

**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
Ultra Stores, Inc.		07/31/2009	CORPORATION: DELAWARE

**RECEIVING PARTY DATA**

Name:	Crystal Capital Fund Management, L.P., as Collateral Agent
Composed Of:	COMPOSED OF Crystal Capital Fund Management GP, LLC, a Delaware limited liability company, its General Partner
Street Address:	Two International Place
Internal Address:	17th Floor
City:	Boston
State/Country:	MASSACHUSETTS
Postal Code:	02110
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

**PROPERTY NUMBERS Total: 7**

Property Type	Number	Word Mark
Registration Number:	2296549	PREMIER FINE JEWELRY DIRECT
Registration Number:	1927251	ULTRA
Registration Number:	1629987	ULTRA DESIGNS
Registration Number:	2295319	ULTRA DIAMOND AND GOLD OUTLET
Registration Number:	3114099	ULTRADIAMONDS.COM
Serial Number:	78901572	THE FLOWERS THAT LAST A LIFETIME
Serial Number:	77727189	MII

**CORRESPONDENCE DATA**

Fax Number: (617)526-9899  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: 6175269600  
 Email: cslattery@proskauer.com

CH \$190.00 2296549

Correspondent Name: Christine Slattery  
Address Line 1: Proskauer Rose LLP  
Address Line 2: One International Place  
Address Line 4: Boston, MASSACHUSETTS 02110

ATTORNEY DOCKET NUMBER:	20867/003
NAME OF SUBMITTER:	Christine Slattery
Signature:	/Christine Slattery/
Date:	08/03/2009

Total Attachments: 17  
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NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT, DATED AS OF JULY 31, 2009 (AS AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "INTERCREDITOR AGREEMENT"), BETWEEN BANK OF AMERICA, N.A., AS FIRST LIEN AGENT, AND CRYSTAL CAPITAL FUND MANAGEMENT, L.P., AS SECOND LIEN AGENT AND CERTAIN OTHER PERSONS PARTY OR THAT MAY BECOME PARTY THERETO FROM TIME TO TIME. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE RIGHTS OF COLLATERAL AGENT UNDER THIS AGREEMENT WITH THOSE OF THE FIRST LIEN AGENT UNDER THE INTERCREDITOR AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), dated as of July 31, 2009, by and among (a) Ultra Stores, Inc., a Delaware corporation (the "Borrower"), (b) each of the Persons listed on Schedule I hereto (each such Person, individually, a "Facility Guarantor" and, collectively, the "Facility Guarantors") (the Borrower and the Facility Guarantors are hereinafter referred to, individually, as a "Grantor" and, collectively, as the "Grantors"), and (c) Crystal Capital Fund Management, L.P., as collateral agent (in such capacity, the "Collateral Agent") for its own benefit and the benefit of the other Credit Parties (as defined in the Security Agreement referred to below), in consideration of the mutual covenants contained herein and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, on April 9, 2009, the Borrower, Ultra Stores Puerto Rico, Inc. and Ultra Stores USVI, Inc. (collectively, the "Pre-Petition Loan Parties") commenced Chapter 11 Case Nos. 09-11854 through 09-11856 as administratively consolidated at Chapter 11 Case No. 09-11854 (singly and collectively, the "Chapter 11 Case") by filing separate voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code, with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Pre-Petition Loan Parties continued to operate their business and manage their properties as debtors and debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code; and

WHEREAS, on July 28, 2009, the Bankruptcy Court entered a Final Order confirming the Plan of Reorganization of the Pre-Petition Loan Parties; and

WHEREAS, on April 30, 2007, the parties hereto entered into that certain Term Loan Agreement whereby the Lenders (as defined below) made a term loan in the amount \$15,000,000 to the Borrower ("Pre-Petition Loan Agreement"); and

WHEREAS, pursuant to the Plan of Reorganization, the Lenders converted \$7,500,000 of the term loan issued under that certain Pre-Petition Loan Agreement into equity and the remaining portion thereof plus all accrued interest thereon and other outstanding obligations shall continue to be made available to the Borrower as a term loan pursuant to the terms and conditions as set forth in the Loan Agreement (as defined below); and

WHEREAS, reference is made to that certain Term Loan Agreement, dated as of the date hereof (as amended, modified, supplemented or restated and in effect from time to time, the "Loan Agreement"), by and between, among others, (i) the Grantors, (ii) Crystal Capital Fund Management, L.P., as administrative agent (in such capacity, the "Administrative Agent") for its own benefit and the benefit of the other Credit Parties, (iii) the Collateral Agent, and (iv) the lenders party thereto (the "Lenders"), pursuant to which the Lenders have agreed to make a Term Loan to the Borrower upon the terms and subject to the conditions specified in the Loan Agreement; and

WHEREAS, reference is also made to that certain Guaranty, dated as of the date hereof (as amended, modified, supplemented or restated and in effect from time to time, the "Facility Guaranty"), executed by the Facility Guarantors in favor of the Administrative Agent, the Collateral Agent and the other Credit Parties, pursuant to which each Facility Guarantor guarantees the payment and performance of the Guaranteed Obligations (as defined in the Facility Guaranty); and

WHEREAS, the obligations of the Lenders to make the Term Loan is conditioned upon, among other things, the execution and delivery by the Grantors of (i) that certain Security Agreement, dated as of the date hereof (as amended, modified, supplemented or restated and in effect from time to time, the "Security Agreement"), by and among the Grantors and the Collateral Agent, pursuant to which each Grantor grants to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) a security interest in and to the Collateral (as defined in the Security Agreement), and (ii) an agreement in the form hereof, pursuant to which each Grantor grants to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) a security interest in and to the IP Collateral (as defined herein), in order to secure the Secured Obligations (as defined in the Security Agreement).

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in this Agreement, and for good and valuable consideration, the receipt of which is hereby acknowledged, the Grantors and the Collateral Agent, on its own behalf and on behalf of the

other Credit Parties (and each of their respective permitted successors or assigns), hereby agree as follows:

SECTION 1. Definitions. Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the Loan Agreement or the Security Agreement (as applicable). In addition, as used herein, the following terms shall have the following meanings:

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

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

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

“Intellectual Property” shall have the meaning assigned to such term in SECTION 3 hereof.

“IP Collateral” shall have the meaning assigned to such term in SECTION 2 hereof.

“Licenses” shall mean, collectively, the Copyright Licenses, Patent Licenses and Trademark Licenses.

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

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

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

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

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

SECTION 2. Grant of Security Interest. In furtherance and as confirmation of the Security Interest granted by the Grantors to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) under the Security Agreement, and as further security for the payment or performance, as the case may be, in full of the Secured Obligations, each of the Grantors hereby ratifies such Security Interest and grants to the Collateral Agent (for its own benefit and the ratable benefit of the other Credit Parties) a continuing security interest, with a power of sale (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default), in all of the present and future right, title and interest of such Grantor in and to the following property, and each item thereof, whether now owned or existing or hereafter acquired or arising, together with all products, proceeds, substitutions, and accessions of or to any of the following property (collectively, the “IP Collateral”):

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

(h) All of the Grantors' rights corresponding to any of the foregoing throughout the world.

provided that, notwithstanding the definitions of "IP Collateral", "Copyright", "Copyright License", "Patent", "Patent License", "Trademark" or "Trademark License" contained herein or any other term or provision of this Agreement to the contrary, the pledge and grant of a Lien and Security Interest as provided herein shall not extend to any License, Copyright, Trademark or Patent in which any Grantor has any right, title or interest if and to the extent the applicable Grantor's right, title or interest in such License, Copyright, Trademark or Patent is subject to a contractual provision or other restriction on assignment such that the creation of a Security Interest in the right, title or interest of a Grantor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another Person party to such License, Copyright, Trademark or Patent to enforce any remedy with respect thereto; provided further that the foregoing exclusions shall not apply if (i) such prohibition has been waived or such other Person has otherwise consented to the creation hereunder of a security interest in such License, Copyright, Trademark or Patent or (ii) such prohibition would be rendered ineffective pursuant to Section 9-406, 9-407 or 9-408 of Article 9 of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other Applicable Law (including the Bankruptcy Code) or principles of equity; provided further that immediately upon the ineffectiveness, lapse or termination of any such provision, the Grantor shall be deemed to have granted a Security Interest in, all its rights, title and interests in and to such License, Copyright, Trademark or Patent as if such provision had never been in effect; and provided further that the foregoing exclusions shall in no way be construed so as to limit, impair or otherwise affect the Collateral Agent's unconditional continuing security interest in and to all rights, title and interests of the Grantors in or to any payment obligations or other rights to receive proceeds or monies due or to become due under any such License, Copyright, Trademark or Patent and other proceeds of such License, Copyright, Trademark or Patent.

SECTION 3. Protection of Intellectual Property By Grantors. Except as set forth below in this SECTION 3, each of the Grantors shall undertake the following with respect to each of the items described in Sections 2(a), (b), (c), (d) and (e), the loss of the applicable Grantor's rights with respect to which would reasonable be expected to result in a Material Adverse Effect (collectively, the "Intellectual Property"):

(a) Pay all renewal fees and other fees and costs associated with maintaining the Intellectual Property and with the processing of the Intellectual Property and take all other reasonable and necessary steps to maintain each registration of such Intellectual Property.

(b) Take all actions reasonably necessary to prevent any of the Intellectual Property from becoming forfeited, abandoned, dedicated to the public, invalidated or impaired in any way.

(c) At the Grantors' sole cost, expense, and risk, pursue the processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts.

(d) At the Grantors' sole cost, expense, and risk, take any and all action which the Grantors reasonably deem appropriate under the circumstances to protect the Intellectual Property from infringement, misappropriation or dilution, including, without limitation, the prosecution and defense of infringement actions.

Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, and no Material Adverse Effect would result therefrom, no Grantor shall have an obligation to use or to maintain any Intellectual Property (i) that relates solely to any product or service that has been discontinued, abandoned or terminated, or (ii) that has been replaced with Intellectual Property substantially similar to the Intellectual Property that may be abandoned or otherwise become invalid, so long as the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such replacement Intellectual Property is subject to the lien created by this Agreement.

SECTION 4. Grantors' Representations and Warranties. Each of the Grantors represent and warrant that:

(a) **EXHIBIT A** contains a true, correct and complete list of all United States copyright registrations, copyright applications and material Copyright Licenses (other than off-the-shelf, "shrink wrap" licenses) owned by such Grantor as of the date hereof.

(b) **EXHIBIT B** contains a true, correct and complete list of all United States patents, patent applications and material Patent Licenses (other than off-the-shelf, "shrink wrap" licenses) owned by such Grantor as of the date hereof.

(c) **EXHIBIT C** contains a true, correct and complete list of all United States trademark and service mark registrations, trademark and service mark applications, and material Trademark Licenses (other than off-the-shelf, "shrink wrap" licenses) owned by such Grantor as of the date hereof.

(d) Except as set forth in **EXHIBITS A, B or C**, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(e) All IP Collateral is, and shall remain, free and clear of all Liens, encumbrances, or security interests in favor of any Person, other than Permitted Encumbrances and Liens in favor of the Collateral Agent.

(f) Such Grantor owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. To the knowledge of



each of the Grantors, no material claim has been asserted and is pending by any Person challenging or questioning the use by such Grantor of any of its Intellectual Property or the validity or effectiveness of any of its Intellectual Property, nor does such Grantor know of any valid basis for any such claim, except as otherwise set forth in the Loan Documents. To the knowledge of each of the Grantors, the use by such Grantor of the Intellectual Property does not infringe the rights of any Person in any material respect. Except as set forth in the Loan Documents, no holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect on the business or the property of such Grantor.

(g) Such Grantor has authorized the Borrower to give the Collateral Agent prompt written notice (with reasonable detail) following the occurrence of any of the following:

(i) Such Grantor's obtaining rights to, and filing applications for registration of, any new Intellectual Property, or otherwise acquiring ownership of any newly registered Intellectual Property (other than such Grantor's right to sell products containing the trademarks of others in the ordinary course of such Grantor's business).

(ii) Such Grantor's becoming entitled to the benefit of any additional registered Intellectual Property whether as licensee or licensor (other than such Grantor's right to sell products containing the trademarks of others in the ordinary course of such Grantor's business).

(iii) Such Grantor's entering into any new material Licenses with respect to the Intellectual Property.

(iv) Such Grantor's knowing, or having reason to know, that any application or registration relating to any Intellectual Property may, other than as provided in SECTION 3 above, become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal) regarding such Grantor's ownership of, or the validity of, any Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

#### SECTION 5. Agreement Applies to Future Intellectual Property.

(a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in subsections (i), (ii) and (iii) of SECTION 4(g), above, all of which shall be deemed to be and treated as "Intellectual Property" within the

meaning of this Agreement. Upon the acquisition by any Grantor of any additional Intellectual Property, such Grantor shall deliver to the Collateral Agent an updated **EXHIBIT A, B or C**, as applicable, to this Agreement and each Grantor hereby authorizes the Collateral Agent to file, at such Grantor's expense, such updated Exhibit as set forth in SECTION 5(b) for any acquisition of any additional Intellectual Property set forth on such updated **EXHIBIT A, B or C**.

(b) Upon the reasonable request of the Collateral Agent, each of the Grantors shall execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's security interest in any Intellectual Property (including, without limitation, filings with the PTO, the Copyright Office or any similar office), and each of the Grantors hereby constitutes the Collateral Agent as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all such acts of such attorney being hereby ratified and confirmed; provided, however, the Collateral Agent's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

SECTION 6. Grantors' Rights To Enforce Intellectual Property. Prior to the occurrence of an Event of Default, the Grantors shall have the exclusive right to sue for past, present and future infringement of the Intellectual Property, including the right to seek injunctions and/or money damages in an effort by the Grantors to protect the Intellectual Property against encroachment by third parties, provided, however, that:

(a) The Grantors first provide the Collateral Agent with written notice of the Grantors' institution of any legal proceedings for enforcement of any Intellectual Property.

(b) Any money damages awarded or received by the Grantors on account of such suit (or the threat of such suit) shall constitute IP Collateral.

(c) Following the occurrence and during the continuance of any Event of Default, the Collateral Agent, by notice to the Grantors, may terminate or limit the Grantor's rights under this SECTION 6.

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

(a) any Grantor's failure, within thirty (30) days of written notice from the Collateral Agent, to cure any failure by such Grantor to observe or perform any of such Grantor's covenants, agreements or other obligations hereunder; and/or

(b) the occurrence and continuance of any other Event of Default,

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

SECTION 8. Rights Upon Default. Upon the occurrence of an Event of Default, in addition to all other rights and remedies, the Collateral Agent may exercise all rights and remedies of a secured party under the Uniform Commercial Code as adopted in the State of New York, with respect to the Intellectual Property, in addition to which the Collateral Agent may sell, license, assign, transfer, or otherwise dispose of the Intellectual Property (subject to the requirements of Applicable Law and the provisions of the Loan Documents). Any person may conclusively rely upon an affidavit of an officer of the Collateral Agent that an Event of Default has occurred and that the Collateral Agent is authorized to exercise such rights and remedies.

SECTION 9. Collateral Agent As Attorney-In-Fact.

(a) Each of the Grantors hereby irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as and for such Grantor's true and lawful agent and attorney-in-fact, effective following the occurrence and during the continuance of any Event of Default, and in such capacity the Collateral Agent shall have the right, with power of substitution for each Grantor and in each Grantor's name or otherwise, for the use and benefit of the Collateral Agent and the other Credit Parties:

(i) To supplement and amend from time to time **EXHIBIT A, B and C** of this Agreement to include any new or additional Intellectual Property of such Grantor.

(ii) To exercise any of the rights and powers referenced herein.

(iii) To execute all such instruments, documents, and papers as the Collateral Agent reasonably 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 Intellectual Property.

(b) The power of attorney granted herein, being coupled with an interest, shall be irrevocable until this Agreement is terminated in writing by a duly authorized officer of the Collateral Agent.

(c) The Collateral Agent shall not be obligated to do any of the acts or to exercise any of the powers authorized by SECTION 9(a), but if the Collateral Agent elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to the Grantors for any act or omission to act, except for any act or omission to act as to which there is a final and nonappealable judgment made by a court of

competent jurisdiction, which determination includes a specific finding that the subject act or omission to act has resulted from the gross negligence, bad faith or willful misconduct of the Collateral Agent.

#### SECTION 10. Collateral Agent's Rights

(a) Any use by the Collateral Agent of the Intellectual Property, as authorized hereunder in connection with the exercise of the Collateral Agent's rights and remedies under this Agreement, the Loan Agreement and the Security Agreement shall be coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

(b) None of this Agreement, the Loan Agreement, the Security Agreement, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Collateral Agent any rights in and to the Intellectual Property, which rights are effective only following the occurrence and during the continuance of any Event of Default.

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

SECTION 12. Further Assurances. Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further documents, financing statements, agreements and instruments and take all such further actions as are necessary or as the Collateral Agent may from time to time reasonably request to preserve, protect and perfect the security interest in the IP Collateral granted pursuant to this Agreement and the rights and remedies created hereby or the validity or priority of such security interest, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the security interest and the filing of any financing statements or other documents in connection herewith or therewith.

SECTION 13. Termination; Release of IP Collateral. Except for those provisions which expressly survive the termination thereof, this Agreement and the security interest granted herein shall terminate when the principal of and interest on the Term Loan and all fees and other Secured Obligations shall have been indefeasibly paid in full (and the Lenders shall not have any

reasonable belief that any claim asserted or unasserted relating to the Secured Obligations or the Security Interest shall exist at the time of such termination), at which time the Collateral Agent shall execute and deliver to the Grantors, at the Grantors' expense, all termination statements, releases and similar documents that the Grantors shall reasonably request to evidence such termination; provided that, the Loan Agreement, this Agreement, and the security interest granted herein shall be reinstated if at any time payment, or any part thereof, of any Secured Obligation is rescinded or must otherwise be restored by any Credit Party upon the bankruptcy or reorganization of any Grantor or any other Loan Party. Any execution and delivery of termination statements, releases or other documents pursuant to this SECTION 13 shall be without recourse to, or warranty by, the Collateral Agent or any other Credit Party.

SECTION 14. Choice of Laws. It is intended that all rights and obligations under this Agreement, including matters of construction, validity, and performance, shall be governed by the laws of the State of New York.

SECTION 15. Intercreditor Agreement. The Grantors and the Collateral Agent acknowledge that the exercise of certain of the Collateral Agent's rights and remedies hereunder may be subject to, and restricted by, the provisions of the Term Loan Intercreditor Agreement. Except as specified herein, nothing contained in the Term Loan Intercreditor Agreement shall be deemed to modify any of the provisions of this Agreement, which, as among the Grantors and the Collateral Agent shall remain in full force and effect.

**[SIGNATURE PAGE FOLLOWS]**


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

**GRANTORS:**

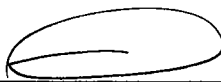
**ULTRA STORES, INC.,**  
as Borrower

By:   
Name: Joseph M. Donaghy  
Title: Executive Vice President

**ULTRA STORES PUERTO RICO, INC.,**  
as Facility Guarantor

By:   
Name: Joseph M. Donaghy  
Title: Executive Vice President

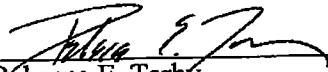
**ULTRA STORES USVI, INC.,**  
as Facility Guarantor

By:   
Name: Joseph M. Donaghy  
Title: Executive Vice President

**COLLATERAL AGENT:**

**CRYSTAL CAPITAL FUND MANAGEMENT, L.P.**

By: Crystal Capital Fund Management GP, LLC, its  
General Partner

By:   
Name: Rebecca E. Tarby  
Title: Director

[IP SECURITY AGREEMENT]

**TRADEMARK**  
**REEL: 004035 FRAME: 0691**

**SCHEDULE I**

Facility Guarantors

ULTRA STORES PUERTO RICO, INC.

ULTRA STORES USVI, INC.



**EXHIBIT A**

**List of Copyrights and Copyright Licenses**

**Copyright Registrations and Applications**

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

**Copyright Licenses**

NONE

**EXHIBIT B**

List of Patents and Patent Licenses

**Patents and Patent Applications**

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

**Patent Licenses**

NONE

**EXHIBIT C**

List of Trademarks and Trademark Licenses

**Trademark Registrations and Applications**

<b>Registered Owner of Trademark or Servicemark</b>	<b>Trademark or Servicemark</b>	<b>Country</b>	<b>Reg./App. Number</b>	<b>Reg./App. Date</b>
Ultra Stores, Inc.	Premier Fine Jewelry Direct	USA	2,296,549	11/30/99
Ultra Stores, Inc.	Ultra and Design	USA	1,927,251	10/17/95
Ultra Stores, Inc.	Ultra Designs	USA	1,629,987	1/1/91
Ultra Stores, Inc.	Ultra Diamond and Gold Outlet	USA	2,295,319	11/30/99
Ultra Stores, Inc.	Ultradiamonds.com	USA	3,114,099	7/11/06
Ultra Stores, Inc.	THE FLOWERS THAT LAST A LIFETIME	USA	78901572	6/6/06
Ultra Stores, Inc.	Mii	USA	77727189	5/1/09

**Trademark Licenses**

NONE