sale or other disposition toward satisfaction of the Obligations themselves. Borrower and Guarantor will remain liable for any deficiency remaining after the sale or other disposition. Lender may at any time, in its discretion, transfer any of the Collateral or evidence thereof into its own name or that of its nominee and receive the proceeds therefrom. Lender may demand, collect, settle, compromise, adjust, sue for, or foreclose upon the Collateral, in its own name or in the name of Love Factor, as Lender may determine. Lender shall not be liable for the failure to collect any account or enforce any contract right or for any act or omission on the part of the Lender, its officers, agents, or employees, except willful misconduct.

(2) No act, delay, omission, or course of dealing between Love Factor and Lender including Lender's remedying of any Event of Default hereunder will constitute a waiver of any of Lender's rights or remedies under this Agreement. A waiver by Lender of any rights or remedies under the terms of this Agreement or with respect to any of Love Factor's Obligations to Lender will not be a bar to the exercise of any right or remedy on any subsequent occasion.

(3) All rights and remedies of Lender hereunder are cumulative and may be exercised singly or concurrently, and the exercise of any one or more of them will not be a waiver of any other. It is expressly agreed and understood that the Lender's right to exercise its rights and remedies under the Texas Business and Commerce Code is not conditioned upon acceleration of the maturity of the underlying Obligations, but only upon Love Factor's default as defined above, notwithstanding anything herein to the contrary. Lender shall not be limited by any election of remedies if it chooses to judicially foreclose its security interest. The right to sell under the terms hereof shall exist cumulative with said judicial foreclosure and one method so resorted to shall not bar the other, but both may be exercised at the same or different times, nor shall one be a defense to the other. No waiver, change, modification or discharge of any of Lender's rights or Love Factor's duties as so specified or allowed to be effective unless contained in a written instrument signed by Lender specifying such waiver, change, modification or discharge.

SECTION VII. MISCELLANEOUS.

(1) This Agreement and the security interest in the Collateral herein created will terminate when all Obligations secured hereby have been paid in full.

(2) Love Factor releases Lender from all claims for loss or damage caused by any failure to collect any of the Collateral or by any act or omission on the part of Lender, its officers, agents, and employees except willful misconduct.

(3) The provisions of this Agreement are in addition to those contained in any writings evidencing the Obligations secured hereby, all of which will be construed as one instrument. In addition to the amounts provided for in said writings agreed to be paid by Borrower as reimbursement for Lender's attorneys' fees and legal expenses in the event of default, Love Factor also agrees to pay Lender's reasonable attorneys' fees in enforcing and carrying out the covenants, terms, and conditions contained in this Security Agreement including Lender's right to undertake the collection of the Collateral as above provided. As used in this Agreement, "attorneys' fees" shall be defined as the reasonable value of the services of the attorneys employed by Lender from time to time to commence, defend, or intervene in any court proceeding, or to file a petition, answer, motion or other pleadings, or to take any other action in or with respect to any suit or proceeding (bankruptcy or otherwise) relating to the Collateral, this Agreement, or the Obligations, or to protect, collect, lease, sell, take possession of, or liquidate any of the Collateral, or to attempt to enforce any security interest in any of the Collateral. Said attorneys' fees, and any legal expenses, costs, and charges relating thereto, shall be additional Obligations of Love Factor, payable on demand and secured by the Collateral.

(4) Any notice under this Agreement shall be in writing and shall be effective when actually delivered or, if mailed, shall be deemed effective when deposited in the United States mail first class, certified mail, postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Love Factor agrees to keep Lender informed at all times of Love Factor's current address.

(5) The terms as used in this Agreement will be construed as singular or plural to correspond with the number of persons executing this Agreement. If more than one person executes this Agreement, his, her, their, or its duties and liabilities under this Agreement will be joint and several. The terms "Lender", "Borrower" and "Love Factor" as used in this Agreement include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.

(6) Where there are contained in this Agreement words or phrases which are defined in the Texas Business and Commerce Code, the Code definitions will control the meaning of the words or phrases. A determination that any provision contained herein is unenforceable will have no effect on the validity of the remaining provisions.

(7) The law governing this secured transaction will be that of the State of Texas in force on the date of execution of this agreement. The Obligations contained in this Agreement (which require only Love Factor's signature to become enforceable) are performable in the county wherein Lender is located.

(8) Love Factor waives the right to direct the application of any and all payments at any time or times hereafter received by Lender from Borrower, and Love Factor hereby agrees that Lender shall have the continuing exclusive right to apply and reapply any and all payments received at any time or times hereafter against the Obligations in such manner as Lender may deem advisable.

(9) Love Factor agrees that a carbon, photographic or other reproduction of this Agreement or Financing Statement may be filed as an original.

EXECUTED this 14th day of October, 2004.

THE LOVE FACTOR, INC.,
a Texas Corporation

BY: 
DANIEL D. DOWER, President

Prepared in the Law Office of:

Munson, Munson, Pierce & Cardwell, P.C.
301 W. Woodard - P. O. Box 1099
Denison, Texas 75020
(903) 463-3750

TRADEMARK
REEL: 002978 FRAME: 0325

EXHIBIT "A" TO SECURITY AGREEMENT

	Serial Number	Reg. Number	Word Mark	Check Status	Live/Dead
1	78374349		BOO KOO	TARR	LIVE
2	78226114		LIQUID LOVE FACTOR	TARR	DEAD
3	78383131		WHET ENERGY	TARR	LIVE
4	78383547		MOTO ENERGY	TARR	LIVE
5	78383533		JACKED UP ENERGY	TARR	LIVE
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18	76575206		LOVE FACTOR	TARR	LIVE