Electronic Version v1.1 Stylesheet Version v1.1

 SUBMISSION TYPE:
 NEW ASSIGNMENT

 NATURE OF CONVEYANCE:
 Grant of Patent Security Interest

CONVEYING PARTY DATA

Name	Execution Date
Stravina Operating Company, LLC	05/06/2005

RECEIVING PARTY DATA

Name:	American Capital Financial Services, Inc., as Agent for the Purchasers of the Junior Subordinated Notes		
Street Address:	2 Bethesda Metro Center, 14th Floor		
City:	Bethesda		
State/Country:	MARYLAND		
Postal Code:	20814		

PROPERTY NUMBERS Total: 12

Property Type	Number
Patent Number:	D413545
Patent Number:	D415714
Patent Number:	D422517
Patent Number:	D393481
Patent Number:	6258194
Patent Number:	2324332
Patent Number:	D461428
Patent Number:	D473485
Patent Number:	D497830
Patent Number:	D497568
Patent Number:	D494624
Patent Number:	D497646

CORRESPONDENCE DATA

Fax Number: (213)430-6407

PATENT 500031646 REEL: 016016 FRAME: 0572

04/3545

CT 8480.0

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Gina M. Durham

Email: gdurham@omm.com

Correspondent Name: Gina M. Durham, Esq.

Address Line 1: 400 South Hope Street

Address Line 2: O'Melveny & Myers LLP

Address Line 4: Los Angeles, CALIFORNIA 90071

Total Attachments: 22

NAME OF SUBMITTER:

source=(Stravina) Patent#page1.tif

source=(Stravina) Patent#page2.tif

source=(Stravina) Patent#page3.tif

-- (Otra in a) Patentille -- A Li

source=(Stravina) Patent#page4.tif source=(Stravina) Patent#page5.tif

source=(Stravina) Patent#page6.tif

source=(Stravina) Patent#page7.tif

source=(Stravina) Patent#page7.tif

source=(Stravina) Patent#page9.tif

source=(Stravina) Patent#page10.tif

source=(Stravina) Patent#page11.tif

source=(Stravina) Patent#page12.tif

source=(Stravina) Patent#page13.tif

source=(Stravina) Patent#page14.tif

source=(Stravina) Patent#page15.tif

source=(Stravina) Patent#page16.tif

source=(Stravina) Patent#page17.tif

source=(Stravina) Patent#page18.tif

source=(Stravina) Patent#page19.tif

source=(Stravina) Patent#page20.tif

source=(Stravina) Patent#page21.tif

source=(Stravina) Patent#page22.tif

PATENT

REEL: 016016 FRAME: 0573

SUBORDINATED PATENT SECURITY AGREEMENT

This agreement and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in (A) that certain Subordination Agreement (the "ACS Senior Subordination Agreement") dated as of May 8, 2002, as amended, among (i) American Capital Financial Services, Inc., a Delaware corporation, as agent for the ACS Senior Subordinated Noteholders (as defined below), (ii) American Capital Strategies, Ltd., a Delaware corporation, as sole initial ACS Senior Subordinated Noteholder (as defined below), and (iii) American Capital Financial Services, Inc., as successor administrative agent ("Administrative <u>Agent</u>"), to the indebtedness (including, but not limited to, principal, interest, fees and expenses) owed by Stravina Operating Company, LLC, a Delaware limited liability company (the "Company"), pursuant to that certain Amended and Restated Revolving/Term Loan Agreement dated as of May 8, 2002, among the Company, Administrative Agent and the lenders from time to time party thereto, as such Amended and Restated Revolving/Term Loan Agreement has been and hereafter may be amended, supplemented or otherwise modified from time to time, including agreements evidencing successive refinancings or refundings thereof, and (B) that certain Junior Subordination Agreement (the "ACS Junior Subordination Agreement") dated as of August 29. 2003, as amended, among (i) American Capital Financial Services, Inc., a Delaware corporation, as agent for the ACS Junior Subordinated Noteholders (as defined below). (ii) American Capital Strategies, Ltd., a Delaware corporation, as sole initial ACS Junior Subordinated Noteholder (as defined below), and (iii) Administrative Agent; and each holder of this instrument, by its acceptance hereof, shall be bound by the provisions of the ACS Senior Subordination Agreement and the ACS Junior Subordination Agreement.

This SUBORDINATED PATENT SECURITY AGREEMENT ("Agreement") is made and entered into as of May 6, 2005 by each of the Persons listed on the signature pages hereto, together with each other Person who may become a party hereto pursuant to Section 15 of this Agreement (each a "Grantor" and collectively "Grantors"), jointly and severally in favor of (i) American Capital Financial Services, Inc., a Delaware corporation, as Senior Subordinated Agent for the benefit of the ACS Senior Subordinated Noteholders that are or become party to the ACS Senior Subordinated Note Purchase Agreement (as such terms are defined below), and (ii) American Capital Financial Services, Inc., a Delaware corporation, as Junior Subordinated Agent for the benefit of the ACS Junior Subordinated Noteholders that are or become party to the ACS Junior Subordinated Note Purchase Agreement (as such terms are defined below) with reference to the following facts:

RECITALS

A. Pursuant to that certain Amended and Restated Revolving/Term Loan Agreement dated as of May 8, 2002 by and among Stravina Operating Company, LLC, a Delaware limited liability company ("Company"), the lenders therein named ("Lenders"), and American Capital Financial Services, Inc., as successor administrative agent ("Administrative Agent") (said Amended and Restated Revolving/Term Loan Agreement, as amended, extended, renewed, supplemented, or otherwise modified from time to time, including agreements evidencing successive refinancings or refundings thereof, being the "Loan Agreement"; capitalized terms defined in the Loan Agreement and not otherwise defined in this Agreement

LA1:1075233.5

PATENT REEL: 016016 FRAME: 0574 shall have the respective meanings assigned to those terms in the Loan Agreement), the Lenders have agreed to extend certain credit facilities to Company.

- B. Pursuant to that certain Amended and Restated Patent Security Agreement (said Patent Security Agreement, as amended, extended, renewed, supplemented or otherwise modified from time to time, the "Patent Security Agreement") dated as of May 8, 2002 by and among the Grantors, jointly and severally in favor of Administrative Agent for the benefit of the Lenders, a security interest was granted to Administrative Agent.
- C. Pursuant to that certain Note Purchase Agreement dated as of May 8, 2002 by and among Consolidated Personalized and Souvenir Holdings, Inc., a Delaware corporation ("Parent"), Company, the ACS Senior Subordinated Noteholders, and American Capital Financial Services, Inc. ("Senior Subordinated Agent"), as agent for the ACS Senior Subordinated Noteholders (said Note Purchase Agreement, as amended, extended, renewed, supplemented, or otherwise modified from time to time, including agreements evidencing successive refinancings or refundings thereof, being the "ACS Senior Subordinated Note Purchase Agreement"), the ACS Senior Subordinated Noteholders purchased certain notes from Company.
- D. Pursuant to that certain Note Purchase Agreement dated as of August 29, 2003 by and among Company, the ACS Junior Subordinated Noteholders, and American Capital Financial Services, Inc. ("Junior Subordinated Agent"), as agent for the ACS Junior Subordinated Noteholders (said Note Purchase Agreement, as amended, extended, renewed, supplemented, or otherwise modified from time to time, including agreements evidencing successive refinancings or refundings thereof, being the "ACS Junior Subordinated Note Purchase Agreement", and together with the ACS Senior Subordinated Note Purchase Agreement, the "Note Purchase Agreements"), the ACS Junior Subordinated Noteholders purchased certain notes from Company.
- E. One or more Events of Default have occurred and are continuing under the ACS Senior Subordinated Note Purchase Agreement and the ACS Junior Subordinated Note Purchase Agreement, and the "Purchasers" under the ACS Senior Subordinated Note Purchase Agreement and the "Purchasers" under the ACS Junior Subordinated Note Purchase Agreement, respectively, have each agreed to waive or forebear with respect to such Events of Default as further set forth in certain amendments to the Note Purchase Agreements entered into concurrently herewith.
- F. The Grantors desire to grant security interests to the Senior Subordinated Agent and the Junior Subordinated Agent for the benefit of the ACS Senior Subordinated Noteholders and the ACS Junior Subordinated Noteholders, respectively, as herein provided and such grant is a condition to the waiver or forbearance with respect to certain Events of Default under the ACS Senior Subordinated Note Purchase Agreement and the ACS Junior Subordinated Note Purchase Agreement.
- G. Pursuant to the ACS Senior Subordination Agreement and the ACS Junior Subordination Agreement (together, the "ACS Subordination Agreements"), the security

interests created pursuant to the Patent Security Agreement in favor of Administrative Agent are senior to the security interests created hereby.

AGREEMENT

NOW, THEREFORE, in order to induce the "Purchasers" under the ACS Senior Subordinated Note Purchase Agreement and the "Purchasers" under the ACS Junior Subordinated Note Purchase Agreement to enter into certain amendments to the Note Purchase Agreements, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantors hereby jointly and severally represent, warrant, covenant, agree, collaterally assign and grant as follows:

1. <u>Definitions</u>. This Agreement is a Purchase Document under each of the Note Purchase Agreements. As used in this Agreement, the following terms shall have the meanings respectively set forth after each:

"<u>ACFS</u>" means American Capital Financial Services, Inc., a Delaware corporation.

"ACS" means American Capital Strategies, Ltd., a Delaware corporation.

"ACS Agent" means ACFS when acting in its capacity as the "Agent" under (and as defined in) any of the ACS Subordinated Documents, or any successor agent under any of the ACS Subordinated Documents.

"ACS Junior Subordinated Documents" means, collectively, (a) the ACS Junior Subordinated Note Purchase Agreement (together with all schedules, exhibits, amendments and modifications thereto), (b) the ACS Junior Subordinated Notes, (c) any and all guaranties of, and all agreements granting security interests that secure, the obligations evidenced by the ACS Junior Subordinated Note Purchase Agreement and any of the ACS Junior Subordinated Notes and (d) any and all other material agreements, instruments and other documents relating to the ACS Junior Subordinated Note Purchase Agreement.

"ACS Junior Subordinated Noteholders" means, collectively, ACS and any other holder from time to time of any of the ACS Junior Subordinated Notes.

"ACS Junior Subordinated Notes" means, collectively, the 18.5% Junior Subordinated Notes due August 29, 2011 dated August 29, 2003 executed by Company to the order of the ACS Junior Subordinated Noteholders in the aggregate principal amount of \$7,500,000, either as originally executed or as such notes may from time to time be supplemented, modified, amended, restated or extended in accordance with the terms of the ACS Junior Subordinated Note Purchase Agreement, together with any notes issued in substitution or exchange therefor in accordance with the terms of the ACS Junior Subordinated Note Purchase Agreement.

"ACS Junior Subordinated Obligations" means, collectively, (a) the Indebtedness owing by Company to the ACS Junior Subordinated Noteholders pursuant to the terms of the

ACS Junior Subordinated Documents and (b) the Guaranty Obligations of any and all applicable Parties relating to the Indebtedness described in clause (a).

"ACS Noteholders" means, collectively, the ACS Senior Subordinated Noteholders and the ACS Junior Subordinated Noteholders.

"ACS Notes" means, collectively, the ACS Senior Subordinated Notes and the ACS Junior Subordinated Notes.

"ACS Senior Subordinated Documents" means, collectively, (a) the ACS Senior Subordinated Note Purchase Agreement (together with all schedules, exhibits, amendments and modifications thereto), (b) the ACS Senior Subordinated Notes, (c) any and all guaranties of, and all agreements granting security interests that secure, the obligations evidenced by the ACS Senior Subordinated Note Purchase Agreement and any of the ACS Senior Subordinated Notes and (d) any and all other material agreements, instruments and other documents relating to the ACS Senior Subordinated Note Purchase Agreement.

"ACS Senior Subordinated Noteholders" means, collectively, ACS and any other holder from time to time of any of the ACS Senior Subordinated Notes.

"ACS Senior Subordinated Notes" means, collectively, the 17% Senior Subordinated Notes due May 31, 2010 dated May 8, 2002 executed by Company to the order of the ACS Senior Subordinated Noteholders in the aggregate principal amount of \$18,500,000, either as originally executed or as such notes may from time to time be supplemented, modified, amended, restated or extended in accordance with the terms of the ACS Senior Subordinated Note Purchase Agreement, together with any notes issued in substitution or exchange therefor in accordance with the terms of the ACS Senior Subordinated Note Purchase Agreement.

"ACS Senior Subordinated Obligations" means, collectively, (a) the Indebtedness owing by Company to the ACS Senior Subordinated Noteholders pursuant to the terms of the ACS Senior Subordinated Documents and (b) the Guaranty Obligations of any and all applicable Parties relating to the Indebtedness described in clause (a).

"ACS Subordinated Documents" means, collectively, the ACS Senior Subordinated Documents and the ACS Junior Subordinated Documents.

"ACS Subordinated Obligations" means, collectively, the ACS Senior Subordinated Obligations and the ACS Junior Subordinated Obligations

"Agreement" means this Subordinated Patent Security Agreement, and any extensions, modifications, renewals, restatements, supplements or amendments hereof, <u>including</u>, without limitation, any documents or agreements by which additional Grantors become party hereto.

"Collateral" means and includes all of the following: all of Grantors' right, title and interest in and to all of (a) Grantors' interests in any patents, whether foreign or domestic; all applications, registrations and recordings relating to such patents in the USPTO or in any similar office or agency of the United States, any state thereof, any political subdivision thereof or in any

other countries, and all reissues, extensions and renewals thereof, including, without limitation, those patents, applications, registrations and recordings described in Schedule 1 hereto (the "Patents"), and (b) any and all proceeds of any of the foregoing, including any claims by Grantors against third parties for past, present and future infringement of the Patents or any licenses with respect thereto. Notwithstanding the foregoing, the "Collateral" shall expressly exclude the following assets (collectively, the "Excluded Assets"): (i) any agreement or contract to the extent that, and for so long as, the terms of such excluded agreement or contract prohibits (after giving effect to any approvals or waivers) the assignment of, or granting of a security interest in, such agreement or contract (it being understood and agreed, however, that notwithstanding the foregoing, all rights to payment for money due or to become due pursuant to any such excluded agreement or contract shall be subject to the security interest created by this Agreement), and (ii) any licenses and any assets subject to such licenses, in each case to the extent that, and for so long as, the terms of such license prohibits (after giving effect to any approvals and waivers) the assignment of, or granting of a security interest in, such licenses and assets, such exclusions to apply, in all cases under subparagraphs (i) and (ii) above, to the extent that the prohibitions on the assignment or grant of security interest contained in such agreements. contracts or licenses are not rendered unenforceable under Sections 9406, 9407, 9408 or 9409 of the Uniform Commercial Code of California or other applicable law, and provided, that Grantors shall use commercially reasonable efforts to eliminate or avoid such prohibitions.

"<u>Default</u>" shall have the meaning given to such term in the ACS Junior Subordinated Note Purchase Agreement or the ACS Senior Subordinated Note Purchase Agreement, as the case may be.

"Event of Default" shall have the meaning given to such term in the ACS Junior Subordinated Note Purchase Agreement or the ACS Senior Subordinated Note Purchase Agreement, as the case may be.

"Junior Secured Party" means the Junior Subordinated Agent, and the ACS Junior Subordinated Noteholders, and each of them, and any one or more of them. Subject to the terms of the ACS Junior Subordinated Note Purchase Agreement, any right, remedy, privilege or power of Junior Secured Party may be exercised by the Junior Subordinated Agent, or by the Required Purchasers (as such term is defined in the ACS Junior Subordinated Note Purchase Agreement), or by any ACS Junior Subordinated Noteholder acting with the consent of the Required Purchasers (as such term is defined in the ACS Junior Subordinated Note Purchase Agreement).

"Party" means any Person other than the ACS Noteholders and/or ACS Agent, which now or hereafter is a party to any of the ACS Subordinated Documents.

"Secured Obligations" means any and all present and future ACS Subordinated Obligations of any type or nature of Company and the other Parties to each Secured Party, as the case may be, arising under or relating to the ACS Subordinated Documents or any one or more of them, whether due or to become due, matured or unmatured, liquidated or unliquidated, or contingent or noncontingent, including ACS Subordinated Obligations of performance as well as ACS Subordinated Obligations of payment, and including interest that accrues after the

commencement of any bankruptcy or insolvency proceeding by or against Company, any other Grantor or any other Party.

"Secured Party" means the Junior Secured Party or the Senior Secured Party, as the case may be.

"Senior Secured Party" means the Senior Subordinated Agent, and the ACS Senior Subordinated Noteholders, and each of them, and any one or more of them. Subject to the terms of the ACS Senior Subordinated Note Purchase Agreement, any right, remedy, privilege or power of Senior Secured Party may be exercised by the Senior Subordinated Agent, or by the Required Purchasers (as such term is defined in the Senior Subordinated Note Purchaser Agreement), or by any Senior Purchaser acting with the consent of the Required Purchasers (as such term is defined in the Senior Subordinated Note Purchase Agreement).

2. <u>Incorporation of Representations, Warranties, Covenants and Other Provisions of ACS Subordinated Documents</u>. This Agreement is one of the Purchase Documents referred to in each Note Purchase Agreement.

3. Security Interest.

- (a) For valuable consideration, Grantors and each of them hereby jointly and severally grant, assign, and convey to Senior Subordinated Agent on behalf of Senior Secured Party, a security interest to secure the prompt and indefeasible payment and performance of the ACS Senior Subordinated Obligations, and each of them, in and to all of the presently existing and hereafter acquired Collateral.
- (b) In addition to and separate from the security interest granted pursuant to Section 3(a) of this Agreement, for valuable consideration, Grantors and each of them hereby jointly and severally grant, assign, and convey to Junior Subordinated Agent on behalf of Junior Secured Party, a security interest to secure the prompt and indefeasible payment and performance of the ACS Junior Subordinated Obligations, and each of them, in and to all of the presently existing and hereafter acquired Collateral.
- (c) This Agreement is a continuing and irrevocable agreement and all the rights, powers, privileges and remedies hereunder shall apply to any and all Secured Obligations, as applicable, including those arising under successive transactions which shall either continue the Secured Obligations, increase or decrease them and notwithstanding the bankruptcy of any Grantor or any other Person or any other event or proceeding affecting any Person.
- (d) Notwithstanding anything to the contrary in this Agreement, this Agreement and the security interests granted hereunder are subject to the terms of the of the ACS Senior Subordination Agreement and the ACS Junior Subordination Agreement which, among other things, provide that the ACS Senior Subordinated Obligations and the ACS Junior Subordinated Obligations, respectively, and all security interests received with respect thereto are subordinated to the Obligations and all security interests received with respect thereto, as set forth in the ACS Senior Subordination Agreement and the ACS Junior Subordination Agreement, respectively.

- 4. <u>Representations, Warranties and Covenants</u>. Grantors, and each of them, represent, warrant and agree that:
 - (a) All of the existing Collateral is valid and subsisting in full force and effect, and each Grantor owns the sole, full, and clear title to its respective portion of the existing Collateral, and the right and power to grant the security interests granted hereunder. Grantors will, at their expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting, and registered patents, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any Liens, claims, mortgages, assignments or licenses of any nature whatsoever, whether recorded or unrecorded, except as permitted by the Loan Agreement or Note Purchase Agreements.
 - (b) As of the date hereof, none of Grantors or their Subsidiaries has any Patents registered with the USPTO, or any similar office or agency in the United States, or any other country other than those described in Schedule 1.
 - (c) Grantors shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or Lien upon, encumber, grant an exclusive or nonexclusive license or sublicense relating thereto, except as permitted herein or in the Loan Agreement or Note Purchase Agreements, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder.
 - (d) Each Grantor authorizes Secured Party to modify this Agreement by amending Schedule 1 to include any new patent, and any patent renewal of any Grantor applied for and obtained hereafter; and each Grantor shall, upon request of Secured Party from time to time execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the assignment of a security interest in each such Patent.
 - (e) No Grantor nor any Subsidiary of any Grantor has abandoned any of the Patents, and no Grantor nor any Subsidiary of any Grantor will do any act, or omit to do any act, whereby any material Patent may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable. Each Grantor shall notify Secured Party promptly if it knows, or has reason to know, of any reason why any registration, or recording may become abandoned, canceled, invalidated, or unenforceable.
 - (f) Grantors will render any assistance, as Secured Party may reasonably determine is necessary, to Secured Party in any proceeding before the USPTO, any federal or state court, or any similar office or agency in the United States of America, or any State therein, or any other country, to maintain and protect Secured Party's security interest in the Patents.

- (g) Grantors retain all responsibility and liability arising from the use of the Patents, and each Grantor hereby indemnifies and holds the ACS Agent and each of the ACS Noteholders harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by any Grantor (or any Affiliate or Subsidiary thereof) in connection with any Patent or out of the manufacture, promotion, labeling, sale, or advertisement of any such product by any Grantor or any Affiliate or Subsidiary thereof, provided that Secured Party shall not be entitled to indemnification for any loss caused by its own gross negligence or willful misconduct or for any loss arising out of any alleged defect in any product manufactured by Secured Party in connection with any Patent.
- (h) The execution, delivery and performance of this Agreement are within the power of Grantors and have been duly authorized by all necessary corporate or company action and to the best of each Grantor's knowledge do not contravene any Law, rule, regulation or any judgment, decree or order of any tribunal or of any agreement to which any Grantor is a party or by which any of its property is bound.
- (i) Each Grantor shall, at its sole expense, do, make, execute and deliver all such additional and further acts, things, deeds, assurances, and instruments, in each case in form and substance satisfactory to Secured Party, relating to the creation, validity, or perfection of the security interests provided for in this Agreement under 35 U.S.C. Section 261, 15 U.S.C. Section 1051 et seq., the Uniform Commercial Code or other Law of the United States, the State of California, or of any countries or other States as Secured Party may from time to time reasonably request, and shall take all such other action as the Secured Party may reasonably require to more completely vest in and assure to Secured Party its rights hereunder or its security interest in any of the Collateral, and each Grantor hereby irrevocably authorizes Secured Party or its designee, at such Grantor's expense, upon such Grantor's failure to do so upon request therefor by Secured Party if no Default or Event of Default has occurred and is continuing, and at all times if a Default or Event of Default has occurred and is continuing, to execute such documents, and file such financing statements with respect thereto with or without such Grantor's signature, as Secured Party may reasonably deem appropriate. In the event that any recording or refiling (or the filing of any statement of continuation or assignment of any financing statement) or any other action, is required at any time to protect and preserve such security interest, Grantors shall, at their sole cost and expense, cause the same to be done or taken at such time and in such manner as may be necessary and as may be reasonably requested by Secured Party. Each Grantor further authorizes Secured Party to have this or any other security agreement recorded or filed with the USPTO or other appropriate federal, state or government office.
- (j) Secured Party is hereby irrevocably appointed by each Grantor as its lawful attorney and agent, with full power of substitution to execute and deliver on behalf of and in the name of any or all Grantors, such financing statements, collateral assignments, pledges and other documents and agreements, and to take such other action as Secured Party may deem necessary for the purpose of perfecting, protecting or effecting the security interests granted herein and effected hereby, and any mortgages or

Liens necessary or desirable to implement or effectuate the same, under any applicable Law, and Secured Party is hereby authorized to file on behalf of and in the name of any or all Grantors, at Grantors' sole expense, such financing statements, assignments, pledges and other documents in any appropriate governmental office; provided, however, that (i) if no Default or Event of Default has occurred and is continuing, Secured Party shall only be entitled to exercise the rights set forth in this section as to each Grantor upon such Grantor's failure to perform the applicable action following request therefor by Secured Party, and (ii) Secured Party shall be entitled to exercise the rights set forth in this section as to each Grantor, without notice to, or request being made upon, such Grantor, at all times if a Default or Event of Default has occurred and is continuing.

- (k) Secured Party may, in its sole discretion, pay any amount, or do any act which Grantors fail to pay or do as reasonably required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record, amend, or enforce the Secured Obligations, the Collateral, or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, and reasonable attorneys' fees. Grantors will be liable to Secured Party for any such payment, which payment shall be payable on demand, together with interest at the rate(s) set forth in the Note Purchase Agreements, and shall be part of the Secured Obligations.
- 5. <u>Inspection</u>. Each Grantor hereby grants to Secured Party and its representatives the right to inspect such Grantor's properties wherein the Patents are used and the products and records relating thereto; <u>provided</u>, <u>however</u>, that Secured Party shall, unless an Event of Default has occurred and remains in effect or if Secured Party reasonably believes that a Default or Event of Default then exists, only be entitled to so inspect any Grantor's properties on no more than two occasions within each calendar year during the period from the date hereof through the Termination Date under the applicable Note Purchase Agreement.
- 6. <u>Rights and Remedies</u>. Upon the occurrence and during the continuance of any Event of Default, in addition to all other rights and remedies of Secured Party, whether provided under Law, the Note Purchase Agreements or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, any Grantor, <u>except</u> as such notice or consent is expressly provided for hereunder.
 - (a) Secured Party may use any of the Patents for the sale of goods, completion of work in process, or rendering of services in connection with enforcing any security interest granted to Secured Party by Grantors or any Subsidiary of any Grantor.
 - (b) Secured Party may enforce its security interest in the Collateral, or any part thereof, either with or without special conditions or stipulations and take all actions permitted by law in connection with such enforcement, except that Secured Party agrees to provide Grantors with seven (7) days' prior written notice of any proposed disposition of the Collateral. The requirement of sending notice conclusively shall be met if such notice is mailed, first class mail, postage prepaid, to Company on behalf of all Grantors. Each Grantor hereby irrevocably appoints Company as its agent for the purpose of receiving notice of sale hereunder, and agrees that such Grantor conclusively shall be deemed to have received notice of sale when notice of sale has been given to

Company. Each Grantor expressly waives any right to receive notice of any public or private sale of any Collateral or other security for the Secured Obligations except as expressly provided in this Section 6(b). Secured Party shall have the power to buy the Collateral, or any part thereof, in accordance with applicable Law, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper in connection with the Collateral. In any such event, Grantors shall be liable for any deficiency in accordance with applicable Law.

- (c) In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to Section 6(b) hereof, Secured Party may, at any time, execute and deliver, on behalf of Grantors, and each of them, pursuant to the authority granted in powers of attorney, one or more instruments of assignment of the Patents (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Grantors agree to pay Secured Party, on demand, all costs incurred in any such transfer of the Collateral, including, but not limited to any taxes, fees, and reasonable attorneys' fees.
- (d) Secured Party may apply the proceeds actually received from any such use, assignment, sale, or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Secured Obligations as provided in the Note Purchase Agreements. Grantors shall remain liable to Secured Party for any expenses or Secured Obligations remaining unpaid after the application of such proceeds, and Grantors will pay Secured Party, on demand, any such unpaid amount, together with interest at the rate(s) set forth in the Note Purchase Agreements.
- (e) In connection with any use, assignment, sale, or other disposition of the Collateral, Grantors shall supply to Secured Party, or Secured Party's designee, Grantors' knowledge and expertise relating to the manufacture and sale of the products and services relating to the Patents and records relating to the Patents and the distribution thereof.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under Law, the Note Purchase Agreements, this Agreement, or otherwise shall be cumulative, and none is exclusive of any right or remedy otherwise provided herein or in any of the other ACS Subordinated Documents, at law or in equity. Such rights and remedies may be enforced alternatively, successively, or concurrently.

7. Waivers and Consents. Each Grantor acknowledges that the Liens created or granted herein will or may secure ACS Subordinated Obligations of Persons other than such Grantor and, in full recognition of that fact, each Grantor consents and agrees that Secured Party may, at any time and from time to time, without notice or demand, and without affecting the enforceability or security hereof: (a) supplement, modify, amend, extend, renew, accelerate or otherwise change the time for payment or the terms of the Secured Obligations or any part

thereof, including any increase or decrease of the rate(s) of interest thereon, in each case in accordance with the terms of the applicable ACS Subordinated Documents; (b) supplement, modify, amend or waive, or enter into or give any agreement, approval or consent with respect to, the Secured Obligations or any part thereof, or any of the ACS Subordinated Documents or any additional security or guaranties, or any condition, covenant, default, remedy, right, representation or term thereof or thereunder; (c) accept new or additional instruments, documents or agreements in exchange for or relative to any of the ACS Subordinated Documents or the Secured Obligations or any part thereof; (d) accept partial payments on the Secured Obligations; (e) receive and hold additional security or guaranties for the Secured Obligations or any part thereof; (f) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer and/or enforce any security or guaranties, and apply any security and direct the order or manner of sale thereof as Secured Party in its sole and absolute discretion may determine; (g) release any Person from any personal liability with respect to the Secured Obligations or any part thereof; (h) settle, release on terms satisfactory to Secured Party or by operation of applicable Laws or otherwise liquidate or enforce any Secured Obligations and any security or guaranty in any manner, consent to the transfer of any security and bid and purchase at any sale; and/or (i) consent to the merger, change or any other restructuring or termination of the corporate or other existence of any Grantor or any other Person, and correspondingly restructure the Secured Obligations, and any such merger, change, restructuring or termination shall not affect the liability of any Grantor or the continuing existence of any Lien hereunder, under any other ACS Subordinated Document to which any Grantor is a party or the enforceability hereof or thereof with respect to all or any part of the Secured Obligations.

Upon the occurrence and during the continuance of any Event of Default, Secured Party may enforce this Agreement independently as to each Grantor and independently of any other remedy or security Secured Party at any time may have or hold in connection with the Secured Obligations, and it shall not be necessary for Secured Party to marshal assets in favor of any Grantor or any other Person or to proceed upon or against and/or exhaust any other security or remedy before proceeding to enforce this Agreement. Each Grantor expressly waives any right to require Secured Party to marshal assets in favor of any Grantor or any other Person or to proceed against any other Grantor or other Party or any Collateral provided by any other Grantor or other Party, and agrees that Secured Party may proceed against Grantors and any other Party and/or the Collateral in such order as it shall determine in its sole and absolute discretion. Secured Party may file a separate action or actions against any Grantor, whether action is brought or prosecuted with respect to any other security or against any other Grantor or any other Person, or whether any other Person is joined in any such action or actions. Each Grantor agrees that Secured Party, Company and any Affiliate of Company or any other Party may deal with each other in connection with the Secured Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the security of this Agreement. Secured Party's rights hereunder shall be reinstated and revived, and the enforceability of this Agreement shall continue, with respect to any amount at any time paid on account of the Secured Obligations which thereafter shall be required to be restored or returned by Secured Party upon the bankruptcy, insolvency or reorganization of any Grantor or other Party or otherwise, all as though such amount had not been paid. Each Grantor agrees that the Liens created or granted herein and the enforceability of this Agreement at all times shall remain effective, as to such Grantor, to secure the full amount of all the Secured Obligations even though the Secured

Obligations, including any part thereof or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against any other Grantor or other Party and whether or not any other Grantor or other Party shall have any personal liability with respect thereto. Each Grantor expressly waives any and all defenses now or hereafter arising or asserted by reason of (a) any disability or other defense of Company or any other Grantor or other Party with respect to the Secured Obligations, (b) the unenforceability or invalidity of any security or guaranty for the Secured Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Secured Obligations (other than any security or guaranty given by such Grantor), (c) the cessation for any cause whatsoever of the liability of Company or any other Grantor or other Party (other than by reason of the full payment and performance of all Secured Obligations), (d) any failure of Secured Party to marshal assets in favor of any Grantor or any other Person, (e) except as otherwise provided in this Agreement, any failure of Secured Party to give notice of sale or other disposition of Collateral to any Grantor or any other Person or any defect in any notice that may be given in connection with any sale or disposition of Collateral, (f) any act or omission of Secured Party or others that directly or indirectly results in or aids the discharge or release of Company or any other Grantor or other Party or the Secured Obligations or any other security or guaranty therefor by operation of Law or otherwise, other than through the gross negligence or willful misconduct of Secured Party, (g) any Law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, (h) any failure of Secured Party to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person, (i) the election by Secured Party, in any bankruptcy proceeding of any Person, of the application or non-application of Section 1111(b)(2) of the United States Bankruptcy Code, (j) any extension of credit or the grant of any Lien under Section 364 of the United States Bankruptcy Code, (k) any use of cash collateral under Section 363 of the United States Bankruptcy Code, (1) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any Person, (m) the avoidance of any Lien in favor of Secured Party for any reason (other than, as to each Grantor, the avoidance of the Lien granted by such Grantor pursuant to this Agreement), (n) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any Person, including any discharge of, or bar or stay against collecting, all or any of the Secured Obligations (or any interest thereon) in or as a result of any such proceeding, (o) to the extent permitted, the benefits of any form of one-action rule under any applicable Law, or (p) any action taken by Secured Party that is authorized by this Section 7 or any other provision of any ACS Subordinated Document. Each Grantor waives all rights and defenses arising out of an election of remedies by Secured Party, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for the Obligations has destroyed such Grantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise. Each Grantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Secured Obligations, and all notices of acceptance of this Agreement or of the existence, creation or incurring of new or additional Secured Obligations.

- 8. Condition of Company and Its Subsidiaries. Each Grantor represents and warrants to Secured Party that each Grantor has established adequate means of obtaining from Company and its Subsidiaries, on a continuing basis, financial and other information pertaining to the businesses, operations and condition (financial and otherwise) of Company and its Subsidiaries and their Properties, and each Grantor now is and hereafter will be completely familiar with the businesses, operations and condition (financial and otherwise) of Company and its Subsidiaries and their Properties. Each Grantor hereby expressly waives and relinquishes any duty on the part of Secured Party (should any such duty exist) to disclose to any Grantor any matter, fact or thing related to the businesses, operations or condition (financial or otherwise) of Company or its Subsidiaries or their Properties, whether now known or hereafter known by Secured Party during the life of this Agreement. With respect to any of the Secured Obligations, Secured Party need not inquire into the powers of Company or any Subsidiaries thereof or the officers or employees acting or purporting to act on their behalf, and all Secured Obligations made or created in good faith reliance upon the professed exercise of such powers shall be secured hereby.
- Waiver of Rights of Subrogation. Until all of the ACS Subordinated Obligations have been paid and performed in full, notwithstanding anything to the contrary elsewhere contained herein or in any other ACS Subordinated Document to which any Grantor is a party, Grantors hereby waive with respect to Company and its successors and assigns (including any surety) and any other Person, any and all rights at Law or in equity to subrogation, to reimbursement, to exoneration, to indemnity, to contribution, to setoff or to any other rights that could accrue to a surety against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, or to a holder or transferee against a maker and which Grantors may have or hereafter acquire against Company or any other Party in connection with or as a result of Grantors' execution, delivery and/or performance of this Agreement or any other ACS Subordinated Document to which any Grantor is a party. Each of the Grantors agrees that it shall not have or assert any such rights against any other Grantor or any such Grantor's successors and assigns or any other Person (including any surety), either directly or as an attempted setoff to any action commenced against such Grantor by the other such Grantor or any other Person. Grantors hereby acknowledge and agree that this waiver is intended to benefit Secured Party and shall not limit or otherwise affect Grantors' liability hereunder, under any other ACS Subordinated Document to which any Grantor is a party, or the enforceability hereof or thereof. Until such time, if any, as all of the Secured Obligations have been paid and performed in full, each Grantor expressly waives any right to enforce any remedy that Secured Party now has or hereafter may have against any other Person and waives the benefit of, or any right to participate in, any Collateral now or hereafter held by Secured Party.
- 10. <u>Waiver of Discharge</u>. Without limiting the generality of the foregoing, each Grantor hereby waives discharge by waiving all defenses based on suretyship or impairment of collateral.
- 11. <u>Understanding with Respect to Waivers and Consents</u>. Grantors and each of them warrant and agree that each of the waivers and consents set forth herein is made after consultation with legal counsel and with full knowledge of its significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which Grantors otherwise may have against

Company, Secured Party or others, or against Collateral, and that, under the circumstances, the waivers and consents herein given are reasonable. If any of the waivers or consents herein are determined to be contrary to any applicable Law or public policy, such waivers and consents shall be effective to the maximum extent permitted by Law.

12. Costs and Expenses.

- (a) Grantors will pay any and all charges, costs and taxes incurred in implementing or subsequently amending this Agreement, including, without limitation, recording and filing fees, appraisal fees, stamp taxes, and reasonable fees and disbursements of Secured Party's counsel incurred by Secured Party, and the allocated cost of in-house counsel to Secured Party, in connection with this Agreement, and in the enforcement of this Agreement and in the enforcement or foreclosure of any Liens, security interests or other rights of the Secured Party under this Agreement, or under any other documentation heretofore, now, or hereafter given to Secured Party in furtherance of the transactions contemplated hereby.
- (b) Grantors agree to reimburse Secured Party for and indemnify it against, any and all losses, expenses and liabilities (including liabilities for penalties) of whatever kind or nature sustained and reasonably incurred in connection with any claim, demand, suit or legal or arbitration proceeding relating to this Agreement, or the exercise of any rights or powers hereunder, including reasonable attorneys' fees and disbursements, and the allocated cost of in-house counsel to the Secured Party, except losses, expenses and liabilities arising out of Secured Party's own gross negligence or willful misconduct.

13. Miscellaneous.

- (a) Grantors and Secured Party may from time to time agree in writing to the release of certain of the Collateral from the security interest created hereby.
- (b) This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the Laws of the United States, and, to the extent that the Laws of the United States are not applicable, by the Laws of the State of California applicable to contracts executed and performed in the State of California.
- (c) Any notice, request, demand or other communication required or permitted under this Agreement shall be in writing and shall be deemed to be properly given if done in accordance with <u>Section 10.6</u> of the applicable Note Purchase Agreement.
- (d) Except as otherwise set forth in the Note Purchase Agreements, the provisions of this Agreement may not be modified, amended, restated or supplemented, whether or not the modification, amendment, restatement or supplement is supported by new consideration, except by a written instrument duly executed and delivered by Secured Party and Grantors.

- (e) Except as otherwise set forth in the Note Purchase Agreements or this Agreement, any waiver of the terms and conditions of this Agreement, or any Event of Default and its consequences hereunder or thereunder, and any consent or approval required or permitted by this Agreement to be given, may be made or given with, but only with, the written consent of Secured Party on such terms and conditions as specified in the written instrument granting such waiver, consent or approval.
- (f) Any failure or delay by Secured Party to require strict performance by Grantors of any of the provisions, warranties, terms, and conditions contained herein, or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein, or in any other agreement, document, or instrument, shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Grantors, specifying such waiver.
- (g) If any term or provision of this Agreement conflicts with any term or provision of the Note Purchase Agreements, the term or provision of the Note Purchase Agreements shall control.
- (h) If any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.
- (i) This Agreement shall be binding upon, and for the benefit of, the parties hereto and their respective legal representatives, successors, and assigns.
- (j) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.
- 14. <u>Continuing Effect</u>. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets.
- 15. Additional Grantors. From time to time following the date hereof, Subsidiaries of Company may become parties hereto, as additional Grantors, by executing and delivering to ACS Agent a Joinder Agreement substantially in the form of Exhibit A attached hereto, accompanied by such documentation as ACS Agent may require in connection therewith, wherein such additional Grantors agree to become a party hereto and to be bound hereby. Upon delivery of such Joinder Agreement to and acceptance thereof by ACS Agent, notice of which acceptance is hereby waived by Grantors, each such additional Grantor shall be as fully a party hereto, effective as of such delivery, but in all other respects, as if such Grantor were an original signatory hereof. Each Grantor expressly agrees that its Secured Obligations and the Liens upon

its Property granted herein shall not be affected or diminished by the addition or release of additional Grantors hereunder, nor by any election of Secured Party not to cause any Subsidiary of Company to become an additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor who is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

- Grantors hereunder shall be released when all Secured Obligations have been paid in full in cash or otherwise performed in full. Upon such release of Grantors' Secured Obligations hereunder, Secured Party shall return any Collateral to Grantors, or to the Person or Persons legally entitled thereto, and shall endorse, execute, deliver, record and file all instruments and documents, and do all other acts and things, reasonably required for the return of the Collateral to Grantors, or to the Person or Persons legally entitled thereto, and to evidence or document the release of Secured Party's interests arising under this Agreement, all as reasonably requested by, and at the sole expense of, Grantors.
- been appointed as the Senior Subordinated Agent hereunder pursuant to the ACS Senior Subordinated Note Purchase Agreement and shall be entitled to the benefits of the ACS Senior Subordinated Note Purchase Agreement and the other ACS Senior Subordinated Documents. The Junior Subordinated Agent has been appointed as the Junior Subordinated Agent hereunder pursuant to the ACS Junior Subordinated Note Purchase Agreement and shall be entitled to the benefits of the ACS Junior Subordinated Note Purchase Agreement and the other ACS Junior Subordinated Documents. Notwithstanding anything contained herein to the contrary, the Senior Subordinated Agent and the Junior Subordinated Agent may employ agents, trustees, or attorneys-in-fact and may vest any of them with any Property (including, without limitation, any Collateral pledged hereunder), title, right or power deemed necessary for the purposes of such appointment.
- WAIVER OF JURY TRIAL. EACH GRANTOR AND SECURED 18. PARTY EXPRESSLY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED OR INCIDENTAL TO THIS AGREEMENT, THE NOTE PURCHASE AGREEMENTS, THE OTHER ACS SUBORDINATED DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH GRANTOR AND SECURED PARTY AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY ARE WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE NOTE PURCHASE AGREEMENTS OR THE OTHER ACS SUBORDINATED DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS

WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, THE NOTE PURCHASE AGREEMENTS AND THE OTHER ACS SUBORDINATED DOCUMENTS. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

[Signature Page Follows]

LA1:1075233.5

PATENT REEL: 016016 FRAME: 0590 IN WITNESS WHEREOF, each Grantor has executed this Agreement by its duly authorized officer as of the date first written above.

"Grantors"

STRAVINA OPERATING COMPANY, LLC, a Delaware limited liability company

By:

[Printed name and title]

STRAVINA INTERNATIONAL HOLDING COMPANY, a California corporation

By:

[Printed name and title]

IMPULSE! U.L.C.,

a Nova Scotia unlimited liability company

By:

[Printed name and title]

HANOVER ACCESSORIES, INC.,

a Delaware corporation

By:

[Printed name and title]

LAWRENCE SERVICE CO.,

a Delaware corporation

By:

[Printed name and title]

LAI:1075233

S-1

Subordinated Patent Security Agreement

PATENT REEL: 016016 FRAME: 0591 ACCEPTED AND AGREED AS OF THE DATE FIRST ABOVE WRITTEN:

"Secured Party"

AMERICAN CAPITAL FINANCIAL SERVICES, INC., as Senior Subordinated Agent for the ACS Senior Supprdinated Noteholders

Ву:

AMERICAN CAPITAL FINANCIAL SERVICES, INC., as Junior Subordinated Agent for the ACS Junior Subordinated Noteholders

[Printed Name and Title]

Ву:

LAI:1075233

[Printed Name and Title]

S-2

Subordinated Patent Security Agreement

EXHIBIT A

INSTRUMENT OF JOINDER

THIS INSTRUMENT OF JOINDER ("Joinder") is executed as of,
Party"), and delivered to American Capital Financial Services, Inc., as agent, pursuant to the
Subordinated Patent Security Agreement dated as of May 5, 2005 made by Stravina Operating
Company, LLC, a Delaware limited liability company ("Company"), Stravina International
Holding Company, a California corporation, and Impulse! U.L.C., a Nova Scotia unlimited
liability company, Hanover Associates, Inc., a Delaware corporation, Lawrence Service Co., a
Delaware corporation, as initial Grantors, in favor of the Senior Subordinated Agent, the Junior
Subordinated Agent, the ACS Senior Subordinated Noteholders and the ACS Junior Subordinated Noteholders referred to below (as amended, extended, renewed, supplemented or
otherwise modified, the "Patent Agreement"). Terms used but not defined in this Joinder shall
have the meanings defined for those terms in the Patent Agreement.
RECITALS
a. The Patent Agreement was made by the Grantors in favor of (1) the Senior
Subordinated Agent for the benefit of the purchasers that are parties to that certain Note Purchase
Agreement dated as of May 8, 2002 (the "ACS Senior Note Purchase Agreement") by and
among Consolidated Personalized and Souvenir Holdings, Inc., Company, the purchasers that are
parties thereto (the "ACS Senior Subordinated Noteholders"), and American Capital Financial
Services, Inc., as the agent for the ACS Senior Subordinated Noteholders (the "Senior Subordinated Agent") and (2) the Junior Subordinated Agent for the benefit of the purchasers
that are parties to that certain Note Purchase Agreement dated as of August 29, 2003 by and
among Company, the purchasers that are parties thereto (the "ACS Junior Subordinated
Noteholders") and American Capital Financial Services, Inc., as the agent for the ACS Junior
Subordinated Noteholders (the "Junior Subordinated Agent").
b. Joining party has become a Subsidiary of the Company, and as such is required
pursuant to Section [] of the Note Purchase Agreements to become a Grantor under the terms
and conditions of the Patent Agreement.
NOW, THEREFORE, Joining Party agrees as follows:
110 W, THEREI ORE, Johning Party agrees as follows.
AGREEMENT
1. By this Joinder, Joining Party becomes a party to the Patent Agreement as an
additional joint and several "Grantor." Joining Party agrees that, upon its execution hereof, it
will become a Grantor under the Patent Agreement with respect to all Secured Obligations, and
will be bound by all terms, conditions, and duties applicable to a Grantor under the Patent
Agreement.
2. The effective date of this Joinder is

SCHEDULE 1

Existing and Pending Patents

Grantor: Stravina Operating Company, LLC

<u>Title</u>	Patent Number	Date Issued
Christmas Ornament (Bear Soldier)	D413,545	9/7/99
Christmas Ornament (Bear Bell)	D415,714	10/26/99
Decorative Ruler	D422,517	4/11/00
Name Stamper	D393,481	4/14/98
Process for Manufacturing a Personalized Sticker	6,258,194	7/10/01
Process for Manufacturing a Personalized Sticker	2,324,332*	10/26/00
CHRISTMAS ORNAMENT (Snowkid Girl)	D461,428	8/13/02
CHRISTMAS ORNAMENT (Snowkid Boy)	D473,485	4/22/03
CHRISTMAS ORNAMENT (Boy Bear)	D497,830	11/2/04
CHRISTMAS ORNAMENT (Girl Bear)	D497,568	10/26/04
SCISSOR HOLDER WITH BUILT IN PENCIL SHARPENER (Car)	D494,624	8/17/04
SCISSOR HOLDER WITH BUILT IN PENCIL SHARPENER (Butterfly)	D497,646	10/26/04
<u>Title</u>	Application Number	Date Filed

Grantor: Stravina International Holding Company

None.

PATENT

REEL: 016016 FRAME: 0594

Intellectual Property Office of Canada

Grantor: Impulse! U.L.C.

None.

Grantor: Hanover Accessories, Inc.

<u>Title</u>	Patent Number	Date Issued
ROTATABLE COUNTER	D 276,857	12/25/84 (Expired)
DISPLAY STAND		` *
ROTATABLE FLOOR	D 278,009	3/19/85 (Expired)
DISPLAY STAND		* * * * * * * * * * * * * * * * * * * *
HAIR ACCESSORY	D 397,511	8/25/98
HAIR ACCESSORY (Taiwan)	29/079237	2/15/02
DECORATIVE ELEMENTS FOR	6,681,469	1/27/04
PUMPKINS OR OTHER PIERCABLE		
OBJECTS		
DECORATIVE ELEMENTS FOR	US02/03838	2/7/02
PUMPKINS OR OTHER PIERCABLE		
OBJECTS		
Baby Bow Hair Fastener	4,896,685	1/30/90 (Expired)
Decorative Elements and Kit for Pumpkins	02/03740	2/7/02
Decorative Elements for Pumpkins and	10/068151	2/6/02 (Abandoned)
Other Piercable Objects		,

Grantor: Lawrence Service Co.

None.

LA/1118585.2

PATENT RECORDED: 05/16/2005 REEL: 016016 FRAME: 0595