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Form PTO-1:

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FORM COVER SHEET

TRADEMARKS ONLY

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):

The San Francisco Music Box Company

390 North Wiget Lane

Suite 200

Walnut Creek, CA 94598

☐ Individual(s)☐ Association☐ General Partnership☐ Limited Partnership☒ Corporation-State CA☐ Other _____Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

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

Execution Date: 11/13/01

2. Name and address of receiving party(ies)

Name: Fleet Retail Finance Inc.

Internal

Address: _____

Street Address: 40 Broad Street

City: Boston State: MA Zip: 02109

☐ Individual(s) citizenship _____☐ Association _____☐ General Partnership _____☐ Limited Partnership _____☒ Corporation-State DE☐ 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 registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

6

74199550

Additional number(s) attached ☒ Yes ☐ No

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

Name: Daphne E. Schmitt

Internal Address: _____

Brown, Rudnick, Freed & Gesmer

Street Address: One Financial Center

City: Boston State: MA Zip: 02111

6. Total number of applications and registrations involved: _____

6

7. Total fee (37 CFR 3.41).....\$ 165.00

☒ 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.

Daphne E. Schmitt

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 12

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 2023101 FD:481
02 FD:48240.00 DP
125.00 DPTRADEMARK
REEL: 002433 FRAME: 0209

EXHIBIT A

Borrower's now owned or existing or hereafter acquired or arising registered service marks and Federal service mark applications, registered trademarks, and Federal trade mark applications:

Trademark/Service Mark Registrations

COUNTRY	REFERENCE #	FILED	APPL #	REGDT	REG #	STATUS
AMERICAN TREASURERS COLLECTION						
UNITED STATES	T0016USO	08/30/1991	74/199,580	12/15/1992	1,739,725	REGISTERED
MELODIES IN TIME						
UNITED STATES	T00355USO	02/02/1995	74/638,093	04/16/1996	1,968,144	REGISTERED
THE MUSIC BOX COMPANY						
CANADA	T00521CA0	02/01/1198	624,516	01/28/1994	TMA422.445	REGISTERED
THE SAN FRANCISCO MUSIC BOX						
VIETNAM	T00526VN2	11/07/1994	20,572	11/07/1994	20,631	REGISTERED
THE SAN FRANCISCO MUSIC BOX COMPANY						
JAPAN	T00527JP1			12/25/1989	2,199,705	REGISTERED
UNITED STATES	T00527USO	05/14/1987	73/660,709	04/26/1988	1,486,526	REGISTERED
UNITED STATES	T00527US1	07/16/1990	74/079,253	10/20/1992	1,725,457	REGISTERED
THE SAN FRANCISCO MUSICAL BOX COMPANY (AND DESIGN)						
BENELUX	T00528X0	11/05/1992	788,343	11/05/1992	524,506	REGISTERED
CANADA	T00528CA0	02/01/1989	624,517	01/28/1994	TMA422446	REGISTERED
FRANCE	T00528FRO	11/06/1992	92440.862	11/05/1992	92440 862	REGISTERED
GERMANY	T00528DEO	11/04/1992	S55,432/21	10/29/1997	2,913.888	REGISTERED
ITALY	T005261T0	11/24/1992	F192C/924	08/25/1995	656,778	REGISTERED
JAPAN	T00528IP0	12/28/1992	330,755/92	06/20/1997	3,324.502	REGISTERED
JAPAN	T00528JP1	12/28/1992	330,756/92	01/08/1999	4,227.491	REGISTERED
MEXICO	T00528MX0	11/09/1992	154,019	11/09/1992	446,555	REGISTERED
MEXICO	T00528MX1	11/09/1992	154,020	11/09/1992	454,194	REGISTERED
MEXICO	T00528MX2	11/09/1992	154,021	11/09/1992	454,195	REGISTERED
SPAIN	T00528ES0	11/27/1992	1,732.838	09/05/1995	1,732,838	REGISTERED
SPAIN	T00528ES1	11/27/1992	1,732,839	09/05/1995	1,732,839	REGISTERED
SPAIN	T00528ES2	11/27/1992	1,732,840	11/27/1992	1,732,840	REGISTERED
SWITZERLAND	T00528CH0	11/09/1992	8016/1992.0	11/09/1992	404,017	REGISTERED
THE SAN FRANCISCO MUSIC BOX COMPANY (AND OVAL DESIGN)						
UNITED STATES	T00528US1	03/29/1990	74/044,251	02/11/1992	1,675,439	REGISTERED
THE SAN FRANCISCO MUSIC BOX COMPANY (AND SQUARE DESIGN)						
UNITED STATES	T00528US0	11/30/1989	74/006,229	09/18/1990	1,614,430	REGISTERED
THE SAN FRANCISCO MUSIC BOX COMPANY (IN KATAKANA)						
JAPAN	T00527JP0	05/18/1987	62-54728	09/29/1989	2,168,743	REGISTERED

**TRADEMARK AND TRADEMARK
APPLICATIONS SECURITY AGREEMENT**

This Trademark and Trademark Application Security Agreement (the "TM Security Agreement") is made as of the 13th day of November, 2001, by The San Francisco Music Box Company, a California corporation with offices at 390 North Wiget Lane, Suite 200, Walnut Creek, California 94598 (the "Borrower"), and Fleet Retail Finance Inc., a Delaware corporation with offices at 40 Broad Street, Boston, Massachusetts 02109, the "Lender", identified in that certain Loan and Security Agreement of even date herewith (as the same may be amended from time to time, the "Loan Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms in the Loan Agreement.

RECITALS

WHEREAS, pursuant to the Loan Agreement, the Lenders have agreed to make certain Loans available to the Borrower;

WHEREAS, pursuant to the Loan Agreement the Borrower has granted to the Lender a security interest in the Collateral for the benefit of the Lender to secure the Liabilities of the Borrower to the Lender;

WHEREAS, as a condition, among others, to the establishment of the credit facilities contemplated by the Loan Agreement, and to further secure the Liabilities and to more fully vest the security interest granted in the Loan Agreement, the Borrower has executed this TM Security Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Borrower and the Lender agree as follows:

1. To secure the Liabilities, the Borrower hereby grants a security interest in favor of, and collaterally assigns to the Lender, with power of sale (which power of sale shall be exercisable only following the occurrence of an Event of Default as defined in the Loan Agreement and used herein as so defined), in and to the following and all proceeds thereof:

a. All of the Borrower's now owned or existing or hereafter acquired or arising trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, and service mark applications.

b. All renewals of any of the foregoing.

c. All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

d. The right to sue for past, present and future infringements and dilutions of any of the foregoing.

e. All of Borrower's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 2(a), together with the items respectively described in Subsections 2(b) through and including 2(e) are hereinafter individually and/or collectively referred to as the "**Marks**".

2. Until this TM Security Agreement is terminated in writing by a duly authorized officer of the Lender, the Borrower shall undertake the following with respect to each Mark:

a. Pay all renewal fees and other fees and costs associated with maintaining the Marks and with the processing of the Marks.

b. At the Borrower's sole cost, expense, and risk, pursue the prompt, diligent, processing of each Application for Registration which is the subject of the security interest created herein and not abandon or delay any such efforts, unless the respective service mark or trademark is abandoned (provided, however, that the Borrower shall notify the Lender of any intent to abandon any service mark or trademark).

c. At the Borrower's sole cost, expense, and risk, take any and all action that Borrower reasonably deems necessary or desirable to protect the Marks, including, without limitation, the prosecution and defense of infringement actions.

3. In the event of:

a. the Borrower's failure, within Five (5) days of written notice from the Lender, to cure any failure by the Borrower to perform any of the Borrower's obligations set forth in Section 2, above, and/or

b. the occurrence of any Event of Default,

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

4. Borrower represents and warrants that:

a. **EXHIBIT A** includes all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by the Borrower.

b. No liens, claims or security interests have been granted in any Mark by the Borrower to any Person other than to the Lender.

5. In order to further secure the Liabilities:

a. The Borrower shall give the Lender written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:

i. The Borrower obtains rights to, and files applications for registration of, any new trademarks, or service marks, or otherwise acquires ownership of any newly registered trademarks, registered service marks, trademark applications, or service mark applications, (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).

ii. The Borrower becomes entitled to the benefit of any registered trademarks, trademark applications, trademark licenses, trademark license renewals, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).

iii. The Borrower enters into any new trademark license agreement or service mark license agreement, whether as licensor or licensee, except such license agreements entered into in the ordinary course of business.

b. The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in 5(a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.

c. The Borrower hereby authorizes the Lender to modify this agreement by amending **EXHIBIT A** to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided, however*, the modification of said EXHIBIT shall not be a condition to the creation or perfection of the security interest created hereby.

6. Upon the occurrence of any Event of Default, the Lender may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in the Commonwealth of Massachusetts with respect to the Marks, in addition to which the Lender, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Lender that an Event of Default has occurred and that the Lender is authorized to exercise such rights and remedies.

7. The Borrower hereby irrevocably constitutes and designates the Lender as and for the Borrower's attorney in fact, effective with and upon the Lender's first exercise (the "**First Exercise**") of such powers following the occurrence of any Event of Default:

a. To exercise any of the rights and powers referenced in Section 2.

b. To execute all and singular such instruments, documents, and papers as the Lender determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Marks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the within TM Security Agreement is terminated by a duly authorized officer of the Lender; but shall be exercisable only following the occurrence of an Event of Default.

8. Any use by the Lender of the Marks as authorized hereunder in connection with the exercise of the Lender's rights and remedies under the within TM Security Agreement and the Loan Agreement shall be coextensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Lender to the Borrower. Such use by the Lender shall be permitted only with and upon the First Exercise following the occurrence of an Event of Default.

9. Lender hereby acknowledges that the Borrower shall continue to have the exclusive right, prior to notice from the Lender following the occurrence of an Event of Default, to sue for past, present and future infringement of the Marks including the right to seek injunctions and/or money damages, in an effort by Borrower to protect the Marks against encroachment by third parties; provided, however, that Borrower first notifies Lender in writing of its intention to sue for enforcement of the Marks against a particular party. All costs arising in connection with any infringement shall be borne by Borrower.

10. Following the payment and satisfaction of all Liabilities, and the termination of any obligation of the Lender to provide loans or financial accommodations under the credit facility contemplated by the Loan Agreement, this TM Security Agreement shall terminate and the Lender shall execute and deliver to Borrower all such instruments as the Borrower reasonably may request to release any encumbrance in favor of the Lender created hereby or pursuant hereto, subject, however, to any disposition thereof which may have been made by Lender pursuant hereto or pursuant to the Loan Agreement.

11. The Borrower shall, at the request of the Lender, do any and all acts and execute any and all documents reasonably required by the Lender in connection with the protection, preservation, and enforcement of the Lender's rights hereunder.

12. The Borrower shall, upon demand, reimburse the Lender for all costs and expenses incurred by the Lender in the exercise of any rights hereunder (including, without limitation, fees and expenses of counsel).

13. Neither anything contained in the within TM Security Agreement or in the Loan Agreement nor any act, omission, or circumstance may be construed as directly or indirectly conveying to the Lender any rights in and to the Marks, or (b) conveying to the Lender any right of prior approval of, or right to prevent the granting of, or right to rescind any non-exclusive license of any of the Marks granted by the Borrower, except as may be conveyed in (a) or (b) above following the occurrence of any Event of Default (and in such circumstances, only with and upon the First Exercise).

14. This TM Security Agreement is intended to be supplemental of the Loan Agreement. All provisions of the Loan Agreement shall apply to the Marks and the Lender shall have the same rights with respect to any and all security interests in the Marks granted the Lender to secure the Liabilities hereunder as thereunder. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Marks and the Loan Agreement with respect to all other collateral.

15. This Trademark Security Agreement shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Borrower and the Lender respectively have caused this
TM Security Agreement to be executed by officers duly authorized so to do on the date first
above written.

Signature page to Trademark Agreement

THE SAN FRANCISCO MUSIC BOX
COMPANY
("Borrower")

FLEET RETAIL FINANCE INC.
("Lender")

By: [Signature]
Print Name: Joel L. Kier
Title: President

By: _____
Print Name: _____
Title: _____

STATE OF New York
COUNTY OF New York, SS

Then personally appeared before me Joel L. Kier -who acknowledged that such
person the duly authorized of the Borrower and that such person had executed the foregoing
instrument on its behalf.

Witness my hand and seal this 13 day of November, 2001.

ROGER SHAPIRO
NOTARY PUBLIC, State of New York
No. 01SH6037225
Qualified in Westchester County
Certificate Filed in New York County
Commission Expires Feb. 14, 2002

[Signature]
Notary Public
My Commission Expires: 2/14/02

STATE OF _____
COUNTY OF _____, SS

Then personally appeared before me _____ -who acknowledged that such
person the duly authorized of the Lender and that such person had executed the foregoing
instrument on its behalf.

Witness my hand and seal this ___ day of November, 2001.

Notary Public

IN WITNESS WHEREOF, the Borrower and the Lender respectively have caused this
TM Security Agreement to be executed by officers duly authorized so to do on the date first
above written.

Signature page to Trademark Agreement

THE SAN FRANCISCO MUSIC BOX
COMPANY
("Borrower")

FLEET RETAIL FINANCE INC.
("Lender")

By: _____

By: Q. R. Q. Q.

Print Name: _____

Print Name: Timothy R. Tobin

Title: _____

Title: Director

STATE OF _____
COUNTY OF _____, SS

Then personally appeared before me _____-who acknowledged that such
person the duly authorized of the Borrower and that such person had executed the foregoing
instrument on its behalf.

Witness my hand and seal this 13th day of November, 2001.

Notary Public
My Commission Expires:

STATE OF Massachusetts
COUNTY OF Suffolk, SS

Then personally appeared before me Timothy R. Tobin-who acknowledged that such
person the duly authorized of the Lender and that such person had executed the foregoing
instrument on its behalf.

Witness my hand and seal this 13th day of November, 2001.

Steven B. Lerner
Notary Public
My Commission Expires: Oct 21, 2006

Trademark Applications

MARK

SERIAL NUMBER

FILING DATE

None.

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