

11-12-2003

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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

102597728

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

1. Name of conveying party(ies):

SHARPER IMAGE CORPORATION

- Individual(s) Association General Partnership Limited Partnership Corporation-State DE Other

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

2. Name and address of receiving party(ies)

Name: WELLS FARGO RETAIL FINANCE, LLC

Internal Address: Attn: Patrick J. Norton

Street Address: One Boston Place, 18th Floor

City: Boston State: MA Zip: 02108

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other Limited Liability Company (DE)

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: October 31, 2003

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

A. Trademark Application No.(s) SEE ATTACHED

B. Trademark Registration No.(s) SEE ATTACHED

Additional number(s) attached Yes No

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

Name: Melissa R. DeVita, Esq.

Internal Address: Paul, Hastings, Janofsky & Walker LLP

Street Address: 515 So. Flower Street, 25F

City: Los Angeles State: CA Zip: 90071

6. Total number of applications and registrations involved:

69

7. Total fee (37 CFR 3.41) \$ 1,740.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

#16-0752

DO NOT USE THIS SPACE

9. Signature.

Melissa R. DeVita, Esq. Name of Person Signing

Signature

November 6, 2003 Date

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

11/13/2003 LNUELLER 00000063 78200819

01 FC:4521 02 FC:4522

40.00 DP 1700.00 DP

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

TRADEMARK REEL: 002856 FRAME: 0272

<u>Trademark</u>	<u>Registration or Serial No.</u>
KEYCORDER	78200819
SAXXY	7823755
SOUND SOOTHER	78195046
SHARPER IMAGE	78162617
SUEDETECH	78292578
SHARPER IMAGE MASSAGE STORE	78292550
SPIRE	78227123
SHARPERIMAGE.COM	78289909
FEEL-GOOD FAN	78221085
CALIFORNIA GIRL QRING	78166991
THE BREEZE	78274842
VITESSE	78206886
BURLTECH	78262720
SHOWER COMPANION	78249343
THE SHARPER IMAGE	2772508
SHARPER IMAGE	76424939
THE BREEZE	76309144
SHARPER IMAGE DESIGN POWER UP ELECTRIC	2744556
ROBO SCOUT	2703028
"NOW YOU CAN FIND IT!"	2718886
FOOT CARE STATION	2711815
ENERGY SAVER	2707773
IONIC BREEZE GP	2703083
SHARPER IMAGE DESIGN ROBOTICS	2703012
POWER TOWER	2701057
SHARPER IMAGE DESIGN	76424591
SHARPER IMAGE ELECTRIC	2673084
ROBOCUB	2640904
COLOR FLOW	2551124
POWER TOWER 100	2619909
PET PEEVE	2599350

<u>Trademark</u>	<u>Registration or Serial No.</u>
HEAR-IT-AGAIN	2595652
HEAR IT AGAIN	2589776
QUADRA	2587661
QUIET POWER	2546722
GYRO FX	2500395
IONIC CONDITIONING	2691707
LIGHTSCAPE	2685162
LAST-SECOND SHOPPING	2628700
DYNABLADE	2618607
STEP STRAP	2469115
TURBOGRIP	2464616
WEE BOT	2556772
DREAMLIGHT	2411160
IONIC BREEZE	2383876
VITESSE	2346094
IONIC HAIR WAND	2290854
POWER FLOW	2402385
TURBO-GROOMER	2360586
LIGHT AND SOUND SOOTHER	2296656
TRAVEL SOOTHER	2296655
SHOWER COMPANION	2237455
RADAR YARDWATCH	2168373
VITESSE	2089630
TRAVEL COMPANION	2072379
MEMO MANAGER	2082101
HEART AND SOUND SOOTHER	2042243
VITESSE	2036145
SCIENTIFIC THEORY	1960109
SOUNDSCAPE ENVIRONMENT	2036025
KEYCORDER	2039353
AUTO-DRIVE	1862537
THE SHARPER IMAGE	1739379

<u>Trademark</u>	<u>Registration or Serial No.</u>
THE SHARPER IMAGE	1645994
THE SHARPER IMAGE	1646417
SOUND SOOTHER	1619646
THE SHARPER IMAGE	1489485
THE SHARPER IMAGE	1498543
THE SHARPER IMAGE	1171695

TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of October 31, 2003, is made by **SHARPER IMAGE CORPORATION**, a Delaware corporation ("Borrower"), in favor of **WELLS FARGO RETAIL FINANCE, LLC**, a Delaware limited liability company, as arranger and administrative agent for the below referenced Lenders (in such capacity, together with its successors and assigns, if any, in such capacity, "Agent"), with reference to the following:

WHEREAS, Borrower, the below-referenced Lenders (such Lenders, together with Agent, individually and collectively, the "Lender Group"), and Agent have entered into that certain Loan and Security Agreement, dated as of even date herewith (as amended, restated, modified, supplemented, refinanced, renewed, or extended from time to time, the "Loan Agreement").

WHEREAS, pursuant to the Loan Documents, and as one of the conditions precedent to the obligations of the Lenders under the Loan Agreement, Borrower has agreed to execute and deliver this Agreement to Agent for filing with the PTO and as further evidence of and to effectuate Agent's existing security interests in the trademarks and other General Intangibles described herein.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, Borrower hereby agrees in favor of Agent, for the benefit of the Lender Group and the Bank Product Providers, as follows:

1. Definitions; Interpretation.

(a) Certain Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Agent" has the meaning ascribed to such term in the preamble to this Agreement.

"Agreement" has the meaning ascribed to such term in the preamble hereto.

"Borrower" has the meaning ascribed to such term in the preamble to this Agreement.

"Event of Default" means any Event of Default under the Loan Agreement.

"Lender Group" has the meaning ascribed to such term in the recitals to this Agreement.

"Lenders" means, individually and collectively, each of the lenders identified on the signature pages of the Loan Agreement, and any other person made a party thereto in

accordance with the provisions of Section 14 thereof (together with their respective successors and assigns).

“Loan Agreement” has the meaning ascribed to such term in the recitals to this Agreement.

“Proceeds” means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Trademark Collateral, including “proceeds” as such term is defined in the UCC. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of Borrower, from time to time in respect of any of the Trademark Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Borrower from time to time with respect to any of the Trademark Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Trademark Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Trademark Collateral or for or on account of any damage or injury to or conversion of any Trademark Collateral by any Person.

“PTO” means the United States Patent and Trademark Office and any successor thereto.

“Secured Obligations” means the Obligations, including, with respect to Borrower, all liabilities, obligations, or undertakings owing by Borrower to the Lender Group or any Bank Product Provider of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, this Agreement, or any of the other Loan Documents.

“Trademark Collateral” has the meaning set forth in Section 2.

“Trademarks” has the meaning set forth in Section 2.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any Lien on any of the Trademark Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “UCC” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“United States” and “U.S.” each mean the United States of America.

(b) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(c) Interpretation. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the term “including” is not limiting, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereby,” “hereunder,” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, clause, schedule, and exhibit references are to this Agreement unless otherwise specified. All of the exhibits or schedules attached to this Agreement shall be deemed incorporated herein by reference. Any reference in this Agreement or in any of the other Loan Documents to this Agreement or any of the other Loan Documents shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth therein). In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreement, it is the intention of the parties hereto that both such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of Borrower and supplemental rights and remedies in favor of Agent, in each case in respect of the Trademark Collateral, shall not be deemed a conflict with the Loan Agreement. Any reference herein to the payment in full or the satisfaction in full of the Secured Obligations shall mean the payment in full in cash (or cash collateralization in accordance with the terms of the Loan Agreement) of all Secured Obligations other than contingent indemnification Secured Obligations and other than any Bank Product Obligations that, at such time, are allowed by the applicable Bank Product Provider to remain outstanding and are not required to be repaid or cash collateralized pursuant to the provisions of the Loan Agreement. Any reference herein to any Person shall be construed to include such Person’s successors and assigns. Any requirement of a writing contained herein shall be satisfied by the transmission of a Record and any Record transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein. The captions and headings are for convenience of reference only and shall not affect the construction of this Agreement. References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

2. Security Interest.

(a) Assignment and Grant of Security in respect of the Secured Obligations. To secure the prompt performance of the Secured Obligations, Borrower hereby grants to Agent, for the benefit of the Lender Group and the Bank Product Providers, a continuing security interest in all of Borrower’s right, title and interest in and to the following property, whether now existing or hereafter acquired or arising and whether registered or unregistered (collectively, the “Trademark Collateral”):

(i) all state (including common law) and federal trademarks, service marks and trade names, corporate names, company names, business names,

fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, together with and including all licenses therefor held by Borrower, and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the PTO, any State of the United States (but excluding each application to register any trademark, service mark, or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark or service mark) and all extensions or renewals thereof, including without limitation any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in Borrower's name or in the name of Agent for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(ii) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(iii) all the goodwill of Borrower's business symbolized by the Trademarks or associated therewith; and

(iv) all Proceeds of any and all of the foregoing.

(b) Continuing Security Interest. Borrower hereby agrees that this Agreement shall create a continuing security interest in the Trademark Collateral which shall remain in effect until terminated in accordance with Section 18.

(c) Incorporation into Loan Agreement. This Agreement shall be fully incorporated into the Loan Agreement and all understandings, agreements and provisions contained in the Loan Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Trademark Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreement.

(d) Licenses. Borrower may grant licenses of the Trademark Collateral in accordance with the terms of the Loan Agreement.

3. Further Assurances; Appointment of Agent as Attorney-in-Fact. Borrower at its expense shall execute and deliver, or cause to be executed and delivered, to Agent any and all documents and instruments, in form and substance reasonably satisfactory to Agent, and take any and all action, which Agent, in its Permitted Discretion, may request from time to time, to perfect and continue the perfection or to maintain the priority of, or provide notice of the security interest in the Trademark Collateral held by Agent for the benefit of the Lender Group and the Bank Product Providers and to accomplish the purposes of this Agreement. If Borrower refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested

to execute and deliver by Agent in accordance with the foregoing, Agent shall have the right, in the name of Borrower, or in the name of Agent or otherwise, without notice to or assent by Borrower, and Borrower hereby irrevocably constitutes and appoints Agent (and any of Agent's officers or employees or agents designated by Agent) as Borrower's true and lawful attorney-in-fact with full power and authority (in each case, to the extent permitted by law), (i) to sign the name of Borrower on all or any of such documents or instruments and perform all other acts that Agent in the exercise of its discretion deems necessary in order to perfect or continue the perfection of, maintain the priority or enforceability of or provide notice of the security interest in the Trademark Collateral held by Agent for the benefit of the Lender Group and the Bank Product Providers, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Borrower, which Agent, in the exercise of its discretion, may deem necessary or advisable to maintain, preserve and protect the Trademark Collateral and to accomplish the purposes of this Agreement, subject to the limitations set forth in this Agreement, including (A) after the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to any Trademark Collateral, (B) after the occurrence and during the continuation of any Event of Default, to assert or retain any rights under any license agreement for any of any Trademark Collateral, and (C) after the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Agent to use any Trademark Collateral, to grant or issue any exclusive or non-exclusive license with respect to any material Trademark Collateral, and to assign, convey or otherwise transfer title in or dispose of the Trademark Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable until all of the Secured Obligations have been fully and finally paid in full and performed and the Lender Group's obligation to extend credit under the Loan Agreement is terminated.

4. Representations and Warranties. Borrower represents and warrants to each member of the Lender Group, in each case to the best of its knowledge, information, and belief, as follows:

(a) No Other Trademarks in Use. Schedule A sets forth a true and correct list of all of existing material Trademarks that are registered, or for which any application for registration has been filed, with the PTO or any corresponding or similar trademark office of any other U.S. jurisdiction, and in each case that (i) are owned or held (whether pursuant to a license or otherwise) by Borrower and (ii) presently are (or are contemplated to be) either used by Borrower to any material extent in connection with its business (including any such Trademark relating to products presently offered for sale by Borrower) or subject to a license granted by Borrower to any Person.

(b) Validity. Each of the material Trademarks listed on Schedule A is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, all maintenance fees required to be paid on account of any material Trademarks, in Borrower's reasonable business judgment have been timely paid for maintaining such Trademarks in force, and to the best of Borrower's knowledge, each of the material Trademarks set forth on Schedule A is valid and enforceable.

(c) Title; No Violation. (i) Borrower has rights in and good and defensible title to the existing Trademark Collateral, (ii) Borrower is the sole and exclusive owner of the Trademark Collateral, free and clear of any Liens and rights of others (other than Permitted Liens), including licenses, registered user agreements and covenants by Borrower not to sue third persons, (iii) with respect to any material Trademark for which Borrower is either a licensor or a licensee pursuant to a license or licensing agreement regarding such Trademark, each such license or licensing agreement is in full force and effect, Borrower is not in material default of any of its obligations thereunder and (iv) no other Person has any rights in or to any of the Trademark Collateral, other than (A) the parties to such licenses or licensing agreements, or (B) in the case of any non-exclusive license or license agreement entered into by Borrower or any such licensor regarding such Trademark Collateral, the parties to any other such non-exclusive licenses or license agreements entered into by Borrower or any such licensor with any other Person.

(d) No Infringement. To the best of Borrower's knowledge, (i) no material infringement or unauthorized use presently is being made of any of the material Trademark Collateral by any Person, and (ii) the past, present, and contemplated future use of the material Trademark Collateral by Borrower has not, does not and will not infringe upon or violate, in each case in any material respect, any right, privilege, or license arrangement of or with any other Person or give such Person the right to terminate any such license arrangement.

(e) Powers. Borrower has the unqualified right, power and authority to pledge and to grant to Agent, for the benefit of the Lender Group and the Bank Product Providers, security interests in the material Trademark Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. So long as any of the Secured Obligations remain unsatisfied, Borrower agrees: (i) that it will comply in all material respects with all of the covenants, terms and provisions of this Agreement, and (ii) that it will promptly give Agent written notice of the occurrence of any event (of which the Borrower has actual knowledge) that could have a material adverse effect on any of the Trademarks and the Trademark Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Trademarks for which Borrower is a licensee.

6. Future Rights. For so long as any of the Secured Obligations shall remain outstanding, or, if earlier, until Agent shall have released or terminated, in whole but not in part, its interest in the Trademark Collateral, if and when Borrower shall obtain rights to any new Trademarks, or any reissue, renewal or extension of any Trademarks, the provisions of Section 2 shall automatically apply thereto and Borrower shall give to Agent prompt notice thereof. Borrower shall do all things reasonably deemed necessary by Agent in the exercise of its discretion to ensure the validity, perfection, priority and enforceability of the security interests of Agent in such future acquired Trademark Collateral. If Borrower refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Agent in connection herewith, Borrower hereby authorizes Agent to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on

Borrower's behalf and as its attorney-in-fact to include any future Trademarks which are or become Trademark Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO. Agent shall promptly provide Borrower with a copy of any such re-executed Agreement or such modified, amended or supplemented Schedules.

7. Duties of Agent and the Lender Group. Notwithstanding any provision contained in this Agreement, none of Agent, any other member of the Lender Group or the Bank Product Providers shall have any duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to Borrower or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Agent, any other member of the Lender Group or the Bank Product Providers hereunder or in connection herewith, none of Agent, any other member of the Lender Group or the Bank Product Providers shall have any duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Trademark Collateral.

8. Events of Default. The occurrence of any "Event of Default" under the Loan Agreement shall constitute an Event of Default hereunder.

9. Remedies. From and after the occurrence and during the continuation of an Event of Default, Agent shall have all rights and remedies available to it under the Loan Agreement and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Trademark Collateral. Borrower hereby agrees that such rights and remedies include the right of Agent as a secured party to sell or otherwise dispose of the Trademark Collateral after an Event of Default pursuant to the UCC. Borrower hereby agrees that Agent shall at all times have such royalty-free licenses, to the extent permitted by law and the Loan Documents, for any Trademark Collateral that is reasonably necessary to permit the exercise of any of Agent's rights or remedies upon or after the occurrence of (and during the continuance of) an Event of Default with respect to (among other things) any tangible asset of Borrower in which Agent has a security interest, including Agent's rights to sell inventory, tooling or packaging which is acquired by Borrower (or its successor, assignee or trustee in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Agent shall have the right but shall in no way be obligated to bring suit, or to take such other action as Agent, in the exercise of its discretion, deems necessary, in the name of Borrower or Agent, to enforce or protect any of the Trademark Collateral, in which event Borrower shall, at the request of Agent, do any and all lawful acts and execute any and all documents required by Agent necessary to such enforcement. To the extent that Agent shall elect not to bring suit to enforce such Trademark Collateral, Borrower, in the exercise of its reasonable business judgment, agrees to take all appropriate reasonable measures and use its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violation, in each case in any material respect, of any material Trademark Collateral, except such infringements, misappropriations or violations that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Change.

10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Borrower and Agent for the benefit of the Lender Group and the Bank Product Providers and their respective successors and assigns.

11. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, except to the extent that the validity or perfection of the security interests hereunder in respect of the Trademark Collateral are governed by federal law, in which case such choice of New York law shall not be deemed to deprive Agent of such rights and remedies as may be available under federal law.

13. Entire Agreement; Amendment. This Agreement and the other Loan Documents, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties to this Agreement. Notwithstanding the foregoing, Agent may reexecute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

14. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

15. Counterparts; Telefacsimile Execution. 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 taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

16. Loan Agreement. Borrower acknowledges that the rights and remedies of Agent with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Loan Agreement and the other Loan Documents and all such rights and remedies are cumulative.

17. No Inconsistent Requirements. Borrower acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Borrower agrees that all

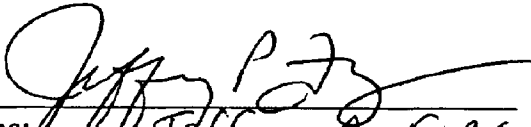
such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

18. Termination. Upon the payment and performance in full or satisfaction in full in cash (or cash collateralization in accordance with the terms of the Loan Agreement) of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all Secured Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall terminate, and Agent shall execute and deliver such documents and instruments and take such further action reasonably requested by Borrower, at Borrower's expense, as shall be necessary to evidence termination of the security interest granted by Borrower to Agent for the benefit of the Lender Group and the Bank Product Providers hereunder, including cancellation of this Agreement by written notice from Agent to the PTO.

[Signature page follows]

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

SHARPER IMAGE CORPORATION,
a Delaware corporation

By: 
Name: Jeffrey P. Forlano
Title: EVP, CFO

WELLS FARGO RETAIL FINANCE, LLC,
a Delaware limited liability company, as Agent

By: _____
Name: _____
Title: _____

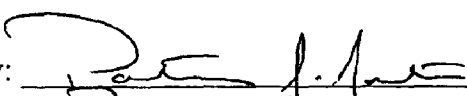
[Signature Page to Trademark Security Agreement]

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

SHARPER IMAGE CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

WELLS FARGO RETAIL FINANCE, LLC,
a Delaware limited liability company, as Agent

By:  _____
Name: FRANK J. NORTON
Title: Senior Vice President

[Signature Page to Trademark Security Agreement]

SCHEDULE ATrademarks of Borrower

<u>Trademark</u>	<u>Registration or Serial No.</u>
KEYCORDER	78200819
SAXXY	7823755
SOUND SOOTHER	78195046
SHARPER IMAGE	78162617
SUEDETECH	78292578
SHARPER IMAGE MASSAGE STORE	78292550
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SHARPER IMAGE DESIGN	76424591
SHARPER IMAGE ELECTRIC	2673084
ROBOCUB	2640904

<u>Trademark</u>	<u>Registration or Serial No.</u>
COLOR FLOW	2551124
POWER TOWER 100	2619909
PET PEEVE	2599350
HEAR-IT-AGAIN	2595652
HEAR IT AGAIN	2589776
QUADRA	2587661
QUIET POWER	2546722
GYRO FX	2500395
IONIC CONDITIONING	2691707
LIGHTSCAPE	2685162
LAST-SECOND SHOPPING	2628700
DYNABLADE	2618607
STEP STRAP	2469115
TURBOGRIP	2464616
WEE BOT	2556772
DREAMLIGHT	2411160
IONIC BREEZE	2383876
VITESSE	2346094
IONIC HAIR WAND	2290854
POWER FLOW	2402385
TURBO-GROOMER	2360586
LIGHT AND SOUND SOOTHER	2296656
TRAVEL SOOTHER	2296655
SHOWER COMPANION	2237455
RADAR YARDWATCH	2168373
VITESSE	2089630
TRAVEL COMPANION	2072379
MEMO MANAGER	2082101
HEART AND SOUND SOOTHER	2042243
VITESSE	2036145
SCIENTIFIC THEORY	1960109
SOUNDSCAPE ENVIRONMENT	2036025

Trademark	Registration or Serial No.
KEYCORDER	2039353
AUTO-DRIVE	1862537
THE SHARPER IMAGE	1739379
THE SHARPER IMAGE	1645994
THE SHARPER IMAGE	1646417
SOUND SOOTHER	1619646
THE SHARPER IMAGE	1489485
THE SHARPER IMAGE	1498543
THE SHARPER IMAGE	1171695