

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
iParty Corp.		12/21/2006	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Wells Fargo Retail Finance II, LLC		
Street Address:	One Boston Place		
City:	Boston		
State/Country:	MASSACHUSETTS		
Postal Code:	02108		
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	2756735	IPARTY	
Registration Number:	2649801	IPARTY.COM	
Registration Number:	2541025	IPARTY	
CORRESPONDENCE DATA			
Fax Number:	(617)526-9899		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	6175269628		
Email:	cslattery@proskauer.com		
Correspondent Name:	Christine Slattery		
Address Line 1:	One International Place		
Address Line 2:	Proskauer Rose LLP		
Address Line 4:	Boston, MASSACHUSETTS 02110		
ATTORNEY DOCKET NUMBER:	76921/001		
NAME OF SUBMITTER:	Christine Slattery		

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Signature:	/Christine Slattery/
Date:	01/24/2007
Total Attachments: 10 source=ipartytrademark agree#page1.tif source=ipartytrademark agree#page2.tif source=ipartytrademark agree#page3.tif source=ipartytrademark agree#page4.tif source=ipartytrademark agree#page5.tif source=ipartytrademark agree#page6.tif source=ipartytrademark agree#page7.tif source=ipartytrademark agree#page8.tif source=ipartytrademark agree#page9.tif source=ipartytrademark agree#page10.tif	

**EXECUTION COPY
TRADEMARK AND TRADEMARK
APPLICATIONS SECURITY AGREEMENT**

This Trademark and Trademark Application Security Agreement (this "**TM Security Agreement**") is made as of the 21st day of December, 2006 by and among iParty Corp., a Delaware corporation with offices at 270 Bridge Street, Suite 301, Dedham, MA 02026 ("**iParty Corp.**"), and Wells Fargo Retail Finance II, LLC, a Delaware limited liability company, with offices at One Boston Place, Boston, Massachusetts 02108, as lender (the "**Lender**").

RECITALS

WHEREAS, pursuant to the Amended and Restated Loan and Security Agreement dated as of December 21, 2006 (as amended and restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**") made by and among iParty Corp. and iParty Retail Stores Corporation, a Delaware corporation ("**iParty Retail**" or a "**Borrower**" and together with iParty Corp., the "**Borrowers**") and the Lender have agreed to continue making certain loans and other financial accommodations available to the Borrowers;

WHEREAS, pursuant to the Loan Agreement, the Borrowers have granted to the Lender a security interest in the Collateral (as defined in the Loan Agreement) to secure the Liabilities (as defined in the Loan Agreement) of the Borrowers to the Lender ;

WHEREAS, as a condition, among others, to the amendment of the credit facilities contemplated by the Loan Agreement, and to further secure the Liabilities and to more fully vest the security interest granted in the Loan Agreement, iParty Corp. has executed this TM Security Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, iParty Corp. and the Lender agree as follows:

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**TRADEMARK
REEL: 003467 FRAME: 0076**

1. Terms used herein which are defined in the Loan Agreement are used as so defined.

2. To secure the Liabilities, iParty Corp. hereby grants a security interest in favor of, and collaterally assign to, the Lender, for the benefit of the Lenders, with power of sale (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default as defined in the Loan Agreement and used herein as so defined), in and to the following and all proceeds thereof:

a. All of iParty Corp.'s now owned or existing or hereafter acquired or arising trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, those listed on Exhibit A annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, and service mark applications.

b. All renewals of any of the foregoing.

c. 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.

d. The right to sue for past, present and future infringements and dilutions of any of the foregoing.

e. All of iParty Corp.'s rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 2(a), together

with the items respectively described in Subsections 2(b) through and including 2(e) are hereinafter individually and/or collectively referred to as the "**Marks**".

3. Until the Liabilities (other than contingent indemnification obligations) have been satisfied, iParty Corp. shall undertake the following:

a. Pay all renewal fees and other fees and costs associated with maintaining the Marks and with the processing of the Marks, unless iParty Corp. determines in its good faith business judgment that such Marks are in no way material to the conduct of their business or operations.

b. At iParty Corp.'s sole cost, expense, and risk, pursue the prompt, diligent processing of each Application for Registration which is the subject of the security interest created herein and not abandon or delay any such efforts, unless iParty Corp. determines in its good faith business judgment that such Marks are in no way material to the conduct of their business or operations.

c. At iParty Corp.'s sole cost, expense, and risk, take any and all action which iParty Corp. deems necessary or desirable to protect the Marks, including, without limitation, the prosecution and defense of infringement actions, unless iParty Corp. determines in its good faith business judgment that such Marks are in no way material to the conduct of its business or operations.

4. In the event of:

a. iParty Corp.'s failure, within twenty (20) days of written notice from the Lender, to cure any failure by iParty Corp.s to perform any of iParty Corp.'s obligations set forth in Section 3, above, and/or

b. the occurrence and continuance of any Event of Default,

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

5. The Borrower represents and warrants that:

a. Exhibit A includes all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications owned as of the date hereof by iParty Corp.

b. No liens or security interests are in effect as of the date hereof or shall be granted after the date hereof in any Mark by iParty Corp. to any Person other than to the Lender.

6. In order to further secure the Liabilities:

a. iParty Corp. shall give the Lender immediate written notice (with reasonable detail) of the occurrence of any of the following,:

i. If iParty Corp. obtained rights to, and filed applications for registration of, any new trademarks, or service marks, or otherwise acquired ownership of any newly registered trademarks, registered service marks, trademark applications, or service mark applications (other than iParty Corp.'s right to sell products containing the trademarks of others in the ordinary course of iParty Corp.'s business) during the previous fiscal quarter, then iParty Corp. shall deliver to Lender within twenty (20) days after delivery of such notice, documentation reasonably requested by Lender, in order to perfect the Lender's first priority security interest and lien in and to the foregoing.

ii. If iParty Corp. becomes entitled to the benefit of any registered trademarks, trademark applications, trademark licenses, trademark license renewals, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor (other than iParty Corp.'s right to sell products in containing the trademarks of others in

the ordinary course of iParty Corp.'s business) during the previous fiscal quarter, and iParty Corp. shall deliver to Lender within twenty (20) Business Days after delivery of such notice, documentation reasonably requested by Lender to perfect the Lender's first priority security interest and lien in and to the foregoing.

b. The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in 6(a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.

c. iParty Corp. hereby authorizes the Lender to modify this agreement by amending Exhibit A to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided, however*, the modification of said Exhibit A shall not be a condition to the creation or perfection of the security interest created hereby.

7. Upon the occurrence and during the continuance of any Event of Default, the Lender 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 Marks, in addition to which the Lender, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Lender that an Event of Default has occurred and is continuing and that the Lender is authorized to exercise such rights and remedies.

8. iParty Corp. hereby irrevocably constitutes and designates the Lender as and for iParty Corp.'s attorney in fact, effective with and upon the Lender's first exercise (the "**First Exercise**") of such powers following the occurrence and during the continuance of any Event of Default:

a. To exercise any of the rights and powers referenced herein.

b. To execute all and singular such instruments, documents, and papers as the Lender determines 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 Marks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the Liabilities (other than contingent indemnification obligations) have been satisfied, but shall be exercisable only following the occurrence and during the continuance of an Event of Default.

9. Any use by the Lender of the Marks as authorized hereunder in connection with the exercise of the Lender's rights and remedies under this TM Security Agreement and the Loan Agreement shall be coextensive with iParty Corp.'s rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Lender to iParty Corp.. Such use by the Lender shall be permitted only with and upon the First Exercise following the occurrence and during the continuance of an Event of Default.

10. The Lender hereby acknowledges that iParty Corp. shall continue to have the exclusive right, prior to notice from the Lender following the occurrence and during the continuance of an Event of Default, to sue for past, present and future infringement of the Marks including the right to seek injunctions and/or money damages, in an effort by iParty Corp. to protect the Marks against encroachment by third parties. All costs arising in connection with any infringement shall be borne by iParty Corp..

11. Following the payment and satisfaction of all Liabilities (other than contingent indemnification obligations), and the termination of any obligation of the Lender to provide loans or financial accommodations under the credit facility contemplated by the Loan Agreement, this TM Security Agreement shall terminate and the Lender shall execute and deliver to iParty Corp. all such

instruments as iParty Corp. reasonably may request to release any encumbrance in favor of the Lender created hereby or pursuant hereto, *subject, however,* to any disposition thereof which may have been made by the Lender pursuant hereto or pursuant to the Loan Agreement.

12. iParty Corp. shall, at the request of the Lender, do any and all acts and execute any and all documents reasonably required by the Lender in connection with the protection, preservation, and enforcement of the Lender's rights hereunder.

13. iParty Corp. shall, upon demand, reimburse the Lender for all reasonable costs and expenses incurred by the Lender in the exercise of any rights hereunder (including, without limitation, reasonable fees and expenses of counsel).

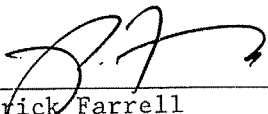
14. Neither anything contained in the within TM Security Agreement or in the Loan Agreement nor any act, omission, or circumstance may be construed as directly or indirectly conveying to the Lender any rights in and to the Marks, which rights are effective except following the occurrence and during the continuance of any Event of Default (and in such circumstances, only with and upon the First Exercise).

15. This TM Security Agreement is intended to be supplemental of the Loan Agreement. All provisions of the Loan Agreement shall apply to the Marks and the Lender shall have the same rights with respect to any and all security interests in the Marks granted the Lender to secure the Liabilities hereunder as thereunder. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Marks and the Loan Agreement with respect to all other collateral.

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IN WITNESS WHEREOF, iParty Corp. and the Lender respectively have caused this TM Security Agreement to be executed by officers duly authorized so to do on the date first above written.

iPARTY CORP.

By:  _____
Patrick Farrell
Title: President _____

WELLS FARGO RETAIL FINANCE II,
LLC

By: _____
Title: _____


IN WITNESS WHEREOF, iParty Corp. and the Lender respectively have caused this
TM Security Agreement to be executed by officers duly authorized so to do on the date first
above written.

iPARTY CORP.
II,

By: _____

Title: _____

WELLS FARGO RETAIL FINANCE
LLC

By: 

Title: Vice President

Exhibit A

Trademarks and Service Marks

iParty Corp.'s now owned or existing or hereafter acquired or arising registered service marks and Federal service mark applications, registered trademarks, and Federal trade mark applications:

A. Registered service marks

Description	Registration Number	Registration Date
iParty	2756735	August 26, 2003
iParty.com	2649801	November 12, 2002
iParty	2541025	February 19, 2002

B. Trademark Applications

<u>Mark</u>	<u>Serial No.</u>	<u>Date Filed</u>
N/A		

C. Trade Marks:
N/A