

Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 8/30/2008)

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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):

Steve's Shoes, Inc.

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: LaSalle Retail Finance, a Div. of LaSalle Business Credit, LLC
as agent for Standard Federal
Internal Address: Bank National Association

Street Address: 25 Braintree Hill Office Park, Ste 303

City: Braintree

State: MA

Country: USA Zip: 02184

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other LLC Citizenship MA

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)

3. Nature of conveyance)/Execution Date(s) :

Execution Date(s) June 30, 2005

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

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

A. Trademark Application No.(s)

NONE

B. Trademark Registration No.(s)

1236791 1250060 1856400 2101097 2101098 2428689

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: Christopher E. Kondracki

Internal Address: _____

Street Address: 2001 Jefferson Davis Highway, Ste 1007

City: Arlington

State: VA Zip: 22202

Phone Number: 703-415-1555

Fax Number: 703-415-1557

Email Address: _____

6. Total number of applications and registrations involved:

6

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 315.00

- 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 19-3545

Authorized User Name Christopher E. Kondracki

9. Signature:

Signature

October 21, 2005

Date

Christopher E. Kondracki

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 14

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

CH \$165.00 193545 1236791

INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "**Agreement**") dated as of June 30, 2005 by and between Steve's Shoes, Inc., a Missouri corporation with its principal executive offices at 11333 Strang Line Road, Lenexa, Kansas 66215 (the "**Grantor**"), and LaSalle Retail Finance, a Division of LaSalle Business Credit, LLC, as Agent for Standard Federal Bank National Association, with offices at 25 Braintree Hill Office Park, Suite 303, Braintree, Massachusetts 02184, as agent (in such capacity, herein the "**Agent**") for the ratable benefit of the "Revolving Credit Lenders" and for the benefit of the "Term Lender" (the "**Lenders**"), in consideration of the mutual covenants contained herein and benefits to be derived herefrom.

WITNESSETH:

Reference is made to the Revolving Credit, Term Loan, and Security Agreement dated as of June 30, 2005 (as amended, modified, supplemented or restated hereafter, the "**Loan Agreement**") by and among the Grantor, the Lenders named therein, and the Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Loan Agreement.

The Lenders have agreed to make Revolving Credit Loans and the Term Loan to the Borrower and to issue L/C's for the account of the Borrower, pursuant to, and upon the terms and subject to the conditions specified in, the Loan Agreement. The obligations of the Lenders to make Revolving Credit Loans, the Term Loan, and issue L/C's are each conditioned upon, among other things, the execution and delivery by the Grantor of an agreement in the form hereof to secure the Liabilities.

Accordingly, the Grantor and the Agent (and each of their respective successors or assigns), hereby agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

"**Copyrights**" shall mean all copyrights and like protections in each work of authorship or derivative work thereof of Grantor, whether registered or unregistered and whether published or unpublished, including, without limitation, the copyrights listed on **EXHIBIT A** annexed hereto and made a part hereof, together with all registrations and recordings thereof and all applications in connection therewith, and any goodwill of the business connected with, and symbolized by, any of the foregoing.

"**Copyright Licenses**" shall mean all agreements, whether written or oral, providing for the grant by or to Grantor of any right to use any Copyright, including, without limitation, the agreements listed on **EXHIBIT A** annexed hereto and made a part hereof.

"Copyright Office" shall mean the United States Copyright Office or any other federal governmental agency which may hereafter perform its functions.

"Intellectual Property" shall have the meaning assigned to such term in Section 3 hereof.

"IP Collateral" shall have the meaning assigned to such term in Section 2 hereof.

"Licenses" shall mean, collectively, the Copyright Licenses, Patent Licenses and Trademark Licenses.

"Patents" shall mean all letters patent and applications for letters patent of Grantor, and the inventions and improvements therein disclosed, and any and all divisions, reissues and continuations of said letters patent including, without limitation the patents listed on **EXHIBIT B** annexed hereto and made a part hereof.

"Patent Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, the agreements listed on **EXHIBIT B** annexed hereto and made a part hereof.

"PTO" shall mean the United States Patent and Trademark Office or any other federal governmental agency which may hereafter perform its functions.

"Trademarks" shall mean all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, service marks, designs, logos and other source or business identifiers of Grantor, whether registered or unregistered, including, without limitation, the trademarks listed on **EXHIBIT C** annexed hereto and made a part hereof, together with all registrations and recordings thereof, all applications in connection therewith, and any goodwill of the business connected with, and symbolized by, any of the foregoing.

"Trademark Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to Grantor of any right to use any Trademark, including, without limitation, the agreements listed on **EXHIBIT C** annexed hereto and made a part hereof.

SECTION 2. Grant of Security Interest. In furtherance and as confirmation of the security interest granted by the Grantor to the Agent (for the ratable benefit of the Lenders) under the Loan Agreement, and as further security for the payment or performance, as the case may be, in full of the Liabilities, Grantor hereby ratifies such security interest and grants to the Agent (for the ratable benefit of the Lenders) a continuing security interest, with a power of sale as provided herein (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default), in all of the present and future right, title and interest of the Grantor in

and to the following property, and each item thereof, whether now owned or existing or hereafter acquired or arising, together with all products, proceeds, substitutions, and accessions of or to any of the following property (collectively, the "IP Collateral"):

- (a) All Copyrights and Copyright Licenses.
- (b) All Patents and Patent Licenses.
- (c) All Trademarks and Trademark Licenses.
- (d) All renewals of any of the foregoing.
- (e) All General Intangibles connected with the use of, or related to, any and all Intellectual Property (including, without limitation, all goodwill of the Grantor and its business, products and services appurtenant to, associated with, or symbolized by, any and all Intellectual Property and the use thereof).
- (f) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all Licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.
- (g) The right to sue for past, present and future infringements and dilutions of any of the foregoing.

Notwithstanding anything to the contrary contained in this Section 2, the security interest created by this Agreement shall not extend to, and the term IP Collateral shall not include, any Excluded Collateral.

SECTION 3. Protection of Intellectual Property By Grantor. Except as set forth below in this Section 3, the Grantor shall undertake the following with respect to each of the items respectively described in Sections 2(a), (b), (c), (d) and (e) other than Excluded Collateral (collectively, the "Intellectual Property"):

- (a) Pay all renewal fees and other fees and costs associated with maintaining the Intellectual Property and with the processing of the Intellectual Property and take all other reasonable and necessary steps to maintain each registration of the Intellectual Property.
- (b) Take all actions reasonably necessary to prevent any of the Intellectual Property from becoming forfeited, abandoned, dedicated to the public, invalidated or impaired in any way.

- (c) At the Grantor's sole cost, expense, and risk, pursue the processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts.
- (d) At the Grantor's sole cost, expense, and risk, take any and all action which the Grantor reasonably deems appropriate under the circumstances to protect the Intellectual Property from infringement, misappropriation or dilution, including, without limitation, the prosecution and defense of infringement actions.

Notwithstanding the foregoing, (i) nothing in this Section 3 shall prevent Grantor from failing to so protect, preserve or maintain any of the foregoing if, in the reasonable judgment of the Grantor, such failure would be desirable in the conduct of the business of the Grantor and does not constitute a material adverse effect, and (ii) so long as no Event of Default has occurred and is continuing, and no material adverse effect would result therefrom, Grantor shall not have an obligation to use or to maintain any Intellectual Property (a) that relates solely to any product that has been discontinued, abandoned or terminated, or (b) that has been replaced with Intellectual Property substantially similar to the Intellectual Property that may be abandoned or otherwise become invalid, so long as the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such replacement Intellectual Property is subject to the lien created by this Agreement.

SECTION 4. Grantor's Representations and Warranties. The Grantor represents and warrants that:

- (a) **EXHIBIT A** is a true, correct and complete list of all material Copyrights and Copyright Licenses owned by the Grantor as of the date hereof.
- (b) **EXHIBIT B** is a true, correct and complete list of all material Patents and Patent Licenses owned by the Grantor as of the date hereof.
- (c) **EXHIBIT C** is a true, correct and complete list of all material Trademarks and Trademark Licenses owned by the Grantor as of the date hereof.
- (d) Except as set forth in **EXHIBITS A, B and C**, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which Grantor is the licensor or franchisor.

- (e) All IP Collateral is, and shall remain, free and clear of all liens, Encumbrances, or security interests in favor of any Person, other than Permitted Encumbrances and liens in favor of the Agent.
- (f) Grantor owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use by Grantor of any of its Intellectual Property or the validity or effectiveness of any of its Intellectual Property, nor does Grantor know to the best of its knowledge of any valid basis for any such claim, except as otherwise set forth in the Loan Agreement. To the best of the Grantor's knowledge, the Grantor's use of the Intellectual Property does not infringe the rights of any Person in any material respect. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of, or Grantor's rights in, any Intellectual Property in any material respect that could reasonably be expected to have a material adverse effect on the business or the property of Grantor.
- (g) The Grantor shall give the Agent written notice (with reasonable detail) within ten (10) Business Days following the occurrence of any of the following:
 - (i) The Grantor's obtaining rights to, and filing applications for registration of, any new Intellectual Property, or otherwise acquiring ownership of any newly registered Intellectual Property (other than the Grantor's right to sell products containing the trademarks of others in the ordinary course of the Grantor's business).
 - (ii) The Grantor's becoming entitled to the benefit of any registered Intellectual Property whether as licensee or licensor (other than the Grantor's right to sell products containing the trademarks of others in the ordinary course of the Grantor's business).
 - (iii) The Grantor's entering into any new Licenses.
 - (iv) The Grantor's knowing or having reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such

determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal) regarding the Grantor's ownership of, or the validity of, any material Intellectual Property or the Grantor's right to register the same or to own and maintain the same.

SECTION 5. Agreement Applies to Future Intellectual Property.

- (a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in subsections (i), (ii) and (iii) of Section 4(g), above, all of which shall be deemed to be and treated as "Intellectual Property" within the meaning of this Agreement.
- (b) Upon the reasonable request of the Agent, the Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Agent may reasonably request in writing to evidence the Agent's security interest in any Copyright, Patent or Trademark and the goodwill and General Intangibles of the Grantor relating thereto or represented thereby (including, without limitation, filings with the PTO, the Copyright Office or any similar office), and the Grantor hereby constitutes the Agent as its attorney-in-fact, upon the occurrence and during the continuance of an Event of Default, to execute and file all such writings for the foregoing purposes, all acts as described herein of such attorney being hereby ratified and confirmed; *provided, however*, the Agent's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

SECTION 6. Grantor's Rights To Enforce Intellectual Property. Prior to the Agent's giving of notice to the Grantor following the occurrence and during the continuance of an Event of Default, the Grantor shall have the exclusive right to sue for past, present and future infringement of the Intellectual Property including the right, at its reasonable discretion, to seek injunctions and/or money damages, in an effort by the Grantor to protect the Intellectual Property against encroachment by third parties, *provided, however*:

- (a) The Grantor first provides the Agent with written notice of the Grantor's intention to so sue for enforcement of such Intellectual Property.
- (b) Any money damages awarded or received by the Grantor on account of such suit (or the threat of such suit) shall constitute IP Collateral.

- (c) Following the occurrence and during the continuance of any Event of Default, the Agent, by three (3) days prior written notice to the Grantor, may terminate or limit the Grantor's rights under this Section 6.

SECTION 7. Agent's Actions To Protect Intellectual Property. In the event of

- (a) the Grantor's failure, within five (5) days of written notice from the Agent, to cure any failure by the Grantor to observe or perform any of the Grantor's covenants, agreements or other obligations hereunder; and/or
- (b) the occurrence and continuance of any other Event of Default,

the Agent, acting in its own name or in that of the Grantor, may (but shall not be required to) act in the Grantor's place and stead and/or in the Agent's own right in connection therewith.

SECTION 8. Rights Upon Default. Upon the occurrence and during the continuance of any Event of Default, the Agent may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in the Commonwealth of Massachusetts, with respect to the Intellectual Property, in addition to which the Agent may, upon at least three (3) days' prior written notice to Grantor, sell, license, assign, transfer, or otherwise dispose of the Intellectual Property.

SECTION 9. Agent As Attorney In Fact.

- (a) The Grantor hereby irrevocably constitutes and designates the Agent as and for the Grantor's attorney in fact, effective following the occurrence and during the continuance of any Event of Default:
 - (i) To supplement and amend from time to time Exhibits A, B and C of this Agreement to include any new or additional Intellectual Property of the Grantor.
 - (ii) To exercise any of the rights and powers referenced herein.
 - (iii) To execute all such instruments, documents, and papers as the Agent determines in its reasonable determination to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Intellectual Property as provided herein.

- (b) The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until this Agreement is terminated by a duly authorized officer of the Agent.
- (c) The Agent shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a), but if the Agent elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Grantor for any act or omission to act except for any act or omission to act as to which there is a final determination made in a judicial proceeding (in which proceeding the Agent has had an opportunity to be heard), which determination includes a finding that the subject act or omission to act had been grossly negligent, or in bad faith, or that the Agent engaged in willful misconduct.

SECTION 10. Agent's Rights.

- (a) Any use by the Agent of the Intellectual Property, as authorized hereunder in connection with the exercise of the Agent's rights and remedies under this Agreement and under the Loan Agreement shall be coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.
- (b) None of this Agreement, the Loan Agreement, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Agent any rights in and to the Intellectual Property, which rights are effective only following the occurrence and during the continuance of any Event of Default.

SECTION 11. Intent. This Agreement is being executed and delivered by the Grantor for the purpose of registering and confirming the grant of the security interest of the Agent in the IP Collateral with the PTO and the Copyright Office. It is intended that the security interest granted pursuant to this Agreement is granted as a supplement to, and not in limitation of, the security interest granted to the Agent, for the ratable benefit of the Lenders, under the Loan Agreement. All provisions of the Loan Agreement shall apply to the IP Collateral. The Agent shall have the same rights, remedies, powers, privileges and discretions with respect to the security interests created in the IP Collateral as in all other Collateral. In the event of a conflict between this Agreement and the Loan Agreement, the terms of this Agreement shall control with respect to the IP Collateral and the Loan Agreement with respect to all other Collateral.

SECTION 12. **Notices.** All notices and other communications made or required to be given pursuant to this Agreement shall be given in writing and in the manner prescribed in Section 17 of the Loan Agreement.

SECTION 13. **Termination.** Upon final payment and performance in full of the Liabilities (other than (i) contingent indemnification obligations to the extent no claims have been asserted, and (ii) L/C's and Hedging Agreements which have been cash-collateralized or backed up on terms satisfactory to the Agent) and the cancellation of any commitment to extend credit under the Loan Agreement or other Loan Documents, this Agreement will terminate and the Agent shall, at the Grantor's request and expense, (i) return such Collateral in the possession or control of the Agent as has not theretofore been disposed of pursuant to the provisions hereof, together with any moneys and other property at the time held by the Agent; and (ii) execute and deliver to the Grantor all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and to reinvest in the Grantor the whole right, title and interest to the Collateral.

SECTION 14. **Amendments. Counterparts.** No consent, modification, amendment, or waiver of any provision of this Agreement shall be effective unless executed in writing by or on behalf of the Grantor and the Agent. This Agreement may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the same agreement. Delivery by facsimile of an executed counterpart hereof shall be the same as a executed original of the same.

SECTION 15. **Choice of Laws.** It is intended that this Agreement take effect as a sealed instrument and that all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of the Commonwealth of Massachusetts.

[Signature Page Follows]

IN WITNESS WHEREOF, the Grantor and the Agent respectively have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

GRANTOR:

STEVE'S SHOES, INC.

By: _____
Name: Mike Yager
Title: President

AGENT:

LASALLE RETAIL FINANCE, A DIVISION OF
LASALLE BUSINESS CREDIT, LLC, AS AGENT
FOR STANDARD FEDERAL BANK NATIONAL
ASSOCIATION, As Agent

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Grantor and the Agent respectively have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

GRANTOR:

STEVE'S SHOES, INC.

By: _____
Name: _____
Title: _____

AGENT:

LASALLE RETAIL FINANCE, A DIVISION OF
LASALLE BUSINESS CREDIT, LLC, AS AGENT
FOR STANDARD FEDERAL BANK NATIONAL
ASSOCIATION, As Agent

By: Barbara Anderson
Name: Barbara Anderson
Title: SVP

EXHIBIT A

List of Copyrights and Copyright Licenses

Copyright Registrations and Applications

<u>Title</u>	<u>Serial No.</u>	<u>Registration No.</u>	<u>Registration Date</u>
NONE			

Copyright Licenses

NONE

EXHIBIT B

List of Patents and Patent Licenses

Patents and Patent Applications

<u>Applicant</u>	<u>Title</u>	<u>Serial No.</u>	<u>Patent No.</u>	<u>Date of Filing</u>
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NONE

Patent Licenses

NONE

EXHIBIT CList of Trademarks and Trademark Licenses**Trademark Registrations and Applications**

Registered Owner of Trademark or Servicemark	Trademark or Servicemark	Country/State	Reg./App. Number	Reg./App. Date
Steve's Shoes	Overland	United States	1,236,791	May 3, 1983
Steve's Shoes	Overland Trading Co.	United States	1,250,060	8/30/83
Steve's Shoes	The Sole Outdoors	United States	1,855,400	9/20/94
Steve's Shoes	Overland Trading Company	United States	2,101,097	9/30/97
Steve's Shoes	Overland	United States	2,101,098	9/30/97
Steve's Shoes	K.T. Moll	United States	2,428,689	2/13/01
Steve's Shoes	Overland Trading Co.	Canada	294,069	8/17/84

Trademark Licenses

899703.1