

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
The Thomas Kinkade Company		01/29/2004	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	General Electric Capital Corporation
Street Address:	6701 Center Drive West, Suite 520
City:	Los Angeles
State/Country:	CALIFORNIA
Postal Code:	90045
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 26

Property Type	Number	Word Mark
Registration Number:	2536340	LIGHTPOSTS FOR LIVING
Registration Number:	2517293	LIGHTPOSTS FOR LIVING
Registration Number:	2040973	MEDIA ARTS GROUP INC.
Registration Number:	2281853	PAINTER OF LIGHT
Registration Number:	2237841	PAINTER OF LIGHT
Registration Number:	1988294	PAINTER OF LIGHT
Registration Number:	2180744	THOMAS KINKADE LIGHTED PATH COLLECTION
Registration Number:	2067499	MAGI
Serial Number:	76168463	LIGHTPOST GALLERY
Serial Number:	76232132	LIGHTPOSTS FOR LIVING
Serial Number:	76232131	LIGHTPOSTS FOR LIVING
Serial Number:	76232130	LIGHTPOSTS FOR LIVING
Serial Number:	76232129	LIGHTPOSTS FOR LIVING
Serial Number:	76232128	LIGHTPOSTS FOR LIVING
Serial Number:	76232127	LIGHTPOSTS FOR LIVING

TRADEMARK

REEL: 002786 FRAME: 0920

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Serial Number:	76232126	LIGHTPOSTS FOR LIVING
Serial Number:	76165258	MASTERS OF LIGHT
Serial Number:	76211980	MASTERS OF LIGHT GALLERIES
Serial Number:	76211979	MASTERS OF LIGHT GALLERY
Serial Number:	76168462	MUSIC OF LIGHT
Serial Number:	76137827	PAINTER OF LIGHT
Serial Number:	75917566	THE THOMAS KINKADE ART OF HOME COLLECTION
Serial Number:	75917565	THE THOMAS KINKADE ART OF HOME COLLECTION
Serial Number:	75917564	THE THOMAS KINKADE ART OF HOME COLLECTION
Serial Number:	75917563	THE THOMAS KINKADE ART OF HOME COLLECTION
Serial Number:	76138025	

CORRESPONDENCE DATA

Fax Number: (202)371-5950

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

Phone: 202-371-5904

Email: eanderso@winston.com

Correspondent Name: Allan A. Fanucci

Address Line 1: 1400 L Street, N.W.

Address Line 2: Patent Department

Address Line 4: Washington, DISTRICT OF COLUMBIA 20005-3502

ATTORNEY DOCKET NUMBER:

250022.96

NAME OF SUBMITTER:

Elizabeth Anderson

Total Attachments: 6

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INTELLECTUAL PROPERTY SECURITY AGREEMENT - Trademarks

This INTELLECTUAL PROPERTY SECURITY AGREEMENT - TRADEMARKS ("Intellectual Property Security Agreement"), dated as of January 29, 2004, is made by THE THOMAS KINKADE COMPANY, a Delaware corporation ("Grantor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("Lender").

WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of the date hereof by and between Grantor and Lender (as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement"), Lender has agreed to make the Loans and to incur Letter of Credit Obligations for the benefit of Grantor; and

WHEREAS, Lender is willing to make the Loans and to incur the Letter of Credit Obligations as provided for in the Loan Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Lender this Intellectual Property Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All capitalized terms used but not otherwise defined herein have the meanings given to them in Schedule A to the Loan Agreement.

2. **GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL.** To secure the complete and timely payment of all the Obligations of Grantor now or hereafter existing from time to time, Grantor hereby pledges and grants to Lender a continuing first priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Intellectual Property Collateral"):

(a) all of its Trademarks and Trademark Applications to which it is a party including those referred to on Schedules I-II hereto;

(b) all reissues, continuations or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark, and each Trademark Application; and

(d) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or any Trademark Applications, (iv) injury to the goodwill associated with any Trademark or any Trademark Applications.

3. **REPRESENTATIONS AND WARRANTIES.** Grantor represents and warrants that, as of the date hereof, Grantor does not have any interest in, or title to, any Trademark except

as set forth in the schedules attached hereto. This Intellectual Property Security Agreement is effective to create a valid and continuing Lien on and, upon the filing hereof with the United States Patent and Trademark Office, perfected security interests in favor of Lender in all of Grantor's Trademarks and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantor. Upon filing of this Intellectual Property Security Agreement with the United States Patent and Trademark Office and the filing of appropriate financing statements listed on Disclosure Schedule (6.1) to the Loan Agreement, all action necessary or desirable to protect and perfect Lender's Lien on Grantor's, Trademarks shall have been duly taken.

4. **COVENANTS.** Grantor covenants and agrees with Lender that from and after the date of this Intellectual Property Security Agreement and until the Termination Date:

(a) Grantor shall notify Lender immediately if it knows or has reason to know that any application or registration relating to any Trademark (now or hereafter existing) may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, or any court) regarding Grantor's ownership of any Trademark, its right to register the same, or to keep and maintain the same except for changes in the ordinary course of business that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) In no event shall Grantor, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Trademark with the United States Patent and Trademark Office, or any similar office or agency without informing Lender of such action in advance or informing Lender promptly thereafter, and, upon request of Lender, Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to Lender) to evidence Lender's Lien on such Trademark, and the General Intangibles of Grantor relating thereto or represented thereby.

(c) Grantor shall take all actions necessary or reasonably requested by Lender to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Trademarks (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings except for changes in the ordinary course of business that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(d) In the event that any of the Intellectual Property Collateral is to any material effect infringed upon, or misappropriated or diluted by a third party, Grantor shall notify Lender promptly after Grantor learns thereof. Grantor shall, unless it shall reasonably determine that such Intellectual Property Collateral is not material to the conduct of its business or operations or that the failure to take such action could not reasonably be expected to have a Material Adverse Effect, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as Lender shall deem appropriate under the circumstances to protect such Intellectual Property Collateral.

5. SECURITY AGREEMENT. The security interests granted pursuant to this Intellectual Property Security Agreement are granted in conjunction with the security interests granted to Lender pursuant to the Loan Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Lender with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

6. REINSTATEMENT. This Intellectual Property Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

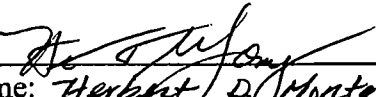
7. NOTICES. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Intellectual Property Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Loan Agreement.

8. TERMINATION OF THIS SECURITY AGREEMENT. Subject to Section 6 hereof, this Intellectual Property Security Agreement shall terminate upon the Termination Date and upon such termination Lender shall file such instruments and documents, and take such steps, as may be reasonably requested by Grantor (at Grantor's expense) to terminate Lender's rights hereunder and to terminate any public filings or other public records of the rights granted herein.

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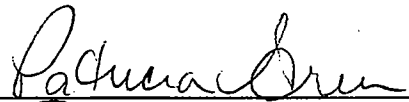
IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

THE THOMAS KINKADE COMPANY

By: 
Name: Herbert D. Montgomery
Title: CEO

ACCEPTED and ACKNOWLEDGED by:

GENERAL ELECTRIC CAPITAL CORPORATION

By: 
Name: Patricia Green
Title: Duly Authorized Signatory

SCHEDULE I
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. TRADEMARK REGISTRATIONS – United States

<u>Trademark</u>	<u>Reg. No.</u>	<u>Date</u>
LIGHTPOSTS FOR LIVING	2536340	2/5/02
LIGHTPOSTS FOR LIVING	2517293	12/11/01
MEDIA ARTS GROUP, INC.	2040973	2/25/97
PAINTER OF LIGHT	2281853	9/28/99
PAINTER OF LIGHT	2237841	4/6/99
PAINTER OF LIGHT	1988294	12/17/96
THOMAS KINKADE LIGHTED PATH COLLECTION & Design	2180744	8/11/98
MAGI	2067499	6/3/97

SCHEDULE II
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. TRADEMARK APPLICATIONS – United States

<u>Trademark</u>	<u>Application No.</u>	<u>Date</u>
LIGHTPOST GALLERY	76/168463	
LIGHTPOSTS FOR LIVING	76/232132	
LIGHTPOSTS FOR LIVING	76/232131	
LIGHTPOSTS FOR LIVING	76/232130	
LIGHTPOSTS FOR LIVING	76/232129	
LIGHTPOSTS FOR LIVING	76/232128	
LIGHTPOSTS FOR LIVING	76/232127	
LIGHTPOSTS FOR LIVING	76/232126	
MASTERS OF LIGHT	76/165258	
MASTERS OF LIGHT GALLERIES & Design	76/211980	
MASTERS OF LIGHT GALLERY & Design	76/211979	
MUSIC OF LIGHT & TREBLE CLEF Design	76/168462	
PAINTER OF LIGHT	76/137827	
THE THOMAS KINKADE ART OF HOME COLLECTION	75/917566	
THE THOMAS KINKADE ART OF HOME COLLECTION	75/917565	
THE THOMAS KINKADE ART OF HOME COLLECTION	75/917564	
THE THOMAS KINKADE ART OF HOME COLLECTION	75/917563	
TREBLE CLEF Design	76/138025	