

05-28-1999

FORM PTO-1584
(Rev. 6-93)

OMB No. 0651-0011 (exp. 4/94)

RECORDATION
TRADE

101049547

DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings: 5.24.99

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

1. Name of conveying party(ies):

Childswor/Childsplay, LLC
135 Dupont Street
Plainview, New York 11803

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☐ Corporation-State

XX Other Limited Liability CompanyAdditional name(s) of conveying party(ies) attached? ☐ Yes ☐ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: May 7, 1999

2. Name and address of receiving party(ies)

Name: KeyBank National Association

Internal Address: _____

Street Address: 1377 Motor ParkwayCity: Islandia State: NY ZIP: 11788

- ☐ Individual(s) citizenship
☒ Association (Banking)
☐ General Partnership
☐ Limited Partnership
☐ Corporation-State
☐ Other

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

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

A. Trademark Application No.(s)

75-187,895
 75-494,893
 75-377,080
 75-440,489

B. Trademark Registration No.(s)

Additional numbers attached? ☐ Yes ☒ No

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

McMillan, Rather, Bennett & Rigano, P.C.
 Name: Attention: William Cornachio, Esq.

Internal Address: _____

Street Address: 48 South Service RoadCity: Melville State: NY ZIP: 117476. Total number of applications and registrations involved: 47. Total fee (37 CFR 3.41): \$ 115.00☒ 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.

William Cornachio, Esq.
 Name of Person Signing

Signature [Signature]

5/19/99

Date

Total number of pages including cover sheet, attachments, and document: 8

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

TRADEMARK
 REEL: 001903 FRAME: 0750

SECURITY AGREEMENT REGARDING TRADEMARKS

SECURITY AGREEMENT REGARDING TRADEMARKS dated May 7, 1999 between Childsworld/Childsplay, LLC, 135 Dupont Street, Plainview, New York 11803 and KeyBank National Association, 1377 Motor Parkway, Islandia, New York 11788 (the "Secured Party").

Debtor is the owner and holder of the Trademarks listed on Schedule A.

In consideration of Secured Party's making and continuing Loans or advances to Debtor's parent, The Bureau for At-Risk Youth, Inc. and its Affiliates pursuant to the Amended and Restated Revolving Credit Agreement dated the date hereof (the "Credit Agreement"), Secured Party requires Debtor's execution and delivery of this Agreement;

Accordingly, in consideration of the making and continuance of the Loans and advances made under the Credit Agreement, as collateral security for the full and prompt payment and performance of all Obligations defined in the Security Agreement dated the date hereof between Debtor and Secured Party (the "Security Agreement"), Debtor pledges with and grants to Secured Party a security interest in, all of its right, title and interest in and to (i) each of the Trademarks (as hereinafter defined), and the goodwill of the business symbolized by each of the Trademarks, all customer lists and other records of Debtor relating to the distribution of products bearing the Trademarks and each of the applications for registration described in Schedule A and (ii) any and all proceeds of the foregoing, including any claims by Debtor against third parties for infringement of the Trademarks (collectively, the "Collateral").

1. Terms defined in the Credit Agreement and not otherwise defined herein, shall have the meaning set forth in the Credit Agreement. As used herein, "Trademarks" shall mean (i) all trademarks, trade names, trade styles, service marks, prints and labels on which said trademarks, trade names, trade styles and service marks have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country, all whether now owned or hereafter acquired by Debtor, including those described in Schedule A and (ii) all reissues, extensions or renewals thereof and all licenses thereof.

2. Debtor hereby represents, warrants, covenants and agrees as follows:

(a) Debtor has the sole, full and clear title to the Trademarks in the United States for the goods and services covered by the registrations thereof and such registrations are valid and subsisting and in full force and effect. Debtor is the sole beneficial and record holder in the United States Patent and Trademark Office of the Trademarks described in Schedule A.

(b) Debtor will perform all acts and execute all documents, including assignments for security in form suitable for filing with the United States Patent and Trademark Office substantially in the forms of Schedule B, at any time to evidence, perfect, maintain, record and enforce Secured Party's interest in the Collateral or otherwise in furtherance of the provisions of

this Agreement. If Debtor fails to do so after request, Secured Party is authorized to execute and file one or more financing statements (and similar documents) or copies thereof or of this Security Agreement with respect to the Collateral, signed only by Secured Party.

(c) Except as it may notify Secured Party in writing, the Debtor will continue to use Trademarks in the manner currently used to maintain such Trademarks in full force free from any claim of abandonment for nonuse, and Debtor will not and will not permit any licensee to do any act or omit to do any act whereby any Trademark may become invalidated.

(d) Debtor will promptly pay Secured Party for any and all costs and expenses which Secured Party may reasonably pay or incur pursuant to the provisions of this Agreement or in enforcing the Obligations, the Collateral or the security interest granted hereunder, including all filing or recording fees, court costs, collection charges and reasonable attorneys' fees, all of which, together with interest at the highest rate then payable on the Obligations, shall be part of the Obligations and be payable on demand.

(e) In no event shall Debtor, either itself or through any employee, licensee or designee (i) file an application for the registration of any Trademark with any office or agency in any other country similar to the United States Patent and Trademark Office or (ii) file any assignment of any trademark which Debtor may acquire from a third party with the United States Patent and Trademark Office or any similar office or agency in any other country, unless on or prior to the date of such filing, Debtor notifies Secured Party thereof, and upon request of Secured Party, execute and deliver any and all assignments, agreements, instruments, documents and papers as Secured Party may request to evidence Secured Party's interest in such Trademark and the goodwill and general intangibles of Debtor relating thereto or represented thereby. Debtor hereby constitutes Secured Party its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed. Such power is coupled with an interest and is irrevocable until the Obligations are paid in full, but is exercisable by Secured Party only in the Event of Default.

(f) Debtor has the right and power to make the assignment and to grant the security interest herein granted. The Collateral is not now, and at all times hereafter will not be, subject to any liens, mortgages, assignments, security interests or encumbrances of any nature, except in favor of Secured Party, and to the best knowledge of Debtor none of the Collateral is subject to any claim. Without Secured Party's prior written consent, Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Collateral.

(g) As of the date hereof, Debtor does not own any Patents or Trademarks or have any Patents or Trademarks registered or applications pending in the United States Patent and Trademark Office or any similar office or agency in any other country, except as described in Schedule A.

(h) Debtor will take all necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country, to maintain each application and registration of the Trademarks, including filing renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.

(i) Debtor assumes all responsibility and liability arising from the use of the Trademarks, and Debtor indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by Debtor (or any Affiliate or Subsidiary) in connection with any Trademark or out of the manufacture, promotion, labelling, sale or advertisement of any such product by Debtor (or any Affiliate or Subsidiary).

(j) Debtor has not granted any licenses of its Trademarks to third parties.


3. Upon the occurrence of an Event of Default, in addition to all other rights and remedies of Secured Party, whether under law or the Credit Agreement, Secured Party shall have the following rights and remedies: (a) upon ten days notice to Debtor, to license any of the Trademarks, for such term or terms, on such conditions, and in such manner, as Secured Party shall in its sole discretion determine, (b) enforce against any licensee or sublicensee all rights and remedies of Debtor in, to and under any one or more license agreements with respect to the Collateral, (c) upon ten days notice to Debtor, assign, sell, or otherwise dispose of, the Collateral or any of it, with power to buy the Collateral or any part of it, and do all other acts and things for completing the assignment, sale or disposition which Secured Party shall, in its sole discretion, deem appropriate or proper and (d) in addition to the foregoing, to implement the assignment, sale or other disposal of any of the Collateral, execute and deliver on behalf of Debtor, one or more instruments of assignment of the Trademarks (or any application or registration thereof), in form suitable for filing, recording or registration in any country. Secured Party shall apply the proceeds actually received from any such license, assignment, sale or other disposition in accordance with the terms of the Security Agreement.

4. Debtor confirms that the power of attorney granted pursuant to this Agreement applies to Secured Party's rights and with respect to Debtor's obligations under this Agreement. Debtor has executed the power of attorney annexed as Exhibit C, which Secured Party agrees not to exercise unless or until there is an Event of Default.

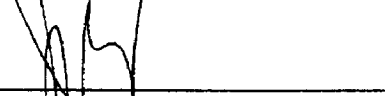
5. The provisions of Paragraph 17 of the Security Agreement are incorporated herein by this reference.

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement.

KeyBank National Association

By: 
Name: James V. Maiorino
Title: Vice President

Childswork/Childsplay, LLC

By: 
Name: Joe B. Wolinsky
Title: Treasurer

Schedule A to Security Agreement

TRADEMARKS

<u>Mark</u>	<u>Appl. Serial No.</u>	<u>Filing Date</u>	<u>Registration No.</u>	<u>Issuance Date</u>
KIDS DON'T COME WITH MANUALS	75-187,895	10/25/96		
KIDS DON'T COME WITH INSTRUCTION MANUALS	75-494,893	06/02/98		
CHILDSWORK/ CHILDSPLAY	75-377,080	10/21/97		
EQ/IQ	75-440,489	02/25/98		

Schedule B to Security Agreement

ASSIGNMENT FOR SECURITY

(TRADEMARKS)

WHEREAS, Childsworld/Childsplay, LLC, ("Assignor"), has adopted, used and is using the trademarks listed on the annexed, for which Trademark applications are pending in the United States Patent and Trademark Office (the "Trademarks");

WHEREAS, Assignor is obligated to KeyBank National Association ("Assignee"), and has entered into a Security Agreement Regarding Trademarks dated the date hereof (the "Agreement") in favor of Assignee; and

WHEREAS, pursuant to the Agreement, Assignor has assigned to Assignee and granted to Assignee a security interest in, all right, title and interest of Assignor in and to the Collateral (as defined in the Agreement), to secure the payment, performance and observance of the Obligations as defined in the "Security Agreement" referred to in the Agreement;

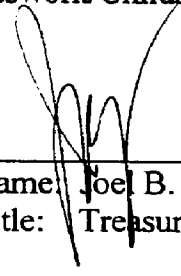
NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby further assign unto Assignee and grant to Assignee a security interest in, and mortgage on, the Collateral (as defined in the Agreement) to secure the prompt payment, performance and observance of the Obligations.

Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the assignment of, security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Assignee's address is 1377 Motor Parkway, Islandia, New York 11788.

IN WITNESS WHEREOF, Assignor has executed this Assignment on May 7, 1999.

Childsworld/Childsplay, LLC

By: 
Name: Joel B. Wolinsky
Title: Treasurer

Schedule C to Security Agreement

SPECIAL POWER OF ATTORNEY

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

KNOW ALL MEN BY THESE PRESENTS, THAT Childsworld/Childsplay, LLC, 135 Dupont Street, Plainville, New York 11803 ("Assignor") hereby appoints and constitutes KeyBank National Association, 1377 Motor Parkway, Islandia, New York ("Assignee"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Assignor:

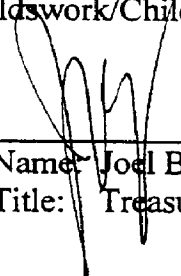
1. To assign, sell, license or otherwise dispose of all right, title and interest of Assignor in and to any trademarks, trade names, trade styles and service marks, and all registrations, recordings, reissues, extensions and renewals thereof, and all pending applications therefor, and to record, register and file, or accomplish any other formality with respect to the foregoing, to execute and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose; and

2. To execute any and all documents, certificates or other papers necessary or advisable to obtain the purposes described above as Assignee may in its sole discretion determine.

This power of attorney is made pursuant to a Security Agreement Regarding Trademarks, dated the date hereof between Assignor and Assignee, is subject to the conditions thereof and may not be revoked until the payment in full of all "Obligations" as defined in such Agreement.

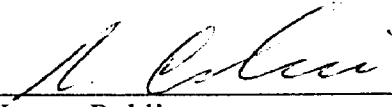
Dated: May 7, 1999

Childsworld/Childsplay, LLC

By: 
Name: Joel B. Wolinsky
Title: Treasurer

STATE OF NEW YORK)
) ss.:
COUNTY OF New York)

On the 7 day of May in the year 1999, before me, the undersigned, a notary public in and for said State, personally appeared Joel B. Wolinsky, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.



Notary Public

WILLIAM CORNACHIO
Notary Public, State of New York
No. 03-4668287
Qualified in Nassau County
Commission Expires Nov 30, 2006