

**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
Rachel Ashwell Designs, Inc.		04/23/2007	CORPORATION: CALIFORNIA

**RECEIVING PARTY DATA**

Name:	Paradox Capital LLC
Street Address:	885 Second Avenue
Internal Address:	49th Floor, 1 Dag Hammarskjold Plaza
City:	New York
State/Country:	NEW YORK
Postal Code:	10017
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

**PROPERTY NUMBERS Total: 29**

Property Type	Number	Word Mark
Registration Number:	1753006	SHABBY CHIC
Registration Number:	1759914	SHABBY CHIC
Registration Number:	1869597	SHABBY CHIC FURNISHINGS
Registration Number:	1949879	SHABBY CHIC
Registration Number:	2037399	SHABBY CHIC
Registration Number:	2153144	SHABBY SHEETS
Registration Number:	2264912	SHABBY CHIC
Registration Number:	2297906	SHABBY CHIC
Registration Number:	2315476	SHABBY CHIC BY RACHEL ASHWELL
Registration Number:	2315707	SHABBY CHIC
Registration Number:	2330202	SHABBY CHIC BY RACHEL ASHWELL
Registration Number:	2438798	SHABBY CHIC STUDIO
Registration Number:	2438933	SHABBY CHIC

CH \$740.00 1753006

Registration Number:	2585081	SHABBY CHIC BABY
Registration Number:	2585082	SHABBY CHIC
Registration Number:	2703186	SHABBY CHIC
Registration Number:	2715390	TREASURES BY RACHEL ASHWELL
Registration Number:	2746924	RACHEL ASHWELL
Registration Number:	2757921	SHABBY CHIC
Registration Number:	2763507	RA TREASURES BY RACHEL ASHWELL
Registration Number:	2763467	TREASURES BY RACHEL ASHWELL
Registration Number:	2876676	RA
Registration Number:	2880142	SIMPLY SHABBY CHIC
Registration Number:	2898987	RA
Registration Number:	2917782	SIMPLY SHABBY CHIC
Registration Number:	2937566	RACHEL ASHWELL
Registration Number:	2967641	RACHEL ASHWELL HOME RA SHABBY CHIC EST. 1989
Registration Number:	2998803	SIMPLY SHABBY CHIC
Registration Number:	3055992	SSC

**CORRESPONDENCE DATA**

Fax Number: (704)373-8839  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: 704-373-8065  
Email: rlucas@mcguirewoods.com  
Correspondent Name: Gina M. Lucas  
Address Line 1: 100 N. Tryon St., Suite 2900  
Address Line 2: c/o McGuireWoods LLP  
Address Line 4: Charlotte, NORTH CAROLINA 28202

NAME OF SUBMITTER:	Gina M. Lucas
Signature:	gina/m/lucas
Date:	05/03/2007

**Total Attachments: 44**

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**THIS AGREEMENT IS SUBJECT TO AN INTERCREDITOR AGREEMENT DATED AUGUST 24, 2006 AMONG PARADOX CAPITAL FUNDING LLC, GMAC COMMERCIAL FINANCE LLC, RACHEL ASHWELL DESIGNS, INC., AS AMENDED FROM TIME TO TIME, AND ANY SUCCESSOR OR ASSIGNEE OF ANY PARTY HERETO SHALL BE BOUND BY SUCH INTERCREDITOR AGREEMENT AS FULLY AS IF SUCH SUCCESSOR OR ASSIGNEE WERE A PARTY THERETO.**

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is made as of April 23, 2007 (this "Security Agreement"), by **RACHEL ASHWELL DESIGNS, INC.**, a California corporation ("Grantor"), in favor of **PARADOX CAPITAL LLC**, a Delaware limited liability company ("Paradox"), pursuant to the Loan and Security Agreement referred to below.

### RECITALS

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of the date hereof by and between the Grantor and Paradox (as the same may from time to time be amended, modified, supplemented or restated from time to time, the "Loan and Security Agreement"), Paradox has agreed to provide certain financing arrangements to the Grantor in the amount and manner set forth in the Loan and Security Agreement (the "Loan Facility"); and

WHEREAS, as it is a condition to the obligation of Paradox to make the Loan Facility available to the Grantor, the Grantor executes and delivers to Paradox this Security Agreement.

### AGREEMENT

NOW, THEREFORE, in order to induce Paradox to enter into the Loan and Security Agreement and make the Loan Facility available and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Grantor hereby represents, warrants, covenants and agrees with Paradox, as follows:

1. **DEFINED TERMS.** When used in this Security Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

1.1 "Collateral" shall have the meaning assigned to such term in Section 2 of this Security Agreement.

1.2 "Copyright License" means any written agreement, in which the Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any right in or to any

Copyright or Copyright registration (whether the Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which the Grantor has obtained the exclusive right to use a copyright owned by a third party, a sublicense to use a copyright, a distribution agreement regarding copyrighted works and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by the Grantor and now or hereafter covered by such license agreements.

1.3 "Copyrights" means all of the following in which the Grantor now holds or hereafter acquires any right, title or interest: (a) all copyrights, whether registered or unregistered, held or existing pursuant to the laws of the United States, any State thereof or any other country; (b) registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; (c) any continuations, renewals or extensions of any copyright; (d) any registrations to be issued in any pending applications; (e) any prior versions of works covered by copyright and all works based upon, derived from or incorporating such works; (f) any original embodiments of a work that are necessary for the manufacture or production of a copyrighted work including, without limitation, molds, master tapes, master film reels, master CDs, master DVDs, master disks or other master magnetic or electronic media; (g) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to copyrights, including, without limitation, damages, claims and recoveries for past, present or future infringement; (h) any rights to sue for past, present and future infringements of any copyright; and (i) any other rights corresponding to any of the foregoing rights throughout the world.

1.4 "License" means any Copyright License, Patent License, Trademark License or other license of trade secrets now held or hereafter acquired by the Grantor.

1.5 "Lien" means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

1.6 "Litigation" means any suits, actions, proceedings (administrative, judicial or in arbitration, mediation or alternative dispute resolution), claims or counterclaims for infringement, misappropriation, or other violation of any of the Copyrights, Patents, Trademarks and/or Licenses.

1.7 "Patent License" means any written agreement, in which the Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any right with respect to any Patent (whether the Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which the Grantor has obtained the exclusive right to use a patent owned by a third party, a sublicense to use a patent, a distribution agreement regarding one or more patented products or processes and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by the Grantor and now or hereafter covered by such license agreements.

1.8 "Patents" means all of the following in which the Grantor now holds or hereafter acquires any right, title or interest: (a) all United States or foreign patents (including, without limitation, utility, design and plant patents), all registrations and recordings thereof and all

applications for United States or foreign patents, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (b) all reissues, divisions, continuations, renewals, continuations in part or extensions of any patent; (c) all petty patents, divisionals and patents of addition; (d) all patents to issue in any such applications; (e) all means of manufacturing patented products, including, without limitation, trade secrets, formulas, customer lists, manufacturing processes, mask works, molds and prototypes, (f) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to patents, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (g) any rights to sue for past, present and future infringements of any patent.

1.9 "Permitted Encumbrances" means (a) Liens in favor of Paradox, (b) Liens for taxes, assessments or other governmental charges not delinquent or being contested in good faith and by appropriate proceedings and with respect to which proper reserves have been taken by the Grantor and a stay of enforcement of any such Liens is in effect, (c) Liens resulting from any judgment or award that is not an Event of Default, (d) Liens arising in connection with the GMAC CF Loan Agreement, which Liens are subordinated to the Liens of Paradox in accordance with the GMAC CF Intercreditor Agreement, and (e) Liens arising in connection with the Goode Loan Agreement, which Liens are subordinated to the Liens of Paradox in accordance with the Goode Subordination Agreement; provided that, the Liens described in the foregoing clauses (a) and (d) shall have no effect on the priority of the Liens tied to the Collateral in favor of Paradox or the value of the Collateral in which Paradox has such a Lien.

1.10 "Secured Obligations" has the meaning given to the term "Obligations" in the Loan and Security Agreement.

1.11 "Trademark License" means any written agreement, in which the Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any license right in and to any Trademark (whether the Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which the Grantor has obtained the exclusive right to use a trademark owned by a third party, a sublicense to use a trademark, a distribution agreement relating to goods or services covered by one or more trademarks and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by the Grantor and now or hereafter covered by such license agreements.

1.12 "Trademarks" means any of the following in which the Grantor now holds or hereafter acquires any right, title or interest: (a) any United States or foreign trademarks, trade names, corporate names, company names, business names, trade styles, trade dress, service marks, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country (collectively, the "Marks"); (b) any reissues, extensions or renewals of any Marks, (c) the goodwill of the business symbolized by or associated with the Marks, (d) all domain names, (e) all means of manufacturing goods or

offering services covered by the Marks, including, without limitation, trade secrets, formulas, recipes, customer lists, manufacturing processes, molds, designs, plans and prototypes, (f) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the Marks, including, without limitation, payments under all licenses entered into in connection with the Marks and damages, claims, payments and recoveries for past, present or future infringement and (g) any rights to sue for past, present and future infringements of the Marks.

1.13 "UCC" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Paradox's security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

1.14 In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: "Account Debtor" and "Proceeds". Each of the foregoing defined terms shall include all of such items now owned or existing, or hereafter arising or acquired by the Grantor.

1.15 All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Loan and Security Agreement.

2. GRANT OF SECURITY INTEREST. As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce Paradox to enter into the Loan and Security Agreement, Grantor hereby grants to Paradox a security interest in all of the Grantor's right, title and interest, if any, in, to and under the following, whether now owned or existing or hereafter arising or acquired and wheresoever located (but excluding Excluded Property) (collectively, the "Collateral"):

2.1 All Copyrights, Patents and Trademarks including, without limitation, the Copyrights, Patents and Trademarks listed in Schedule A, all Licenses including, without limitation, the Licenses listed in Schedule B and any presently pending Litigation including, without limitation, the Litigation listed in Schedule C;

2.2 The accounts listed in Schedule F and all monies and other property deposited in such accounts; and

2.3 To the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing.

### 3. RIGHTS OF SECURED PARTY; COLLECTION OF ACCOUNTS.

3.1 Notwithstanding anything contained in this Security Agreement to the contrary, Grantor expressly agrees that it shall remain liable under each of its Licenses to observe and perform in all material respects all the conditions and obligations to be observed and performed by it thereunder and that it shall perform in all material respects all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such License. Paradox shall not have any obligation or liability under any License by reason of or arising out of this Security Agreement or the granting to Paradox of a Lien therein or the receipt by Paradox of any payment relating to any License pursuant hereto, nor shall Paradox be required or obligated in any manner to perform or fulfill any of the obligations of the Grantor under or pursuant to any License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any License, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times. Grantor agrees that any rights granted under this Security Agreement to Paradox with respect to all of the Collateral shall be without liability for royalties or other related charges from Paradox to the Grantor.

3.2 Paradox authorizes Grantor to collect its accounts and accounts receivable related to the sale, license, settlement, judgment or other disposition of, or otherwise arising from, any of the Collateral (collectively, the "Accounts"), provided that such collection is performed in a commercially reasonable manner, and Paradox may, upon the occurrence and during the continuation of any Event of Default and with prior written notice to the Grantor, limit or terminate said authority at any time. Upon the occurrence and during the continuation of any Event of Default, at the request of Paradox, Grantor shall deliver all original and other documents evidencing and relating to such Accounts, including, without limitation, all original orders, invoices and shipping receipts.

3.3 Paradox may at any time, upon the occurrence and during the continuation of any Event of Default, with prior written notice to the Grantor of its intention to do so, notify any Account Debtors of the Grantor or any parties to the Licenses of the Grantor that the Accounts and the right, title and interest of the Grantor in and under such Licenses have been assigned to Paradox and that payments shall be made directly to Paradox. Upon the request of Paradox at any time after the occurrence and during the continuation of an Event of Default, Grantor shall so notify such Account Debtors and parties to such Licenses. Upon the occurrence and during the continuation of any Event of Default, Paradox may, in its name or in the name of others, communicate with such Account Debtors and parties to such Licenses to verify with such parties, to Paradox's reasonable satisfaction, the existence, amount and terms of any such Accounts or Licenses.

4. REPRESENTATIONS AND WARRANTIES. Grantor hereby represents and warrants to Paradox that:

4.1 Except for Permitted Encumbrances, Permitted Licenses and the security interest granted to Paradox under this Security Agreement, Grantor is the sole legal and equitable owner of all right, title and interest in and to each item of the Collateral in which it purports to grant a



security interest hereunder, having good and marketable title thereto, free and clear of any and all Liens, and will continue to be the sole legal and equitable owner of all right, title and interest in and to each item of the Collateral, so long as the Copyrights, Patents, Trademarks and Licenses shall continue in force.

4.2 Except for those with respect to Permitted Encumbrances and Permitted Licenses, (i) no effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, and (ii) Grantor has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer or encumbrance on any of the Collateral.

4.3 This Security Agreement creates a legal and valid security interest on and in all of the Collateral in which the Grantor now has rights. Upon the filing of appropriate financing statements, the filing of a copy of this Security Agreement with the United States Copyright Office, and, with respect to IP Accounts, the execution and delivery of the IP Account Control Agreement, Paradox will have a fully perfected first priority security interest (subject to Permitted Encumbrances) in all of the Collateral in which the Grantor now has rights in the United States. This Security Agreement will create a legal and valid and fully perfected first priority security interest in the Collateral in which the Grantor later acquires rights, when the Grantor acquires those rights and Paradox makes additional filings with the United States Copyright Office, Patent and Trademark Office and/or other offices as are necessary to perfect Paradox's security interest in subsequent ownership rights and interests of the Grantor in the Collateral.

4.4 Except for those with respect to Permitted Encumbrances and Permitted Licenses, so long as any Secured Obligation remains outstanding, Grantor will not execute, and there will not be on file in any public office, any effective financing statement or other document or instrument covering the Collateral.

4.5 On the date hereof, Grantor's chief executive office, principal place of business and the place where the Grantor maintains its records concerning the Collateral are located at the address set forth on the signature page hereof on the date hereof, and the Grantor's corporate name, type of organization, jurisdiction of organization, and corporate identification number, if any, set forth on the signature page hereof on the date hereof are all true and correct.

4.6 Grantor has the full right and power to grant the security interest in the Collateral made hereby.

4.7 All information furnished to Paradox concerning the Collateral and proceeds thereof, for the purpose of inducing Paradox to enter into the Loan and Security Agreement and the transaction contemplated thereby, is or will be at the time the information is furnished, accurate and correct in all material respects.

4.8 To the best of Grantor's knowledge and belief following diligent inquiry, no infringement, breach or unauthorized use presently is being made of any of the Collateral which has or may reasonably be expected to have, alone or in the aggregate, an adverse effect on the

value or enforceability of, or any rights of the Grantor or Paradox in, any material Collateral. Grantor has advised Paradox of the existence of all material contractual restrictions on the use of the Collateral.

4.9 To the best of Grantor's knowledge and belief following diligent inquiry, (i) there are no obligations to, covenants to or restrictions from third parties affecting the Grantor's use, disclosure, enforcement, transfer or licensing of the Collateral (other than Permitted Licenses, (A) this Security Agreement, (B) the Loan and Security Agreement, (C) the other Loan Documents, (D) the GMAC CF Loan Agreement, (E) the "Loan Documents" (as such term is defined in the GMAC CF Loan Agreement), (F) the Note Purchase Agreement and (G) the "Operative Documents" (as such term is defined in the Note Purchase Agreement)); (ii) all Copyrights, Patents, Trademarks and Licenses are valid and enforceable; (iii) Grantor has the right to use all Collateral that is necessary for the operation of the Grantor's business as presently conducted and as proposed by the Grantor to be conducted; (iv) the Grantor has taken all actions necessary to maintain and protect all Collateral and no loss of such Collateral is pending, reasonably foreseeable or threatened; (v) there has been no claim made or threatened by or against the Grantor asserting the invalidity, misuse or unenforceability of any item of Collateral or challenging the Grantor's right to use or ownership of any item of Collateral, and there are no grounds for any such claim or challenge; (vi) except for infringements which will not have an adverse effect upon the value of the Collateral or Lender's rights with respect thereto, there is not and has not been any actual or threatened infringement, misappropriation, breach or other violation of any Collateral, and there are no facts raising a likelihood of infringement, misappropriation, breach or other violation; (vii) except for Permitted Encumbrances and Permitted Licenses, the consummation of the transactions contemplated by (A) this Security Agreement, (B) the Loan and Security Agreement, (C) the other Loan Documents, (D) the GMAC CF Loan Agreement, (E) the "Loan Documents" (as such term is defined in the GMAC CF Loan Agreement), and (F) the Acquisition Documents will not alter, impair or extinguish any rights of the Grantor in the Collateral; (viii) Grantor has not infringed, misappropriated or otherwise violated, and Grantor does not infringe, misappropriate, or otherwise violate, any intellectual property or proprietary right of any other person or entity; and (ix) there has been no claim made or, to Grantor's knowledge, threatened against the Grantor alleging infringement, misappropriation or other violation of intellectual property.

5. COVENANTS. Grantor covenants and agrees with Paradox that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

5.1 **Disposition of Collateral.** Except for Permitted Licenses, no Grantor shall sell, lease, assign, transfer or otherwise dispose of any of the Collateral, or contract to do so. Except for Permitted Licenses, no Grantor shall, without Paradox's prior written consent, enter into any agreement or amend, alter or modify any existing agreement, including, without limitation, any license, related to any or all of the Collateral. Grantor also agrees to maintain the quality of any and all merchandise and/or services in connection with which the Trademarks are used, substantially consistent with or better than the quality of said merchandise and/or services as of the date hereof.

5.2 **Relocation of Business or Collateral.** No Grantor shall relocate its chief executive

office, principal place of business or its records from such address(es) provided to Paradox pursuant to Section 4.5 above without prior written notice to Paradox.

**5.3 Limitation on Liens on Collateral.** No Grantor shall, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral (other than Permitted Encumbrances and Permitted Licenses).

**5.4 Maintenance of Records.** Grantor shall keep and maintain at its own cost and expense records of the Collateral that are complete in all material respects.

**5.5 Registration and Maintenance of Intellectual Property Rights.** Except as would not have an adverse effect on the value or enforceability of, or any rights of the Grantor or Paradox in, any material Collateral, Grantor shall (i) use commercially reasonable efforts to prosecute any Patent, Trademark or Copyright pending as of the date hereof or thereafter, (ii) promptly make applications for, register or cause to be registered (to the extent not already registered and consistent with good faith business judgment) any Copyright, Copyright License, any Patent, Patent License, any Trademark or Trademark License, which is (a) set forth in Schedule A or Schedule B or (b) is individually or in the aggregate, material to the conduct of the Grantor's business, with the United States Copyright Office or Patent and Trademark Office, as applicable, including, without limitation, in all such cases the filing and payment of maintenance, registration and/or renewal fees, the filing of applications for renewal, affidavits of use, affidavits of noncontestability, the filing and diligent prosecution of opposition, interference and cancellation proceedings, and promptly responding to all United States Copyright Office or Patent and Trademark Office requests and inquiries. Except as would not have an adverse effect on the value or enforceability of, or any rights of the Grantor or Paradox in, any material Collateral, Grantor also agrees to preserve and maintain all rights in the Collateral. Any expenses incurred in connection with prosecution, registration and maintenance shall be borne by the Grantor. Grantor further agrees to retain experienced patent, trademark and copyright attorneys for the filing and prosecution of all such applications and other proceedings when and if applicable. Except as would not have an adverse effect on the value or enforceability of, or any rights of the Grantor or Paradox in, any material Collateral, no Grantor shall, without Paradox's prior written consent, abandon any rights in or fail to pay any maintenance or renewal fee for any Patent, Trademark or Copyright listed in Schedule A or breach, terminate, fail to renew or extend, or fail to perform any duties or obligations for any License listed in Schedule B. Grantor further agrees that it will not take any action, or permit any action to be taken by any Person to the extent that such Person is subject to its control, including licensees, or fail to take any action, which would affect the validity, priority, perfection or enforcement of the rights granted to Paradox under this Security Agreement, and any such action if it shall take place shall be null and void and of no effect whatsoever. If the Grantor fails to comply with any of the foregoing provisions of this Section 5.5, Paradox shall have the right (but shall not be obligated) to do so on behalf of the Grantor to the extent permitted by law, but at Grantor's expense, and Grantor hereby agrees, jointly and severally, to reimburse Paradox in full for all expenses, including the fees and disbursements of counsel incurred by Paradox in procuring, protecting, defending and maintaining the Collateral. In the event that the Grantor shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to comply with any other duty under this

Security Agreement, Paradox may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of the Grantor, and all monies so paid out shall be Secured Obligations of Grantor repayable on demand, together with interest at the rate applicable to the Loan Facility.

**5.6 Notification Regarding Changes in Intellectual Property.** Grantor shall promptly advise Paradox of any right, title or interest of the Grantor obtained after the date hereof in or to any material Copyright, Patent, Trademark or License not specified on Schedule A hereto, the provisions of Section 2 above shall automatically apply thereto, and Grantor hereby authorizes and appoints Paradox as the Grantor's attorney-in-fact solely to the extent necessary to modify or amend such Schedule, as necessary, to reflect any addition or deletion to such ownership rights, and pursuant to Schedule D, to make any additional filings. Grantor hereby authorizes Paradox to modify this Security Agreement by amending Schedules A and B to include any future Copyrights, Patents, Trademarks or Licenses that are Collateral under Section 2 above. Paradox will make good faith efforts to provide copies of such amended Schedules A and B to Grantor, provided that, Paradox's failure to provide such copies shall not constitute a breach of this Agreement nor render such amendments ineffective. In addition to any requirements in this Security Agreement for notification, Grantor shall also provide Paradox with quarterly reports that identify the status of the Collateral, any new Copyrights, Patents, Trademarks and/or Licenses, any newly filed applications, the status of any pending applications, the payment of any maintenance or renewal fees, the status of Litigation and licensing, any threats of Litigation, the identification of any known or suspected infringers and the discovery of any prior art or any other information that may affect the validity or enforceability of the Collateral.

**5.7 Defense of Intellectual Property.** Grantor shall (i) protect, defend and maintain the validity and enforceability of all material current and future Copyrights, Patents and Trademarks, (ii) use its commercially reasonable efforts to detect material infringements of such Copyrights, Patents and Trademarks and promptly advise Paradox in writing of material infringements detected and (iii) not allow any material Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public. Grantor shall not commence, or cause to be commenced, any action, proceeding, lawsuit, mediation or arbitration relating to the Collateral without the prior written consent of Paradox, such consent not to be unreasonably withheld or delayed, nor shall the Grantor engage in any activity or conduct that could give rise to declaratory judgment jurisdiction. At Grantor's sole expense, Paradox shall have the right (but shall not be obligated) to select counsel and/or participate in any action, proceeding, lawsuit, mediation or arbitration that could adversely affect the rights in, validity or enforceability of the Collateral. In addition, any proposed settlement or compromise of any action, proceeding, lawsuit, mediation or arbitration that could be reasonably expected to affect value, validity or enforceability of, or any rights of the Grantor or Paradox in, the Collateral must be approved, in writing, by Paradox.

**5.8 Further Assurances; Pledge of Instruments.** At any time and from time to time, upon the written reasonable request of Paradox, and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents (including, without limitation, control agreements) and take such further action as Paradox may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, facilitating the filing of UCC-1 Financing Statements in all applicable jurisdictions and this Security Agreement (and any amendment hereto) or any other

document that Paradox may reasonably deem necessary, including, without limitation, any filing described in Schedule D or any other collateral assignment, (and any amendments thereto) with the United States Copyright Office, Patent and Trademark Office and/or the state or foreign equivalents of these offices, as applicable.

**5.9 Right of Inspection and Audit.** Upon reasonable notice to Grantor (unless an Event of Default has occurred and is continuing, in which case no notice is necessary), Paradox shall at all times have full and free access during normal business hours (or during an Event of Default at any time) to all the books, records, correspondence, office, facilities and operations of the Grantor relating to the Collateral, including, without limitation, Grantor's quality control processes, and Paradox or any agents or representatives of Paradox may examine the same, take extracts therefrom and make photocopies thereof, and Grantor agrees to render to Paradox, at Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto, provided, however, that (unless an Event of Default has occurred and is continuing) (a) Grantor shall have the right to be present during Paradox's examination and (b) such examination shall not unreasonably interfere with the conduct of Grantor's business. Notwithstanding the foregoing, not more than two (2) such inspections each calendar year shall be at Grantor's expense, unless an Event of Default shall have occurred and be continuing, in which event all such inspections conducted while an Event of Default is continuing shall be at Grantor's expense.

**5.10 Continuous Perfection.** No Grantor shall change its name, identity, corporate structure, jurisdiction of organization or corporation identification number in any manner which might make any financing or continuation statement filed in connection herewith seriously misleading within the meaning of Section 9-506 of the UCC (or any other then applicable provision of the UCC) unless the Grantor gives Paradox thirty (30) days prior written notice thereof and takes all action necessary or reasonably requested by Paradox to amend such financing statement or continuation statement so that it is not seriously misleading.

**5.11 Power of Attorney.** Effective only upon the occurrence and during the continuation of an Event of Default, Grantor hereby irrevocably appoints Paradox (and any of Paradox's designated officers or employees) as the Grantor's true and lawful attorney to in accordance with the terms hereof: (a) send requests for verification of Accounts and Licenses or notify account debtors or licensees of Paradox's security interest in the Accounts and Licenses; (b) endorse the Grantor's name on any checks or other forms of payment or security that may come into Paradox's possession in connection with the Collateral; (c) sign the Grantor's name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts and Licenses, verifications of Accounts and Licenses, and notices to account debtors and licensees, (d) make, settle and adjust all claims under and decisions with respect to the Grantor's policies of insurance relating to the Collateral; (e) settle and adjust disputes and claims respecting the Accounts and Licenses directly with account debtors and licensees, for amounts and upon terms which Paradox determines to be reasonable; (f) modify, in its sole discretion, any intellectual property security agreement entered into between the Grantor and Paradox without first obtaining the Grantor's approval of or signature to such modification by amending reference to any right, title or interest in any Copyright, Patent, Trademark or License, acquired by the Grantor after the execution hereof or to delete any reference to any

right, title or interest in any Copyright, Patent, Trademark or License, in which the Grantor no longer has or claims any right, title or interest; (g) endorse the Grantor's name on all applications, documents, papers and instruments necessary or desirable for Paradox in the use of the Collateral, (h) take any other actions with respect to the Collateral as Paradox deems in the best interest of Paradox (consistent with any enforceable restrictions in Licenses to the Grantor); (i) grant or issue any exclusive or non-exclusive license under the Collateral to anyone (consistent with any enforceable restrictions in Licenses to the Grantor) or (j) assign, pledge, convey or transfer title in or dispose of the Collateral to anyone, including Paradox or a third party to the extent permitted under the UCC, free and clear of any encumbrance upon title thereof (other than any encumbrance created by this Security Agreement, the GMAC Intellectual Property Security Agreement or the Acquisition Documents and consistent with any enforceable restrictions in Licenses to the Grantor). Grantor hereby irrevocably appoints Paradox (and any of Paradox's designated officers or employees) as the Grantor's true and lawful attorney to and in accordance with the terms hereof: (x) file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of the Grantor where permitted by law; and (y) with respect to the Trademarks, file a copy of this Security Agreement with the U.S. Patent and Trademark Office. The appointment of Paradox as Grantor's attorney in fact, and each and every one of Paradox's rights and powers, being coupled with an interest, is irrevocable until all of the Secured Obligations have been fully repaid and performed and Paradox's obligation to provide financial accommodations under the Loan Documents is terminated. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue of this Security Agreement.

## 6. RIGHTS AND REMEDIES UPON DEFAULT.

6.1 If any Event of Default shall occur and be continuing, Paradox may exercise in addition to all other rights and remedies granted to it under this Security Agreement and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Grantor expressly agrees that in any such event, and during the existence and continuation of an Event of Default, Paradox, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith maintain collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, license, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof (consistent with any enforceable restrictions in Licenses to the Grantor), in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of Paradox's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Paradox shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption Grantor hereby releases. During the period of any Event of Default, all use of the Trademarks by the Grantor shall inure to the benefit of Paradox. Paradox shall apply the net proceeds of any such collection,

recovery, receipt, appropriation, realization or sale as provided in Section 6.4 hereof, Grantor remaining liable for any deficiency remaining unpaid after such application, and to the extent required by the UCC, only after so paying over such net proceeds and after the payment by Paradox of any other amount required by any provision of law, need Paradox account for the surplus, if any, to the Grantor. To the maximum extent permitted by applicable law, Grantor waives all claims, damages, and demands against Paradox arising out of the repossession, retention or sale of the Collateral except such as has been finally determined by a court of final jurisdiction to have been caused by the gross negligence or willful misconduct of Paradox. Grantor agrees that Paradox need not give more than ten (10) days' notice (which notification shall be deemed given when mailed or delivered on an overnight basis, postage prepaid, addressed to Grantor at its address set forth on the signature page hereof) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Paradox is entitled, the Grantor also being liable for the reasonable fees of any attorneys employed by Paradox to collect such deficiency.

6.2 Grantor also agrees to pay all fees, costs and expenses of Paradox, including, without limitation, reasonable attorneys' fees, reasonably incurred in connection with the enforcement of any of its rights and remedies hereunder.

6.3 Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

6.4 The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by Paradox in the following order of priorities:

FIRST, to Paradox in an amount sufficient to pay in full the reasonable costs of Paradox in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances reasonably incurred or made by Paradox in connection therewith, including, without limitation, reasonable attorneys' fees;

SECOND, to Paradox in an amount equal to the then unpaid Secured Obligations; and

FINALLY, upon payment in full of the Secured Obligations, to the Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

7. PARADOX'S RIGHT TO SUE. From and after the occurrence and during continuation of an Event of Default, Paradox shall have a right, but shall in no way be obligated, to bring suit for past, present and future damages in its own name and for its own benefit to enforce the Copyrights, Patents, Trademarks and Licenses, and if Paradox commence any such suit, Grantor shall, at the request of Paradox, use commercially reasonable efforts to do any and all lawful acts and execute any and all proper documents required by Paradox in aid of such enforcement.

8. RESERVED.

9. **LIMITATION ON PARADOX'S DUTY IN RESPECT OF COLLATERAL.** Paradox shall deal with the Collateral in the same manner as it deals with similar property for its own account. Paradox shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it takes such action as the Grantor requests in writing, but failure of Paradox to comply with any such request shall not in itself be deemed a failure to act reasonably and no failure of Paradox to do any act not so requested shall be deemed a failure to act reasonably.

10. **RESERVED.**

11. **MISCELLANEOUS.**

11.1 **No Waiver; Cumulative Remedies.**

11.1.1 Paradox shall not by any act, delay, omission or otherwise be deemed to have waived any of its respective rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy.

11.1.2 The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently and are not exclusive of any rights and remedies provided by law. Grantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Paradox but rather is intended to facilitate the exercise of such rights and remedies. Paradox shall have, in addition to all other rights and remedies given it by the terms of the Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the UCC. Recourse to security will not be required at any time.

11.1.3 None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Grantor and Paradox.

11.2 **Releases.**

11.2.1 This Security Agreement is made for collateral purposes only. Subject to Section 11.2.2 below, at such time as the Secured Obligations (other than Inactive Contingent Obligations) shall have been paid and performed in full and the Grantor has no further obligations under or with respect to the Loan and Security Agreement or the other Paradox Term Documents (other than Inactive Contingent Obligations), the Collateral shall be automatically released from the Liens created hereby, and this Security Agreement and all obligations of Paradox and the Grantor hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to Grantor. At the request and sole expense of the Grantor following any such termination, Paradox shall deliver to Grantor all termination statements, releases or other instruments as may be necessary or proper to revest in the Grantor (without recourse to or warranty by Paradox, except



for encumbrances created by Paradox, provided that no such recourse or warranty shall apply to any Collateral sold or otherwise disposed of by Paradox pursuant to this Security Agreement) full title to the Collateral granted in this Security Agreement, subject to any acceptance or disposition of Collateral which may have been made by Paradox pursuant to this Security Agreement.

11.2.2 This Security Agreement and the security interests granted herein shall remain in full force and effect and continue to be effective if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, avoided, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, 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 avoided, rescinded, reduced, restored or returned, the Secured Obligations and the security interests granted herein shall be reinstated and the Secured Obligations shall be deemed reduced only by such amount paid and not so avoided, rescinded, reduced, restored or returned. The provisions of this Section 11.2.2 shall survive repayment of all of the Secured Obligations, and the termination of this Security Agreement in any manner.

11.3 **Successor and Assigns.** This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and permitted assigns of the Grantor, and shall, together with the rights and remedies of Paradox hereunder, inure to the benefit of Paradox, any future holder of any of the Secured Obligations and their respective successors and assigns. Paradox may, without cost or expense to the Grantor, assign all or any part of, or any interest (undivided or divided) in, Paradox's rights and benefits under this Security Agreement including, without limitation, the right, title or interest in and to the Collateral. To the extent of any assignment by Paradox, the assignee shall have the same rights and benefits against Grantor hereunder as it would have had if such assignee were Paradox. Grantor may not assign this Security Agreement without the prior written consent of Paradox, which consent may be granted or withheld at the sole discretion of Paradox. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the Lien granted to Paradox hereunder.

11.4 **Notices.** All notifications and other communications permitted or required under this Agreement shall be in writing and shall be delivered to the Persons and in the manner specified in the Loan and Security Agreement.

11.5 **Counterparts.** This Security Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

11.6 **Severability.** If any provision of this Security Agreement is held to be unenforceable under applicable law for any reason, it shall be adjusted, if possible, rather than voided in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Security Agreement shall be deemed valid and enforceable to the fullest extent possible under applicable law.

**11.7 Governing Law.** IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS SECURITY AGREEMENT AND THE SECURED OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE EXCEPT TO THE EXTENT THAT PERFECTION OR THE EFFECT OF PERFECTION OF ANY SECURITY INTEREST IN THE COLLATERAL MAY BE GOVERNED BY THE LAWS OF ANY OTHER JURISDICTION.

**11.8 Consent to Jurisdiction and Service of Process; Waiver of Jury Trial.** ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EACH PARTY HERETO WITH RESPECT TO THIS SECURITY AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE CITY OF NEW YORK, NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT, EACH PARTY HERETO ACCEPTS, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY FINAL JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS SECURITY AGREEMENT FROM WHICH NO APPEAL HAS BEEN TAKEN OR IS AVAILABLE. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ITS NOTICE ADDRESS, SUCH SERVICE TO BECOME EFFECTIVE TEN (10) DAYS AFTER SUCH MAILING. EACH OF PARTIES HERETO IRREVOCABLY WAIVES (I) TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT AND (II) ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT IN ANY JURISDICTION SET FORTH ABOVE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE SECURED PARTY TO BRING PROCEEDINGS AGAINST THE GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

**11.9 Advice of Counsel.** Grantor represents to Paradox that the Grantor's attorneys have reviewed this Security Agreement and that it has discussed this Security Agreement with its attorneys.

**11.10 Section and Heading Titles.** The section and heading titles are for convenience and reference only and shall not affect in any way the interpretation of any of the provisions of this Security Agreement.

**11.11 No Inconsistent Requirements.** This Security Agreement, the Loan and Security Agreement and the other Loan Documents may use or require several different limitations, requirements, covenants, representations, warranties, tests or measurements ("Limitations") to

regulate the same or similar matters. All such Limitations, are cumulative and shall each be performed, observed or complied with in accordance with their terms.

*(Remainder of page intentionally left blank)*

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

RACHEL ASHWELL, INC.

By: 

Printed Name: Rachel Ashwell

Title: Chairwoman of the Board  
and Secretary

ADDRESS OF GRANTOR:

Chief Executive Office

6330 Arizona Circle

Los Angeles, California 90045-1202

Principal Accounting Office

6330 Arizona Circle

Los Angeles, California 90045-1202

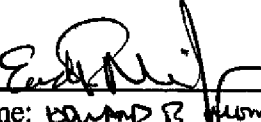
TYPE OF ORGANIZATION: Corporation

JURISDICTION OF ORGANIZATION: California

CORPORATE ID NUMBER: 1765100

**ACCEPTED AND ACKNOWLEDGED BY:**

**PARADOX CAPITAL LLC,**

By:   
Name: EDWARD P. BLOUNT  
Title: VICE PRESIDENT

**ADDRESS:**

[ ]

Attention: [ ]

**Schedule A To Security Agreement**

**INTELLECTUAL PROPERTY**

**Copyrights**

**Owner:**

**Trademarks**

**I. United States Trademarks**

**Owner:**

## **II. Foreign Trademarks**

**Owner: Rachel Ashwell Designs, Inc.**

**Patents**

**I. United States**

**Owner: Rachel Ashwell Designs, Inc.**

**II. Foreign**

**Owner: Rachel Ashwell Designs, Inc.**



**Schedule B To Security Agreement**

**LICENSES**

1. License Agreement dated December 18, 2002, by and between the Borrower and Mervyn's, as amended by that certain License Agreement Amendment dated September 15, 2004, by and between the Borrower and Mervyn's.
2. Amended and Restated Product Development and License Agreement dated February 1, 2006, by and between the Borrower and Target Brands, Inc

**Schedule C To Security Agreement**

**PENDING LITIGATION**

Two UK registrations (Serial Numbers 001483606 and 002195943) for the mark SHABBY CHIC appear to be owned by an unaffiliated third-party. During the course of investigating this, Rex International agreed to cease using SHABBY CHIC in a letter dated June 15, 2006.

The Borrower continues to investigate potential infringement of the mark SHABBY CHIC by third-parties on eBay.

## Schedule D To Security Agreement

### UCC Filing Jurisdictions

- California (Rachel Ashwell Designs, Inc.)

### Other Filings

#### 1. U.S. Copyright Office

A. Grantor has executed in blank and delivered to Paradox an assignment of Copyright Licenses and Copyrights set forth in Schedules A and B hereto. The assignment is in the form of Schedule E hereto. Grantor hereby authorizes Paradox to complete and record with the U.S. Copyright Office each assignment in connection with Paradox's exercise of remedies upon the occurrence of an Event of Default that is continuing at the time of filing.

B. Grantor hereby authorizes Paradox to file a copy of this Security Agreement with the U.S. Copyright Office for each Copyright License and Copyright set forth in Schedules A and B hereto.

#### 2. U.S. Patent and Trademark Office

A. **Patents.** Grantor has executed conditional assignments (in the form of Schedule E hereto) for each Patent License and Patent set forth in Schedule A and B hereto. Grantor hereby authorizes Paradox to file the conditional assignments with the U.S. Patent and Trademark Office (or the appropriate foreign patent office).

#### B. Trademarks

1. Grantor has executed in blank and delivered to Paradox an assignment of Trademark Licenses and Trademarks set forth in Schedules A and B hereto. The assignment is in the form of Schedule E hereto. Grantor hereby authorizes Paradox to complete and record with the U.S. Patent and Trademark (or the appropriate foreign or state office) each assignment in connection with Paradox's exercise of remedies upon the occurrence of an Event of Default that is continuing at the time of filing.

2. Grantor hereby authorizes Paradox to file a copy of this Security Agreement with the U.S. Patent and Trademark Office for each Trademark License and Trademark now or hereafter set forth in Schedules A and B hereto.

### **3. Foreign Filings**

Grantor shall promptly and duly execute, deliver and/or file any and all documents and instruments with any foreign recording office with respect to the Collateral and take such further action as Paradox may reasonably deem necessary or desirable to perfect its security interest in the Collateral in any foreign jurisdiction, including, without limitation, any foreign patent, trademark and/or copyright office.

## Copyright Summary

The following Copyright Summary indicates the author of select Copyrights as Shabby Chic, Inc. Effective at the consummation of the Shabby Chic merger into the Company, the Copyrights were assigned to the Company.

Trade Dress	Number of Copyrights	Effective Date of Registration	Registration Number	Author
Bella Rose White Mint	fabric design	11/17/2003	1-239-931	Rachel Ashwell Shabby Chic
Blush Beauty Bouquet	fabric design	3/23/2005	1-304-307	Rachel Ashwell Designs, Inc.
Cabana Stripe Floral Bouquet	Fabric design	3/23/2005	1-304-308	Rachel Ashwell Designs, Inc.
Blush Beauty Trellis	fabric design	3/23/2005	1-304-303	Rachel Ashwell Designs, Inc.
Blush Beauty Viney	fabric design	3/23/2005	1-304-306	Rachel Ashwell Designs, Inc.
Bubblicious White Pink	fabric design	10/21/2004	1-287-439	Shabby Chic, Inc.
Bud Cream Pink	fabric design	3/19/2002	1-133-860	Shabby Chic, Inc.
Buds 'n' Bloom	fabric design	3/23/2005	1-304-304	Rachel Ashwell Designs, Inc.
British Rose	fabric design	3/23/2005	1-304-305	Rachel Ashwell Designs, Inc.
Chelsea Taupe	fabric design	10/21/2004	1-287-441	Shabby Chic, Inc.
Cluster Cream Pink	fabric design	3/19/2002	1-133-861	Shabby Chic, Inc.
Damask White Pink	fabric design	3/19/2002	1-140-233	Shabby Chic, Inc.
Dotty Rose Cream Pink	fabric design	3/19/2002	1-138-378	Shabby Chic, Inc.

Trade Name	Design	Effective Date of Registration	Serial Number	Owner
Ribbons & Roses White Pink	fabric design	10/21/2004	1-287-438	Shabby Chic, Inc.
Rose Blossom White Pink	fabric design	3/19/2002	1-140-232	Shabby Chic, Inc.
Serenity White Willow	fabric design	3/19/2002	1-140-266	Shabby Chic, Inc.
Sprinkles White Pink	fabric design	10/21/2004	1-287-440	Shabby Chic, Inc.
Sugarplum White Blue	fabric design	10/21/2004	1-287-442	Shabby Chic, Inc.
Wedding Circles	fabric design	3/23/2005	1-304-309	Rachel Ashwell Designs, Inc.
Wildflower Bouquet White Pink	fabric design	3/19/2002	1-138-822	Shabby Chic, Inc.
Princess White Pink	fabric design	10/21/2004	1-300-834	Shabby Chic, Inc.
Cowboy White Yellow	fabric design	10/21/2004	1-300-832	Shabby Chic, Inc.
Primrose White Pink	fabric design	10/21/2004	1-300-835	Shabby Chic, Inc.
Bubblicious White Blue	fabric design	10/21/2004	1-300-831	Shabby Chic, Inc.
Rose Hem	fabric design	3/28/2005	1-302-590	Rachel Ashwell Designs, Inc.
Bella Rose White Blush	fabric design	11/17/2003	1-239-926	Rachel Ashwell Shabby Chic
Castle Trellis Stripe	fabric design	3/18/2005	660-547	Rachel Ashwell Designs, Inc.
Champagne & Cream Floral Stripe	fabric design	3/23/2005	1-316-543	Rachel Ashwell Designs, Inc.

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Trade Name	Name of Mark	Date of First Use	Reg. No.	Owner
Dolce Floral	fabric design	3/23/2005	1-316-542	Rachel Ashwell Designs, Inc.
Floral Trellis Ivory Pink	fabric design	11/17/2003	1-239-927	Rachel Ashwell Shabby Chic
French Lace	fabric design	3/23/2005	1-316-545	Rachel Ashwell Designs, Inc.
Jolie	fabric design	3/23/2005	1-316-547	Rachel Ashwell Designs, Inc.
Jubilee Braided Bone Pink	fabric design	11/17/2003	1-239-924	Rachel Ashwell Shabby Chic
Jubilee Ivory Pink	fabric design	11/17/2003	1-239-923	Rachel Ashwell Shabby Chic
Lavender Paisley	fabric design	3/23/2005	1-316-546	Rachel Ashwell Designs, Inc.
Petite Bouquet White Pink	fabric design	3/19/2002	1-140-267	Shabby Chic, Inc.
Rambling Rose Bone Pink	fabric design	11/26/2003	1-238-440	Rachel Ashwell Shabby Chic
Rambling Rose Butter Pink	fabric design	11/17/2003	1-239-930	Rachel Ashwell Shabby Chic
Ribbons & Roses	fabric design	3/23/2005	1-316-544	Rachel Ashwell Designs, Inc.
Rosalie	fabric design	3/18/2005	1-307-461	Rachel Ashwell Designs, Inc.
Roseblossom Ivory Pink	fabric design	8/11/2003	1-238-454	Shabby Chic, Inc.
Toile Bone Pistachio	fabric design	11/17/2003	1-239-929	Rachel Ashwell Shabby Chic

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TRADEMARK  
REEL: 003534 FRAME: 0555

Design Name	Design Type	Design Date	Design No.	Design Owner
Toile Bone Sorbet	fabric design	11/17/2003	1-239-925	Rachel Ashwell Shabby Chic
Treasure Chest White Blue	fabric design	10/21/2004	1-300-833	Shabby Chic, Inc.
Wildflower Bouquet Ivory Pink	fabric design	11/17/2003	1-239-928	Rachel Ashwell Shabby Chic
Wildflower Ivory Pink	fabric design	8/11/2003	1-238-423	Shabby Chic, Inc.
Cabana Stripe Floral Bouquet	fabric design	pending [published 9/1/05]	pending	Rachel Ashwell Designs, Inc.
Floral Castle	fabric design	pending [published 9/1/05]	pending	Rachel Ashwell Designs, Inc.
Forget Me Not	fabric design	pending [published 9/1/05]	pending	Rachel Ashwell Designs, Inc.
Windsor Floral	fabric design	pending [published 9/1/05]	pending	Rachel Ashwell Designs, Inc.
Cowboy White Yellow	fabric design	pending [published 9/1/05]	pending	Shabby Chic, Inc.
Chelsea Pink	fabric design	pending [published 8/1/03]	pending	Shabby Chic, Inc [claimant]
Bella Rose White Pink	fabric design	pending [published 8/1/03]	pending	Shabby Chic, Inc [claimant]
Bella Rose White Blue	Fabric design	Pending [published 8/1/03]	Pending	Shabby Chic, Inc. [claimant]
Sprinkles White Blue	fabric design	pending [published 8/1/04]	pending	Shabby Chic, Inc [claimant]
Sprinkles Ivory Pink	fabric design	pending [published 8/1/04]	pending	Shabby Chic, Inc [claimant]

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## Summary of Trademarks and Trade Names

The following Trademark Summary indicates the owner of the Trademarks as Shabby Chic, Inc. Effective at the closing of the Shabby Chic Merger, the Trademarks were assigned to the Company.

Trademark	Class	Date Registered or Filed	Approximate Registrations	Country	Applicant/Registrant
SHABBY CHIC	42	2/16/1993	1,753,006	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	20, 24	3/23/1993	1,759,914	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC FURNISHINGS & DESIGN	20, 24, 42	12/27/1994	1,869,597	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	25	1/23/1996	1,949,879	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	3	2/11/1997	2,037,399	US	Rachel Ashwell Designs, Inc.
SHABBY SHEETS	24	4/21/1998	2,153,144	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	18	7/27/1999	2,264,912	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	11	12/7/1999	2,297,906	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC BY RACHEL ASHWELL	20, 24, 35	2/8/2000	2,315,476	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	16	2/8/2000	2,315,707	US	Rachel Ashwell Designs, Inc.

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MARK	CLASS	DATE REGISTERED OR FILED	APPROXIMATE REGISTERED NO.	COUNTRY	REGISTERED RESPONDENT
SHABBY CHIC BY RACHEL ASHWELL	25	3/14/2000	2,330,202	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC STUDIO	20, 24, 25, 35	3/27/2001	2,438,798	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	27	3/27/2001	2,438,933	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC BABY	24, 25	6/25/2002	2,585,081	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	25	6/25/2002	2,585,082	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	25	4/1/2003	2,703,186	US	Rachel Ashwell Designs, Inc.
TREASURES BY RACHEL ASHWELL	21	5/13/2003	2,715,390	US	Rachel Ashwell Designs, Inc.
RACHEL ASHWELL	41	8/5/2003	2,746,924	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	24	9/2/2003	2,757,921	US	Rachel Ashwell Designs, Inc.
TREASURES BY RACHEL ASHWELL/RA LOGO	21, 24	9/16/2003	2,763,507	US	Rachel Ashwell Designs, Inc.
TREASURES BY RACHEL ASHWELL	24	9/16/2003	2,763,467	US	Rachel Ashwell Designs, Inc.
RA	20, 24	8/24/2004	2,876,676	US	Rachel Ashwell Designs, Inc.

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Trademark	Classes	Registration Date	Approximate Registrations	Country	Applicant
SIMPLY SHABBY CHIC	16, 20, 24, 27	8/31/2004	2,880,142	US	Rachel Ashwell Designs, Inc.
FEATHERED CROWN LOGO	24, 20	11/2/2004	2,898,987	US	Rachel Ashwell Designs, Inc.
SIMPLY SHABBY CHIC & DESIGN	11, 20, 21	1/11/2005	2,917,782	US	Rachel Ashwell Designs, Inc.
RACHEL ASHWELL	3, 11, 16, 18, 20, 21, 24, 25, 27, 35	4/5/2005	2,937,566	US	Rachel Ashwell Designs, Inc.
RACHEL ASHWELL HOME, RA, SHABBY CHIC LOGO	3, 11, 16, 18, 20, 21, 24, 25, 27	7/12/2005	2,967,641	US	Rachel Ashwell Designs, Inc.
SIMPLY SHABBY CHIC	11, 16, 18, 20, 21, 24, 25, 27	3/15/2004	2,998,803	US	Rachel Ashwell Designs, Inc.
SSC	11, 16, 18, 20, 21, 24, 25, 27	3/15/2004	3,055,992	US	Rachel Ashwell Designs, Inc.
SHABBY CHIC	20	6/19/1992	Reg. No. 580,825	Australia	Rachel Ashwell Designs, Inc.
SHABBY CHIC	24	4/7/1995	Reg. No. 658,086	Australia	Rachel Ashwell Designs, Inc.
SHABBY CHIC	No classes in Canada	5/13/1994	Reg. No. 427,233	Canada	Rachel Ashwell Designs, Inc.
SHABBY CHIC	No classes in Canada	8/12/2004	Reg. No. 616,664	Canada	Rachel Ashwell Designs, Inc.
RACHEL ASHWELL	No classes in Canada	8/7/2002	App. No. 1149080	Canada	Rachel Ashwell Designs, Inc.

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Mark	Class	Date of Registration	Application No.	Country	Applicant
RACHEL ASHWELL, R.A., SHABBY CHIC/FEATHERED CROWN LOGO	No classes in Canada	7/18/2003	App. No. 1183556	Canada	Rachel Ashwell Designs, Inc.
SIMPLY SHABBY CHIC LOGO	No classes in Canada	10/12/2004	App. No. 1233439	Canada	Rachel Ashwell Designs, Inc.
SIMPLY SHABBY CHIC	No classes in Canada	10/12/2004	Reg. No. 660213	Canada	Rachel Ashwell Designs, Inc.
SSC	No classes in Canada	10/12/2004	App. No. 1233438	Canada	Rachel Ashwell Designs, Inc.
SHABBY CHIC	20	12/25/2001	App. No. 3050933	China	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	24	12/25/2001	App. No. 3050932	China	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	20, 24, 35, 42	10/24/2000	Reg. No. 882,035	European Union	Rachel Ashwell Designs, Inc.
RACHEL ASHWELL	20, 21, 24, 35	10/20/2003	Reg. No. 2797157	European Union	Rachel Ashwell Designs, Inc.
RACHEL ASHWELL, RA, SHABBY CHIC/FEATHERED CROWN LOGO	20, 21, 24, 35, 41	6/17/2003	Reg. No. 3,229,473	European Union	Rachel Ashwell Designs, Inc.

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Mark	Class	Date of Registration	Registration No.	Country	Applicant
SHABBY CHIC	16, 20, 24	8/7/1992	Reg. No. 92,430,087	France	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC BY RACHEL ASHWELL	20, 24	12/21/2004	App. No. 300341621	Hong Kong	Rachel Ashwell Designs, Inc.
SHABBY CHIC	24	1/18/2002	Reg. No. 526156	Indonesia	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	20, 24	4/21/1995	Reg. No. 649,199	Italy	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	20	3/31/1995	Reg. No. 3,031,625	Japan	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	24	7/17/1998	Reg. No. 4,168,737	Japan	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	20	1/22/1993	Reg. No.	Mexico	Shabby Chic,

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Mark	Class	Registration Date	Registration No.	Country	Applicant
			429, 817		Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	20	2/2/1996	Reg. No. 245810	New Zealand	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	20, 24, 35	1/17/2002	Reg. No. 212705	Norway	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC	20, 24, 35, 39	11/8/2000	Reg. No. 487175	Switzerland	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC			1044467	Taiwan	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)
SHABBY CHIC			1047534	Taiwan	Shabby Chic, Inc. (Assignment to Rachel Ashwell Designs, Inc. pending)

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Mark	Class	Date of Registration	Registration No.	Country	Applicant
SHABBY CHIC	20	5/19/2005	Reg. No. 1513461	UK	Rachel Ashwell Designs, Inc.

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TRADEMARK  
REEL: 003534 FRAME: 0563

## Schedule E To Security Agreement

### Form Assignment Documents

#### 1. FORM OF COPYRIGHT ASSIGNMENT

##### COPYRIGHT ASSIGNMENT

This Assignment Agreement (this "Assignment") is made this \_\_\_ day of \_\_\_\_\_, 200\_\_, by and between [NAME], a [TYPE OF ENTITY] ("Assignor") and [NAME], a [TYPE OF ENTITY] ("Assignee") for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged.

Assignor hereby assigns, grants and delivers (and hereby further agrees to assign, grant and deliver) exclusively unto Assignee all rights, titles and interests of every kind and nature whatsoever in and to the [DESCRIBE COPYRIGHTED MATERIAL], Copyright Registration Nos. \_\_\_\_\_, copies of which are attached hereto as Annex 1 and incorporated herein by reference, and all copies, versions, and derivatives thereof, (collectively, the "Works"), including all copyrights therein and thereto, all licenses to or for the Works, all renewals thereof, and all copyright registrations therefor. The rights assigned include, but are not limited to, all rights to secure copyright registration, renewals and extensions for those copyrights in the United States and every other country of the world, as well as all rights of publication, right to license, rights to create derivative works and all other rights which are incident to copyright ownership, together with all claims for damages and other remedies by reason of past infringement of any of the foregoing intellectual property rights, with the right to sue for, and collect, the same for Assignee's own use and benefit. Assignor hereby waives and transfers to Assignee any and all moral rights that Assignor may have under the law of any jurisdiction to the maximum extent permissible under law, and acknowledges that Assignee shall have the right to add to, subtract from, rearrange, edit and/or change the Works.

Assignor further agrees to execute and deliver to Assignee, its successors and assigns, such other and further instruments and documents as Assignee reasonably may request for the purpose of establishing, evidencing and enforcing or defending its complete, exclusive, perpetual and worldwide ownership of all rights, titles and interests of every kind and nature whatsoever, including all copyrights, in and to any Work, and Assignor hereby constitutes and appoints Assignee as its agent and attorney-in-fact, with full power of substitution, to execute and deliver such documents or instruments as Assignor may fail or refuse to execute and deliver, this power and agency being coupled with an interest and being irrevocable.

Should there be any conflict between any provision of this Assignment and any present or future law (statutory or common law), contrary to which the parties have no legal or enforceable right to contract, the latter shall prevail, but in such event the provision of this Assignment affected shall be curtailed and limited only to the extent necessary to bring it within legal and enforceable requirements, and the other provisions of this Assignment shall not be affected but shall remain in full force and effect.



Agreed to and accepted this \_\_\_ day of \_\_\_\_\_ 200\_\_

**[ASSIGNOR]:**

**[ASSIGNEE]:**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**Annex 1**

**[PHOTO OR COPY OF THE WORK PLUS REGISTRATION INFO]**

## 2. FORM OF CONDITIONAL ASSIGNMENT OF PATENTS

### CONDITIONAL ASSIGNMENT OF PATENTS

THIS CONDITIONAL ASSIGNMENT is made this \_\_\_\_ day of \_\_\_\_\_, 200 \_\_, by and between [NAME], a [TYPE OF ENTITY] ("Assignee"), and \_\_\_\_\_, a \_\_\_\_\_ corporation having its principal offices at \_\_\_\_\_ ("Assignor").

#### WITNESSETH:

WHEREAS, Assignor is the sole owner of all right, title and interest in and to or the licensee of the patents, patent applications and inventions identified on attached Annex 1, which is incorporated by reference, and all corresponding patents and patent applications in all jurisdictions worldwide, and divisions, continuations, continuations-in-part, reissues, reexaminations, renewals or extensions thereof, any patent issuing thereon, and all licenses to or for such patents (collectively, the "Patents");

WHEREAS, simultaneously with the execution of this Conditional Assignment, Assignor received certain financing arrangements (the "Loan Facility") from the Assignee pursuant to that certain Loan and Security Agreement dated as of the date hereof, between the Assignor and Assignee (as amended, restated, supplemented or otherwise modified from time to time, the "Loan and Security Agreement");

WHEREAS, as a material inducement to the Assignee providing the Loan Facility, Assignor has simultaneously executed an Intellectual Property Security Agreement dated as of the date hereof, by and among the Assignor, Assignee and certain other parties named therein (the "Intellectual Property Security Agreement") among other matters, granting a lien in and a conditional assignment of the Patents;

WHEREAS, pursuant to the Intellectual Property Security Agreement and 37 C.F.R. § 3.56, Assignor desires to assign to Assignee, upon an Event of Default (as defined in the Loan and Security Agreement) the entire right, title and interest in and to the Patents and Assignee wishes to obtain, upon an Event of Default, the entire right, title and interest in and to the Patents;

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

1. Assignor, pursuant to 37 C.F.R. §3.56, conditionally assigns all right, title and interest in and to the Patents, including all rights to sue and recover for the past infringement thereof, and any and all causes of action related thereto, to Assignee, provided that such assignment is conditioned upon Assignee's exercise of remedies upon the occurrence of an Event of Default. Upon the occurrence of an Event of Default, all right, title and interest in and to the Patents along with any and all rights of enforcement with respect to the Patents, including all rights to sue and recover for the past infringement thereof, and any and all causes of action

related thereto shall be, and are hereby, immediately and irrevocably assigned, transferred, set over and conveyed to Assignee.

2. Assignor also agrees at any time to execute and to deliver upon request of Assignee such additional documents as the Assignee may deem necessary or desirable to secure patent protection throughout the world, and otherwise to do whatever necessary to give the full effect to and perfect the rights of the Assignee under this Assignment, including the execution, delivery and procurement of such other documents evidencing this Assignment as the Assignee may deem necessary or desirable.

3. The parties acknowledge and agree that this assignment is conditional upon occurrence of an Event of Default and Assignee's exercise of remedies in connection with such Event of Default, and that presently, and until the exercise by Assignee of remedies upon the occurrence of an Event of Default, there has been no assignment of the Patents. Therefore, until an Event of Default has occurred, the Assignor enjoys all of the substantive rights of patent ownership, including, without limitation, the right to sue for infringement, the right to prosecute any pending related applications and the duty to pay all maintenance fees for the Patents.

4. In the event Assignee was, is or becomes a party to or other participant in, or is threatened to be made a party to or other participant in, a threatened, pending or completed action, claim, suit or proceeding by reason of (or arising or allegedly arising in any manner out of or relating to in whole or in part) this Conditional Assignment, the Loan and Security Agreement, Assignor to the fullest extent permitted by applicable law shall indemnify and hold harmless the Assignee from and against any and all losses, damages, judgments, awards, fines, penalties, amounts paid or payable in settlement, deficiencies and expenses (including, without limitation, all reasonable attorney's fees, costs, witness fees and expenses, interest, assessments, and other charges) suffered, incurred or sustained by the Assignee or to which the Assignee becomes subject, resulting from, arising out of or relating to such action, claim, suit or proceeding (it being understood that any such losses, damages, judgments, awards, fines, penalties, amounts, deficiencies and expenses shall be paid or reimbursed (as applicable) by Assignor as soon as practicable but in any event no later than 15 days after written request is made to Assignor accompanied by supporting documentation). The Assignee shall give Assignor written notice of any action, claim, suit or proceeding (accompanied by such reasonable supporting documentation as may be in the Assignee's possession) as soon as practicable after the Assignee becomes aware thereof; provided that the failure of the Assignee to give such notice shall not relieve Assignor of its indemnification obligations under this Conditional Assignment.

5. Upon the occurrence of an Event of Default all of the foregoing Patents shall be held and enjoyed by Assignee for its own use and for the use of its successors, assigns or other legal representatives, as fully and entirely as the same would have been held and enjoyed by Assignor if this conditional transfer to Assignee had not been made. This Assignment is not intended to limit Assignor's obligation pursuant to the Loan and Security Agreement to assign patents and patent applications that have not been included in Schedule 1.

IN WITNESS WHEREOF, Assignor has caused this instrument of Conditional Assignment to be executed and its corporate seal to be hereunto affixed.

Agreed to and accepted this \_\_\_\_ day of \_\_\_\_\_ 200\_\_.

[ASSIGNOR]:

[ASSIGNEE]:

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ANNEX 1

<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Title</u>
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<u>Country</u>	<u>Application No.</u>	<u>Filing Date</u>	<u>Title</u>
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**3. FORM OF TRADEMARK ASSIGNMENT**

**TRADEMARK ASSIGNMENT**

**WHEREAS**, [NAME], a [STATE] corporation; having its principal place of business at \_\_\_\_\_ (“Assignor”) has used the trademarks, \_\_\_\_\_, Registration Nos. \_\_\_\_\_, registered in the United States Patent and Trademark Office as set forth on the attached Annex 1, which is incorporated herein by reference (collectively, the “Marks”); and

**WHEREAS**, [NAME], a [TYPE OF ENTITY], having its principal place of business at \_\_\_\_\_ (“Assignee”) is desirous of acquiring any and all rights that Assignor may have in and to the Marks and the registrations thereof, together with the goodwill of the business in connection with which any of the Marks is used and which is symbolized by such Mark, along with the right to pursue claims and recover damages and profits for past infringements thereof;

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign, transfer, convey and deliver (and agrees further to assign, transfer, convey and deliver) unto Assignee all right, title and interest in and to each Mark, including the registration therefor and any common law rights therein, in the United States and throughout the world, and any and all similar designations thereto, together with the goodwill of the business in connection with which such Mark is used and which is symbolized by such Mark, along with any and all licenses to or for such Mark and the right to pursue claims and recover damages and profits for past infringements thereof.

Assignor agrees to execute and deliver at the request of the Assignee, all papers, instruments, and assignments, and to perform any other reasonable acts that Assignee may require in order to vest all of Assignor’s right, title, and interest in and to each Mark in Assignee and/or to provide evidence to support any of the foregoing in the event such evidence is deemed necessary by Assignee, to the extent such evidence is in the possession or control of Assignor.

Agreed to and accepted this \_\_\_\_ day of \_\_\_\_\_ 200\_\_.

**[ASSIGNOR]:**

**[ASSIGNEE]:**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**ANNEX 1**

Registrant:

Mark:

Reg. No.:

Classes:

Reg. Date:

**Schedule F to Security Agreement**

**IP ACCOUNTS**

The following account has been or will be established:

IP Account established by the Borrower with Bank of America, N.A., Account No. 1459243154.