

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
The Yankee Candle Company, Inc.		07/30/2006	CORPORATION: MASSACHUSETTS
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Starlume, Inc.		
<b>Street Address:</b>	2000 West 94th Street		
<b>City:</b>	Bloomington		
<b>State/Country:</b>	MINNESOTA		
<b>Postal Code:</b>	55431		
<b>Entity Type:</b>	CORPORATION: DELAWARE		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	2291811	ILLUME	
Registration Number:	2906293	ILLUME	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(415)772-6268		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	(415) 772-6000		
<b>Email:</b>	john.wilson@hellerehrman.com		
<b>Correspondent Name:</b>	John C. Wilson / Heller Ehrman LLP		
<b>Address Line 1:</b>	333 Bush Street		
<b>Address Line 4:</b>	San Francisco, CALIFORNIA 94104		
<b>ATTORNEY DOCKET NUMBER:</b>	20106-0010		
<b>NAME OF SUBMITTER:</b>	John C. Wilson		
<b>Signature:</b>	/John C. Wilson/		

OP \$65.00 2291811

Date:

12/26/2006

**Total Attachments: 35**

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## ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT

THIS ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT (this "Assumption Agreement"), effective as of July 30, 2006 (the "Effective Date"), is entered into by and among STARLUME, INC., a Delaware corporation ("Starlume"); CANDLE ACQUISITION CO., a Delaware corporation ("CAC"); and THE YANKEE CANDLE COMPANY, INC., a Massachusetts corporation ("YCC") (each, a "Party" and, collectively, the "Parties").

WHEREAS, CAC and Starlume have entered into the "Amended and Restated IP License Agreement" (the "Amended License") dated and effective as of July 29, 2006, pursuant to which, among other things, Starlume continued to enjoy the perpetual, royalty-free, worldwide, exclusive right to use the trademark ILLUME, the goodwill attendant thereto, the registrations therefor, and certain related assets (collectively, the "Mark") in connection with the manufacture, distribution, and sale of the goods and services set forth therein; a true and correct copy of the Amended License is attached hereto as Attachment A; and

WHEREAS, CAC and Starlume have entered into the "Acknowledgement and Coexistence Agreement" (the "Coexistence Agreement") dated as of March 14, 2006, pursuant to which, among other things, CAC and Starlume described their respective rights to use the Mark and the other marks owned by CAC; a true and correct copy of the Coexistence Agreement is attached hereto as Attachment B; and

WHEREAS, CAC and Starlume have entered into the "Trademark Assignment and Security Agreement" (the "Security Agreement") dated as of March 14, 2006, pursuant to which, among other things, Starlume was granted a perfected, first-priority security interest (the "Security Interest") in the Mark and certain other now owned and hereafter acquired or arising property as described therein (collectively, the "Collateral"); a true and correct copy of the Security Agreement is attached hereto as Attachment C; and

WHEREAS, pursuant to an Asset Purchase Agreement dated July 25, 2006, CAC agreed to sell to YCC certain of its assets, including all of its right, title, and interest in and to the Mark, the other Collateral, and the agreements relating thereto, and YCC agreed to purchase such assets and to assume the obligations of CAC under such agreements, effective as of the Effective Date; and

WHEREAS, CAC and YCC have requested that Starlume expressly consent to and acknowledge the transfer and assignment by CAC to YCC of the Mark, the other Collateral, and the agreements relating thereto, and Starlume is willing to do so, on the terms and conditions set forth in this Assumption Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements contained herein, and for good and valuable consideration, the receipt of which is hereby confirmed, the Parties hereto agree as follows:

1. Assignment and Assumption. As of the Effective Date, CAC hereby assigns to YCC all of its right, title, and interest in and to the Amended License, the Coexistence Agreement, and the Security Agreement (collectively, the "Assigned Agreements") and delegates to YCC all of its duties under each of the Assigned Agreements arising on or after the Effective Date. CAC agrees to pay, perform, make, and discharge all of the terms, covenants, agreements, representations, warranties, and obligations of CAC arising under each of the Assigned Agreements prior to the Effective Date. As of the Effective Date, YCC hereby accepts such assignment and delegation, and YCC as successor to CAC agrees to pay, perform, make, and discharge all of the terms, covenants, agreements, representations, warranties, and obligations under each of the Assigned Agreements required to be performed and complied with on or after the Effective Date.

2. Assignor's Representations and Agreements. CAC represents and agrees that each of the Assigned Agreements is in full force and effect; that the Assigned Agreements have not been amended or modified except as set forth above; that CAC has the right to assign each of the Assigned Agreements, with the consent of Starlume as granted in this Assumption Agreement; that CAC's interests in each of the Assigned Agreements are free from all security interests (other than Starlume's perfected, first-priority Security Interest pursuant to the Security Agreement), liens, and other encumbrances as of the Effective Date, and, in particular, that Madeleine has released its security interests therein as of the Effective Date; that CAC has fully performed all of the covenants and conditions required to be performed on the part of CAC under each of the Assigned Agreements; that, as of the

Effective Date, CAC is not in default of the terms of the assigned Agreements or in violation of any provisions of the Assigned Agreements that with the passage of time could become a default; that the original term of the Assigned Agreements shall continue in perpetuity; and that this Assumption Agreement does not constitute a novation or release of CAC's obligations under the Assigned Agreements.

3. Assignee's Representations and Agreements. As of the Effective Date, YCC hereby represents and warrants that the Security Interest is a perfected, first-priority security interest in all now owned and hereafter acquired or arising Collateral as described in the Security Agreement; that the Collateral secures all now or hereafter existing Secured Obligations as described in the Security Agreement; and that YCC is the sole owner of the Collateral. YCC covenants that it will take any and all actions necessary to maintain the Security Interest at all times and for all purposes as a perfected, first-priority security interest in the Collateral senior to any and all other security interests and liens. YCC hereby authorizes Starlume to file UCC financing statements and amendments and trademark filings with respect to the Security Agreement, the Amended License, and the Coexistence Agreement and the transactions described in this Assumption Agreement.

4. Starlume's Representations and Agreements. Upon the satisfaction of the condition precedent set forth in paragraph 11 below, Starlume acknowledges and agrees as of the Effective Date as follows:

- (a) Starlume hereby consents to or, if consent is not required under any Assigned Agreement, expressly acknowledges, the assignment to YCC and assumption by YCC of each of the Assigned Agreements, as provided in this Assumption Agreement.
- (b) Notices after the Effective Date under each of the Assigned Agreements shall be directed to YCC at:  
  
The Yankee Candle Company, Inc.  
16 Yankee Candle Way  
P.O. Box 110  
South Deerfield, MA 01373  
Attn.: Craig W. Rydin  
James A. Perley  
Facsimile: ( ) \_\_\_\_\_
- (c) CAC is not in default pursuant to the Assigned Agreements.
- (d) The consent required of any lender to Starlume has been obtained.

5. Further Assurances. The Parties shall each execute and deliver such other documents and instruments (including without limitation UCC financing statements and amendments and trademark filings) as may be reasonably requested by any other Party hereto to carry out the purposes of this Assumption Agreement and the Assigned Agreements.

6. Severability. In the event that any provision of this Assumption Agreement, or any portion thereof, is declared by a court of competent jurisdiction to be unenforceable, that provision of the Assumption Agreement shall be enforced to the maximum extent permissible so as to effect the intention of the Parties, and the remainder of this Assumption Agreement shall continue in full force and effect.

7. Successors and Assigns; Construction. Whenever in this Assumption Agreement any of the Parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such Party; and all covenants, promises, and agreements by or on behalf of each Party that are contained in this Assumption Agreement shall bind and inure to the benefit of that Party's respective successors and assigns. Each of the Parties and its respective counsel have participated in the drafting of this Assumption Agreement and the Assigned Agreements, and each Party agrees that no Party shall be deemed the drafting Party for purposes of resolving any ambiguities herein or therein.

8. Entire Agreement; Amendment; No Waiver; Counterparts. This Assumption Agreement and the Assigned Agreements contain the entire agreement and understanding of the Parties with respect to the subject matter of this Assumption Agreement and merge any and all previous written or oral negotiations, agreements, contracts, commitments, and writings between the Parties hereto. This Assumption Agreement may be amended, but only in writing, signed on behalf of the Party against which enforcement of the amendment is sought. Starlume's consent as set forth in this Assumption Agreement shall not operate as a waiver of any rights or as a consent to any transfer, assignment, or transaction other than the specific assignments by CAC to YCC described in this Assumption Agreement, and, except as expressly set forth herein, Starlume reserves and retains all rights, remedies, and powers. This Assumption Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. This Assumption Agreement may be executed by facsimile with the same force and effect as an original signature.

9. Authorization; No Conflict. Each of the undersigned represents and warrants that the undersigned has been duly authorized to execute this Assumption Agreement and that the execution, delivery, consummation, and performance of this Assumption Agreement and each of the Assigned Agreements have been duly and validly authorized by all necessary corporate action. Each Party represents and warrants that the execution, delivery, consummation, and performance of this Assumption Agreement and the Assigned Agreements by such Party do not and will not (i) conflict with or violate any provision of such Party's or any affiliate's certificate or articles of incorporation, bylaws, or other organizational or charter documents; or (ii) conflict with or constitute a default (or an event which with notice or the passage of time would become a default) under, result in the creation of any lien (other than the Security Interest contemplated herein) upon any of the properties or assets of such Party, or to give to others any rights of termination, amendment, acceleration, or cancellation (with or without notice or the passage of time or both) of, any agreement, credit facility, debt, or other instrument or other understanding to which such Party is a party or by which any property or asset of such Party is bound or affected; or (iii) conflict with or result in any a violation of any rule, law, regulation, order, judgment, injunction, decree, or other restriction of any court or governmental or quasi-governmental agency or instrumentality to which such Party is subject or by which any property or asset of such Party is bound or affected.

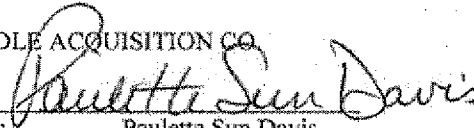
10. Governing Law. This Assumption Agreement and the Assigned Agreements shall be construed and enforced in accordance with the laws of the State of California without regard to choice of law principles.

IN WITNESS WHEREOF, the Parties hereto have caused this Assumption Agreement to be executed by their duly authorized officers.


STARLUME, INC.

By:   
Name: Charles A Greenberg  
Title: Chairman  
Address: 2000 West 94<sup>th</sup> Street  
Bloomington, MN 55431

CANDLE ACQUISITION CO.

By:   
Name: Paulette Sun Davis  
Title: President  
Address: 1995 South McDowell  
Petaluma, CA 94954

THE YANKEE CANDLE COMPANY, INC.

By:   
Name: James A. Perley  
Title:  
Address: 16 Yankee Candle Way  
P.O. Box 110  
South Deerfield, MA 01373

## AMENDED AND RESTATED IP LICENSE AGREEMENT

This Amended and Restated IP License Agreement (the "Agreement") is dated as of July 29, 2006, by and between Caddle Acquisition Co. d/b/a "Illuminations," a Delaware corporation (the "Grantor"), and Starlume, Inc., a Delaware corporation (the "Licensee").

WHEREAS, on March 14, 2006, Grantor acquired from the chapter 7 bankruptcy estate of Old Canco, Inc., f/k/a Illuminations.com, Inc., and now owns, the trademark ILLUME, the goodwill attendant thereto, the registrations therefore (as set forth on Exhibit A attached), and certain related assets (collectively, the "Mark"); and

WHEREAS, Grantor and Starlume concurrently therewith entered into the "IP License Agreement" (the "CAC/Starlume License") dated as of March 14, 2006;

WHEREAS, Grantor and Starlume concurrently therewith entered into the "Acknowledgement and Coexistence Agreement" dated as of March 14, 2006;

WHEREAS, Grantor and Starlume concurrently therewith entered into the "Trademark Assignment and Security Agreement" dated as of March 14, 2006; and

WHEREAS the Parties desire to amend and restate the CAC/Starlume License as set forth below.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Grantor and the Licensee agree as follows:

### 1. Grant of Rights

1.1 Grantor hereby grants to Licensee a worldwide, exclusive, royalty-free license to use the Mark in connection with the Products as defined in Paragraph 7.4 below.

1.2 This Agreement amends, supersedes and replaces the CAC/Starlume License as of the date of this Agreement.

### 2. Term

2.1 The term of the license granted herein (the "Term") commenced as of March 14, 2006 and shall continue in perpetuity, unless sooner terminated pursuant to the terms of this Agreement.

3. Quality Control

3.1 Licensee understands and agrees that it is an essential condition of this Agreement to protect the high reputation and good will associated with the Mark and that the Products manufactured and sold in connection therewith shall be of high and consistent quality. Licensee will manufacture all Products in accordance with Grantor's Manufacturing and Product Development Procedures Manual dated as of September 27, 2001 or equivalent standards provided in writing to Grantor. Upon request in writing, Licensee shall provide to Grantor product samples.

If at any time Grantor reasonably deems the quality of the Products to be below the standards of quality required under this Agreement, Grantor may so notify Licensee in writing, and Licensee promptly will bring such sub-standard Products up to the quality standards required by this Agreement. Grantor's right to oversee the quality of the Products shall not in any way replace, supersede, or substitute for the quality control required to be exercised by Licensee hereunder. The exercise of any action of quality control by Grantor shall be for its sole and exclusive benefit. Grantor shall not be responsible to Licensee or any other person or entity for any liability arising out of the exercise or failure to exercise quality control.

4. Compliance With Laws

4.1 Licensee will manufacture the Products in compliance with all applicable federal, state and local laws or regulations to which Licensee is subject where a failure to so comply would have a materially adverse effect upon the Mark, except that Licensee shall not be liable to Grantor for any violation of such laws or regulations if arising from the adherence by Licensee to the instructions of Grantor.

5. Insurance

5.1 Licensee will carry and maintain in effect, during the Term and for a period of not less than five (5) years following the end of the Term, commercial general liability and products liability insurance with limits of liability not less than, and upon policy terms and conditions at least as favorable to the insured as those provided in, the policies in effect prior to the date of this Agreement. Such insurance coverage shall be provided under policies written by insurance carriers with Best's ratings at least as good as those of the carriers issuing the insurance policies prior to the date of this Agreement, and Grantor and its designees shall be named as "additional insured" on each policy for such insurance coverage. Certificates of insurance for such coverage have been delivered to Grantor, and renewal certificates shall be delivered to Grantor not less than thirty (30) days prior to the expiration of the term of each such policy.



6. Not a Partnership

6.1 This Agreement is not intended to create, and shall not be construed to create, a joint venture, a partnership, or any other similar relationship between the parties, nor shall this Agreement be construed to create any rights in any third parties. This Agreement shall not be construed as constituting either party as an agent of the other party for any purpose whatsoever. Neither party is granted any right or authority to assume or create any obligations or responsibility, express or implied, on behalf of the other party or to bind such other party in any manner or thing whatsoever. Each party hereto shall conduct its own business at its own risk and expense and for its own account in the status of an independent contractor.

7. Ownership and Maintenance of Mark

7.1 The Licensee acknowledges that the Grantor has valuable property rights in the Mark, and the license granted hereunder is granted in reliance on the Licensee's representation and covenant that such valuable rights belong exclusively to Grantor. All use of the Mark by the Licensee shall inure to the benefit of the Grantor, and the Licensee shall not at any time acquire or claim any right, title or interest to the Mark, that the Licensee is authorized to use by virtue of this Agreement. Any right, title, goodwill or interest in any such trademark, that may come into existence during the Term in connection with the Mark shall immediately and automatically vest in the Grantor, except as otherwise expressly provided for in this Agreement.

7.2 The Licensee shall include the claimed trademark symbol ("TM") or the registration symbol ("®"), as applicable, on the Products.

7.3 All registrations of the Mark shall be made solely in the name of the Grantor, and the Licensee shall not file, or seek to obtain, any such registration in its own name. In the event Grantor fails to maintain the registrations, or applications for registration, Licensee may execute and file all necessary documents and take any further steps to maintain the registrations and/or applications on behalf of Grantor, at Licensee's expense. In the event that any such registration is obtained by the Licensee, it shall be deemed obtained for the benefit, and on behalf, of the Grantor.

7.4 Grantor agrees to file such additional trademark applications, upon the request and at the sole expense of Licensee, as are necessary to provide for use of the Mark by Licensee for other home fragrance and personal care products not designated in the registrations set forth on Exhibit A including, but not limited to, scent diffusers, potpourri, and hair care products. (The term "Products" as used in this Agreement shall be deemed to include all products and services listed on Exhibit A, as well as all related products described in this Paragraph.) Licensee acknowledges that Grantor's agreement to file such applications does not constitute a representation that the Mark is available for such goods. If Grantor neglects to file such application(s) within sixty (60) days after

Licensee delivers a written request, Licensee shall have the right to apply to register the Mark in Grantor's name and Licensee may execute and file all necessary documents and take any further steps to file and prosecute the application(s) on behalf of Grantor.

## 8. Infringement

8.1 Licensee agrees to assist Grantor in the protection of Grantor's rights in and to the Mark. Licensee shall notify Grantor of any written claims, demands or causes of action against Licensee with respect to the Mark. Licensee shall notify Grantor of any acts of infringement, misappropriation or unfair competition by others regarding the Mark of which it becomes aware. Failure of Licensee to provide notice to Grantor within a reasonable period of time shall constitute a material breach of this Agreement. Grantor shall have the sole right to determine whether or not to take any action on account of any such acts of infringement, misappropriation or unfair competition. Licensee shall not institute suit or take any action on account of any such acts without first obtaining the written consent of Grantor to do so, which consent shall not be unreasonably withheld. Licensee agrees that it is not entitled to share any proceeds received by Grantor, by settlement or otherwise, in connection with any formal or informal action brought by Grantor. The defense, settlement and handling of such action shall be determined by Grantor in its sole discretion.

## 9. Reserved Rights

9.1 Licensee acknowledges that the Mark and all rights therein, are the sole and exclusive property of the Grantor, its successors and assigns. All rights in the Mark not expressly granted to the Licensee hereunder are reserved by and shall remain the Grantor's exclusive property.

## 10. Early Termination

10.1 Each party shall have the right, but not the obligation, to terminate the license and the rights and obligations provided hereunder if the other party is in material breach of any of its obligations or representations hereunder and fails to cure such breach within thirty (30) days of receipt of written notice thereof or, in the case of a breach not susceptible of cure within thirty (30) days, such longer period as may be reasonably required to cure the breach or if the other party's business is liquidated or otherwise terminated.

10.2 Grantor shall have the right, but not the obligation, to terminate the license and the rights and obligations provided hereunder if the Licensee and its affiliates cease to use the Mark for a period in excess of six (6) months.

10.3 Each party shall have the right, but not the obligation, to terminate the license and the rights and obligations provided hereunder if a petition in bankruptcy is

filed by or against the other party; provided that (i) such right of termination shall apply only if, to the extent, and in the manner permitted by applicable bankruptcy law, and (ii) if the party that is the debtor in bankruptcy cures any material breach of this license or compensates for any pecuniary losses resulting from such breach, the parties consent that this license may not be terminated and may be assumed and, subject to compliance with section 16 of this Agreement, assigned, notwithstanding Sections 365(b)(1)(A), (c)(1), and 365(e)(2)(A) of the United States Bankruptcy Code.

#### 11. Remaining Inventory

11.1 Upon the expiration of the Term, the Licensee shall have the non-exclusive right to dispose of its unsold inventory of Products for a period of six (6) months following the expiration of the Term. Notwithstanding the foregoing, if Licensee shall breach this Agreement as set forth in Section 3, and such breach remains uncured for thirty (30) days, Licensee shall cease disposal of Products immediately. At the written request of the Grantor, the Licensee shall render an itemized statement of remaining inventory at the end of the Term, which statement shall be furnished to the Grantor within thirty (30) business days of request and shall be certified by an authorized officer of the Licensee. The Licensee shall not manufacture or authorize the manufacture of units of the Products in excess of the amount required to meet reasonably anticipated demand during the remaining period of the Term.

11.2 Notwithstanding the foregoing, at any time following the expiration or early termination of the Term, as the case may be, the Grantor shall have the right (but not the obligation) to purchase from the Licensee some or all of the Licensee's remaining inventory of Products at the Licensee's most favorable wholesale price.

#### 12. Reversion of Rights

12.1 Upon the expiration or early termination of the Term, all rights granted hereunder shall immediately revert to the Grantor, and the Licensee shall have no further right to manufacture, market and/or distribute Products (except to sell off existing inventory pursuant to the preceding Section).

#### 13. Option to Purchase

13.1 In the event that Grantor ceases to use its ILLUMINATIONS mark, Licensee has the option (exercisable at any time after cessation but no later than six (6) months after receiving written notice of cessation as sent by Grantor) to purchase the Mark for Fifty Thousand Dollars (\$50,000.00).

#### 14. Warranties & Indemnification

14.1 The Grantor represents and warrants to the Licensee that: (a) the Grantor owns all right, title and interest in the Mark; (b) the Grantor has the full power and

authority to enter into and perform this Agreement; (c) the Grantor has the right to grant the licenses herein granted; (d) such grant does not conflict with any other agreement to which the Grantor is a party or violate any right of any third party; (e) the Mark does not infringe the trademark or any right of any person; and (f) Licensee has a perfected, first-priority security interest in the Mark and Grantor has not granted any liens or security interests in the Mark other than those it has disclosed to Licensee as set forth on Exhibit B.

14.2 The Licensee represents and warrants to the Grantor that (a) Licensee has the full power and authority to enter into and perform this Agreement, and (b) provided that the Grantor's representations and warranties in Section 14.1 shall be accurate and fully performed, no use by the Licensee (or its affiliates, agents, employees, principals and representatives) of the Products, shall violate any right of any person or any provision of this Agreement, or injure any person.

14.3 With respect to any breach by either party of its representations and warranties hereunder, the breaching party shall indemnify and hold harmless the other party against any loss or damage, including reasonable attorneys' fees, incurred by reason of said breach.

#### 15. Sublicense

15.1 The Licensee represents and warrants the Mark has not and currently is not sublicensed. The Mark may not be sublicensed by Licensee without the prior written consent of the Grantor, which consent shall not be unreasonably withheld. Any attempt by Licensee to grant a sublicense without such consent shall be null and void and shall constitute a material breach of this Agreement.

#### 16. Assignment

16.1 Grantor or Licensee may, at any time, without the consent of the other party, but with notice to the other party of such assignment, assign its rights and obligations hereunder to a related entity, but shall remain liable therefor. For purposes of this Section 16.1, the term "related entity" shall mean any corporation, partnership or joint venture which is 50% or more owned by Grantor or Licensee as the case may be. Except as provided in this Section 16.1, Licensee and Grantor hereby agree not to assign their rights or obligations hereunder without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

16.2 All of the terms and provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the successors in interest or the assigns of the parties hereto with the same effect as if mentioned in each instance where the party hereto is named or referred to, except that no assignment, transfer, pledge or mortgage in violation

of the provisions of this Agreement shall invest any rights in any assignee, transferee, pledge or mortgagee.

17. Miscellaneous

17.1 Force Majeure. Neither party hereto shall be deemed to be in default under this Agreement because of delays or inability to perform occasioned by war, civil disturbance, strikes, boycotts, lock-outs, shortages, transportation and communications problems, natural calamities such as fire, flood, earthquake or storm, acts of God, governmental regulations or actions, inability to obtain labor or materials from usual sources of supply, or other matters beyond the parties' control (a "Force Majeure Event"). The party affected by any Force Majeure Event shall advise the other of the extent and probable duration and coordinate efforts to minimize impact of the Force Majeure Event on both parties. Grantor or Licensee, as the case may be, shall, upon cessation of the Force Majeure Event, take all reasonable steps within its power to resume with the least possible delay compliance with the obligations contained in this Agreement.

17.2 Headings. Section and Article headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any purpose.

17.3 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail, telex or facsimile, (c) three (3) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent as follows:

To Grantor: President  
Candle Acquisition Co.  
d/b/a "Illuminations"  
1736 Corporate Circle  
Petaluma, CA 94954  
Facsimile: (707) 776-2008

with a required copy to: The Yankee Candle Co.  
16 Yankee Candle Way  
South Deerfield, MA 01373  
Attn: Sarah Mullins  
Facsimile: 413 665-9147

To Licensee: Chairman  
Starlume, Inc.

2000 West 94<sup>th</sup> Street  
Bloomington, MN 55431  
Facsimile: (952) 885-2776

with a required copy to: Heller Ehrman LLP  
333 Bush Street  
San Francisco, CA 94104  
Attn: Beth M. Goldman, Esq.  
Facsimile: (415) 772 6268

or to such other address as the person to whom notice is to be given may have specified in a notice duly given to the sender as provided herein.

17.4 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to choice of law principles.

17.5 Entire Agreement and Amendment. This Agreement represents the only agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations and agreements made by the parties and their affiliates with respect to the subject matter hereof (other than any written agreements and other documents entered into or delivered by the parties and their affiliates contemporaneously with this Agreement). This Agreement may be amended, supplemented or changed, and any provision hereof waived only by a written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, change or waiver is sought. Waiver by either party of any breach or default hereunder by the other party shall not operate as a waiver of any other breach or default whether similar to or different from the breach or default waived.

17.6 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding upon the parties hereto, notwithstanding that both parties are not signatories to the original or the same counterpart.

17.7 Miscellaneous Construction Provisions. In the event any provision of this Agreement is found to be unenforceable or invalid, such provision shall be severable from this Agreement if it is capable of being identified with and apportioned to reciprocal consideration or to the extent that it is a provision which is not essential and the absence of which would not have prevented the parties from entering into this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the date first above written.

CANDLE ACQUISITION CO. d/b/a/ "Illuminations"

By: Paulette Sam Davis  
President

STARLUME, INC.

By: Charles A. Gray  
Chairman

**Exhibit A**

Mark	Country Status	Class	Filed	App. #	Reg. No. Reg. Date	Goods/Services
ILLUME	Canada Registered	N/A	12/05/2000	1085169	TMA579808 04/24/2003	-Candles -Candle and incense accessories, namely, candle and incense holders, candle rings, candle sticks and candle snuffers; -Candle and incense accessories, namely, candle and incense holders, candle rings, candle sticks and candle snuffers not of precious metal; -Retail shop sales, mail order sales and wholesale distribution sales featuring candles and candle accessories
ILLUME	UK Registered	4, 21, 35	12/08/2000	2255311	2255311 12/07/2001	4- Illuminants; lanterns; oil lamps; candles and wicks 21- Holders and stands for lamps, lanterns and candles 35- The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a retail illuminant accessories store, from a general merchandise web site and catalogue by mail order or by means of telecommunications.
ILLUME	USA Registered	4, 21, 35	10/16/1995	75/007,053	2291811 11/16/1999	4- Candles 21- Candle and incense accessories, namely, candle and incense holders, candle rings, candle sticks and candle snuffers not of precious metal 35- Retail shop sales, mail order sales and wholesale distribution sales featuring candles and candle accessories
ILLUME	USA Registered	3	05/09/2003	78/248,092	2906293 11/30/2004	Personal care products, namely, shower and bath gel, hand and body and face lotion, hand and body and face soap, and bath salts.



**Exhibit B**

**(Disclosure of Grantor Liens, Security Interests in the Mark)**

## ACKNOWLEDGEMENT AND COEXISTENCE AGREEMENT

This Acknowledgement and Coexistence Agreement (the "Agreement") is dated as of ~~January~~ <sup>March</sup> ~~14~~ <sup>15</sup>, 2006, by and between Candle Acquisition Co. d/b/a "Illuminations," a Delaware corporation ("CAC"), and Starlume, Inc., a Delaware corporation ("Starlume").

WHEREAS, pursuant to the "IP License Agreement" dated as of March 15, 2002 (the "Existing License"), Old Canco, Inc., f/k/a Illuminations.com, Inc. ("Old Illuminations"), granted to Starlume the exclusive right to use the mark ILLUME in connection with the manufacture, distribution and sale of the goods and services set forth on Exhibit A to the License (defined below) (collectively, the "Licensed Products") and Starlume has thereafter continuously so used the mark ILLUME;

WHEREAS, CAC has acquired from the bankruptcy estate of Old Illuminations each of the marks listed on Exhibit A hereto (the "CAC Marks"), including the mark ILLUME;

WHEREAS, CAC has granted a trademark license to Starlume pursuant to that certain IP License Agreement dated January \_\_, 2006 between the parties (the "License"), for use of the mark ILLUME in connection with the Licensed Products;

WHEREAS, CAC and Starlume wish to describe their respective rights to use the mark ILLUME and the other CAC Marks;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. Acknowledgment; Agreement to Coexist

1.1 Starlume acknowledges that the CAC Marks and all rights therein, are the sole and exclusive property of CAC, its successors and assigns. Starlume agrees that it shall not assert any rights in the mark ILLUME against CAC or CAC's past, present or future use of any of the other CAC Marks, including without limitation the mark ILLUMINATIONS, or otherwise object to, challenge or interfere with CAC's past, present or future use of any of the CAC Marks, including without limitation the mark ILLUMINATIONS.

1.2 For so long as the term of the License is in effect, CAC agrees that CAC shall not assert any rights it may have in the mark ILLUMINATIONS against Starlume's use of the mark ILLUME, provided that the License has not been terminated in accordance with its terms and that such use of the mark ILLUME by Starlume is consistent with the terms and conditions of the License.

1.3 Starlume's rights in the mark ILLUME are limited to the form ILLUME, and Starlume shall not use or register or have any other rights whatsoever in the mark ILLUMINATIONS or any of the other CAC Marks.

1.4 Starlume shall not use or register or exercise any other rights whatsoever with respect to the mark ILLUMINATIONS or any of the other CAC Marks for any reason. Starlume acknowledges that all of its rights in the mark ILLUME are expressly subject to the License and that the mark ILLUME and all rights therein, are the sole and exclusive property of CAC, its successors and assigns. All rights in the mark ILLUME not expressly granted to Starlume under the License are reserved by and shall remain CAC's exclusive property.

1.5 Starlume and CAC each acknowledges that a timely Combined Declaration of Use and Incontestability has been filed with the U.S. Patent and Trademark Office with respect to the registration of the Mark, but that no notice of acceptance has been received as of the date of this Agreement. Neither Starlume nor CAC represents, warrants or covenants that a notice of acceptance will be received after the date hereof, and neither Starlume nor CAC shall have any liability in the event a notice of acceptance is not received.

## 2. Term

2.1 The term of this Coexistence Agreement shall be perpetual, provided however that CAC's obligations with respect to Starlume's rights in the mark ILLUME pursuant to Section 1.2 hereof shall be coterminous with the License and shall have no force and effect with respect to Starlume's use of the mark ILLUME at any time after termination of the License, except as such use is expressly permitted by paragraph 11.1 of the License.

## 3. Not a Partnership

3.1 This Agreement is not intended to create, and shall not be construed to create, a joint venture, a partnership, or any other similar relationship between the parties, nor shall this Agreement be construed to create any rights in any third parties. This Agreement shall not be construed as constituting either party as an agent of the other party for any purpose whatsoever. Neither party is granted any right or authority to assume or create any obligations or responsibility, express or implied, on behalf of the other party or to bind such other party in any manner or thing whatsoever. Each party hereto shall conduct its own business at its own risk and expense and for its own account in the status of an independent contractor.

4. Miscellaneous

4.1 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail, telex or facsimile (c) three (3) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent as follows:

To CAC:    President  
Candle Acquisition Co.  
d/b/a "Illuminations"  
1995 South McDowell  
Petaluma, CA 94954  
Facsimile: (707) 776-2097

with a required copy to:                        DLA Piper Rudnick Gray Cary US LLP  
333 Market Street, Suite 3200  
San Francisco, CA 94105-2150  
Attn: Robb A. Scott, Esq.  
Facsimile: (415) 442-0856

To Starlume:    Chief Executive Officer  
Starlume, Inc.  
2000 West 94<sup>th</sup> Street  
Bloomington, MN 55431  
Facsimile: (952) 885-2776

with a required copy to:                        Heller Ehrman LLP  
333 Bush Street  
San Francisco, CA 94104  
Attn: Beth M. Goldman, Esq.  
Facsimile: (415) 772 6268

or to such other address as the person to whom notice is to be given may have specified in a notice duly given to the sender as provided herein.

4.2 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to choice of law principles.

4.3 Headings. Section and Article headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any purpose.

4.4 Successors and Assigns. All of the terms and provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the successors in interest or the assigns of the parties hereto with the same effect as is mentioned in each instance where the party hereto is named or referred to.

4.5 Expenses. Unless otherwise expressly provided herein, each of the parties hereto shall bear the expenses incurred by that party incident to this Agreement and the transactions contemplated hereby, including without limitation all fees and disbursements of counsel and accountants obtained by such party.

4.6 Entire Agreement and Amendment. This Agreement represents the only agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations and agreements made by the parties and their affiliates with respect to the subject matter hereof (other than any written agreements and other documents entered into or delivered by the parties and their affiliates contemporaneously with this Agreement). This Agreement may be amended, supplemented or changed, and any provision hereof may be waived, only by a written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, change or waiver is sought. Waiver by either party of any breach or default hereunder by the other party shall not operate as a waiver of any other breach or default whether similar to or different from the breach or default waived.

4.7 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding upon the parties hereto, notwithstanding that both parties are not signatories to the original or the same counterpart.

4.8 Miscellaneous Construction Provisions. In the event any provision of this Agreement is found to be unenforceable or invalid, such provision shall be severable from this Agreement if it is capable of being identified with and apportioned to reciprocal consideration or to the extent that it is a provision which is not essential and the absence of which would not have prevented the parties from entering into this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT  
as of the date first above written.

CANDLE ACQUISITION CO. d/b/a "Illuminations"

By: Brian J. Fahl  
President

STARLUME, INC.

By: \_\_\_\_\_  
Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT  
as of the date first above written.

CANDLE ACQUISITION CO. d/b/a "Illuminations"

By: \_\_\_\_\_  
President

STARLUME, INC.

By: Charley  
~~Chief Executive Officer~~  
Chairman

**Exhibit A**  
**The CAC Marks**



Mark Country Status File Date Appl No. Reg. Date Reg. No. Class. & Goods/Services

Mark	Country	Status	File Date	Appl No.	Reg. Date	Reg. No.	Class. & Goods/Services
ILLUME	Canada	Registered	12/5/2000	1085169	4/24/2003	579808	CANDLES CANDLE AND INCENSE ACCESSORIES, NAMELY, CANDLE AND INCENSE HOLDERS, CANDLE RINGS, CANDLE STICKS AND CANDLE SNUFFERS NOT OF PRECIOUS METAL  CANDLE AND INCENSE ACCESSORIES, NAMELY, CANDLE AND INCENSE HOLDERS, CANDLE RINGS, CANDLE STICKS AND CANDLE SNUFFERS  RETAIL SHOP SALES, MAIL ORDER SALES AND WHOLESAL DISTRIBUTION SALES FEATURING CANDLES AND CANDLE ACCESSORIES
ILLUME	U.K.	Registered	12/8/2000	2255311	12/7/2001	2255311	4 - ILLUMINANTS; LANTERNS; OIL LAMPS; CANDLES AND WICKS  21 - HOLDERS AND STANDS FOR LAMPS, LANTERNS AND CANDLES  35 - THE BRINGING TOGETHER, FOR THE BENEFIT OF OTHERS, OF A VARIETY OF GOODS, ENABLING CUSTOMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS IN A RETAIL ILLUMINANT ACCESSORIES STORE, FROM A GENERAL MERCHANDISE WEB SITE AND CATALOGUE BY MAIL ORDER OR BY MEANS OF TELECOMMUNICATIONS
ILLUME	U.S.	Registered	10/18/1995	76/00,053	11/18/1999	2,291,811	4 - CANDLES  21 - CANDLE AND INCENSE ACCESSORIES, NAMELY, CANDLE AND INCENSE HOLDERS, CANDLE RINGS, CANDLE STICKS AND CANDLE SNUFFERS NOT OF PRECIOUS METAL  35 - RETAIL SHOP SALES, MAIL ORDER SALES AND WHOLESAL DISTRIBUTION SALES FEATURING CANDLES AND CANDLE ACCESSORIES
ILLUME	U.S.	Registered	5/9/2003	78/248,082	11/30/2004	2,906,299	3 - PERSONAL CARE PRODUCTS, NAMELY, SHOWER AND BATH GEL, HAND AND BODY AND FACE LOTION, HAND AND BODY AND FACE SOAP, AND BATH SALTS  CANDLES, CANDLE HOLDERS, CANDLE RINGS
ILLUMINATIONS	Canada	Registered	11/17/1998	896655	1/9/2000	521088	4 - CANDLES  21 - CANDLE HOLDERS MADE OF NON-PRECIOUS METAL
ILLUMINATIONS	U.S.	Registered	8/5/2003	79/296,412	10/12/2004	2,893,431	35 - RETAIL STORE SERVICES, ONLINE RETAIL STORE SERVICES, AND MAIL ORDER CATALOG SERVICES FEATURING CANDLES, CANDLE HOLDERS AND ACCESSORIES, GIFT ITEMS, TABLETOP DECORATIONS, MIRRORS, FURNITURE, CRYSTAL, AND PICTURE FRAMES

Mark	Country	Status	File Date	App. No.	Reg. Date	Reg. No.	Class & Goods/Services
ILLUMINATIONS and Design	Japan	Registered	4/7/1999	2894199	7/7/2000	4997159	4 - CANDLES 35 - RETAIL SERVICES VIA INTERNET; INFORMATION SERVICES REGARDING RETAIL SERVICES; MAIL ORDER SERVICES
ILLUMINATIONS and Design	U.K.	Registered	12/18/2000	2256128	2/1/2002	2256128	4 - ILLUMINANTS; CANDLES AND WICKS 11 - LANTERNS AND OIL LAMPS 21 - HOLDERS AND STANDS FOR LAMPS, LANTERNS AND CANDLES 35 - THE BRINGING TOGETHER, FOR THE BENEFIT OF OTHERS, OF A VARIETY OF GOODS, ENABLING CUSTOMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS IN A RETAIL ILLUMINANT ACCESSORIES STORE, FROM A GENERAL MERCHANDISE WEBSITE AND A GENERAL MERCHANDISE CATALOGUE BY MAIL ORDER OR BY MEANS OF TELECOMMUNICATIONS
ILLUMINATIONS and Design	U.S.	Registered	10/23/1999	75/186,147	8/16/1998	2,155,202	4 - CANDLES 35 - CANDLE RETAIL STORE SERVICES
ILLUMINATIONS and Design	U.K.	Pending	1/25/2005	2892863			3 - BATH, HAND AND FACE SOAPS; ESSENTIAL OILS, GELS, CREAMS AND LOTIONS FOR BATH AND PERSONAL USE; LINEN WATER-SPRAY; COLOGNE AND PERFUME BODY SPRAY; BUBBLE BATH AND BATH SALTS (NON-MEDICATED) 4 - CANDLES AND WICKS FOR CANDLES AND OIL LAMPS; LIGHTING OILS; OILS FOR LAMPS, OILS FOR LANTERNS AND TORCHES 5 - AIR FRESHENERS; MEDICATED PRODUCTS FOR PERSONAL HYGIENE 21 - CANDELABRA, CANDLE HOLDERS AND CANDLESTICKS; CANDLE RINGS AND CANDLE EXTINGUISHERS, NONE OF THE AFORESAID BEING OF PRECIOUS METAL

Mark Country Status File Date Appl. No. Reg. Date Reg. No. Class & Goods/Services

ILLUMINATIONS U.K.  
CANDLELIT  
GARDEN Pending 1/25/2005 2382862 4 - CANDLES AND WICKS FOR CANDLES AND OIL LAMPS; LIGHTING OILS; OILS FOR LAMPS, OILS FOR LANTERNS AND TORCHES.

21 - CANDELABRA, CANDLE HOLDERS AND CANDLESTICKS; CANDLE RINGS AND CANDLE EXTINGUISHERS, NONE OF THE AFORESAID BEING OF PRECIOUS METAL

35 - THE BRINGING TOGETHER, FOR THE BENEFIT OF OTHERS, A VARIETY OF CANDLES, FUEL BURNING LAMPS, LANTERNS AND TORCHES, AND GOODS RELATING THERETO, ENABLING CUSTOMERS TO CONVENIENTLY VIEW AND PURCHASE SUCH GOODS IN A RETAIL ILLUMINANT ACCESSORY STORE, A CONVENIENCE STORE, OR A DEPARTMENT STORE, FROM A GENERAL MERCHANDISE WEBSITE OR FROM A CHANDLERY OR GENERAL MERCHANDISE CATALOGUE BY MAIL ORDER, OR BY MEANS OF TELECOMMUNICATIONS

ILLUMINATIONS Canada Pending 9/20/2004 1280869 CANDLES; CANDLEHOLDERS, NOT MADE OF PRECIOUS METAL. MAIL ORDER CATALOG SERVICES FEATURING CANDLES, CANDLE HOLDERS AND ACCESSORIES, GIFT ITEMS, TABLETOP DECORATIONS, MIRRORS, FURNITURE, CRYSTAL AND PICTURE FRAMES.

RETAIL STORE SERVICES AND ONLINE RETAIL STORE SERVICES FEATURING CANDLES, CANDLE HOLDERS AND ACCESSORIES, GIFT ITEMS, TABLETOP DECORATIONS, MIRRORS, FURNITURE, CRYSTAL AND PICTURE FRAMES.

## TRADEMARK ASSIGNMENT AND SECURITY AGREEMENT

<sup>March 14</sup>~~January 2~~ 2006 This TRADEMARK ASSIGNMENT AND SECURITY AGREEMENT dated as of ~~January 2~~ 2006 (as it may be amended, supplemented, or otherwise modified from time to time, this "Security Agreement"), is entered into by and between CANDLE ACQUISITION CO. d/b/a "Illuminations," a Delaware corporation (the "Grantor"), and STARLUME, INC., a Delaware corporation (the "Secured Party").

Reference is made to (i) the "IP License Agreement" between the Grantor (as the licensor therein) and the Secured Party (as the licensee therein) dated of even date herewith (as it may be amended, supplemented, or otherwise modified from time to time, the "License Agreement"), (ii) the "Acknowledgement and Coexistence Agreement" between the Grantor and the Secured Party dated of even date herewith (as it may be amended, supplemented, or otherwise modified from time to time, the "Coexistence Agreement"), and (iii) the letter agreement among the Grantor, the Secured Party, and Madeleine L.L.C. ("Madeleine") dated November 14, 2005 (as it may be amended, supplemented, or otherwise modified from time to time, the "Letter Agreement"). The Grantor and the Secured Party agreed to enter into this Security Agreement, the License Agreement, and the Coexistence Agreement pursuant to the Letter Agreement.

This Security Agreement shall secure (a) the due and punctual performance by the Grantor and any successors or assigns of all covenants, agreements, obligations, representations, warranties, and liabilities (collectively, "Obligations") (including without limitation all Obligations arising during the pendency of any bankruptcy, insolvency, receivership, or other similar proceeding) of the Grantor to the Secured Party under the License Agreement, now or hereafter existing, whether direct or indirect, absolute or contingent, and the payment of all damages for any breach thereof; (b) the due and punctual performance by the Grantor and any successors or assigns of all Obligations (including without limitation all Obligations arising during the pendency of any bankruptcy, insolvency, receivership, or other similar proceeding) of the Grantor to the Secured Party under the Coexistence Agreement, now or hereafter existing, whether direct or indirect, absolute or contingent, and the payment of all damages for any breach thereof; and (c) the due and punctual performance by the Grantor and any successors or assigns of all Obligations (including without limitation all Obligations arising during the pendency of any bankruptcy, insolvency, receivership, or other similar proceeding) of the Grantor to the Secured Party under this Security Agreement, now or hereafter existing, whether direct or indirect, absolute or contingent, and the payment of all damages for any breach thereof (all the Obligations described in the preceding clauses (a), (b), and (c) being collectively called the "Secured Obligations").

Accordingly, the Grantor and the Secured Party (and each of their respective successors or assigns), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

### ARTICLE I

#### Definitions

**SECTION 1.01. Definition of Terms Used Herein.** Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the License Agreement, in the Coexistence Agreement, or in the Letter Agreement, and all references to the Uniform Commercial Code shall mean the Uniform Commercial Code as in effect in the State of California from time to time.

**SECTION 1.02. Definition of Certain Terms Used Herein.** As used herein, the following terms shall have the following meanings:

"Collateral" shall mean all of the Grantor's now owned and hereafter acquired or arising right, title, and interest in, to, and under all of the following:

- (a) the trademark "ILLUME," the goodwill associated with the mark "ILLUME," and all related rights, including without limitation all existing and future registrations and applications therefor (including without limitation Reg. Nos. 2291811 and 2906293 for candles, candle and incense accessories, retail and wholesale

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services in the field of candles and candle accessories, and personal care products, namely, shower and bath gel, hand and body and face lotion, hand and body and face soap, and bath salts) filed in the United States Patent and Trademark Office, any State of the United States, or any similar offices in any other country or any political subdivision thereof, and all extensions, reissues, or renewals thereof;

(b) all rights, contracts, agreements, licenses (including without limitation the License Agreement), claims, and causes of action (including without limitation any past, present, and future claims and causes of action for infringement, dilution, misappropriation, violation, or misuse and the right to collect damages therefor) arising out of or related to the trademark "ILLUME" or the License;

(c) all books and records concerning or relating to any other Collateral;

(d) all additions, improvements, and accessions to any other Collateral;

(e) all income, royalties, and other payments now or hereafter payable with respect to any other Collateral; and

(f) any and all Proceeds of any of the foregoing.

"Event of Default" shall mean any material breach by the Grantor or any successor or assign of any Secured Obligation (including without limitation during the pendency of any bankruptcy, insolvency, receivership, or other similar proceeding).

"Lien" shall mean any security interest, lien, charge, mortgage, deed, assignment, pledge, hypothecation, claim, encumbrance, easement, restriction, or other interest of another person of any kind or nature.

"Permitted Lien" shall mean (a) a Lien in favor of Madeline so long as any such Lien is subordinate to the Liens in favor of Secured Party created or contemplated by this Security Agreement and is subordinate to the License Agreement and Coexistence Agreement; and (b) any other Lien that is subordinate to the Liens in favor of Secured Party created or contemplated by this Security Agreement and is subordinate to the License Agreement and Coexistence Agreement, but such Lien shall be deemed a Permitted Lien only if the holder of such Lien shall have acknowledged in writing to Secured Party the existence and first priority of the License Agreement, the Coexistence Agreement, and the Liens in favor of Secured Party created or contemplated by this Security Agreement.

"Proceeds" shall include any and all proceeds and products of any of the Collateral, including, but not limited to, whatever is received upon the sale, exchange, license, or other disposition of any asset or property that constitutes Collateral; whatever is collected on, or distributed on account of, any asset or property that constitutes Collateral; any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage, or other involuntary conversion of whatever nature of any asset or property which constitutes Collateral; any claim of the Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) past, present, or future infringement or dilution of the mark "ILLUME" or other Collateral or injury to the goodwill associated with or symbolized thereby; and any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

**SECTION 1.03. Security Interest.** As security for the due and punctual performance and payment of the Secured Obligations by the Grantor and any successors or assigns, the Grantor hereby grants to the Secured Party and its successors and assigns, and hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates, and transfers to the Secured Party and its successors and assigns, a continuing security interest in all of the Grantor's now owned and hereafter acquired or arising right, title, and interest in, to, and under the Collateral (the "Security Interest"). Without limiting the foregoing, the Secured Party is hereby authorized to file one or more financing statements, amendments thereto, continuation statements, filings with the United States Patent and Trademark Office (or any successor office or any similar office in any state or in any other country), or other documents for the purpose of perfecting, confirming, continuing, enforcing, or protecting the Security Interest granted by the Grantor, with or without the signature of the Grantor.

**SECTION 1.04. No Assumption of Liability.** The Security Interest is granted as security only and shall not subject the Secured Party to, or in any way alter or modify, any obligation or liability of the Grantor with respect to or arising out of the Collateral.

## ARTICLE II

### Representations and Warranties

The Grantor hereby represents and warrants to the Secured Party that:

**SECTION 2.01. Title and Authority.** The Grantor has good and valid rights in and title to the Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority (i) to grant to the Secured Party the Security Interest in such Collateral pursuant hereto, and (ii) to execute, deliver, consummate, and perform its obligations in accordance with the terms of this Security Agreement, the License Agreement, the Coexistence Agreement, and the Letter Agreement, without the consent or approval of any other person or the need for any filing with any other person, including any governmental or quasi-governmental agency or instrumentality other than any consent or approval which has been obtained or filing which has been made.

**SECTION 2.02. Validity of Security Interest.** The Security Interest constitutes (a) a legal and valid security interest in all the Collateral securing the performance and payment of the Secured Obligations, and (b) subject to the filings, registrations, and recordings described in Section 1.03 above, a perfected, first priority security interest in all Collateral in which a security interest may be perfected by filing a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions. The Security Interest is and shall be prior to any other Lien on any of the Collateral.

**SECTION 2.03. Absence of Other Liens.** The Grantor has rights in and the power to transfer the Collateral free and clear of any Lien, except for the Permitted Liens. The Grantor has not filed or consented to the filing of (a) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Collateral, (b) any assignment in which the Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with the United States Patent and Trademark Office, or (c) any assignment in which the Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal, or other office, which financing statement or analogous document, assignment, security agreement, or similar instrument is still in effect, except, in each case, with respect to the Permitted Liens.

**SECTION 2.04. Organization and Qualification.** The Grantor is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Grantor is not in violation or default of any of the provisions of its articles of incorporation, bylaws, or other organizational or charter documents. The Grantor is duly qualified to conduct business and is in good standing as a foreign corporation in each jurisdiction in which the nature of its business conducted or property owned makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a material adverse effect on its ability to perform the Secured Obligations (a "Material Adverse Effect"), and no proceeding of any type or kind whatsoever has been instituted in any jurisdiction revoking, limiting, or curtailing or seeking to revoke, limit, or curtail such power, authority, or qualification.

**SECTION 2.05. Authorization and Enforcement.** Each Secured Obligation constitutes the valid and binding obligation of the Grantor enforceable against the Grantor in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting the enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

**SECTION 2.06. No Conflicts.** The execution, delivery, consummation, and performance of this Security Agreement, the License Agreement, the Coexistence Agreement, and the Letter Agreement by the Grantor do not and will not (i) conflict with or violate any provision of the Grantor's or any affiliate's certificate or articles of incorporation, bylaws, or other organizational or charter documents, or (ii) conflict with or constitute a default (or an event which with notice or the passage of time would become a default) under, result in the creation of any Lien (other than the Liens contemplated herein) upon any of the properties or assets of the Grantor, or to give to others any rights of termination, amendment, acceleration, or cancellation (with or without notice or the passage of time or both) of, any agreement, credit facility, debt, or other instrument or other understanding to which the Grantor is a party or by which any property or asset of the Grantor is bound or affected, or (iii) conflict with or result in any violation of any rule, law, regulation, order, judgment, injunction, decree, or other restriction of any court or governmental or quasi-governmental agency or instrumentality to which the Grantor is subject or by which any property or asset of the Grantor is bound or affected.

**SECTION 2.07. Litigation.** There is no threatened or pending formal or informal litigation, proceeding, or other judicial or quasi-judicial action which (i) adversely affects or challenges the legality, validity, or enforceability of any of the License Agreement, the Coexistence Agreement, the Letter Agreement, or this Security Agreement, or (ii) could, if there were an unfavorable decision, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect.

**SECTION 2.08. Compliance.** The Grantor (i) is not in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Grantor under), and has not received notice of a claim that it is in default under or that it is in violation of, any indenture, loan, or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is not in violation of any order of any court, arbitrator, or governmental body, or (iii) is not, and has not been, in violation of any statute, rule, or regulation of any governmental authority, except in each case as could not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect.

**SECTION 2.09. Trademark Status.** Neither the Grantor nor any affiliate has received a written notice that the mark "ILLUME" or any other Collateral violates or infringes upon the rights of any person or entity. Grantor's rights with respect to the mark "ILLUME" and all other Collateral are enforceable, and Grantor is not aware of any existing infringement thereof by another person or entity. Secured Party acknowledges that a timely Combined Declaration of Use and Incontestability has been filed with the U.S. Patent and Trademark Office with respect to the registration of the Mark, but that no notice of acceptance has been received as of the date of this Security Agreement. Notwithstanding any other provision of this Security Agreement, Grantor does not represent, warrant or covenant that a notice of acceptance will be received after the date hereof and shall have no liability to Secured Party in the event a notice of acceptance is not received.

### ARTICLE III

#### Covenants

**SECTION 3.01. Change of Name; Location of Collateral; Records; Place of Business.** The Grantor agrees promptly to notify the Secured Party in writing of any change (i) in its corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in its state of incorporation, (iii) in the location of its chief executive office or its principal place of business, (iv) in its identity or corporate structure, or (v) in its Federal Taxpayer Identification Number. The Grantor agrees not to effect or permit any change referred to in the preceding sentence unless it shall have given the Secured Party ten (10) Business Days' prior written notice of such change and shall promptly make all filings under the Uniform Commercial Code or otherwise that are required in order for the Secured Party to continue at all times following such change to have a valid, legal, and perfected first priority security interest in all the Collateral. The Grantor agrees promptly to notify the Secured Party if any material portion of the Collateral is impaired.

**SECTION 3.02. Protection of Security.** The Grantor shall, at its own cost and expense, take any and all actions necessary to defend title to the Collateral against all persons and to defend the Security Interest of the Secured Party in the Collateral and the priority thereof against any Lien.

**SECTION 3.03. Further Assurances.** The Grantor agrees to execute, acknowledge, deliver, and cause to be duly filed all such further instruments and documents and take all such actions as the Secured Party may from time to time reasonably request to better assure, preserve, protect, and perfect the Security Interest and the rights and remedies created hereby.

**SECTION 3.04. Disposition of Collateral.** The Grantor shall not make or permit to be made an assignment, pledge, or hypothecation of the Collateral and shall not grant any other Lien in respect of the Collateral, except for Permitted Liens. If an Event of Default shall have occurred and be continuing, the Grantor shall not sell, convey, lease, assign, transfer, pledge, hypothecate, create any Lien upon, or otherwise dispose of any Collateral or any interest therein. If no Event of Default shall have occurred and be continuing, the Grantor may transfer the Collateral only if the transferee shall have acknowledged in writing to Secured Party the existence and senior priority of the License Agreement, the Coexistence Agreement, and the Liens in favor of Secured Party created or contemplated by this Security Agreement and agree in writing with Secured Party to assume all of the Secured Obligations.

**SECTION 3.05. Maintenance and Preservation of Trademark Collateral.** The Grantor agrees that it will maintain and preserve the mark "ILLUME" and other trademark rights included in the Collateral in full force and free from any claim of abandonment or invalidity, and that it will not use or permit the use of such trademark in violation of Secured Party's rights under the License Agreement, the Coexistence Agreement, or the Letter Agreement. The Grantor shall notify the Secured Party immediately if it knows or has reason to know of any adverse determination or development (including the institution of, or any determination or development in, any proceeding in the United States Patent and Trademark Office or any court or similar office of any country) regarding the Grantor's ownership of the mark "ILLUME" or other trademark rights included in the Collateral or its right to register or maintain the registration for the same. The Grantor will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each application relating to the "ILLUME" trademark and other trademark rights included in the Collateral (and to obtain the relevant grant or registration) and to maintain each registration, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability, and payment of maintenance fees and to initiate appropriate proceedings against third parties. In the event that the Grantor has reason to believe that any Collateral has been or is about to be infringed, misappropriated, diluted, or subjected to unfair competition by a third party, the Grantor promptly shall notify the Secured Party. The grantor shall have the sole right to determine whether or not to take any action on account of any such acts of infringement, misappropriation, dilution, or unfair competition. The Secured Party shall not institute suit or take any action on account of any such acts without first obtaining the written consent of Grantor to do so, which consent shall not be unreasonably withheld. The defense, settlement, and handling of such action shall be determined by Grantor in its sole discretion.

## ARTICLE IV

### Remedies

**SECTION 4.01. Remedies upon Event of Default.** In addition to all other rights and remedies granted to the Secured Party under this Security Agreement, the License Agreement, the Coexistence Agreement, and the Letter Agreement, upon the occurrence and continuance of an Event of Default, the Secured Party may exercise all rights and remedies of a secured party under the Uniform Commercial Code (or its equivalent in other jurisdictions) or other applicable law. Without limiting the foregoing, upon the occurrence and during the continuance of an Event of Default, the Secured Party shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral, at any public or private sale, for cash, upon credit, or for future delivery as the Secured Party shall deem appropriate. Upon consummation of any such sale, the Secured Party shall have the right to assign, transfer, and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold free from any claim or right on



the part of the Grantor, and the Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay, valuation, and appraisal which the Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Secured Party shall give the Grantor 10 days' written notice (which the Grantor agrees is reasonable notice within the meaning of the Uniform Commercial Code as in effect in the State of California or its equivalent in other jurisdictions) of the Secured Party's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Secured Party may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Secured Party may (in its sole and absolute discretion) determine. The Secured Party shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Secured Party until the sale price is paid by the purchaser or purchasers thereof, but the Secured Party shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, the Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation, or appraisal on the part of the Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to the Secured Party from the Grantor as a credit against the purchase price, and the Secured Party may, upon compliance with the terms of sale, hold, retain, and dispose of such property without further accountability to the Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Secured Party shall be free to carry out such sale pursuant to such agreement, and the Grantor shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Secured Party shall have entered into such an agreement all Events of Default shall have been remedied and the Secured Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Secured Party may proceed by a suit or suits at law or in equity to foreclose this Security Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver.

**SECTION 4.02. Application of Proceeds.** The Secured Party shall apply the proceeds of any collection or sale of the Collateral, as well as any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Secured Party in connection with such collection or sale or otherwise in connection with this Security Agreement or any of the Secured Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel (including without limitation such costs, fees, and expenses incurred in connection with any bankruptcy case), the repayment of all advances made by the Secured Party hereunder on behalf of the Grantor, and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under the License Agreement, the Coexistence Agreement, or the Letter Agreement;

SECOND, to the payment in full of the Secured Obligations; and

THIRD, to the Grantor, and its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Secured Party shall have absolute discretion as to the time of application of any such proceeds, moneys, or balances in accordance with this Security Agreement. Upon any sale of the Collateral by the Secured Party (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Secured Party or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral

so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Secured Party or such officer or be answerable in any way for the misapplication thereof.

## ARTICLE V

### Miscellaneous

**SECTION 5.01. Notices.** All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 18.3 of the License Agreement.

**SECTION 5.02. Security Interest Absolute.** Subject to Section 5.12 below, all rights of the Secured Party hereunder, the Security Interest, and all obligations of the Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of all or any portion of this Security Agreement, the License Agreement, the Coexistence Agreement, the Letter Agreement, any agreement with respect to any of the Secured Obligations, or any other agreement or instrument relating to any of the foregoing, (b) any amendment or waiver of or any consent to any departure from this Security Agreement, the License Agreement, the Coexistence Agreement, the Letter Agreement, or any other agreement or instrument, or (c) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Grantor in respect of the Secured Obligations or this Security Agreement.

**SECTION 5.03. Survival of Agreement.** All covenants, agreements, representations, and warranties made by the Grantor herein and in the other instruments prepared or delivered in connection with or pursuant to this Security Agreement shall be considered to have been relied upon by the Secured Party, regardless of any investigation made by the Secured Party or on its behalf, and shall survive and continue in full force and effect until all Secured Obligations shall have been indefeasibly and irrevocably performed in full.

**SECTION 5.04. Successors and Assigns.** Whenever in this Security Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises, and agreements by or on behalf of the Grantor or the Secured Party that are contained in this Security Agreement shall bind and inure to the benefit of their respective successors and assigns.

**SECTION 5.05. Secured Party's Fees and Expenses; Indemnification.** (a) The Grantor agrees to pay upon demand to the Secured Party the amount of any and all reasonable expenses, including the fees, disbursements, and other charges of its counsel and of any experts or agents, which the Secured Party may incur in connection with (i) the preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, (ii) the exercise, enforcement, or protection of any of the rights of the Secured Party hereunder or under the License Agreement, the Coexistence Agreement, or the Letter Agreement, or (iii) the failure of the Grantor to perform or observe any of the provisions hereof or of the License Agreement, the Coexistence Agreement, or the Letter Agreement.

(b) The Grantor agrees to indemnify the Secured Party against, and hold the Secured Party harmless from, any and all losses, claims, damages, liabilities, and related expenses, including reasonable fees, disbursements, and other charges of counsel, incurred by or asserted against it arising out of, in any way connected with, or as a result of, any breach by, or default of, Grantor under this Security Agreement or the Secured Obligations or any claim, litigation, investigation, or proceeding relating thereto or to the Collateral.

(c) Any such amounts payable as provided hereunder shall be additional Secured Obligations. The provisions of this Section 5.05 shall remain operative and in full force and effect regardless of the consummation of the transactions contemplated hereby, the invalidity or unenforceability of any term or provision of this Security Agreement, or any investigation made by or on behalf of the Secured Party.

**SECTION 5.06. GOVERNING LAW.** THIS SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES.

**SECTION 5.07. Waivers; Amendment.** (a) No failure or delay of the Secured Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Secured Party hereunder and under the License Agreement, the Coexistence Agreement, and the Letter Agreement are cumulative and are not exclusive of any rights or remedies that it would otherwise have. In the event of a conflict between the provisions of this Security Agreement, on the one hand, and the Letter Agreement, on the other hand, this Security Agreement shall control. No waiver of any provisions of this Security Agreement, the License Agreement, the Coexistence Agreement, or the Letter Agreement or consent to any departure by the Grantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Grantor in any case shall entitle the Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Security Agreement nor any provision hereof may be waived, amended, or modified except pursuant to an agreement or agreements in writing entered into by the Secured Party and the Grantor with respect to which such waiver, amendment or modification is to apply.

**SECTION 5.08. Severability.** In the event any one or more of the provisions contained in this Security Agreement should be held invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal, or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

**SECTION 5.09. Counterparts.** This Security Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. Delivery of an executed signature page to this Security Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

**SECTION 5.10. Headings.** Article and Section headings used herein are for the purpose of reference only, are not part of this Security Agreement, and are not to affect the construction of, or to be taken into consideration in interpreting, this Security Agreement.

**SECTION 5.11. Jurisdiction; Consent to Service of Process.** The Grantor and Secured Party hereby irrevocably and unconditionally submit, for themselves and their property, to the nonexclusive jurisdiction of any California State court or of any Federal court sitting in California, and any appellate court therefrom, in any action or proceeding arising out of or relating to this Security Agreement, the License Agreement, the Coexistence Agreement, or the Letter Agreement, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such California State or, to the extent permitted by law, in such Federal court. The Grantor and Secured Party hereby irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection which they may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of or relating to this Security Agreement, the License Agreement, the Coexistence Agreement, or the Letter Agreement in any California State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

**SECTION 5.12. Termination.** (a) This Security Agreement and the Security Interest shall terminate upon the first to occur of the following: (i) all of the Secured Obligations shall have been indefeasibly and irrevocably performed in full; or (ii) the License Agreement shall have been effectively terminated by Grantor in accordance with either Section 10.1 or Section 10.2 of the License Agreement. Upon such effective termination of this Security Agreement and the Security Interest, the Secured Party shall either deliver to the Grantor in proper

form for filing all Uniform Commercial Code termination statements and similar documents which the Grantor shall reasonably request to evidence such termination or an authenticated record authorizing the Grantor to prepare and file the same.

(b) This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Grantor for liquidation or reorganization, should the Grantor become insolvent or make an assignment for the benefit of any creditor or creditors, or should a receiver or trustee be appointed for all or any significant part of the Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored, or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored, or returned.

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the day and year first above written.

CANDLE ACQUISITION CO.  
d/b/a "Illuminations,"  
a Delaware corporation  
as Grantor

By: Brian Laliberte

Name: Brian Laliberte  
Title: President

STARLUME, INC.,  
a Delaware corporation  
as Secured Party,

By: \_\_\_\_\_

Name:  
Title:

form for filing all Uniform Commercial Code termination statements and similar documents which the Grantor shall reasonably request to evidence such termination or an authenticated record authorizing the Grantor to prepare and file the same.

(b) This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Grantor for liquidation or reorganization, should the Grantor become insolvent or make an assignment for the benefit of any creditor or creditors, or should a receiver or trustee be appointed for all or any significant part of the Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored, or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored, or returned.

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the day and year first above written.

CANDLE ACQUISITION CO.  
d/b/a "Illuminations,"  
a Delaware corporation  
as Grantor,

By: \_\_\_\_\_

Name:

Title:

STARLUME, INC.,  
a Delaware corporation  
as Secured Party,

By: Charles A. Greenberg

Name: CHARLES A. GREENBERG

Title: CHAIRMAN