

7-21-05

07-27-2005

Form PTO-1594 (Rev. 03/05)
OMB Collection 0651-0027 (exp. 6/30/2005)DEPARTMENT OF COMMERCE
Patent and Trademark Office

2005 JUL 21 AM 10 18

RECORDED

TRA 103049115

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

B & H Education, Inc.

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation- State: Delaware
☐ Other _____

Citizenship (see guidelines) _____

Additional names of conveying parties attached? ☐ Yes ☒ No**3. Nature of conveyance)/Execution Date(s) :**Execution Date(s) June 30, 2005

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

2. Name and address of receiving party(ies)Additional names, addresses, or citizenship attached? ☐ Yes ☒ NoName: MCG Capital Corporation

Internal _____

Address: _____

Street Address: 1100 Wilson Boulevard, Suite 3000City: ArlingtonState: VirginiaCountry: USA Zip: 22209

- ☐ Association Citizenship _____
☐ General Partnership Citizenship _____
☐ Limited Partnership Citizenship _____
☒ Corporation Citizenship Delaware
☐ Other _____ Citizenship _____

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)**4. Application number(s) or registration number(s) and identification or description of the Trademark.**

A. Trademark Application No.(s)

76-600,523 Marinello

(See attached for other applications)

B. Trademark Registration No.(s)

Additional sheet(s) attached? ☒ Yes ☐ No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

5. Name & address of party to whom correspondence concerning document should be mailed:Name: Jonas D.L. McCrayInternal Address: Hinckley, Allen & Snyder LLPStreet Address: 28 State Street, 29th FloorCity: BostonState: Massachusetts Zip: 02109Phone Number: (617) 345-9000Fax Number: (617) 345-9020Email Address: jmcrcay@haslaw.com**6. Total number of applications and registrations involved:**

4

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed

8. Payment Information:a. Credit Card Last 4 Numbers _____
Expiration Date _____b. Deposit Account Number _____
Authorized User Name _____**9. Signature:**

Signature

7/18/05

Date

Jonas D.L. McCray

Name of Person Signing

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

12

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

07/26/2005 GTOM11 00000069 76600523

01 FC:8521

40.00 OP

02 FC:8522

75.00 OP

TRADEMARK
REEL: 003197 FRAME: 0262

ATTACHMENT TO RECORDATION FORM COVER SHEET

Pending Trademark Applications

<u>Trademark Description</u>	<u>Atty. Docket Number</u>	<u>Country</u>	<u>Serial Number</u>	<u>Filing Date</u>	<u>Status</u>
Marinello		U.S.A.	76-600,664		Pending
Marinello		U.S.A.	76-601,143		Pending
Schools of Beauty					
Marinello		U.S.A.	76-601,144		Pending
Schools of Beauty					

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 June 30, 2005, by **B&H EDUCATION, INC.** (including any successor or permitted assignee thereof, "Grantor"), in favor of MCG CAPITAL CORPORATION (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, Grantor and certain other affiliated entities which, together with Grantor, are identified as "Borrowers" or a "Borrower" under the Credit Agreement (as hereafter defined) desire and have applied to Administrative Agent and the Lenders for a credit facility consisting of a \$6,250,000 senior secured Term Loan Facility ("Term Loan Facility"), the amount of which may be increased by up to \$5,000,000 at the sole and absolute discretion of Lenders; and

WHEREAS, pursuant to that certain Credit Facility Agreement by and among Borrowers, Lenders and Administrative Agent dated as of June 30, 2005 (as may be amended from time to time, "Credit Agreement"), a condition precedent to the obligation of Administrative Agent or any Lender to execute and perform under the Credit Agreement is that Borrowers shall have executed and delivered, inter alia, that certain Master Security Agreement, Collateral Assignment and Equity Pledge executed by Borrowers in favor of Administrative Agent for the benefit of Administrative Agent and the Lenders dated as of June 30, 2005 (as may be amended from time to time, "Security Agreement") encumbering substantially all of Borrowers' tangible and intangible personal property assets in favor of Administrative Agent for the benefit of Administrative Agent and the Lenders; and

WHEREAS, under the terms of the Security Agreement, Grantor has agreed to grant a security interest in Grantor's intellectual property to Administrative Agent for purposes of securing the Borrowers' obligations to Administrative Agent and the Lenders under the Credit Agreement and related Loan Documents; and

WHEREAS, Grantor has determined that it is in its best interest to execute this IP Security Agreement inasmuch as Grantor will derive substantial direct and indirect benefits from the funding of the Advances to the Borrowers by the Lenders 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, Grantor and Administrative Agent hereby agree as follows:

1. Grant. Grantor hereby grants to Administrative Agent for the benefit of the Administrative Agent and the Lenders, to secure the Grantor's Obligations (as such term is defined in the Credit Agreement) to the Administrative Agent and the Lenders under the Credit

Agreement an absolute, present, unconditional, continuing first priority security interest in and to Grantor's entire right, title and interest in and to the following property and rights (collectively, the "Collateral"):

- (a) The U.S., state 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., state 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 trademark and service mark registrations, trademark and service mark applications, and trademark and service mark licenses set forth on Schedule C attached hereto (including all associated goodwill, collectively, the "Trademarks"); and
- (d) 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
- (e) 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
- (f) Any and all amendments, renewals, extensions, reissues and replacements of any of the Collateral; and
- (g) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. 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) 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 security interest in the Collateral.

3. Power of Attorney. Prior to the termination of the Credit Agreement in accordance with Section 10.10 thereof, Grantor hereby irrevocably grants Administrative Agent a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Administrative Agent's reasonable discretion, to take any action and to execute any instrument which Administrative Agent may deem reasonably necessary to accomplish the purposes of the Security Agreement or this IP Security Agreement. This authority includes, without limitation, the following:

- (a) To modify or amend (in Administrative Agent's sole discretion and without first obtaining Grantor's approval of or signature thereto) Schedule A, Schedule B, and/or Schedule C hereof, as appropriate, to include references to any registered intellectual

property (or application or license therefor) acquired by Grantor after the execution hereof or to delete any reference to any Collateral in which Grantor no longer has or claims any right, title or interest; and

(b) To the extent contemplated by the Credit Agreement or Security Agreement, to execute, file and pursue (in Administrative Agent's sole discretion and without first obtaining 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 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 security interest in any part of the Collateral without the signature of Grantor unless prohibited by applicable law.

The foregoing power of attorney is coupled with an interest and is irrevocable prior to the termination of the Credit Agreement in accordance with Section 10.10 thereof.

4. Release. The security interest granted herein will terminate (and all rights to the Collateral will revert to Grantor) upon the termination of the Credit Agreement in accordance with Section 10.10 thereof. Upon any such termination, Administrative Agent (at Grantor's request and sole expense) will execute and deliver to Grantor (without any representation, warranty or recourse of any kind whatsoever) such documents as Grantor may reasonably request and provide to Administrative Agent to evidence such termination.

5. 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 Grantor 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.

[SIGNATURE PAGE FOLLOWS]

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:

B & H EDUCATION, INC.
(as Grantor)

By: [Signature]
Name: _____

By: M. J. Flecker
Name: Mike Flecker
Title: CFO

[SEAL]

Address: 501 South Beverly Drive, Suite 240
Beverly Hills, CA 90212

Telephone: (310) 552-3838
Facsimile: (310) 552-3939

WITNESS:

MCG CAPITAL CORPORATION
(as Administrative Agent)

By: _____

By: _____
Name: Robert L. Marcotte
Title: Managing Director

Address: 1100 Wilson Blvd., Suite 3000
Arlington, Virginia 22209

Facsimile: (703) 247-7505

ACKNOWLEDGMENT

STATE OF CALIFORNIA :
COUNTY OF LOS ANGELES : SS

Before me, the undersigned, a Notary Public, on this 29 day of June, 2005, personally appeared MICHAEL FUECKER ~~to me known personally~~, who, being by me duly sworn, did say that ~~he~~ she is the CFO of B & H EDUCATION, INC., and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said B & H Education, Inc. by authority of its board of directors (all Grantors are corporations), and the said MICHAEL FUECKER acknowledged said instrument to be his her free act and deed.

Katalin Langianese

Notary Public



My Commission Expires: MAY 13, 2009

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:

B&H EDUCATION, INC.
(as Grantor)

By: _____
Name: _____

By: _____
Name: _____
Title: _____

[SEAL]

Address: 501 S. Beverly Drive, Suite 240
Beverly Hills, CA 90212

Telephone: () _____
Facsimile: () _____

WITNESS:

MCG CAPITAL CORPORATION
(as Administrative Agent)

By: Vickie Racco

By: Robert L. Marcotte
Name: Robert L. Marcotte
Title: Managing Director

Address: 1100 Wilson Blvd., Suite 3000

Facsimile: (703) 247-7505

ACKNOWLEDGEMENT

COMMONWEALTH OF VIRGINIA :
: SS
COUNTY OF ARLINGTON :

Before me, the undersigned, a Notary Public, on this 29 day of June __, 2005, personally appeared Robert L. Marcotte to me known personally, who, being by me duly sworn, did say that he is a Managing Director of **MCG CAPITAL CORPORATION**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said **MCG Capital Corporation** by authority of its Board of Directors, and the said Robert L. Marcotte acknowledged said instrument to be his free act and deed.



Notary Public

My Commission Expires January 31, 2008

My Commission Expires: _____

SCHEDULE A

COPYRIGHT COLLATERAL

I. Registered Copyrights

<u>Copyright Title</u>	<u>Registration Number</u>	<u>Registration Date</u>
	None	

II. Pending Copyright Applications

<u>Copyright Title</u>	<u>Application Number</u>	<u>Filing Date</u>	<u>Date of Creation</u>	<u>Date of Publication</u>
		None		

III. Unregistered Copyrights

<u>Copyright Title</u>	<u>Date of Creation</u>	<u>Date of Publication</u>	<u>Original Author/Owner</u>	<u>Date and Recordation Number of Assignment to Grantor</u>	<u>Date of Expected Registration (if applicable)</u>
		None			

IV. Copyright Licenses

<u>Copyright</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Subject Matter</u>
		None			

SCHEDULE B

PATENT COLLATERAL

I. Patents

<u>Patent Number</u>	<u>Country</u>	<u>Issue Date</u>	<u>Title</u>
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None

II. Pending Patent Applications

<u>Patent Title</u>	<u>Atty. Docket Number</u>	<u>Country</u>	<u>Serial Filing Number</u>	<u>Date</u>	<u>Status</u>
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None

III. Patent Licenses

<u>Patent No.</u>	<u>Country</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
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None

SCHEDULE C

TRADEMARK COLLATERAL

I. Registered Trademarks

<u>Trademark Description</u>	<u>Country/Filing Office</u>	<u>Registration Number</u>
None		

II. Pending Trademark Applications

<u>Trademark Description</u>	<u>Atty. Docket Number</u>	<u>Country</u>	<u>Serial Number</u>	<u>Filing Date</u>	<u>Status</u>
Marinello		U.S.A.	76-600,523		Pending
Marinello		U.S.A.	76-600,664		Pending
Marinello Schools of Beauty		U.S.A.	76-601,143		Pending
Marinello Schools of Beauty		U.S.A.	76-601,144		Pending

III. Trademark Licenses

<u>Registration Number</u>	<u>Mark</u>	<u>Country</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
None						