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(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): 7-1221  
 Stewart Enterprises, Inc.  
 110 Veterans Memorial Boulevard  
 Metairie, Louisiana 70005

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State (Louisiana)  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)

Name: Bank of America, N.A.  
 as Collateral Agent  
 Internal  
 Address: \_\_\_\_\_

Street Address: 901 Main Street, TX1-492-14-11  
 City: Dallas State: TX Zip: 75202

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_  
 Other National Banking Association

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from assignment)  
 Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment                               Merger  
 Security Agreement                       Change of Name  
 Other \_\_\_\_\_

Execution Date: June 29, 2001

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)  
 See SCHEDULE I attached hereto and incorporated herein by reference.

Additional number(s) attached  Yes  No

B. Trademark Registration No.(s)  
 See SCHEDULE I attached hereto and incorporated herein by reference.

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: R. Malloy McKeithen, Esq.

Internal Address: \_\_\_\_\_  
Smith Helms Mulliss & Moore, LLP

Street Address: \_\_\_\_\_  
201 North Tryon Street

City: Charlotte State: NC Zip: 28202

6. Total number of applications and registrations involved: ..... 9

7. Total fee (37 CFR 3.41).....\$ 240.00 <sup>00</sup>

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*

LISA T. WINNINGKOFF                      Lisa T. Winningkoff                      6/29/01  
 Name of Person Signing                      Signature                      Date

Total number of pages including cover sheet, attachments, and document: 90

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 40.00 OP  
 200.00 OP

Mail documents to be recorded with required cover sheet information to:  
 Commissioner of Patent & Trademarks, Box Assignments  
 Washington, D.C. 20231

TRADEMARK  
 REEL: 002330 FRAME: 0254



**Schedule I**  
**Trademark Applications and Registrations**

**STEWART ENTERPRISES, INC.**

<b>Trademark or Service Mark</b>	<b>Registration No.</b>	<b>Registration Date</b>
THE SIMPLICITY PLAN	1,670,492	12/31/91
CREMATIONPLUS	1,936,645	11/21/95
ONE CALL DOES ALL	2,115,981	11/25/97
THE CARING FUNERAL PLAN	2,161,791	06/02/98

<b>Trademark or Service Mark</b>	<b>Serial No.</b>	<b>Filing Date</b>
IT'S JUST WHAT YOU HAD IN MIND	76/237,216	04/09/01
FINALLY, A BETTER WAY	76/237,217	04/09/01
SIMPLE TRIBUTE	76/237,218	04/09/01
SIMPLE TRIBUTE FUNERAL AND CREMATION CENTER	76/237,219	04/09/01
ENDURING MEMORIES	78/016,986	07/17/00

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

**THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT** (this "Agreement") is made and entered into as of June 29, 2001 by **STEWART ENTERPRISES, INC.**, a Louisiana corporation (herein referred to as "SEI", a "Grantor" and a "Borrower"), and **EACH OF THE UNDERSIGNED SUBSIDIARIES OF SEI** (each a "Guarantor" and a "Grantor", and collectively with SEI, the "Grantors"), and **BANK OF AMERICA, N.A.**, a national banking association, as Collateral Agent (the "Collateral Agent") for each of the lenders (the "Lenders", and together with the Collateral Agent and the Administrative Agent, the "Credit Agreement Parties") now or hereafter party to the Credit Agreement (as defined below) and for each of the Retained Noteholders referred to in the Credit Agreement (collectively, the Retained Noteholders and the Credit Agreement Parties are referred to herein as the "Senior Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Glossary of Defined Terms attached as Annex A hereto.

## WITNESSETH:

**WHEREAS**, pursuant to that certain Credit Agreement dated as of June 29, 2001 by and among SEI, Empresas Stewart-Cementarios, a Puerto Rican civil partnership ("Cementarios"), Empresas Stewart-Funerarias, a Puerto Rican civil partnership ("Funerarias"), the Administrative Agent, the Collateral Agent, the Syndication Agent and the Lenders (as from time to time amended, revised, modified, supplemented or amended and restated, the "Credit Agreement"), (a) the Asset Sale Term Lenders shall make available an asset sale term loan facility to SEI on the Closing Date in the initial principal amount of \$75,000,000, (b) the Revolving Lenders shall make available a revolving credit facility of up to \$175,000,000 to SEI, \$10,000,000 of which will be made available to SEI and the PR Borrowers, jointly and severally, and which shall include a letter of credit facility of up to \$25,000,000 for the issuance of standby letters of credit, and a swing line facility of up to \$10,000,000, and (c) the Term Lenders shall make available on the Closing Date a term loan facility in the initial principal amount of \$300,000,000, of which \$270,000,000 will be made available to SEI and \$30,000,000 will be made available to SEI and the PR Borrowers, jointly and severally, the proceeds of all of which are to be used for the repayment of certain existing indebtedness of SEI and its Subsidiaries and for working capital, capital expenditures and other general corporate purposes; and

**WHEREAS**, SEI is indebted to the Retained Noteholders pursuant to the Retained Notes; and

**WHEREAS**, the Grantors and the Senior Secured Parties have agreed that the security interests granted under the Security Instruments to the Credit Agreement Parties shall, to the extent and so long as required by the terms of the Retained Notes, rank *pari passu* with the security interests granted simultaneously under the Security Instruments to the Retained Noteholders; and

**WHEREAS**, as collateral security for payment and performance of the Borrower's Obligations and of its indebtedness and obligations under the Retained Notes ("Retained Note Obligations", and together with the Obligations, the "Senior Obligations"), the Borrower is

willing to grant to the Collateral Agent for the benefit of the Senior Secured Parties a security interest in the Collateral (as defined below) pursuant to the terms of this Agreement; and

**WHEREAS**, each Guarantor has materially benefited from the extension of credit to SEI by the Retained Noteholders and will materially benefit from the Loans and Advances to be made, and the Letters of Credit to be issued, under the Credit Agreement and each Guarantor is a party to a Facility Guaranty pursuant to which each Guarantor guarantees the Obligations of the Borrower; and

**WHEREAS**, as collateral security for payment and performance by each Guarantor of its Guarantor's Obligations (as defined in the Facility Guaranty to which such Guarantor is a party) and for payment and performance by SEI of all Senior Obligations, each Guarantor is willing to grant to the Collateral Agent for the benefit of the Senior Secured Parties a security interest in the Collateral pursuant to the terms of this Agreement; and

**WHEREAS**, the Credit Agreement Parties are unwilling to enter into the Loan Documents unless the Borrower and the Guarantors enter into this Agreement;

**NOW, THEREFORE**, in order to induce the Credit Agreement Parties to enter into the Loan Documents and to make Loans and issue Letters of Credit and in order to comply with the terms of the Public Indenture, and in further consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. **Grant of Security.** Each Grantor hereby grants to the Collateral Agent, for the benefit of the Senior Secured Parties, a first priority security interest in all of the following (collectively, the "Collateral"):

(a) all of such Grantor's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign patents and patent applications (including without limitation the patents and patent applications identified on Schedule I attached hereto and incorporated herein by reference) and including the right to recover for all past, present and future infringements thereof and all reissues, divisions, continuations, continuations in part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto (collectively, the "Patents");

(b) all of such Grantor's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign trademarks, trade names, domain names, trade dress, service marks, trademark and service mark registrations, and applications for trademark or service mark registration and any renewals thereof (including without limitation each trademark, trade name, domain name and service mark registration and application identified in Schedule II attached hereto and incorporated herein by reference) and including all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto (including without limitation damages for past or future infringements thereof), the right to sue or otherwise recover for all past, present and future infringements thereof, all rights corresponding thereto throughout the

world (but only such rights as now exist or may come to exist under applicable local law) and all other rights of any kind whatsoever of each Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark and service mark (collectively, the "Trademarks");

(c) all of such Grantor's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign copyrights and copyright applications (including without limitation the copyright registrations identified on Schedule III attached hereto and incorporated herein by reference) and including the right to recover for all past, present and future infringements thereof and all supplemental registrations, renewals, and extensions thereof, and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto (collectively, the "Copyrights"); and

(d) all proceeds of any of the foregoing.

2. **Security for Obligations.** The security interests granted under this Agreement (the "Security Interests") by (a) the Borrower secure the payment, performance and satisfaction of all of the Senior Obligations now or hereafter owing by the Borrower and (b) each Guarantor to secure the payment, performance and satisfaction of all of its Guarantor's Obligations (as defined in its Facility Guaranty), and for the payment, performance and satisfaction of all Senior Obligations, and the prompt payment and performance when due of its obligations and liabilities hereunder and under all other Loan Documents to which it is a party (such Senior Obligations, Guarantor's Obligations, and other obligations and liabilities hereunder of the Borrower and each Guarantor are referred to herein collectively as the "Secured Obligations").

The Security Interests granted by this Agreement are granted in conjunction with the security interests granted to the Collateral Agent, for the benefit of the Senior Secured Parties, in other assets of each Grantor pursuant to the other Loan Documents.

3. **Collateral Assignment.** In addition to, and not in limitation of, the grant of the Security Interests in the Patents, Trademarks and Copyrights in Section 1 above, each Grantor hereby grants, assigns, transfers, conveys and sets over to the Collateral Agent, for the benefit of the Senior Secured Parties, the Grantor's entire right, title and interest in and to the Patents, Trademarks and Copyrights; provided, that such grant, assignment, transfer, conveyance and set over shall become effective only at the election of the Collateral Agent following the occurrence of an Event of Default that is continuing at the time of such election. Each Grantor hereby agrees that after the effectiveness of such grant, assignment, transfer, conveyance and set over of any of the Patents, Trademarks and Copyrights, the use by the Collateral Agent of any of such Patents, Trademarks and Copyrights shall be without any liability for royalties or other related charges from the Collateral Agent to any Grantor. In furtherance of the foregoing, each Grantor has executed in blank and delivered to the Collateral Agent an assignment of federally registered patents, trademarks and copyrights (the "IP Assignment") owned by it in the form of Exhibit A hereto. Each Grantor hereby authorizes the Collateral Agent to complete as assignee, execute, and record with the United States Patent and Trademark Office (the "Patent and

Trademark Office") and the United States Copyright Office (the "Copyright Office") and with other applicable state and federal agencies and authorities, each IP Assignment upon the occurrence of an Event of Default that is continuing at the time of filing.

4. **Further Assurances.**

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, and subject to the limitations of Section 3 above, such Grantor will promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable in the Collateral Agent's determination, or that the Collateral Agent may reasonably request, in order to (i) continue, perfect and protect any Security Interest granted or purported to be granted hereby, and (ii) enable the Collateral Agent, for the benefit of the Senior Secured Parties, to exercise and enforce its rights and remedies hereunder with respect to any part of the Collateral. Without limiting the generality of the foregoing, each Grantor will execute and file (with the appropriate governmental offices, authorities, agencies and regulatory bodies) such supplements to this Agreement and such financing or continuation statements, or amendments thereto, and such other instruments or notices, including executed IP Assignments (but only in accordance with Section 3 above), with the Patent and Trademark Office and the Copyright Office, as may be necessary or desirable, or as the Collateral Agent, on behalf of the Senior Secured Parties, may reasonably request, in order to perfect and preserve the Security Interests granted hereby.

(b) Each Grantor hereby authorizes the Collateral Agent, on behalf of the Senior Secured Parties, to file, where permitted by law, one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of such Grantor. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) Each Grantor will furnish to the Collateral Agent, on behalf of the Senior Secured Parties, from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent, on behalf of the Senior Secured Parties, may reasonably request, all in reasonable detail.

(d) Each Grantor agrees that, should it have or obtain an ownership interest in any material United States patent or patent application that is not now identified on Schedule I, any material trademark or trademark application that is not now identified on Schedule II or any material copyright registration or copyright application that is not now identified on Schedule III: (i) the provisions of this Agreement shall automatically apply to such item, and such item shall automatically become part of the Collateral; (ii) such Grantor shall, within three months after acquiring or becoming aware of such ownership interest, (A) give written notice thereof to the Collateral Agent, (B) take all reasonable and appropriate steps to protect Patents, Trademarks and Copyrights, as, for example, by filing applications for their registration with the Patent and Trademark Office or the Copyright Office, and (C) with respect to Patents, Trademarks and Copyrights, prepare, execute and file in the Patent and Trademark Office or the Copyright Office, within the requisite time period, all documents that are known by such Grantor to be necessary or that the Collateral Agent, on behalf of the Senior Secured Parties, reasonably requests in order to perfect the Security Interest of the Collateral Agent, on behalf of the Senior Secured Parties, therein. Each Grantor authorizes the Collateral Agent, on behalf of the Senior Secured Parties, to execute and file such a document in the name of such Grantor if such Grantor fails to do so.

(e) Each Grantor agrees that should any of its Domestic Subsidiaries (other than a corporation which is a party hereto and whether now or hereafter existing) obtain any ownership interest in any intellectual property of a nature that would be Collateral hereunder if owned by such Grantor, such Grantor shall either cause such corporation (i) to become a party hereto and a party to a Facility Guaranty and other Security Instruments in accordance with Section 9.19 of the Credit Agreement, or (ii) to transfer and assign, subject to the limitations of Section 3 above, all such corporation's ownership interests therein to such Grantor, whereupon the provisions of subsection (d) of this Section 4 shall be applicable thereto.

(f) Each Grantor agrees: (i) to take all necessary steps in any proceeding before the Patent and Trademark Office, the Copyright Office or any similar office or agency in any other country or any political subdivision thereof or in any court, to maintain and pursue each patent application now or hereafter included in the Collateral which the Grantor determines to be material or otherwise useful to the conduct of its business, and to maintain each such patent, and each trademark or copyright now or hereafter included in the Collateral, including the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of fees, and the participation in interference, reexamination, opposition and infringement proceedings; (ii) to take corresponding steps with respect to unpatented inventions which the Grantor determines to be material or otherwise useful to the conduct of its business and on which such Grantor is now or hereafter becomes entitled to seek protection, including maintaining the confidentiality of such inventions if filing a patent application is not justified in the reasonable judgment of such Grantor; and (iii) to bear any expenses incurred in connection with such activities.

(g) No Grantor shall do any act or omit to do any act whereby any of the Collateral may become dedicated or abandoned, except where such dedication or abandonment (i) will not cause, create or give rise to a Material Adverse Effect, and (ii) is in the ordinary course of such Grantor's business.

(h) Each Grantor agrees that in the event that any of the Collateral which is material to the operation of its business and as to which it has granted the Security Interests is infringed or misappropriated by a third party, such Grantor shall take all reasonable steps to terminate the infringement or misappropriation, and take such other actions as such Grantor shall deem appropriate under the circumstances to protect such Collateral. Any expense incurred in connection with such activities shall be borne by such Grantor.

5. **General Representations and Warranties.** Each Grantor represents and warrants as follows:

(a) It has the right to enter into this Agreement and to perform its terms.

(b) No authorization, consent, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other Person is required either (i) for the grant by such Grantor of the Security Interests granted hereby or for the execution, delivery or performance of this Agreement by such Grantor, or (ii) for the perfection of or the exercise by the Collateral Agent, on behalf of the Senior Secured Parties, of its rights and remedies hereunder, except for the filing of this Agreement with the Patent and Trademark Office and the Copyright Office with respect to each Trademark, and the filings required by the Uniform Commercial Code of the State in which such Grantor maintains its chief executive office, and except to the extent that the exercise of rights and remedies may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors rights generally or by general principles of equity.

(c) No action or proceeding is pending or, to such Grantor's knowledge, threatened seeking to limit, cancel or question the validity of the Collateral.

(d) It has not granted any release, covenant not to sue, or non-assertion assurance to any third person with respect to any part of the Collateral.

(e) The actions contemplated under or in connection with the Loan Documents will not impair the legal right of such Grantor to use any of the Collateral.



(f) Except as disclosed to the Collateral Agent in writing prior to the date of this Agreement, such Grantor has no knowledge of the existence of any right under any patent, trademark, license agreement, trade name, trade secret, know-how, confidential research, development and commercial information, or other proprietary information held by any other Person that would materially interfere with the ability of such Grantor to carry on its business as currently carried on, and such Grantor has no knowledge of any claim to the contrary that is likely to be made.

(g) None of such Grantor's Domestic Subsidiaries (except to the extent that such Subsidiaries are also Grantors hereunder or grantors under any other Security Instrument relating to such property) has an ownership interest in any patents, patent applications, copyrights, copyright applications, trademark, trade name, trade dress, service marks, trademark or service mark registrations or any applications for trademark or service mark registration or any other intellectual property of a nature that would be Collateral hereunder if owned by such Grantor.

(h) No claim has been, and such Grantor has no knowledge of any claim that is likely to be made, that the use by such Grantor of any Collateral does or may violate the rights of any Person.

6. **Patent Representations and Warranties.** Each Grantor represents and warrants as follows:

(a) It is the sole legal and beneficial owner of the Patents set forth opposite its name on Schedule I hereto, free and clear of any Lien, security interest, option, charge, pledge, assignment (whether conditional or not), or any other encumbrance except for Permitted Liens, the security interests created or permitted by this Agreement or the Credit Agreement and no financing statement or other instrument similar in effect covering all or any part of such Collateral is on file in any recording office, except such as may have been filed in favor of the Collateral Agent, for the benefit of the Senior Secured Parties.

(b) Set forth on Schedule I is a list of all of the Patents owned by such Grantor and utilized in such Grantor's operations or used in the selling or marketing of such Grantor's products or services.

(c) Each Patent of such Grantor identified on Schedule I hereto is subsisting and has not been adjudged unpatentable, invalid or unenforceable, in whole or in part, and to the knowledge of such Grantor is patentable, valid and enforceable, and each of such Patent applications has been filed in conformity with applicable rules and procedures of the Patent and Trademark Office and will be prosecuted in conformity therewith so as not to become improperly abandoned.

7. **Trademark Representations and Warranties.** Each Grantor represents and warrants as follows:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the Trademarks purported to be granted by it hereunder, free and clear of any Lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for non-exclusive licenses as to which such Grantor is the licensor, Permitted Liens, the Security Interests created or permitted by this Agreement or the Credit Agreement. No financing statement or other instrument similar in effect covering all or any part of the Trademarks purported to be granted by such Grantor hereunder is on file in any recording office, including, without limitation, the Patent and Trademark Office, except such as may have been filed in favor of the Collateral Agent, for the benefit of the Senior Secured Parties.

(b) Set forth on Schedule II is a list of all of the Trademarks owned by such Grantor utilized in the conduct of its business as currently conducted and material in such Grantor's operations or used in the selling or marketing of such Grantor's products or services.

(c) Except as otherwise noted on Schedule II, each Trademark of such Grantor identified on Schedule II, to such Grantor's knowledge, is validly subsisting and has not been abandoned or adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to such Grantor's knowledge, valid, registrable and enforceable.

8. **Copyright Representations and Warranties.** Each Grantor represents and warrants as follows:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the Copyrights purported to be granted by it hereunder, free and clear of any Lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for the Permitted Liens, Security Interests created or permitted by this Agreement or the Credit Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Copyrights purported to be granted by such Grantor hereunder is on file in any recording office, including, without limitation, the Copyright Office, except such as may have been filed in favor of the Collateral Agent, for the benefit of the Senior Secured Parties.

(b) Set forth on Schedule III is a list of all of the federally registered Copyrights owned by such Grantor utilized in the conduct of its business as currently conducted and material in such Grantor's operations or used in the selling or marketing of such Grantor's products or services.

(c) Each Copyright of such Grantor identified on Schedule III is, to such Grantor's knowledge, validly subsisting and has not been abandoned or adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to such Grantor's knowledge, valid, registrable and enforceable.

9. **Transfers and Other Liens.** No Grantor shall:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of, or grant any option with respect to, the Collateral, except as permitted by the Credit Agreement, except that any Grantor may license the Collateral either on an exclusive or a non-exclusive basis (i) in the ordinary course of such Grantor's business, provided that such license is necessary or desirable in the conduct of such Grantor's business, or (ii) in connection with a sale of assets in compliance with the Credit Agreement. The Collateral Agent, for the benefit of the Senior Secured Parties, shall execute any documents that such Grantor may reasonably request in order to permit the Grantor to exercise its right hereunder to license the Collateral, provided that the Collateral Agent shall not be required to do anything that may, in the sole judgment of the Collateral Agent, adversely affect the validity of the Security Interests;

(b) create or suffer to exist any Lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral except for Permitted Liens or the Security Interests created by this Agreement; or

(c) take any other action in connection with any of the Collateral that would impair the value of the interest or rights of such Grantor in the Collateral taken as a whole or that would impair the interest or rights of the Collateral Agent for the benefit of the Senior Secured Parties.

10. **Collateral Agent Appointed Attorney-in-Fact.** Without limiting any other provision of this Agreement, each Grantor hereby irrevocably appoints the Collateral Agent, for the benefit of the Senior Secured Parties, as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Collateral Agent's discretion, to take any action and to execute any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent, for the benefit of the Senior Secured Parties, with respect to any of the Collateral; and

(d) to execute, in connection with the sale provided for in Section 13 hereof, any endorsement, assignments, or other instruments of conveyance or transfer with respect to the Collateral.

Provided, however, that the powers granted to the Collateral Agent in this Section 10 as attorney-in-fact shall be exercisable by the Collateral Agent only upon the occurrence and during the continuance of an Event of Default.

**11. Collateral Agent May Perform.**

(a) If any Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by such Grantor under Section 14 hereof to the fullest extent permitted by applicable law.

(b) The Collateral Agent or its designated representatives shall have the right to the extent reasonably requested and upon reasonable prior written notice, at any reasonable time during normal business hours of such Grantors and from time to time, to inspect the Grantors' premises and to examine the Grantors' books, records and operations relating to the Collateral.

**12. The Collateral Agent's Duties.**

(a) The Collateral Agent shall be under no duty or liability with respect to the collection, protection or preservation of the Collateral, or otherwise, beyond the use of reasonable care in the custody and preservation thereof while in its possession.

(b) Each Grantor agrees to pay when due all taxes, charges, Liens and assessments against the Collateral in which it has an interest, unless being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established in accordance with GAAP applied on a Consistent Basis and evidenced to the satisfaction of the Collateral Agent and provided that all enforcement proceedings in the nature of levy or foreclosure are effectively stayed. Upon the failure of any Grantor to so pay or contest such taxes, charges, Liens or assessments, or upon the failure of any Grantor to pay any amount pursuant to this Agreement, the Collateral Agent at its option may pay or contest any of them (the Collateral Agent having the sole right to determine the legality or validity and the amount necessary to discharge such taxes, charges, Liens or assessments) but shall not have any obligation to make any such payment or contest. All sums so disbursed by the Collateral Agent, including reasonable attorneys' fees, court costs, expenses and other charges related thereto, shall be payable on demand by the applicable Grantor to the Collateral Agent and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

(c) Each Grantor hereby irrevocably authorizes the Collateral Agent to file (with, or to the extent permitted by applicable law, without the signature of the Grantor appearing thereon) financing statements (including amendments thereto and

continuations and copies thereof) showing such Grantor as "debtor" at such time or times and in all filing offices as the Collateral Agent may from time to time determine to be necessary or advisable to perfect or protect the rights of the Collateral Agent and the Senior Secured Parties hereunder, or otherwise to give effect to the transactions herein contemplated.

13. **Remedies Upon Acceleration Event.** If an Event of Default shall have occurred and be continuing:

(a) The Collateral Agent, for the benefit of the Senior Secured Parties, may exercise in respect of the Collateral of any defaulting Grantor, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the Uniform Commercial Code as in effect in the State of New York (the "UCC") and also may (i) exercise any and all rights and remedies of such Grantor under, in connection with, or otherwise in respect of, such Collateral, including the completion and filing of the IP Assignment, (ii) require such Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Collateral Agent forthwith, assemble all or part of the documents embodying such Collateral as directed by the Collateral Agent and make it available to the Collateral Agent, for the benefit of the Senior Secured Parties, at a place to be designated by the Collateral Agent that is reasonably convenient to both the Collateral Agent and such Grantor, (iii) occupy any premises owned or leased by such Grantor where documents embodying such Collateral or any part thereof are assembled for a reasonable period in order to effectuate the Collateral Agent's rights and remedies hereunder or under applicable law, without obligation to such Grantor in respect of such occupation, (iv) license such Collateral or any part thereof, and (v) without notice except as specified below, sell such Collateral or any part thereof at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable. Each Grantor agrees that at least ten days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All payments received by any defaulting Grantor under or in connection with any of such Collateral shall be received in trust for the benefit of the Senior Secured Parties, shall be segregated from other funds of such Grantor and shall be immediately paid over to the Collateral Agent, for the benefit of the Senior Secured Parties, in the same form as so received (with any necessary endorsement).

(c) The net cash proceeds resulting from the collection, liquidation, sale, or other disposition of the Collateral of any defaulting Grantor shall be applied first to the expenses (including all attorneys' fees) owing pursuant to Section 14 hereof, and shall then be divided ratably, in accordance with the respective aggregate principal amounts owing (i) to the Retained Noteholders in respect of the Retained Notes (the "Retained Noteholder Share") and (ii) to the Credit Agreement Parties in respect of the Obligations (the "Credit Agreement Share" and, together with the Retained Noteholder Share, the "Respective Shares"). The Collateral Agent shall promptly following receipt thereof from time to time, but subject to receipt of such minimum amounts to be available for distribution in respect of the Respective Shares as it may reasonably determine, distribute amounts available for application to the Respective Shares (x) to the trustee under the Public Indenture (the "Trustee"), the Retained Noteholder Share of such distribution, to be applied in accordance with the terms of the Public Indenture, and (y) to the Administrative Agent, the Credit Agreement Share, to be applied in accordance with the terms of the Credit Agreement. Any sale or other disposition of the Collateral and the possession thereof by the Collateral Agent shall be in compliance with all provisions of applicable law (including applicable provisions of the UCC). Each Grantor shall be liable to the Collateral Agent, for the benefit of the Senior Secured Parties, and shall pay to the Collateral Agent, for the benefit of the Senior Secured Parties, on demand any deficiency which may remain after such sale, disposition, collection or liquidation of the Collateral.

The Collateral Agent shall have no liability or responsibility for the method or manner, or any failure, of application of funds to the Secured Obligations by the Trustee under the Public Indenture or by the Administrative Agent under the Loan Documents, and the Collateral Agent shall be fully acquitted as to any net proceeds available for application to the Respective Shares upon delivery of the same to such Trustee or Administrative Agent, as the case may be.

14. **Expenses.** Each Grantor will upon demand pay to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, that the Collateral Agent, for the benefit of the Senior Secured Parties, may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Senior Secured Parties, or (iv) the failure by any Grantor to perform or observe any of the provisions hereof.

15. **Absolute Rights and Obligations.** All rights of the Senior Secured Parties in the Security Interests granted hereunder, and each of the Secured Obligations, shall be absolute and unconditional irrespective of:

(a) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to departure from, the Credit Agreement, any other Loan Document, the Retained Notes or the Public Indenture, including, but not limited to, (i) an increase or

decrease in the Secured Obligations and (ii) an amendment of any Loan Document to permit the Collateral Agent or the Lenders or any one or more of them to extend further or additional credit to SEI or the PR Borrowers in any form including credit by way of loan, purchase of assets, guarantee or otherwise, which credit shall thereupon be and become subject to the Credit Agreement and the other Loan Documents as a Secured Obligation;

(b) any taking and holding of collateral or guarantees (including without limitation any collateral pledged as security for the Secured Obligations under the other Security Instruments) for all or any of the Secured Obligations; or any amendment, alteration, exchange, substitution, transfer, enforcement, waiver, subordination, termination or release of any such collateral or guarantees, or any non-perfection of any such collateral, or any consent to departure from any such guaranty;

(c) any manner of application of collateral, or proceeds thereof, securing payment or enforcement of all or any of the Secured Obligations, or the manner of sale of any such collateral;

(d) any consent by the Senior Secured Parties to the change, restructure or termination of the corporate structure or existence of any Grantor and any corresponding restructure of the Secured Obligations, or any other restructure or refinancing of the Secured Obligations or any portion thereof;

(e) any modification, compromise, settlement or release by the Senior Secured Parties, by operation of law or otherwise, collection or other liquidation of the Secured Obligations or the liability of any Grantor or any guarantor, or of any collateral for the Secured Obligations (including without limitation any collateral pledged as security for the Secured Obligations under the other Security Instruments), in whole or in part, and any refusal of payment by the Collateral Agent or any Lender or Retained Noteholder in whole or in part, from any obligor or guarantor in connection with any of the Secured Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, any Grantor; or

(f) any other circumstance (including without limitation any statute of limitations) that might otherwise constitute a defense available to, or a discharge of, any Grantor or any guarantor.

The granting of a Security Interest in the Collateral shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by any Senior Secured Party, upon the insolvency, bankruptcy or reorganization of any Grantor or otherwise, all as though such payment had not been made.

16. **Waiver.** Each Grantor hereby waives (to the extent permitted by applicable law) presentment for payment, demand, protest, promptness, diligence, notice of acceptance, notice of protest, notice of demand, notice of default or dishonor, notice of payment or non-payment, and

any other notice with respect to any of the Secured Obligations and this Agreement and any requirement that the Senior Secured Parties protect, secure, perfect or insure any Security Interest or any Collateral subject thereto or exhaust any right or take any action against any Grantor or any other Person (including without limitation any guarantor) or any collateral securing payment of the Secured Obligations (including without limitation any collateral pledged as security for the Secured Obligations under the other Security Instruments).

17. **Subrogation.** Each Grantor further agrees with respect to this Agreement that it shall have no right of subrogation, reimbursement or indemnity, nor any right of recourse to security for the Secured Obligations unless and until 93 days immediately following the Facility Termination Date shall have elapsed without the filing or commencement, by or against any Credit Party, of any state or federal action, suit, petition or proceeding seeking any reorganization, liquidation or other relief or arrangement in respect of creditors of, or the appointment of a receiver, liquidator, trustee or conservator in respect to, such Credit Party or its assets. This waiver is expressly intended to prevent the existence of any claim in respect to such reimbursement by any Subsidiary Grantor against the estate of SEI or any of the PR Borrowers within the meaning of Section 101 of the Bankruptcy Code, and to prevent any Subsidiary Grantor from constituting a creditor of SEI or any of the PR Borrowers in respect of such reimbursement within the meaning of Section 547(b) of the Bankruptcy Code in the event of a subsequent case involving SEI or any of the PR Borrowers. If an amount shall be paid to any Grantor on account of such subrogation rights at any time prior to termination of this Agreement in accordance with the provisions of Section 28 hereof, such amount shall be held in trust for the benefit of the Senior Secured Parties and shall forthwith be paid to the Collateral Agent, for the benefit of the Senior Secured Parties, to be credited and applied upon the Secured Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement.

18. **Amendments.** No amendment or waiver of any provision of this Agreement nor consent to any departure by any Grantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

19. **Continuing Security Interest; Assignments Under the Credit Agreement**

(a) This Agreement shall create a continuing Security Interest in the Collateral and shall remain in full force and effect until terminated in accordance with the provisions of Section 28 hereof.

(b) Except as permitted by this Agreement or the Credit Agreement, no Grantor shall sell, lease, transfer or otherwise dispose of any item of Collateral during the term of this Agreement without the prior written consent of the Collateral Agent to such sale, lease, transfer or other disposition.

(c) Upon the termination of this Agreement in accordance with Section 28 hereof, the Collateral shall be automatically released from the Liens created hereby, all rights to the Collateral shall automatically revert to the Grantors, and this Agreement and all obligations of the Grantors hereunder shall terminate without delivery of any



instrument or performance of any act by any party. Upon such termination of this Agreement, the Collateral Agent shall reassign and redeliver such Collateral then held by or for the Senior Secured Parties and execute and deliver to each Grantor such documents as it shall reasonably request to evidence such termination.

20. **Additional Collateral.** If any Grantor shall acquire or hold any additional material Patents, Trademarks or Copyrights not listed on Schedules I, II, or III hereto (any such Patents, Trademarks or Copyrights being referred to herein as the "Additional Collateral"), such Grantor shall promptly deliver to the Collateral Agent for the benefit of the Senior Secured Parties (i) a revised Schedule I, II, or III hereto, as applicable, reflecting the ownership and pledge of such Additional Collateral and (ii) an Intellectual Property Security Agreement Supplement in the form of Exhibit B hereto with respect to such Additional Collateral duly completed and signed by such Grantor. Each Grantor shall comply with the requirements of this Section 20 concurrently with the acquisition of any such Additional Collateral.

21. **Definitions.** All terms used herein unless otherwise defined herein (including in Annex A) shall be defined in accordance with the appropriate definitions appearing in the Uniform Commercial Code in effect in New York, and such definitions are hereby incorporated herein by reference and made a part hereof.

22. **Entire Agreement.** This Agreement, together with the Credit Agreement, the other Loan Documents, the Retained Notes and the Public Indenture, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. Subject to Section 29 hereof, neither this Agreement nor any portion or provision hereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than as provided in the Credit Agreement.

23. **Further Assurances.** Each Grantor agrees at its own expense to do such further acts and things, and to execute and deliver such additional conveyances, assignments, financing statements, agreements and instruments, as the Collateral Agent may at any time reasonably request in connection with the administration or enforcement of this Agreement or related to the Collateral or any part thereof or in order better to assure and confirm unto the Collateral Agent its rights, powers and remedies for the benefit of the Senior Secured Parties hereunder. Each Grantor hereby consents and agrees that the issuers of or obligors in respect of the Collateral shall be entitled to accept the provisions hereof as conclusive evidence of the right of the Collateral Agent, on behalf of the Senior Secured Parties, to exercise its rights hereunder with respect to the Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by any Grantor or any other Person to any of such issuers or obligors.

24. **Binding Agreement; Assignment.** This Agreement, and the terms, covenants, conditions, rights and remedies hereof, shall be binding upon and inure to the benefit of the parties hereto, and to their respective heirs, legal representatives, successors and assigns; provided, however, that no Grantor shall be permitted to assign any of its rights, powers, duties

or obligations under this Agreement or any interest herein or in the Collateral, or any part thereof, or otherwise pledge, encumber or grant any option with respect to the Collateral, or any part thereof, or any cash or property held by the Collateral Agent as Collateral under this Agreement, without the prior written consent of the Collateral Agent. Without limiting the generality of the foregoing sentence of this Section 24, (i) any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Credit Agreement (to the extent permitted by the Credit Agreement); and to the extent of any such assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the Credit Agreement, including Article XII thereof (concerning the Collateral Agent and the Administrative Agent) and Section 13.1 thereof concerning assignments and participations and (ii) any Retained Noteholder may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under its respective Retained Note (to the extent permitted by the Public Indenture); and to the extent of any such assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Retained Noteholder herein or otherwise, subject however, to the provisions of the Public Indenture. All references herein to the Collateral Agent and to the Senior Secured Parties shall include any successor thereof or permitted assignee, and any other obligees from time to time of the Secured Obligations.

25. **Swap Agreements and Cash Management Facility.**

(a) All obligations of each Grantor under or in respect of Swap Agreements (which are not prohibited under the terms of the Credit Agreement) to which any Revolving Lender or any affiliate of any Revolving Lender is a party, shall be deemed to be Secured Obligations secured hereby, and each Revolving Lender or affiliate of a Revolving Lender party to any such Swap Agreement shall be deemed to be a Credit Agreement Party hereunder with respect to such Secured Obligations; provided, however, that such obligations shall cease to be Secured Obligations at such time as such Person (or affiliate of such Person) shall cease to be a "Revolving Lender" under the Credit Agreement.

(b) All obligations of each Grantor under the Cash Management Facility (which are not prohibited under the terms of the Credit Agreement) owing to any Revolving Lender in its capacity as the Cash Management Facility Provider shall be deemed to be Secured Obligations secured hereby, and each Revolving Lender acting as Cash Management Facility Provider shall be deemed to be a Credit Agreement Party hereunder with respect to such Secured Obligations; provided, however, that such obligations shall cease to be Secured Obligations at such time as such Person shall cease to be a "Revolving Lender" under the Credit Agreement.

No Person who obtains the benefit of any Lien by virtue of the provisions of this Section shall have any right to notice of any action or to consent to or direct any action in respect of the Collateral other than in its capacity as a Lender and only to the extent expressly provided in the Loan Documents.

26. **Severability.** If any term or provision of this Agreement is or shall become illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of this Agreement shall remain legal, valid and enforceable in such jurisdiction and such illegal, invalid or unenforceable provision shall be legal, valid and enforceable in any other jurisdiction.

27. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

28. **Termination.** This Agreement and all obligations of each Grantor hereunder shall terminate on the Facility Termination Date (except for obligations of any Grantor that expressly survive such termination under the respective provisions of this Agreement).

29. **Ratable Treatment of Senior Obligations.**

(a) So long as both (i) any of the Retained Note Obligations remain outstanding, which by their terms or the terms of the Public Indenture under which they are issued require that the Retained Noteholders maintain a pari passu Lien on the Collateral and (ii) any of the Security Instruments remain in effect, notwithstanding anything to the contrary contained in any of the Loan Documents, no amendment, modification or waiver of any of the terms hereof or any of the Security Instruments shall be effective without the written consent of the Trustee under such Public Indenture on behalf of the Retained Noteholders if and to the extent such amendment, modification or waiver would result in the Retained Note Obligations being entitled to less than a ratable pari passu interest (in accordance with the Respective Shares of the Senior Secured Parties) in and to the Collateral and the proceeds thereof.

(b) If at any time any of the Retained Noteholders are not required, pursuant to the terms of the Retained Notes or the Public Indenture under which they are issued, to have a ratable pari passu Lien with the Credit Agreement Parties in and to the Collateral and the proceeds thereof, then, immediately upon such event, occurrence or circumstance and without further action, consent or notice to, from or of any Person (x) all Liens created under the Security Instruments shall no longer secure the Retained Note Obligations then or thereafter due to such Retained Noteholders, (y) such Retained Noteholders shall not constitute Senior Secured Parties and their Retained Note Obligations shall no longer be included in any calculation of any Retained Noteholder Share, and (z) the Collateral Agent shall no longer be acting in any capacity on behalf or in respect of such Retained Noteholders or their Retained Note Obligations.

(c) Except as provided in paragraph (a) of this Section 29, neither the Retained Noteholders nor the Trustee shall have any voting or consent rights, or rights to notice, in respect of any release of collateral or amendment to or waiver of the terms of any Security Instrument.

(d) Pursuant to the terms of the Credit Agreement (including but not limited to Section 5.4 thereof), under certain circumstances, the Collateral Agent may release the security interest of the Senior Secured Parties in certain Collateral, and none of the Trustee, Retained Noteholders, Lenders or Administrative Agent shall have any rights of notice, voting, consent or otherwise with respect to any such release. The Collateral Agent is authorized to perform all acts and do all things necessary to effect such release without the consent of, or notice to, the Trustee, Retained Noteholders, Lenders, Administrative Agent or any other Person.

30. **Remedies Cumulative.** All remedies hereunder are cumulative and are not exclusive of any other rights and remedies of the Collateral Agent or any Lender or Retained Noteholder provided by law or under the Credit Agreement, the other Loan Documents, the Retained Notes or other applicable agreements or instruments. The making of the Loans to, and issuing of Letters of Credits for the benefit of, SEI or any of the PR Borrowers pursuant to the Credit Agreement shall be conclusively presumed to have been made or extended, respectively, in reliance upon each Grantor's grant of a Security Interest in the Collateral pursuant to the terms hereof.

31. **Notices.** Any notice required or permitted hereunder shall be conclusively deemed to have been received by any party hereto and be effective (i) on the day on which delivered (including hand delivery by commercial courier service) to such party (against receipt therefor), (ii) on the date of transmission to such party, in the case of notice by telefacsimile (where the proper transmission of such notice is either acknowledged by the recipient or electronically confirmed by the transmitting device), or (iii) on the fifth Business Day after the day on which mailed to such party, if sent prepaid by certified or registered mail, return receipt requested, in each case delivered, transmitted or mailed, as the case may be, to the address or telefacsimile number, as appropriate, set forth below or such other address or number as such party shall specify by notice hereunder:

(a) with respect to any Grantor,

Stewart Enterprises, Inc.  
110 Veterans Memorial Blvd.  
Metairie, Louisiana 70005  
Attn: Kenneth C. Budde  
Telephone: (504) 849-2227  
Telefacsimile: (504) 849-2307

(b) with respect to the Trustee, at the Corporate Trust Office (as defined in the Public Indenture)

(c) with respect to the Collateral Agent or the Administrative Agent,

Bank of America, N.A.  
TX1-492-14-11  
901 Main Street, 14th Floor  
Dallas, Texas 75202-3714  
Attention: Agency Services  
Telephone: (214) 209-2138  
Telefacsimile: (214) 209-9438

with a copy to:

Bank of America, N.A.  
TX1-492-67-01  
901 Main Street, 67th Floor  
Dallas, Texas 75202  
Attention: Ms. Suzanne Smith  
Telephone: (214) 209-0280  
Telefacsimile: (214) 209-0980

(d) with respect to the Lenders:

At the addresses set forth on the signature pages of the Credit Agreement and on the signature page of each Assignment and Acceptance;

**32. Governing Law; Venue; Waiver of Jury Trial.**

**(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE NOTWITHSTANDING ITS EXECUTION AND DELIVERY OUTSIDE SUCH STATE.**

**(b) EACH GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN THE COUNTY OF NEW YORK, STATE OF NEW YORK, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE IN, OR TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY**

AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) EACH GRANTOR AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF SEI PROVIDED BY SECTION 13.2 OF THE CREDIT AGREEMENT, OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NEW YORK.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) OR (c) HEREOF SHALL PRECLUDE ANY SENIOR SECURED PARTY FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN THE COURTS OF ANY PLACE WHERE ANY GRANTOR OR ANY OF SUCH GRANTOR'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, OBJECTION TO THE EXERCISE OF JURISDICTION OVER IT AND ITS PROPERTY BY ANY SUCH OTHER COURT OR COURTS WHICH NOW OR HEREAFTER MAY BE AVAILABLE UNDER APPLICABLE LAW.


(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH GRANTOR AND THE COLLATERAL AGENT ON BEHALF OF THE SENIOR SECURED PARTIES HEREBY AGREE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION OR PROCEEDING.

[Signature pages follow.]


IN WITNESS WHEREOF, the parties have duly executed this Intellectual Property Security Agreement on the day and year first written above.

**GRANTORS:**

1730 INVESTMENT CO., INC.  
A. P. BOZA FUNERAL HOME, INC.  
ABBEY PLAN OF TEXAS, INC.  
ACME MAUSOLEUM CORPORATION  
ALL FAITHS FUNERAL HOME, INC.  
ALL FAITHS MEMORIAL PARK, INC.  
ALL SOULS MORTUARY, INC.  
AMLING/SCHROEDER FUNERAL SERVICE, INC.  
ANDERSON-CLAYTON BROS. FUNERAL HOMES, INC.  
ANDREW J. MCGANN & SON FUNERAL HOME, INC.  
ARLINGTON MEMORIAL PARK CEMETERY AND  
FUNERAL HOME, INC.  
ASHES TO ASHES, INC.  
ASSUMPTION MORTUARY, INC.  
BALDWIN-FAIRCHILD FUNERAL HOMES, INC.  
BARSTOW FUNERAL HOMES, INC.  
BARTLETT-BURDETTE-COX FUNERAL HOME, INC.  
BAY AREA CREMATORY, INC.  
BELEW FUNERAL HOME, INC.  
BENJAMIN FRANKLIN P.M., INC.  
BETH DAVID FUNERAL CHAPEL TAMPA, INC.  
BETH DAVID MEMORIAL CHAPEL, INC.  
BEXAR COUNTY MORTUARY SERVICES, INC.  
BLUE RIDGE FUNERAL HOME, INC.  
BLUE RIDGE MEMORIAL GARDENS, INC.  
BLUE RIDGE MEMORIAL GARDENS,  
INCORPORATED  
BLUEBONNET HILLS FUNERAL HOME, INC.  
BLUEBONNET HILLS MEMORIAL PARK, INC.  
BOUNDS FUNERAL HOME, INC.  
BRIGHT-HOLLAND FUNERAL HOME, INC.  
BROWN MEMORIALS, INC.  
BRUCE OCALA FUNERAL HOME, INC.  
BUCHHEIM FAMILY, INC.  
C G R, INC.

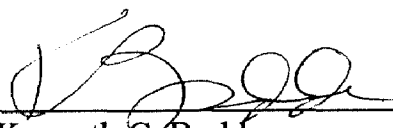
By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary

CALFEE FUNERAL SERVICE OF PINEVILLE, INC.  
CALVARY MORTUARY OF LOS ANGELES,  
CALIFORNIA, INC.  
CANNON FUNERAL HOME, INC.  
CAROLINA FINANCIAL CORPORATION OF PICKENS  
CASCADE CREMATORY, INC.  
CASDORPH & CURRY FUNERAL HOME, INC.  
CATALINA CHANNEL CREMATION SOCIETY  
CATAWBA MEMORIAL PARK, INC.  
CATHOLIC MORTUARY SERVICES, INC.  
CEDAR HILL CEMETERY COMPANY, INC.  
CEMETERY MANAGEMENT, INC.  
CEMETERY SERVICES, INC.  
CENTRAL STONE WORKS, INCORPORATED  
CHAPEL HILL CEMETERY, INC.  
CHAPEL OF THE ROSES, INC.  
CHAPEL OF THE VALLEY FUNERAL HOME, INC.  
CHEATHAM HILL MEMORIAL PARK, INC.  
C. J. APPLGATE AND SONS, INC.  
CLINCH VALLEY MEMORIAL CEMETERY, INC.  
COLE & GARRETT FUNERAL HOMES, INC.  
CORNELL & DAGGETT, INC.  
CREMATION SOCIETY NORTHWEST, INC.  
CRESPO & SONS, INCORPORATED  
CREST LAWN MEMORIAL GARDENS, INC.  
CUNNINGHAM MEMORIAL PARK, INC.  
CURRY & SON FUNERAL HOME, INC.  
D.W. NEWCOMER'S SONS, INC.  
DALTON AND SON FUNERAL HOME, INC.  
DAVID C. GROSS FUNERAL HOME, INC.  
DESERT MEMORIAL, INC.  
DEYOUNG MEMORIAL CHAPEL, INC.  
DILDAY BROTHERS HUNTINGTON VALLEY  
MORTUARY  
DILLARD MEMORIAL, INC.  
DODD-PAYNE-HESS FUNERAL HOME INC.  
DRUID RIDGE CEMETERY COMPANY  
DUNBAR FUNERAL HOME  
DUTTON, INC.  
DWN PROPERTIES, INC.  
E. R. BUTTERWORTH & SONS  
EASTERN CEMETERY ASSOCIATES, INC.


By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary




EASTLAWN CORPORATION  
EASTLAWN MEMORIAL GARDENS, INCORPORATION  
ELLISON FUNERAL HOME, INC.  
EMERALD HILLS FUNERAL CORPORATION  
EMPRESAS STEWART-FUNERARIAS, INC.  
EMPRESAS STEWART-CEMENTERIOS, INC.  
ETERNAL LIGHT FUNERALS, INC.  
EVANS FUNERAL HOME, INC.  
EVANS FUNERAL HOME, INC.  
EVERGREEN MEMORIAL GARDENS, INC.  
EVERGREEN STAPLES FUNERAL CHAPEL, INC.  
EVERLY COMMUNITY FUNERAL CARE, INC.  
EVERLY FUNERAL HOMES, INCORPORATED  
EVERLY PFP, INC.  
FAIRFAX FUNERAL HOME, INC.  
FAITH MEMORIAL PARK & MAUSOLEUM COMPANY,  
INC.  
FINDLAY CEMETERY, INC.  
FLORIDA HILLS MEMORIAL GARDENS, INC.  
FOREST HILLS CEMETERY, INC.  
FORT LINCOLN CEMETERY, INC.  
FORT LINCOLN FUNERAL HOME, INC.  
FUNERAL SECURITY PLANS, INC.  
GALLERY GRANITE CORPORATION  
GARDEN OF MEMORIES, INC.  
GARDINIER COLLETTI MEMORIAL HOME, INC.  
GARNER FAMILY FUNERAL HOME, INC.  
GARRETT-HILLCREST, INC.  
GEORGE WASHINGTON MEMORIAL PARK, INC.  
GLEN HAVEN MEMORIAL PARK, INC.  
GOOD SHEPHERD MEMORIAL GARDENS, INC.  
GORNY & GORNY PATERSON-CLIFTON MORTUARY  
GRACELAND MAUSOLEUM, INC.  
GRANDVIEW MEMORY GARDENS, INCORPORATED  
GREENHILLS MEMORY GARDENS, INC.  
GREENWOOD CEMETERY, INC.  
GRIFFIN LEGGETT - CONWAY, INC.  
GRIFFIN LEGGETT HEALEY & ROTH, INC.  
GRIFFIN-LEGGETT INSURANCE AGENCY, INC.  
GRIFFIN-LEGGETT, INC.  
GROSS FUNERAL HOME, INC.  
GUARDIAN CREMATION SOCIETY, INC.

By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary


GUARDIAN FUNERAL HOME, INC.  
HAISTEN FUNERAL HOME OF HENRY COUNTY, INC.  
HAISTEN FUNERAL HOMES, INC.  
HAROLD C. DAVIS, INC.  
HIGGINS AND SON FUNERAL HOME, INC.  
HIGHLAND MEMORIAL CEMETERY, INC.  
HIGHLAND MEMORIAL GARDENS, INC.  
HIGHLAND MEMORY GARDENS OF FRANKLIN  
COUNTY, INCORPORATED  
HIGHLAND MEMORY GARDENS, INCORPORATED  
HIGHLAND MEMORY GARDENS, INC.  
HILLCREST MEMORIAL CEMETERY, INC.  
HILL-CREST MEMORIAL PARK  
HILLTOP MEMORIAL PARK, INC.  
HINES-RINALDI FUNERAL HOME, INC.  
HOLLY HILL MEMORIAL PARK, INC.  
HOLLY HILLS, INC.  
HOLLY MEMORIAL GARDENS, INC.  
HOLY CROSS MORTUARY OF CULVER CITY,  
CALIFORNIA, INC.  
HOLY CROSS MORTUARY OF POMONA,  
CALIFORNIA, INC.  
HOPSON MORTUARY, INC.  
HUBBELL FUNERAL HOME AND CREMATORY, INC.  
INTERNATIONAL STONE & ERECTORS, INC.  
J. E. FOUST & SON FUNERAL DIRECTORS, INC.  
J.P. FINLEY AND SON MORTUARY, INC.  
JOHN M. TAYLOR FUNERAL HOME, INC.  
JOHNSON FUNERAL HOME, INC.  
JOSEPH W. TEAGUE FUNERAL HOME, INC.  
KANAWHA PLAZA  
KENT R. PALMER, INC.  
KICLITER FUNERAL HOME, INC.  
KILGORE-GREEN FUNERAL HOME, INC.  
KIMES FUNERAL HOME, INC.  
KINGSPORT CEMETERY CORPORATION  
KIRK & NICE SUBURBAN CHAPEL, INC.  
KIRK & NICE, INC.  
KLINGEL-CARPENTER MORTUARY, INC.  
KNUTSON FUNERAL HOMES, INC.  
LAKE LAWN METAIRIE FUNERAL HOME  
LAKE LAWN METAIRIE FUNERAL HOME, INC.

By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary


LAKE LAWN PARK, INC.  
LAKEWOOD MEMORIAL PARK, INC.  
LANCASTER FUNERAL HOMES, INC.  
LASSILA FUNERAL CHAPELS, INC.  
LATHAN FUNERAL HOME, INC.  
LAUREL LAND FUNERAL HOME OF FORT WORTH,  
INC.  
LAUREL LAND FUNERAL HOME, INC.  
LAUREL LAND MEMORIAL PARK, INC.  
LAUREL LAND OF FORT WORTH, INC.  
LEGACY ONE SERVICE CORPORATION  
LEGACY ONE, INC.  
LINCOLN MEMORIAL MORTUARY, INC.  
LITTLE BETHEL MEMORIAL PARK, INC.  
LOI CHARLESTON, INC.  
LOMBARD & CO.  
LOUDON PARK CEMETERY COMPANY  
LOUDON PARK FUNERAL HOME, INC.  
LYONS FUNERAL HOME, INC.  
MADCEM OF FLORIDA, INC.  
MATTLE GRAY NULTON FUNERAL HOME, INC.  
MCLAURIN'S FUNERAL HOME, INC.  
MEMORIAL FUNERAL HOME, INC.  
MEMORIAL PARKS, INCORPORATED  
MEMORIAL SERVICES OF COLUMBIA, INC.  
MEMORIAL PARK CEMETERY, INC.  
MEMORIAL SUNSET PARK, INC.  
METAIRIE CEMETERY ASSOCIATION  
METROCREST FUNERAL HOME, INC.  
MILLER-LEE, INC.  
MONTE VISTA BURIAL PARK, INC.  
MONTICELLO MEMORY GARDENS, INC.  
MONTLAWN MEMORIAL PARK, INC.  
MOUNT OLIVET CEMETERY, INC.  
MOUNTAIN VIEW MEMORY GARDENS, INC.  
MT. JULIET FUNERAL HOME, INC.  
MT. JULIET MEMORIAL GARDENS, INC.  
MURPHY FUNERAL SERVICE, INC.  
N. D. DAVIS & ASSOCIATES  
NALLEY'S FUNERAL HOME, INC.  
NATIONAL EXCHANGE TRUST, LTD.  
NATIONAL FUNERAL SERVICES, INCORPORATED

By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary


NATIONAL HARMONY MEMORIAL PARK, INC.  
NATIONAL MONUMENT CO., INC.  
NAVE FUNERAL HOME OF LEBANON, INC.  
NEPTUNE SOCIETY OF NEVADA, INC.  
NISWONGER & REYNOLDS, INC.  
NULTON FUNERAL HOME, INC.  
OAKLAWN PARK CEMETERY AND FUNERAL HOME,  
INC.  
OCONEE MEMORIAL FUNERAL HOME, INC.  
OCONEE MEMORIAL GARDENS, INC.  
ORLANDO FUNERAL HOME, INCORPORATED  
OTTO REDANZ FUNERAL HOME, INC.  
PARKLAWN MEMORIAL GARDENS, INC.  
PARKLAWN, INC.  
PASADENA FUNERAL HOME, INC.  
PAULEY FUNERAL HOME, INC.  
PET HAVEN, INC.  
PINE CREST CEMETERY, INC.  
PINE CREST FUNERAL HOME, INC.  
PINEVIEW, INC.  
PLEASANT VIEW MEMORY GARDENS, INC.  
POLLOCK-WELLS FUNERAL SERVICE, INC.  
PROFESSIONAL FUNERAL SERVICES, INC.  
QUEEN OF HEAVEN MORTUARY, INC.  
RENO MEMORIAL, INC.  
REST HILLS MEMORIAL PARK, INC.  
RESTLAND FUNERAL HOME, INC.  
RESTLAND OF DALLAS, INC.  
RESURRECTION MORTUARY, INC.  
RICHARD PIERCE FUNERAL SERVICE  
RICHMOND MEMORIAL PARKS, INC.  
RIVER CITIES FUNERAL CHAPEL  
ROBERTS FUNERAL HOME, INC.  
ROCKCO & SON FUNERAL HOME, INC.  
ROCKCO'S FUNERAL HOMES, INC.  
ROCKY MOUNT MEMORIAL PARK, INC.  
ROSE HAVEN FUNERAL HOME & CEMETERY, INC.  
ROSELAWN MEMORIAL GARDENS, INC.  
ROYAL PALM MEMORIAL GARDENS, INC.  
RUNYAN MANGOLD, INC.  
S.E. ACQUISITION OF ALBUQUERQUE, NEW MEXICO,  
INC.

By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary


S.E. ACQUISITION OF BLUE ISLAND, ILLINOIS, INC.  
S.E. ACQUISITION OF BOONVILLE, MISSOURI, INC.  
S.E. ACQUISITION OF CALIFORNIA, INC.  
S.E. ACQUISITION OF CHARLESTON, INC.  
S.E. ACQUISITION OF CLIFTON, NEW JERSEY, INC.  
S.E. ACQUISITION OF DELANO, CALIFORNIA, INC.  
S.E. ACQUISITION OF FREDONIA, NEW YORK INC.  
S.E. ACQUISITION OF GLENDALE, CALIFORNIA, INC.  
S.E. ACQUISITION OF LANCASTER, CALIFORNIA,  
INC.  
S.E. ACQUISITION OF LIBERTY, SOUTH CAROLINA,  
INC.  
S.E. ACQUISITION OF LITHONIA, GEORGIA, INC.  
S.E. ACQUISITION OF LOS OSOS MORTUARY AND  
MEMORIAL PARK, INC.  
S.E. ACQUISITION OF MALDEN, WEST VIRGINIA,  
INC.  
S.E. ACQUISITION OF MURIETTA, CALIFORNIA, INC.  
S.E. ACQUISITION OF MUSKOGEE, OKLAHOMA, INC.  
S.E. ACQUISITION OF MYRTLE CREEK, OREGON,  
INC.  
S.E. ACQUISITION OF NEVADA, INC.  
S.E. ACQUISITION OF NORTH AUGUSTA, SOUTH  
CAROLINA, INC.  
S.E. ACQUISITION OF OAK LAWN AND ORLAND  
PARK, ILLINOIS, INC.  
S.E. ACQUISITION OF OAKHURST, CALIFORNIA, INC.  
S.E. ACQUISITION OF OREGON, INC.  
S.E. ACQUISITION OF OROVILLE, CALIFORNIA, INC.  
S.E. ACQUISITION OF PENNSYLVANIA, INC.  
S.E. ACQUISITION OF PIKEVILLE, KENTUCKY, INC.  
S.E. ACQUISITION OF REEDSPORT, OREGON, INC.  
S.E. ACQUISITION OF RENO, NEVADA INC.  
S.E. ACQUISITION OF SAN DIEGO, CALIFORNIA, INC.  
S.E. ACQUISITION OF SANTA MARIA, CALIFORNIA,  
INC.  
S.E. ACQUISITION OF SANTE FE, NEW MEXICO, INC.  
S.E. ACQUISITION OF SOUTH CAROLINA, INC.  
S.E. ACQUISITION OF WASHINGTON, INC.  
S.E. AUSTRALIA, INC.  
S.E. CEMETERY MANAGEMENT OF ILLINOIS, INC.

By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary

S.E. CEMETERY MANAGEMENT OF PENNSYLVANIA,  
INC.  
S. E. CEMETERY MANAGEMENT OF WISCONSIN, INC.  
S.E. MID-ATLANTIC, INC.  
S.E. OF TUCSON, ARIZONA, INC.  
S.E. SOUTH-CENTRAL, INC.  
SAN DIEGO CEMETERY ASSOCIATION  
SAN FERNANDO MISSION MORTUARY, INC.  
SANTA BARBARA FUNERAL SERVICES, INC.  
SANTA CLARA MORTUARY, INC.  
SCOVERN MORTUARY, A CALIFORNIA  
CORPORATION  
SDCA HOLDINGS, INC.  
SEMORAN FUNERAL HOME, INC.  
SENTINEL CREMATION SOCIETIES, INC.  
SIMPLE TRIBUTE OF FLORIDA, INC.  
SIMPLE TRIBUTE OF MARYLAND, INC.  
SIMPLE TRIBUTE OF TENNESSEE, INC.  
SIMPLE TRIBUTE, INC.  
SIMPLICITY PLAN OF CALIFORNIA, INC.  
SIMPLICITY PLAN OF TEXAS, INC.  
SIMPLICITY PLANS OF ALABAMA, INC.  
SINGING HILLS FUNERAL HOME, INC.  
SOUTH MEMORIAL PARK, INC.  
SOUTH DADE-PALMS MEMORIAL PARK, INC.  
SOUTHPARK FUNERAL HOME, INC.  
ST. BERNARD MEMORIAL FUNERAL HOME, INC.  
ST. BERNARD MEMORIAL GARDENS, INC.  
ST. VINCENT DE PAUL CEMETERY ASSOCIATION  
STEPHENS SERVICES, INC.  
STEWART ENTERPRISES (EUROPE), INC.  
STEWART PRE-NEED SERVICES, INC.  
STEWART RESOURCE CENTER, INC.  
STEWART SERVICES, INC.  
STRICKLIN/SNIVELY MORTUARY  
STRONG AND BURNS FUNERAL HOME, INC.  
SUNSET HILLS MEMORIAL PARK  
SUNSET MEMORIAL PARK COMPANY  
SUNSET MEMORY GARDENS, INC.  
SYLVAN ABBEY MEMORIAL PARK, INC.  
TABOR'S DESERT HILLS MORTUARY, INC.  
THE SIMPLICITY PLAN, INC.

By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary

THE MACKEY MORTUARY, INC.  
THE NASHVILLE HISTORIC CEMETERY  
ASSOCIATION, INC.  
THE PARKWOOD CEMETERY COMPANY  
THE PARKWOOD MANAGEMENT COMPANY  
THEIS-GORSKI FUNERAL HOME, INC.  
THOMAS-YELVERTON COMPANY  
TIME-LOCK INSURANCE AGENCY, INC.  
TRINITY MEMORIAL GARDENS OF LAKELAND, INC.  
TURNER CREMATORY, INC.  
TURNER FUNERAL HOMES, INC.  
VALHALLA MEMORY GARDENS AND FUNERAL  
HOME, INC.  
VICTOR V. DESROSIER, INC.  
WALLACE E. WHITE AND HOWARD J. CALLANAN,  
INC.  
WALSH & WOOD FUNERAL HOME, INC.  
WASHINGTON MEMORIAL CEMETERY,  
INCORPORATED  
WILLIAM W. CHAMBERS, INC.  
WILLIAMS-BLUE RIDGE FUNERAL HOME, INC.  
WILSON FUNERAL HOME, INC.  
WISCONSIN MEMORIAL PARK COMPANY, INC.  
WISE CORPORATION  
WOODLAWN MEMORY GARDENS, INC.  
WOODLAWN PARK CEMETERY COMPANY  
WOODSIDE CHAPEL OF CRIPPEN & FLYNN  
WYUKA FUNERAL HOME, INC.  
WYUKA SIMPLICITY PLAN, INC.

By:   
Name: Kenneth C. Budde  
Title: Assistant Secretary

STEWART ENTERPRISES, INC.

By:   
Name: William E. Rowe  
Title: President and CEO

STATE OF LOUISIANA

)

) ss.

ORLEANS PARISH

)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 28th day of June, 2001, personally appeared Kenneth C. Budde to me known personally, and who, being by me duly sworn, deposes and says that he is the Assistant Secretary of each of the foregoing Grantors and that the foregoing instrument was signed and sealed on behalf of each Grantor by authority of its respective Board of Directors, and said Assistant Secretary acknowledged said instrument to be the free act and deed of each Grantor.

[NOTARY SEAL]

*Gemmiger H. Thoma*

Notary Public

My commission expires: *At death*

STATE OF LOUISIANA

)

) ss.

ORLEANS PARISH

)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 28<sup>th</sup> day of June, 2001, personally appeared William E. Rowe to me known personally, and who, being by me duly sworn, deposes and says that he is the President and CEO of **Stewart Enterprises, Inc.** and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said President and CEO acknowledged said instrument to be the free act and deed of said corporation.

[NOTARY SEAL]

*Gemmiger H. Thoma*

Notary Public

My commission expires: *At death*



**COLLATERAL AGENT:**

**BANK OF AMERICA, N.A., as Collateral Agent**

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

A handwritten signature in cursive script, appearing to read "Suzanne B. Smith", written over a horizontal line.

Name: Suzanne B. Smith

Title: Managing Director

TRADEMARK

REEL: 002330 FRAME: 0286

STATE OF NORTH CAROLINA

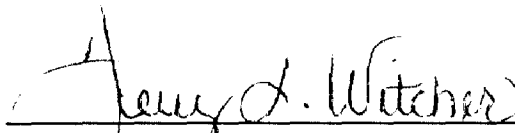
)

) ss.

COUNTY OF MECKLENBURG

)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 29th day of June, 2001, personally appeared Suzanne B. Smith to me known personally, and who, being by me duly sworn, deposes and says that she is a Managing Director of **Bank of America, N.A.**, a national banking association, and that foregoing instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors, and said Managing Director acknowledged said instrument to be the free act and deed of said national banking association.



Notary Public

My commission expires: September 1, 2004

[NOTARY SEAL]

**SCHEDULE I**

**Patents and Patent Applications**

None

## SCHEDULE II

### Registered Trademarks and Trademark Applications

#### **I. Federal Trademark Registrations and Applications**

<b>Mark</b>	<b>Reg. No./ Ser. No.</b>	<b>Status</b>	<b>Owner/Assignee</b>
SE (Words and Design) (Cube Logo)	1,007,172	Expired/Inactive	Stewart Enterprises, Inc.
NEWCOMER'S	1,180,586	Registered/Active	D. W. Newcomer's Sons, Inc.
TRINITY PLAN	1,643,869	Cancelled - Sec. 8/ Inactive	Stewart Enterprises, Inc.
TRINITY PLAN	1,646,383	Cancelled - Sec. 8/ Inactive	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	1,670,492	Registered/Active	Stewart Enterprises, Inc.
CREMATIONPLUS	1,936,645	Registered/Active	Stewart Enterprises, Inc.
(Design Only)	1,978,513	Registered/Active	D. W. Newcomer's Sons, Inc.
ONE CALL DOES ALL	2,115,981	Registered/Active	Stewart Enterprises, Inc.
THE CARING FUNERAL PLAN	2,161,791	Registered/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	73/607,075	Abandoned - After Ex Parte Appeal/ Inactive	Stewart Enterprises, Inc.
IT'S JUST WHAT YOU HAD IN MIND	76/237,216	Pending ITU Application - Initialized/Active	Stewart Enterprises, Inc.
FINALLY, A BETTER WAY	76/237,217	Pending ITU Application - Initialized/Active	Stewart Enterprises, Inc.
SIMPLE TRIBUTE	76/237,218	Pending ITU Application - Initialized/Active	Stewart Enterprises, Inc.

SIMPLE TRIBUTE FUNERAL AND CREMATION CENTER	76/237,219	Pending ITU Application - Initialized/Active	Stewart Enterprises, Inc.
ENDURING MEMORIES	78/016,986	Pending ITU Application/Active	Stewart Enterprises, Inc.

**II. State Trademark Applications and Registrations**

<b>Mark</b>	<b>Reg. No./ Ser. No.</b>	<b>Status</b>	<b>Owner/Assignee</b>
SIMPLICITY PLAN	Alabama/ 00179259	Registered/Active	Stewart Enterprises, Inc.
GRIFFIN LEGGETT, INC. PEOPLE TO DEPEND ON	Arkansas/ 14285	Registered/Renewed/ Active	Griffin Leggett, Inc.
SIMPLICITY PLAN (Words and Design)	Arkansas/ 00270704	Registered/Active	Stewart Enterprises, Inc.
SIMPLICITY PLAN	Colorado 00253559	Registered/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Florida 00306975	Registered/Renewed/ Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Florida 00334465	Registered/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Florida 00334487	Registered/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Georgia 00179257	Renewed/Active	Stewart Enterprises, Inc.
SIMPLICITY PLAN	Illinois 34500251	Registered Active	Stewart Enterprises, Inc.
SIMPLICITY PLAN	Illinois 00179254	Expired/Inactive	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Kansas 00275290	Registered Not Available/Inactive	Stewart Enterprises, Inc.

'S SIMPLICITY PLAN	Louisiana 00162073	Not Renewed/ Inactive	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Louisiana 00179249	Registered/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Louisiana 00179251	Registered/Active	Stewart Enterprises, Inc.
THE TRINITY PLAN	Louisiana 01051804	Registered/Active	Stewart Enterprises, Inc.
THE TRINITY PLAN	Louisiana 01051803	Registered/Renewed/ Active	Stewart Enterprises, Inc.
SIMPLICITY PLAN	Louisiana 00179250	Registered/Active	Stewart Enterprises, Inc.
SIMPLICITY PLAN	Louisiana 00179252	Expired/Inactive	Stewart Enterprises, Inc.
(Design Only)	Louisiana 00161100	Registered/Active	Stewart Enterprises, Inc.
S-E Design	Louisiana 39100809	Renewed/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Mississippi 00277537	Registered/Active	Stewart Enterprises, Inc.
THE CARING FUNERAL PLAN	Mississippi 37200689	Registered/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Missouri 00179255	Registered/Active	Stewart Enterprises, Inc.
SIMPLICITY PLUS	Pennsylvania 00179253	Registered/Active	Stewart Enterprises, Inc.
SIMPLICITY PLAN	Tennessee 00179256	Registered/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Texas 01120548	Registered/Renewed/ Active	Stewart Enterprises, Inc.

THE SIMPLICITY PLAN	Texas 01119526	Registered/Active	Stewart Enterprises, Inc.
THE SIMPLICITY PLAN	Texas 01121055	Registered/Active	Stewart Enterprises, Inc.
"THE CARING FUNERAL PLAN"	Texas 38402087	Registered/Active	Stewart Enterprises, Inc.
SIMPLICITY PLAN	Virginia 00405717	Registered/Active	Stewart Enterprises, Inc.
GREAT LAKES CREMATION SERVICES	Wisconsin NA	Registered/Active	Wisconsin Memorial Park Company, Inc.
CRYPTORIUM	Wisconsin NA	Registered/Renewed/ Active	Wisconsin Memorial Park Company, Inc.
WORDS FOR LIFE	Wisconsin NA	Registered/Renewed/ Active	Wisconsin Memorial Park Company, Inc.
TIME LOCK and Design	Wisconsin NA	Registered/Renewed/ Active	Wisconsin Memorial Park Company, Inc.

**III. Domain Names**

<u>Name</u>	<u>Owner</u>
ALLFAITHSMEMORIALPARK.COM	Stewart Enterprises, Inc.
APBOZA.COM	Stewart Enterprises, Inc.
BALDWINFAIRCHILDCEMETERIES.COM	Stewart Enterprises, Inc.
BALDWINFAIRCHILDCEMETERY.COM	Stewart Enterprises, Inc.
BALDWINFAIRCHILDFUNERALHOME.COM	Stewart Enterprises, Inc.
BALDWINFAIRCHILDFUNERALHOMES.COM	Stewart Enterprises, Inc.
BALDWINFAIRCHILDFUNERALHOMESANDCEMETERIES.COM	Stewart Enterprises, Inc.
BLOUNTCURRYROEL.COM	Stewart Enterprises, Inc.
BLOUNTCURRYROELFUNERAL.COM	Stewart Enterprises, Inc.

BLOUNTCURRYROELFUNERALS.COM	Stewart Enterprises, Inc.
CAREERTHOUGHTS.COM	Stewart Enterprises, Inc.
CARINGFUNERALPLANS.COM	Stewart Enterprises, Inc.
CARINGWAY.COM	Stewart Enterprises, Inc.
CATHOLICMORTUARIES.COM	Stewart Enterprises, Inc.
CEMETERIESPLUS.COM	Stewart Enterprises, Inc.
CHAPELHILLCEMETERY.COM	Stewart Enterprises, Inc.
CREMATIONPLUS.COM	Stewart Enterprises, Inc.
CREMATIONSOCIETYOFAMERICA.COM	Stewart Enterprises, Inc.
CREMATIONSOCIETYOFAMERICA.ORG	Stewart Enterprises, Inc.
CREMATIONSPLUS.COM	Stewart Enterprises, Inc.
CURRYANDSON.COM	Stewart Enterprises, Inc.
DILDAYBROTHERS.COM	Stewart Enterprises, Inc.
DWNEWCOMERS.COM	D.W. Newcomer's Sons, Inc.
E-CASKETDIRECT.COM	Stewart Enterprises, Inc.
E-CREMATIONSPLUS.COM	Stewart Enterprises, Inc.
E-FUNERALPLAN.COM	Stewart Enterprises, Inc.
EL-CAMINO.COM	El Camino Mortuary
ENDURING-MEMORIES.COM	Stewart Enterprises, Inc.
FLORIDAFUNERAL.COM	Stewart Enterprises, Inc.
FLORIDAFUNERALS.COM	Stewart Enterprises, Inc.
FTBLOUNT.COM	Stewart Enterprises, Inc.
FUNERALSERVICEPLUS.COM	Stewart Enterprises, Inc.



GARDENOFMEMORIESCEMETERY.COM	Stewart Enterprises, Inc.
GARDENOFMEMORIESCHAPEL.COM	Stewart Enterprises, Inc.
GLENHAVENMEMORIALPARK.COM	Stewart Enterprises, Inc.
GRACE-BRIDGE.COM	Stewart Enterprises, Inc.
GUARDIANCREMATION.COM	Stewart Enterprises, Inc.
GUARDIANCREMATION.ORG	Stewart Enterprises, Inc.
GUARDIANCREMATIONSOCIETY.COM	Stewart Enterprises, Inc.
GUARDIANCREMATIONSOCIETY.ORG	Stewart Enterprises, Inc.
GUARDIANPLAN.COM	Stewart Enterprises, Inc.
GUARDIANPLAN.ORG	Stewart Enterprises, Inc.
HINESRINALDIFUNERALHOME.COM	Stewart Enterprises, Inc.
HINES-RINALDIFUNERALHOME.COM	Stewart Enterprises, Inc.
JREEDANDSONS.COM	Stewart Enterprises, Inc.
LAKELAWNMETAIRIE.COM	Stewart Enterprises, Inc.
LAKELAWNMETAIRIEFUNERALHOME.COM	Stewart Enterprises, Inc.
LAKELAWNPARK.COM	Stewart Enterprises, Inc.
MEMORIALPARKFUNERALHOME.COM	Stewart Enterprises, Inc.
MEMORIALSPLUS.COM	Stewart Enterprises, Inc.
MONTLAWN.COM	Stewart Enterprises, Inc.
MONTLAWNFUNERALHOME.COM	Stewart Enterprises, Inc.
MONTLAWNMEMORIALPARK.COM	Stewart Enterprises, Inc.
METAIRIECEMETERY.COM	Stewart Enterprises, Inc.
MYLOCALCEMETERY.COM	Stewart Enterprises, Inc.

MYLOCALFUNERALHOME.COM	Stewart Enterprises, Inc.
NEWCOMEROVERLANDPARKCHAPEL.COM	Stewart Enterprises, Inc.
ORLANDOCEMETERY.COM	Stewart Enterprises, Inc.
ORLANDOCREMATION.COM	Stewart Enterprises, Inc.
OVERLANDPARKCHAPEL.COM	Stewart Enterprises, Inc.
PINEALLASCREMATION.COM	Stewart Enterprises, Inc.
PINELLASFUNERAL.COM	Stewart Enterprises, Inc.
RESTLANDFUNERALHOME.COM	Restland Funeral Home and Cemetery
RINALDIFUNERALHOME.COM	Stewart Enterprises, Inc.
ROELANDCURRY.COM	Stewart Enterprises, Inc.
SANFRANCISCOCOLUMBARIUM.COM	Stewart Enterprises, Inc.
SENTINELCREMATIONSOCIETY.COM	Stewart Enterprises, Inc.
SENTINELCREMATIONSOCIETY.COM	Stewart Enterprises, Inc.
SENTINELCREMATION.ORG	Stewart Enterprises, Inc.
SENTINELCREMATIONSOCIETY.ORG	Stewart Enterprises, Inc.
SIMPLETRIBUTE.COM	Lippincott & Margulies
SIMPLICITYPLAN.COM	Stewart Enterprises, Inc.
STEL.COM	Stewart Enterprises, Inc.
STEWARTAUTOMATION.COM	Stewart Enterprises, Inc.
STEWARTCAREERS.COM	Stewart Enterprises, Inc.
STEWARTENTERPRISES.COM	Stewart Enterprises, Inc.
STEWARTRESOURCE.COM	Stewart Resource Center
STEWARTSALESMARKETING.COM	Stewart Enterprises, Inc.

STEWARTINVENTORY.COM	Stewart Enterprises, Inc.
STEWENT.COM	Stewart Enterprises, Inc.
STEWARTENT.COM	Stewart Enterprises, Inc.
STPETERSBURGCREMATION.COM	Stewart Enterprises, Inc.
SYLVANABBEYMPFH.COM	Sylvan Abbey Memorial Park
TAMPA-FUNERAL.COM	Stewart Enterprises, Inc.
TEAGUEFH.COM	Stewart Enterprises, Inc.
TEAGUEFUNERALHOME.COM	Stewart Enterprises, Inc.
TELEPHASESOCIETY.COM	Stewart Enterprises, Inc.
TELOPHASESOCIETY.COM	Stewart Enterprises, Inc.
THEGUARDIANPLAN.COM	Stewart Enterprises, Inc.
THEGUARDIANPLAN.ORG	Stewart Enterprises, Inc.
THESIMPLICITY PLAN.COM	Stewart Enterprises, Inc.
THECARINGWAYPLAN.COM	Stewart Enterprises, Inc.
THECARINGWAYPLAN.NET	Stewart Enterprises, Inc.
THECARINGWAYPLAN.ORG	Stewart Enterprises, Inc.
URGELBOURGIE.COM	Urgel Bourgie

**SCHEDULE III**

**Copyright Registrations**

<b><u>Work</u></b>	<b><u>Reg. No.</u></b>	<b><u>Owner/Assignee</u></b>
METAIRIE CEMETERY, AN HISTORICAL MEMOIR: TALES OF ITS STATESMEN, SOLDIERS, AND GREAT FAMILIES	TX-937-025	Stewart Enterprises, Inc.
GUIDELINES FOR THE DESIGN AND CONSTRUCTIONN OF COMMUNITY MAUSOLEA	TXu-9-435	Stewart Enterprises, Inc.

**ASSIGNMENT OF PATENTS, TRADEMARKS AND COPYRIGHTS**

**THIS ASSIGNMENT OF PATENTS, TRADEMARKS AND COPYRIGHTS** (this "Agreement") is made as of \_\_\_\_\_, 2001 by **STEWART ENTERPRISES, INC.**, a Louisiana corporation (herein referred to as "SEI" and a "Grantor"), and **EACH OF THE UNDERSIGNED SUBSIDIARIES OF SEI** (each a "Guarantor" and a "Grantor", and collectively with SEI, the "Grantors") in favor of **BANK OF AMERICA, N.A.**, a national banking association organized and existing under the laws of the United States, as Collateral Agent (the "Collateral Agent") for each of the lenders (the "Lenders", and together with the Collateral Agent and the Administrative Agent, the "Credit Agreement Parties") now or hereafter party to the Credit Agreement (as defined below) and for each of the Retained Noteholders referred to in the Credit Agreement (collectively, the Retained Noteholders and the Credit Agreement Parties are referred to herein as the "Senior Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Credit Agreement.

**WITNESSETH:**

**WHEREAS**, pursuant to that certain Credit Agreement dated as of June 29, 2001 by and among SEI, Empresas Stewart-Cementarios, a Puerto Rican civil partnership ("Cementarios"), Empresas Stewart-Funerarias, a Puerto Rican civil partnership ("Funerarias"), the Administrative Agent, the Collateral Agent, the Syndication Agent and the Lenders (as from time to time amended, revised, modified, supplemented or amended and restated, the "Credit Agreement"), (a) the Asset Sale Term Lenders shall make available an asset sale term loan facility to SEI on the Closing Date in the initial principal amount of \$75,000,000, (b) the Revolving Lenders shall make available a revolving credit facility of up to \$175,000,000 to SEI, \$10,000,000 of which will be made available to SEI and the PR Borrowers, jointly and severally, and which shall include a letter of credit facility of up to \$25,000,000 for the issuance of standby letters of credit, and a swing line facility of up to \$10,000,000, and (c) the Term Lenders shall make available on the Closing Date a term loan facility in the initial principal amount of \$300,000,000, of which \$270,000,000 will be made available to SEI and \$30,000,000 will be made available to SEI and the PR Borrowers, jointly and severally, the proceeds of all of which are to be used for the repayment of certain existing indebtedness of SEI and its Subsidiaries and for working capital, capital expenditures and other general corporate purposes; and

**WHEREAS**, SEI is indebted to the Retained Noteholders pursuant to the Retained Notes; and

**WHEREAS**, the Grantors and the Senior Secured Parties have agreed that the security interests granted under the Security Instruments to the Credit Agreement Parties shall, to the extent and so long as required by the terms of the Retained Notes, rank *pari passu* with the

security interests granted simultaneously under the Security Instruments to the Retained Noteholders; and

**WHEREAS**, each Guarantor has materially benefited from the extension of credit to SEI by the Retained Noteholders and will materially benefit from the Loans and Advances to be made, and the Letters of Credit to be issued, under the Credit Agreement and each Guarantor is a party to a Facility Guaranty pursuant to which each Guarantor guarantees the Obligations of the Borrower; and

**WHEREAS**, each Grantor has entered into that certain Intellectual Property Security Agreement (the "IP Security Agreement") dated as of June \_\_, 2001 pursuant to which each Grantor has granted to the Collateral Agent for the benefit of the Senior Secured Parties a security interest in the Trademarks, Copyrights, and Patents defined below in order to secure the Senior Obligations (as defined in the IP Security Agreement) and each Grantor's obligations under its respective Facility Guaranty (if applicable) and any other Loan Documents to which it is a party; and

**WHEREAS**, each Grantor (a) has adopted, registered and used and is using the trademarks and service marks (the "Trademarks") identified on Annex I hereto, and is the owner of the registrations of and pending registration applications for such Trademarks in the United States Patent and Trademark Office identified on Annex I hereto, (b) is the owner of and uses the copyright registrations set forth on Annex II hereto (the "Copyrights"), and (c) is the owner of and uses the patents, patent registrations and pending registration applications set forth on Annex III hereto (the "Patents" and together with the Trademarks and the Copyrights, the "Collateral"); and

**WHEREAS**, the Collateral Agent for the benefit of the Senior Secured Parties desires to acquire the Trademarks, the Copyrights, and the Patents and the registrations thereof and applications therefor, as applicable, in connection with the exercise of its remedies after the occurrence of an Event of Default;

**NOW, THEREFORE**, for good and valuable consideration, receipt of which is hereby acknowledged, each Grantor does hereby assign, sell and transfer unto the Collateral Agent all right, title and interest in and to the Trademarks, Copyrights, and Patents, together with (i) the registrations of and applications therefor, as applicable, (ii) the goodwill of the business symbolized by and associated with the Trademarks and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Trademarks, Copyrights, Patents or the registrations thereof or such associated goodwill.

Each Grantor hereby grants to the Collateral Agent, for the benefit of the Senior Secured Parties, and notice is hereby given that each Grantor has granted to the Collateral Agent, for the benefit of the Senior Secured Parties, a first priority security interest in the Collateral to secure the payment and performance in full of all Senior Obligations (as defined in the IP Security

Agreement) and all obligations of each Grantor under its respective Facility Guaranty (if applicable) and any other Loan Documents to which it is a party.

This Agreement is intended to and shall take effect as a sealed instrument at such time as the Collateral Agent shall complete this instrument by signing its acceptance of this Agreement below.

**IN WITNESS WHEREOF**, the parties have duly executed this Assignment of Patents, Trademarks and Copyrights on the day and year first written above.

**GRANTORS:**

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

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

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

The foregoing Assignment of the Patents, Trademarks and Copyrights and the registrations thereof and registration applications therefor by the Grantors is hereby accepted as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**BANK OF AMERICA, N.A.,**  
as Collateral Agent

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



ANNEX I

Registrations  
United States Patent and Trademark Office

Trademark  
or  
Service Mark

Registration No.

Registration Date

*[List chronologically in ascending numerical order]*

Pending Applications  
United States Patent and Trademark Office

Trademark  
or  
Service Mark

Serial No.

Filing Date

*[List chronologically in ascending numerical order]*

ANNEX II

Part I

Copyrights Registered with U.S. Copyright Office

<u>Title</u>	<u>[Author(s)]</u>	<u>Number</u>	<u>Copyright Date</u>	<u>Registration</u>
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Part II

Copyrights Not Registered

<u>Title</u>	<u>[Author(s)]</u>
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ANNEX III

Registrations  
United States Patent and Trademark Office

Patent                      Registration No.                      Registration Date

*[List chronologically in ascending numerical order]*

Pending Applications  
United States Patent and Trademark Office

Patent                      Serial No.                      Filing Date

*[List chronologically in ascending numerical order]*

**EXHIBIT B**

**INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT**

**THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT** (this "Supplement"), dated as of \_\_\_\_\_, 2\_\_ is made by and between \_\_\_\_\_ (the "Grantor"), and **BANK OF AMERICA, N.A.**, a national banking association organized and existing under the laws of the United States, as Collateral Agent (the "Collateral Agent"), for each of the lenders (the "Lenders", and together with the Collateral Agent and the Administrative Agent, the "Credit Agreement Parties") now or hereafter party to the Credit Agreement dated as of June 29, 2001 by and among SEI, Empresas Stewart-Cementerios, a Puerto Rican civil partnership ("Cementerios"), Empresas Stewart-Funerarias, a Puerto Rican civil partnership ("Funerarias"), the Administrative Agent, the Collateral Agent, the Syndication Agent and the Lenders (as from time to time amended, revised, modified, supplemented or amended and restated, the "Credit Agreement"), and for each of the Retained Noteholders (collectively, the Retained Noteholders and the Credit Agreement Parties are referred to herein as the "Senior Secured Parties"). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Intellectual Property Security Agreement (as defined below).

**WHEREAS**, the Grantor is required under the terms of the Credit Agreement and that certain Intellectual Property Security Agreement dated as of June \_\_, 2001 by SEI and certain Subsidiaries of SEI in favor of the Collateral Agent for the benefit of the Senior Secured Parties (as from time to time amended, revised, modified, supplemented, or amended and restated, the "Intellectual Property Security Agreement") to cause certain intellectual property owned by it and listed on Schedules I, II and III to this Supplement (the "Additional Collateral") to become subject to the Intellectual Property Security Agreement; and

**WHEREAS**, a material part of the consideration given in connection with and as an inducement to the execution and delivery of the Credit Agreement by the Credit Agreement Parties was the obligation of the Grantor to grant a security interest in the assets described herein to the Collateral Agent for the benefit of the Senior Secured Parties, whether then owned and not required to be subject to a pledge or subsequently acquired or created; and

**WHEREAS**, the Senior Secured Parties have required the Grantor to grant to the Collateral Agent for the benefit of the Senior Secured Parties a security interest in the Additional Collateral in accordance with the terms of the Credit Agreement and the Intellectual Property Security Agreement;

**NOW, THEREFORE**, the Grantor hereby agrees as follows with the Collateral Agent, for the benefit of the Senior Secured Parties:

1. The Grantor hereby affirms and acknowledges the grant of a security interest in the Additional Collateral contained in the Intellectual Property Security Agreement and hereby grants to the Collateral Agent for the benefit of the Senior Secured Parties a first priority lien and security interest in the Additional Collateral listed on Schedules I, II and III and all proceeds thereof.

2. The Grantor hereby acknowledges, agrees and confirms that, by its execution of this Supplement, the Additional Collateral constitute "Collateral" under and is subject to the Intellectual Property Security Agreement. Each of the representations and warranties with respect to Collateral contained in the Intellectual Property Security Agreement is hereby made by the Grantor with respect to the Additional Collateral. Revised Schedules I, II and III to the Intellectual Property Security Agreement reflecting the Additional Collateral are being delivered herewith to the Collateral Agent.

**IN WITNESS WHEREOF**, the Grantor has caused this Supplement to be duly executed by its authorized officer as of the day and year first above written.

\_\_\_\_\_

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

Acknowledged and accepted:

**BANK OF AMERICA, N.A.**,  
as Collateral Agent

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

**SCHEDULE I**

**Patents and Patent Applications**

**SCHEDULE II**

**Registered Trademarks and Trademark Applications**

**SCHEDULE III**

**Copyright Registrations**



**GLOSSARY OF DEFINED TERMS**

“Administrative Agent” means Bank of America, N.A., a national banking association organized and existing under the laws of the United States in its capacity as administrative agent for the Lenders, and any successor administrative agent appointed in accordance with the terms of the Credit Agreement.

“Advance” means any of (i) the borrowings under the Term Loan Facility, (ii) the borrowing under the Asset Sale Term Loan Facility, or (iii) a borrowing under the Revolving Credit Facility.

“Affiliate” means any Person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with SEI; or (ii) which beneficially owns or holds 5% or more of any class of the outstanding voting stock of SEI; or (iii) 5% or more of any class of the outstanding voting stock (or in the case of a Person which is not a corporation, 5% or more of the equity interest) of which is beneficially owned or held by SEI. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting stock, by contract or otherwise.

“Agent-Related Persons” means the Administrative Agent (including any successor administrative agent) and the Collateral Agent (including any successor collateral agent), together with their respective Affiliates (including, in the case of Bank of America in its capacity as the Administrative Agent or Collateral Agent, BAS), and the officers, directors, employees and attorneys-in-fact of each such Person and its Affiliates.

“Applicable Commitment Percentage” means (a) for each Revolving Lender at any time with respect to the Revolving Credit Facility, the Letter of Credit Facility and the Swing Line, a fraction the numerator of which shall be such Revolving Lender’s Revolving Credit Commitment and the denominator of which shall be the Total Revolving Credit Commitment, (ii) for each Term Lender at any time, with respect to the Term Loan Facility, a fraction the numerator of which shall be such Term Lender’s Term Loan Commitment and the denominator of which shall be the Total Term Loan Commitment, and (iii) for each Asset Sale Term Lender at any time, with respect to the Asset Sale Term Loan Facility, a fraction the numerator of which shall be such Asset Sale Term Lender’s Asset Sale Term Loan Commitment and the denominator of which shall be the Total Asset Sale Term Loan Commitment, which Applicable Commitment Percentage for each Lender as of the Closing Date is as set forth in Exhibit A; provided that the Applicable Commitment Percentage of each Lender shall be increased or decreased to reflect any assignments to or by such Lender effected in accordance with Section 13.1.

“Applicable Margin” shall have the meaning assigned thereto in the Credit Agreement.

“Asset Sale Term Lenders” means each Lender that has a commitment to or has made a loan that remains outstanding under the Asset Sale Term Loan Facility.

“Asset Sale Term Loan” means the loan made pursuant to the Asset Sale Term Loan Facility in accordance with the Credit Agreement.

“Asset Sale Term Loan Commitment” means, with respect to each Asset Sale Term Lender, the obligation of such Asset Sale Term Lender to make the Asset Sale Term Loan to SEI in a principal amount equal to such Asset Sale Term Lender’s Applicable Commitment Percentage of the Total Asset Sale Term Loan Commitment as set forth on Exhibit A to the Credit Agreement.

“Asset Sale Term Loan Facility” means the facility described in the Credit Agreement providing for an Asset Sale Term Loan to SEI by the Asset Sale Term Lenders in the original principal amount of \$75,000,000.

“Asset Sale Term Loan Outstandings” means, as of any date of determination, the aggregate principal amount of the Asset Sale Term Loan then outstanding and all interest accrued thereon.

“Asset Sale Term Notes” means, collectively, the promissory notes of SEI evidencing Asset Sale Term Loans executed and delivered to the Asset Sale Term Lenders as provided in the Credit Agreement, with appropriate insertions as to amounts, dates and names of Asset Sale Term Lenders.

“Base Rate” means, for any day, the fluctuating rate per annum equal to the sum of (a) the higher of (i) the Federal Funds Rate for such day plus one-half of one percent (0.50%) and (ii) the Prime Rate for such day plus (b) the Applicable Margin. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate or Federal Funds Rate.

“Base Rate Loan” means a Loan (including a Segment) for which the rate of interest is determined by reference to the Base Rate.

“Borrowers” means Stewart Enterprises, Inc., a Louisiana corporation having its principal place of business in Metairie, Louisiana (“SEI”), Empresas Stewart-Cementerios, a Puerto Rican civil partnership having its principal place of business in San Juan, Puerto Rico (“Cementerios”), Empresas Stewart-Funerarias, a Puerto Rican civil partnership having its principal place of business in San Juan, Puerto Rico (“Funerarias” and together with Cementerios, the “PR Borrowers”, and the PR Borrowers and SEI collectively known as the “Borrowers”),

“Business Day” means, (i) except as expressly provided in clause (ii), any day which is not a Saturday, Sunday or a day on which banks in the States of New York and North Carolina are authorized or obligated by law, executive order or governmental decree to be closed and, (ii) with respect to the selection, funding, interest rate, payment, and interest period of any Eurodollar Rate Loan, any day which is a Business Day, as described above, and on which the relevant international financial markets are open for the transaction of business contemplated by the Credit Agreement in London, England, New York, New York, Charlotte, North Carolina and Dallas, Texas.

“Capital Leases” means all leases which have been or should be capitalized in accordance with GAAP as in effect from time to time including Statement No. 13 of the Financial Accounting Standards Board and any successor thereof.

“Cash Management Facility” means committed or uncommitted cash management lines of credit to SEI or SEI and one or more of its Subsidiaries provided by the Cash Management Facility Provider, not at any time to exceed an aggregate principal amount of \$10,000,000.

“Cash Management Facility Provider” means SunTrust Bank in its role as provider of the Cash Management Facility, or any substitute financial institution providing the Cash Management Facility.

“Closing Date” means the date as of which the Credit Agreement is executed by the Borrowers, the Lenders and the Administrative Agent and on which the conditions set forth in the Credit Agreement have been satisfied.

“Consistent Basis” in reference to the application of GAAP means the accounting principles observed in the period referred to are comparable in all material respects to those applied in the preparation of the audited financial statements of SEI referred to as of the Closing Date in Section 8.6(a) of the Credit Agreement, but including the application of SAB 101 to the extent not incorporated in such audited financial statements.

“Contingent Obligation” means, as to any Person, any direct or indirect liability of that Person with respect to any Indebtedness, lease, dividend, guaranty, letter of credit or other obligation (each a “primary obligation”) of another Person (the “primary obligor”), whether or not contingent, (a) to purchase, repurchase or otherwise acquire any such primary obligation or any property constituting direct or indirect security therefor, or (b) to advance or provide funds (i) for the payment or discharge of any such primary obligation, or (ii) to maintain working capital or equity capital of the primary obligor in respect of any such primary obligation or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of such primary obligor, or (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor thereof to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss or failure or inability to perform in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof.

“Credit Agreement Guarantors” means, at any date, collectively or individually as the context may indicate, the SEI Guarantors, the PR Guarantors, and any other Subsidiary of SEI that is required to be party to a Facility Guaranty at such date.

“Credit Parties” means, collectively, the Borrowers, each Credit Agreement Guarantor and each other Person providing Collateral pursuant to any Security Instrument.

“DBAB” means Deutsche Banc Alex. Brown, Inc. and its successors.

“Default” means any event or condition which, with the giving or receipt of notice or lapse of time or both, would constitute an Event of Default under the Credit Agreement.

“Default Rate” has the meaning provided therefore in the Credit Agreement.

“Direct Foreign Subsidiary” means (a) each Subsidiary, other than a Domestic Subsidiary or an Excluded Subsidiary, a majority of whose Voting Securities are owned by SEI or a Domestic Subsidiary, and (b) each Excluded Subsidiary that has been continued in a jurisdiction outside the United States and a majority of whose Voting Securities are owned by SEI or a Domestic Subsidiary.

“Domestic Subsidiary” means any Subsidiary of SEI organized under the laws of the United States of America, any state or territory thereof (other than Puerto Rico) or the District of Columbia, except the Excluded Subsidiaries.

“Eligible Securities” means the following obligations and any other obligations previously approved in writing by the Administrative Agent:

- (a) Government Securities;

(b) obligations of any corporation organized under the laws of any state of the United States of America payable in the United States of America, expressed to mature not later than 180 days following the date of issuance thereof and rated A or A-2 or better by S&P or Moody's; and

(c) non-interest bearing demand deposits and interest bearing demand or time deposits or certificates of deposit maturing within one year from the date of issuance, in each case either issued by a Lender or by a commercial bank or trust company organized under the laws of the United States or of any state thereof having capital surplus and undivided profits aggregating at least \$500,000,000 and being rated "A" or better by S&P or "A" or better by Moody's.

"Eurodollar Rate Loan" has the meaning provided therefor in the Credit Agreement.

"Event of Default" means any of the occurrences set forth as such in the Credit Agreement.

"Excluded Subsidiaries" means each of the following Subsidiaries of SEI: (a) Investors Trust, Inc., a Texas corporation, (b) SEI-DEFL, Inc., a Delaware corporation continued into Nova Scotia, Canada, (c) SEI-DELLA, Inc., a Delaware corporation continued into Nova Scotia, Canada, (d) SEI-DELTX, Inc., a Delaware corporation, (e) The Lincoln Memorial Park Cemetery Association, a Nebraska corporation, and (f) West Lawn Cemetery, Inc., a Nebraska corporation.

"Facility Guaranty" means each Guaranty Agreement between one or more Credit Agreement Guarantors and the Administrative Agent for the benefit of the Administrative Agent and the Lenders, delivered as of the Closing Date and otherwise pursuant to the terms of the Credit Agreement, as the same may be amended, modified or supplemented.

"Facility Termination Date" means such date as all of the following shall have occurred: (a) the Borrowers shall have permanently terminated the Revolving Credit Facility and the Swing Line by payment in full of all Revolving Credit Outstandings and Letter of Credit Outstandings and Swing Line Outstandings, together with all accrued and unpaid interest and fees thereon, other than (i) the undrawn portion of Letters of Credit and (ii) all letter of credit fees relating thereto accruing after such date (which shall be payable solely for the account of the Issuing Bank) computed (based on the interest rates and the Applicable Margin then in effect) on such undrawn amounts to the respective expiry dates of the Letters of Credit, in each case as have been fully cash collateralized in a manner consistent with the terms of Section 11.1(B) of the Credit Agreement or as to which other arrangements satisfactory to the Issuing Bank shall have been made; (b) the Borrowers shall have paid all Term Loan Outstandings in full, together with all accrued and unpaid interest, premium (if applicable) and fees thereon; (c) SEI shall have paid all Asset Sale Term Loan Outstandings in full, together with all accrued and unpaid interest and fees thereon; (d) all Swap Agreements shall have been terminated, expired or cash collateralized; (e) all Term Loan Commitments, Asset Sale Term Loan Commitments, Revolving Credit Commitments and Letter of Credit Commitments shall have terminated or expired; and (f) the Borrowers shall have fully, finally and irrevocably paid and satisfied in full all other Obligations (except for Obligations consisting of continuing indemnities and other contingent Obligations of any Borrower or any Credit Agreement Guarantor that may be owing to any Agent-Related Person, any Syndication Agent-Related Person or any Lender pursuant to the Loan Documents and expressly survive termination of the Credit Agreement).

"FASB 133" means Statement of Financial Accounting Standards No. 133.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day,

as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Bank of America on such day on such transactions as determined by the Agent.

“Florida Bond Obligation” means, at any date of measurement thereof, the sum of (a) the amount required to be bonded by SEI or any of its Subsidiaries and (b) the amount of other credit support required to be provided by SEI or any its subsidiaries, in each case in connection with certain trust conversions by SEI or its Subsidiaries in the State of Florida.

“GAAP” or “Generally Accepted Accounting Principles” means generally accepted accounting principles, being those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, or which have other substantial authoritative support and are applicable in the circumstances as of the date of a report.

“Government Securities” means direct obligations of, or obligations the timely payment of principal and interest on which are fully and unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof so long as such obligations are rated A or A-2 or better by S&P and Moody’s, respectively.

“Governmental Authority” shall mean any Federal, state, municipal, national or other governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

“Guarantors' Obligations” means the obligations of, collectively or individually as the context may indicate, the Credit Agreement Guarantors, to the Credit Agreement Parties under the Facility Guaranties.

“Indebtedness” means as to any Person, without duplication, (a) all Indebtedness for Money Borrowed of such Person, (b) the aggregate face amount of all surety bonds, letters of credit, and bankers’ acceptances, (c) all Rate Hedging Obligations of such Person, (d) all indebtedness secured by any Lien on any property or asset owned or held by such Person regardless of whether the indebtedness secured thereby shall have been assumed by such Person or is non-recourse to the credit of such Person (in which event the amount of such non-recourse indebtedness shall be the lesser of the amount of such indebtedness or the fair market value of the assets securing such indebtedness), (e) all Contingent Obligations of such Person, including all such items incurred by any partnership or joint venture as to which such Person is liable as a general partner or joint venturer, and (f) all Non-Compete Liabilities.

“Indebtedness for Money Borrowed” means with respect to any Person, without duplication, all indebtedness in respect of money borrowed, including without limitation, all obligations under Capital Leases, all Synthetic Lease Obligations, the deferred purchase price of any property or services, and (without duplication) all payment and reimbursement obligations with respect to all drawn surety bonds, letters of credit, and bankers’ acceptances, whether or not matured, evidenced by a promissory note, bond, debenture or similar written obligation for the payment of money (including reimbursement agreements and conditional sales or similar title retention agreements), including all such items incurred by any partnership or joint venture as to which such Person is liable as a general partner or joint venturer, other than trade payables and accrued expenses incurred in the ordinary course of business.

“Intellectual Property Security Agreement” means, collectively (or individually as the context may indicate), (i) the Intellectual Property Security Agreement dated as of the date hereof by SEI and the SEI Guarantors to the Collateral Agent, and (ii) any additional Intellectual Property Security Agreement delivered to the Collateral Agent pursuant to the Credit Agreement, as hereafter modified, amended or supplemented from time to time.

“Issuing Bank” means initially Bank of America and thereafter any Lender which is successor to Bank of America as issuer of Letters of Credit.

“LC Account Agreement” means the LC Account Agreement dated as of the date hereof between SEI and the Administrative Agent, as amended, modified or supplemented from time to time.

“Letter of Credit” means a standby letter of credit issued by the Issuing Bank pursuant to the Credit Agreement for the account of SEI in favor of a Person advancing credit or securing an obligation on behalf of SEI.

“Letter of Credit Commitment” means, with respect to each Revolving Lender, the obligation of such Revolving Lender to acquire Participations in respect of Letters of Credit and Reimbursement Obligations up to an aggregate amount at any one time outstanding equal to such Revolving Lender’s Applicable Commitment Percentage of the Total Letter of Credit Commitment as the same may be increased or decreased from time to time pursuant to the Credit Agreement.

“Letter of Credit Facility” means the facility described in the Credit Agreement providing for the issuance by the Issuing Bank for the account of SEI of Letters of Credit in an aggregate stated amount at any time outstanding not exceeding the Total Letter of Credit Commitment minus outstanding Reimbursement Obligations.

“Letter of Credit Outstandings” means, as of any date of determination, the aggregate amount available to be drawn under all Letters of Credit plus Reimbursement Obligations then outstanding.

“Lien” means any interest in property securing any obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute or contract, and including but not limited to the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. For the purposes of the Loan Documents, SEI and any Subsidiary shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, financing lease, or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes.

“Loan” or “Loans” means any of the Revolving Loans, the Term Loan, the Asset Sale Term Loan or the Swing Line Loan, including any Segment.

“Loan Documents” means this Credit Agreement, the Notes, the Security Instruments, the Facility Guaranties, the LC Account Agreement, the Applications and Agreements for Letter of Credit, and all other instruments and documents heretofore or hereafter executed or delivered to or in favor of any Lender (including the Issuing Bank) or the Administrative Agent or the Collateral Agent in connection with the Loans made and transactions contemplated under the Credit Agreement, as the same may be amended, supplemented or replaced from the time to time.

“Material Adverse Effect” means a material adverse effect on (i) the business, properties, operations, prospects or condition, financial or otherwise, of SEI and its Subsidiaries, taken as a whole, (ii) the ability of any Credit Party to pay or perform its respective obligations, liabilities and indebtedness under the Loan Documents as such payment or performance becomes due in accordance with the terms thereof, or (iii) the rights, powers and remedies of the Administrative Agent, the Collateral Agent or any Lender under any Loan Document or the validity, legality or enforceability thereof.

“Moody’s” means Moody’s Investors Service, Inc.

“Notes” means, collectively, the Term Notes, the Asset Sale Term Notes, the Swing Line Note and the Revolving Notes.

“Obligations” means the obligations, liabilities and Indebtedness of all or any of the Borrowers with respect to (i) the principal and interest on the Loans as evidenced by the Notes, (ii) the Reimbursement Obligations and otherwise in respect of the Letters of Credit, (iii) all liabilities of any Borrower to any Lender (or any affiliate of any Lender) which arise under a Swap Agreement, and (iv) the payment and performance of all other obligations, liabilities and Indebtedness of the Borrowers to the Lenders (including the Issuing Bank), the Administrative Agent, the Collateral Agent or BAS under the Credit Agreement, under any one or more of the other Loan Documents or with respect to the Loans.

“Organizational Documents” means with respect to any corporation, limited liability company, partnership, limited partnership, limited liability partnership or other legally authorized incorporated or unincorporated entity, the articles of incorporation, certificate of incorporation, articles of organization, certificate of limited partnership or other applicable organizational or charter documents relating to the creation of such entity.

“Outstandings” means, collectively, at any date, the Letter of Credit Outstandings, Swing Line Outstandings, Term Loan Outstandings, Asset Sale Term Loan Outstandings and Revolving Credit Outstandings on such date.

“Participation” means, (i) with respect to any Revolving Lender (other than the Issuing Bank) and a Letter of Credit, the extension of credit represented by the participation of such Revolving Lender under the Credit Agreement in the liability of the Issuing Bank in respect of a Letter of Credit issued by the Issuing Bank in accordance with the terms of the Credit Agreement and (ii) with respect to any Revolving Lender (other than Bank of America) and a Swing Line Loan, the extension of credit represented by the participation of such Revolving Lender under the Credit Agreement in the liability of Bank of America in respect of a Swing Line Loan made by Bank of America in accordance with the terms of the Credit Agreement.

“Permitted Liens” means any of the following Liens:

(a) Liens created under the Security Instruments in favor of the Collateral Agent and the Lenders (and, as applicable, on a pari passu or subordinated basis in favor of the Retained Noteholders and, so long as the Cash Management Facility Provider is a Lender, the Cash Management Facility Provider with respect to the Cash Management Facility), and otherwise existing as of the date hereof and as set forth in Schedule 8.7 of the Credit Agreement;

(b) Liens imposed by law for taxes, assessments or charges of any Governmental Authority for claims not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are being maintained in accordance with GAAP, which Liens are not yet exercisable to effect the sale or

seizure of property subject thereto; provided, however, in the case of Liens being contested, the aggregate amount of such unpaid taxes, assessments or charges shall not at any time exceed \$2,500,000;

(c) (i) statutory Liens of landlords, (iii) Liens of carriers, warehousemen, mechanics, materialmen and (iii) other Liens arising in the ordinary course of business and in existence less than 90 days from the date of creation thereof for amounts not yet due or which are being contested in good faith by appropriate proceedings diligently conducted, and with respect to which adequate reserves are being maintained in accordance with GAAP, which Liens are not yet exercisable to effect the sale or seizure of property subject thereto;

(d) purchase money Liens to secure Indebtedness permitted under Section 10.5(d) of the Credit Agreement and incurred to purchase fixed assets, provided such Indebtedness represents not less than 85% of the purchase price of such assets as of the date of purchase thereof and no property other than the assets so purchased secures such Indebtedness; and

(e) Liens arising in connection with Capital Leases permitted under Section 10.5(d) of the Credit Agreement, provided that no such Lien shall extend to any Collateral or to any other property other than the assets subject to such Capital Leases.

“Person” means an individual, partnership, corporation, limited liability company, limited liability partnership, trust, unincorporated organization, association, joint venture or a government or agency or political subdivision thereof.

“Pledge Agreement” means, collectively (or individually as the context may indicate), (i) that certain Securities Pledge Agreement dated as of the date hereof between SEI and the Collateral Agent for the benefit of the Collateral Agent, the Administrative Agent, the Lenders (and, as applicable, the Retained Noteholders), (ii) that certain Securities Pledge Agreement dated as of the date hereof between certain Domestic Subsidiaries and the Collateral Agent for the benefit of the Collateral Agent, the Administrative Agent, the Lenders (and, as applicable, the Retained Noteholders), (iii) any additional Securities Pledge Agreement delivered to the Collateral Agent pursuant to the Credit Agreement, and (iv) if applicable, with respect to any Subsidiary Securities issued by a Direct Foreign Subsidiary, any additional or substitute charge, agreement, document, instrument or conveyance, in form and substance acceptable to the Administrative Agent, conferring under applicable foreign law upon the Collateral Agent for the benefit of the Collateral Agent, the Administrative Agent and the Lenders (and, as applicable, the Retained Noteholders) a Lien upon such Subsidiary Securities as are owned by SEI or any Domestic Subsidiary, in each case as hereafter amended, supplemented (including by Pledge Agreement Supplement) or amended and restated from time to time.

“Pledge Agreement Supplement” means, with respect to each Pledge Agreement, the Pledge Agreement Supplement in the form affixed as an Exhibit to such Pledge Agreement.

“Pledged Interests” means the Subsidiary Securities required to be pledged as Collateral pursuant to the Credit Agreement or the terms of any Pledge Agreement.

“PR Borrowers” means Empresas Stewart-Cementarios, a Puerto Rican civil partnership having its principal place of business in San Juan, Puerto Rico (“Cementarios”), Empresas Stewart-Funerarias, a Puerto Rican civil partnership having its principal place of business in San Juan, Puerto Rico (“Funerarias”).



“PR Guarantors” means, individually or collectively as the context may indicate, each Subsidiary of Cementerios organized under the laws of Puerto Rico as of the Closing Date, each Subsidiary of Funerarias organized under the laws of Puerto Rico as of the Closing Date, and each other Subsidiary of Funerarias or Cementerios delivering a Facility Guaranty from time to time pursuant to the Credit Agreement.

“Prime Rate” means the per annum rate of interest as publicly announced from time to time by Bank of America as its “prime rate”. Such rate is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“Public Indenture” means that certain Indenture dated as of December 1, 1996, as supplemented by the First Supplemental Indenture dated as of April 24, 1998, and as further supplemented, amended, modified or replaced through the Closing Date and thereafter to the extent permitted under the Credit Agreement, all of which relate to the issuance of the Public Notes.

“Public Notes” means, individually or collectively as the context may indicate, (a) those certain 6.40% notes of SEI due 2013, in the initial principal amount of \$200,000,000, issued pursuant to the Public Indenture, and (b) those certain 6.70% notes of SEI due 2003, in the initial principal amount of \$100,000,000, issued pursuant to the Public Indenture.

“Qualifying Control Agreement” shall have the meaning given to such term in the certain Security Agreement to which SEI is a party.

“Rate Hedging Obligations” means, without duplication, any and all obligations of SEI or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, exchange rates or forward rates applicable to such party’s assets, liabilities or exchange transactions, including, but not limited to, Dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts, warrants and those commonly known as interest rate “swap” agreements; (ii) all other “derivative instruments” as defined in FASB 133 and which are subject to the reporting requirements of FASB 133; and (iii) any and all cancellations, buybacks, reversals, terminations or assignments of any of the foregoing. For purposes of any computation hereunder, each Rate Hedging Obligation shall be valued at the Rate Hedge Value thereof.

“Rate Hedge Value” means, with respect to each contract, instrument or other arrangement creating a Rate Hedging Obligation, the net obligations of SEI or any Subsidiary thereunder equal to the termination value thereof as determined in accordance with its provisions (if such Rate Hedging Obligation has been terminated) or the mark to market value thereof as determined on the basis of available quotations from any recognized dealer in, or from Bloomberg or other similar service providing market quotations for, the applicable Rate Hedging Obligation (if such Rate Hedging Obligation has not been terminated).

“Registrar” means, with respect to any Subsidiary Securities, any Person authorized or obligated to maintain records of the registration of ownership or transfer of ownership of interests in such Subsidiary Securities, and in the event no such Person shall have been expressly designated by the related Subsidiary, shall mean (i) as to any corporation or limited liability company, its Secretary (or comparable

official), and (ii) as to any partnership, its general partner (or managing general partner if one shall have been appointed).

“Reimbursement Obligation” shall mean at any time, the obligation of SEI with respect to any Letter of Credit to reimburse the Issuing Bank and the Revolving Lenders to the extent of their respective Participations (including by the receipt by the Issuing Bank of proceeds of Loans pursuant to Section 2.3(c)(iii) of the Credit Agreement) for amounts theretofore paid by the Issuing Bank pursuant to a drawing under such Letter of Credit.

“Required Lenders” means, as of any date, Lenders on such date having Credit Exposures (as defined below) aggregating more than 50% of the aggregate Credit Exposures of all the Lenders on such date. For purposes of the preceding sentence, the amount of the “Credit Exposure” of each Lender shall be equal at all times (a) other than following the occurrence and during the continuance of an Event of Default, to the sum of (i) its Revolving Credit Commitment, plus (ii) its Term Loan Commitment, plus (iii) its Asset Sale Term Loan Commitment, and (b) following the occurrence and during the continuance of an Event of Default, to the sum of (i) the amount of such Lender’s Applicable Commitment Percentage of Asset Sale Term Loan Outstandings, plus (ii) the amount of such Lender’s Applicable Commitment Percentage of Term Loan Outstandings, plus (iii) the aggregate principal amount of such Lender’s Applicable Commitment Percentage of Revolving Credit Outstandings plus, (iv) the amount of such Lender’s Applicable Commitment Percentage of Letter of Credit Outstandings and Swing Line Outstandings; provided that, for the purpose of this definition only, (A) if any Lender shall have failed to fund its Applicable Commitment Percentage of any Advance, then the Term Loan Commitment, Asset Term Loan Commitment or Revolving Credit Commitment, as applicable, of such Lender shall be deemed reduced by the amount it so failed to fund for so long as such failure shall continue and such Lender’s Credit Exposure attributable to such failure shall be deemed held by any Lender making more than its Applicable Commitment Percentage of such Advance to the extent it covers such failure, (B) if any Revolving Lender shall have failed to pay to the Issuing Bank upon demand its Applicable Commitment Percentage of any drawing under any Letter of Credit resulting in an outstanding Reimbursement Obligation (whether by funding its Participation therein or otherwise), such Revolving Lender’s Credit Exposure attributable to all Letter of Credit Outstandings shall be deemed to be held by the Issuing Bank until such Revolving Lender shall pay such deficiency amount to the Issuing Bank together with interest thereon as provided in the Credit Agreement, and (C) if any Revolving Lender shall have failed to pay to Bank of America on demand its Applicable Commitment Percentage of any Swing Line Loan (whether by funding its Participation therein or otherwise), such Revolving Lender’s Credit Exposure attributable to all Swing Line Outstandings shall be deemed to be held by Bank of America until such Revolving Lender shall pay such deficiency amount to Bank of America together with interest thereon as provided in the Credit Agreement.

“Required Reserve” means, at any date of computation thereof, the sum of (a) the value of Restricted Funds on such date, and (b) the amount by which the Total Revolving Credit Commitment in effect on such date exceeds the sum of (i) the Revolving Credit Outstandings on such date, (ii) the Letter of Credit Outstandings on such date, (iii) the Swing Line Outstandings on such date, and (iv) the Florida Bond Obligation.

“Restricted Funds” means the Eligible Securities and other readily marketable securities of SEI or any SEI Guarantor acceptable to the Collateral Agent that either (a) constitute securities entitlements as to which the Collateral Agent has a duly perfected, first priority security interest pursuant to the Uniform Commercial Code, or (b) are on deposit in a deposit account as to which the Collateral Agent has a duly perfected, first priority lien (or security interest to the extent Article 9 of the applicable Uniform Commercial Code applies) by virtue of a Qualifying Control Agreement executed by the depositor, the depository institution and the Collateral Agent.

**“Retained Noteholders”** means, at any time, those Persons then holding any of the Retained Notes or any holders of obligations issued to refinance such Retained Notes in accordance with the terms of the Credit Agreement.

**“Retained Notes”** means that portion of the Public Notes remaining outstanding after the consummation and full settlement of the Tender, or any notes issued to refinance such Public Notes in accordance with the Credit Agreement.

**“Revolving Credit Commitment”** means, with respect to each Revolving Lender, the obligation of such Revolving Lender to make Revolving Loans to the Borrowers up to an aggregate principal amount at any one time outstanding equal to such Revolving Lender’s Applicable Commitment Percentage of the Total Revolving Credit Commitment.

**“Revolving Credit Facility”** means the facility described in the Credit Agreement providing for Revolving Loans to the applicable Borrower by the Revolving Lenders in an aggregate principal amount at any time outstanding not exceeding the Total Revolving Credit Commitment at such time.

**“Revolving Credit Outstandings”** means, as of any date of determination, the aggregate principal amount of all Revolving Loans then outstanding.

**“Revolving Credit Termination Date”** means (i) the Stated Revolver Termination Date or (ii) such earlier date of termination of the Revolving Lenders’ obligations pursuant to the Credit Agreement upon the occurrence of an Event of Default, or (iii) such date as the Borrowers may voluntarily and permanently terminate the Revolving Credit Facility and the Swing Line by payment in full of all Revolving Credit Outstandings and Letter of Credit Outstandings and Swing Line Outstandings, together with all accrued and unpaid interest and fees thereon, other than (i) the undrawn portion of Letters of Credit and (ii) all letter of credit fees relating thereto accruing after such date (which shall be payable solely for the account of the Issuing Bank) computed (based on the interest rates and the Applicable Margin then in effect) on such undrawn amounts to the respective expiry dates of the Letters of Credit, in each case as have been fully cash collateralized in a manner consistent with the terms of the Credit Agreement or as to which other arrangements satisfactory to the Issuing Bank shall have been made.

**“Revolving Lender”** means each Lender that has a commitment to the Revolving Credit Facility.

**“Revolving Loan”** means any borrowing pursuant to an Advance under the Revolving Credit Facility in accordance with the Credit Agreement.

**“Revolving Notes”** means, collectively, the promissory notes of the Borrower evidencing Revolving Loans executed and delivered to the Lenders as provided in the Credit Agreement, with appropriate insertions as to amounts, dates and names of Lenders.

**“S&P”** means Standard & Poor’s Ratings Group, a division of McGraw-Hill.

**“SAB 101”** means Staff Accounting Bulletin No. 101 (SAB 101) - Revenue Recognition in Financial Statements, issued by the Securities Exchange Commission on December 3, 1999.

**“Security Agreement”** means , collectively (or individually as the context may indicate), (i) the Security Agreement dated as of the date hereof by SEI and the SEI Guarantors to the Collateral Agent, and (ii) any additional Security Agreement delivered to the Collateral Agent pursuant to the Credit Agreement, as hereafter modified, amended or supplemented from time to time.

“Security Instruments” means, collectively, the Pledge Agreement, the Security Agreement, the Intellectual Property Security Agreement and all other agreements (including control agreements), instruments and other documents, whether now existing or hereafter in effect, pursuant to which SEI or any Subsidiary or other Person shall grant or convey to the Collateral Agent, Administrative Agent or the Lenders a Lien in, or any other Person shall acknowledge any such Lien in, property as security for all or any portion of the Obligations or any other obligation under any Loan Document, as any of them may be amended, modified or supplemented from time to time.

“Segment” means a portion of the Asset Sale Term Loan or of the Term Loan (or all thereof) with respect to which a particular interest rate is (or is proposed to be) applicable.

“SEI” means Stewart Enterprises, Inc., a Louisiana corporation.

“SEI Guarantors” means, individually or collectively as the context may indicate, each Domestic Subsidiary of SEI as of the Closing Date, other than the Excluded Subsidiaries, and each other Domestic Subsidiary of SEI delivering a Facility Guaranty from time to time pursuant to the Credit Agreement.

“Seller Financed Indebtedness” means that certain Indebtedness of SEI or one of its Subsidiaries outstanding on the Closing Date and owing to a third party, which Indebtedness was incurred or assumed in connection with the acquisition of assets (including stock) prior to May 10, 2001 and the maximum principal amount thereof does not exceed \$26,800,000.

“Stated Revolver Termination Date” means June 30, 2005.

“Subsidiary” means any corporation or other entity in which more than 50% of its outstanding Voting Securities or more than 50% of all equity interests is owned directly or indirectly by SEI and/or by one or more of SEI’s Subsidiaries.

“Subsidiary Securities” means the shares of capital stock or the other equity interests issued by or equity participations in any Subsidiary, whether or not constituting a “security” under Article 8 of the Uniform Commercial Code as in effect in any jurisdiction.

“Swap Agreement” means (i) one or more agreements between SEI and any Person with respect to Indebtedness evidenced by any or all of the Notes, on terms mutually acceptable to SEI and such Person and approved by the Required Lenders, which agreements create Rate Hedging Obligations; provided, however, that no such approval of the Lenders shall be required to the extent such agreements are entered into between SEI and any Lender or any affiliate of any Lender, and (ii) the obligations of SEI or any affiliate of SEI now existing or hereafter arising in favor of Bank of America, BAS or an affiliate of either of them arising under that certain Remarketing Agreement dated as of April 24, 1998.

“Swing Line” means the revolving line of credit established by Bank of America in favor of the Borrowers pursuant to the Credit Agreement.

“Swing Line Loans” means loans made by Bank of America to one or more of the Borrowers pursuant to the Credit Agreement.

“Swing Line Note” means the promissory note of the Borrowers evidencing the Swing Line executed and delivered to Bank of America as provided in the Credit Agreement.

“Swing Line Outstandings” means, as of any date of determination, the aggregate principal amount of all Swing Line Loans then outstanding.

“Syndication Agent” means Deutsche Banc Alex. Brown, Inc.

“Syndication Agent-Related Persons” means the Syndication Agent, together with its Affiliates (including, in the case of DBAB, in its capacity as the Syndication Agent, BTCo), and the officers, directors, employees and attorneys-in-fact of each such Person and its Affiliates.

“Synthetic Lease Obligations” means all monetary obligations of a lessee under any tax retention or other synthetic leases which is treated as an operating lease under GAAP but the liabilities under which are or would be characterized as indebtedness of such Person for tax purposes or upon the insolvency of such Person. The amount of Synthetic Lease Obligations in respect of any synthetic lease at any date of determination thereof shall be equal to the aggregate purchase price of any property subject to such lease less the aggregate amount of payments of rent theretofore made which reduce the lessee’s obligations under such synthetic lease and which are not the financial equivalent of interest.

“Tender” means the tender by SEI for an aggregate principal amount of not less than \$190,000,000 and not more than \$210,000,000 of the Public Notes.

“Term Lender” means each Lender that has a commitment to or has made a loan that remains outstanding under the Term Loan Facility.

“Term Loan” means the loan made pursuant to the Term Loan Facility in accordance with the Credit Agreement.

“Term Loan Commitment” means, with respect to each Term Lender, the obligation of such Term Lender to make the Term Loan to the Borrowers in a principal amount equal to such Term Lender’s Applicable Commitment Percentage of the Total Term Loan Commitment as set forth on Exhibit A to the Credit Agreement.

“Term Loan Facility” means the facility described in the Credit Agreement providing for a Term Loan to the Borrowers by the Term Lenders in the original principal amount of the Total Term Loan Commitment.

“Term Loan Maturity Date” means June 30, 2006.

“Term Loan Outstandings” means, as of any date of determination, the aggregate principal amount of the Term Loan then outstanding and all interest accrued thereon.

“Term Loan Termination Date” means the earliest to occur of (i) the Term Loan Maturity Date or (ii) the date of termination of Term Lenders’ obligations pursuant to the Credit Agreement upon the occurrence of an Event of Default, or (iii) the date the Borrowers may voluntarily and permanently terminate the Term Loan Facility by payment in full of all Obligations incurred in connection with the Term Loan.

“Term Notes” means, collectively, the promissory notes of the Borrowers evidencing Term Loans executed and delivered to the Term Lenders as provided in the Credit Agreement, with appropriate insertions as to amounts, dates and names of Term Lenders.

“Total Asset Sale Term Loan Commitment” means a principal amount equal to \$75,000,000.

“Total Letter of Credit Commitment” means an amount not to exceed \$25,000,000.

“Total Revolving Credit Commitment” means a principal amount equal to \$175,000,000, as reduced from time to time in accordance with Section 2.3(e) of the Credit Agreement.

“Total Term Loan Commitment” means a principal amount equal to \$300,000,000.

“Trustee” means the trustee under the Public Indenture.

“Voting Securities” means shares of capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.