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04-07-2004

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

RECORDED TR



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DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

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

1. Name of conveying party(ies): Generation 2 Worldwide, LLC
Individual(s) Association
General Partnership Limited Partnership
Corporation-State
Other limited liability company

2. Name and address of receiving party(ies)
Name: FINOVA Capital Corporation
Internal
Address: pcornell@finova.com
Street Address: 1000 First Avenue, 1st Fl. King of Prussia
City: State: PA Zip: 19406

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

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other
Execution Date: January 9, 2004

Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State Delaware
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)
2580044 2748544
2126312
21940496

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Patrick Cornell
Internal Address: pcornell@finova.com
FINOVA Capital Corporation
Street Address: 1000 First Avenue, 1st Fl. King of Prussia
City: State: CA Zip: 19406

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41).....\$ 140.00
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.

Bob L. Hagle
Name of Person Signing

Signature

March 29, 2004
Date

Total number of pages including cover sheet, attachments, and document: 11

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

04/06/2004 ECDOPER 00000071 2580044

01 FC:0521
02 FC:0522

40.00 OP
75.00 OP

CHECK Refund Total: \$25.00

TRADEMARK

REEL: 002944 FRAME: 0653

## TRADEMARK/SERVICE MARK SECURITY AGREEMENT

This Trademark/Service Mark Security Agreement ("Agreement") is made as of the 9 day of January, 2007, by GENERATION 2 WORLDWIDE, LLC, a Kentucky limited liability company ("Debtor"), having a mailing address at 113 Anderson Ct., Suite 1, Dothan, AL 36301, and delivered to FINOVA Capital Corporation ("Lender").

### BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Loan and Security Agreement of even date herewith between Debtor and Lender (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Loan Agreement"), under which Debtor is granting Lender a lien on and security interest in certain assets of Debtor associated with or relating to products leased or sold under Debtor's trademarks or service marks and the goodwill associated therewith, and under which Lender is entitled to foreclose or otherwise deal with such assets, trademarks, servicemarks and tradenames under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Debtor has adopted, used and is using (or has filed applications for the registration of) the trademarks, servicemarks and tradenames listed on Schedule "A" attached hereto and made part hereof (all such marks or names hereinafter referred to as the "Trademarks").

C. Pursuant to the Loan Agreement, Lender is acquiring a lien on, and security interest in, the Trademarks and the registration thereof, together with all the goodwill of Debtor associated therewith and represented thereby, as security for all of Debtor's Obligations, and desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure Debtor's Obligations, Debtor grants a lien and security interest to Lender in all of its present and future right, title and interest in and to the Trademarks, together with all the goodwill of Debtor associated with and represented by the Trademarks, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Debtor hereby covenants and agrees to maintain the Trademarks in full force and effect until all of Debtor's Obligations are satisfied in full.

3. Debtor represents, warrants and covenants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) Each of the Trademarks is valid and enforceable;

(c) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Debtor not to sue third persons;

(d) Debtor has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Debtor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Trademarks; and

(f) Debtor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in products leased or sold under the Trademarks and hereby grants to Lender (with no obligation of any kind upon Lender to do so) the right to visit Debtor's locations which manufacture, process, sell, or store products under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours to ensure Debtor's compliance with this paragraph 3(f).

4. Debtor further covenants that:

(a) Until all of Debtor's Obligations have been satisfied in full, it will not enter into any agreement, or take any action, which is inconsistent with Debtor's obligations and Lender's rights under this Agreement.

(b) If Debtor acquires rights to any new trademarks or service marks which it has registered with the Patent and Trademark Office or for which it has filed an application for registration with such office, the provisions of this Agreement shall automatically apply thereto and such trademarks or service marks shall be deemed part of the Trademarks. Debtor shall give Lender prompt written notice thereof along with an amended Schedule "A."

5. So long as this Agreement is in effect and so long as Debtor has not received notice from Lender that an Event of Default has occurred and is continuing under the Loan Agreement and that Lender has elected to exercise its rights hereunder, Debtor shall continue to have the exclusive right to use the Trademarks and Lender shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. Debtor agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Trademarks without prior written consent of Lender.

7. Anything herein contained to the contrary notwithstanding, if and while Debtor shall be in default hereunder or an Event of Default exists under the Loan Agreement, Debtor hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in Arizona, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Trademarks covered hereby. For such purposes, and in the event of Debtor's default hereunder or an Event of Default under the Loan Agreement and while such default or Event of Default exists, Debtor hereby authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, assignments, documents, papers and instruments necessary for Lender to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute a trademark/service mark assignment in the form attached hereto as Exhibit 1. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Debtor's Obligations are satisfied in full.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Agreement, the language of the Loan Agreement shall control.

10. Upon Debtor's performance of all of the obligations under the Loan Documents and full and unconditional satisfaction of all of Debtor's Obligations and termination of any commitment of Lender to make advances thereunder, Lender shall execute and deliver to Debtor all documents reasonably necessary to terminate Lender's security interest in the Trademarks.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Debtor on demand by Lender and until so paid

shall be added to the principal amount of Debtor's Obligations and shall bear interest at the default rate as set forth in the Loan Agreement.

12. Subject to the terms of the Loan Agreement, Debtor shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Agreement or thereafter, until Debtor's Obligations shall have been satisfied in full, to preserve and maintain all rights in the Trademarks, and upon reasonable request of Lender, Debtor shall make federal application on registrable but unregistered trademarks belonging to Debtor. Any reasonable expenses incurred in connection with such applications shall be borne by Debtor. The Debtor shall not abandon any Trademark without the prior written consent of the Lender.

13. Debtor shall have the right to bring suit in its own name to enforce the Trademarks, in which event Lender may, if Debtor reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Debtor shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. During the existence of an Event of Default under the Loan Agreement, Lender may, without any obligation to do so, complete any obligation of Debtor hereunder, in Debtor's name or in Lender's name, but at Debtor's expense, and Debtor hereby agrees to reimburse Lender in full for all reasonable costs and expenses, including attorneys' fees, incurred by Lender in protecting, defending and maintaining the Trademarks.

15. No course of dealing between Debtor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Documents, or by any other future agreements between Debtor and Lender, or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. This Agreement shall be governed by and construed in conformity with the laws of the State of Arizona, without regard to its otherwise applicable principles of conflicts of laws.

19. **Debtor and Lender each waives any and all rights it may have to a jury trial in connection with any litigation, proceeding, claim or counterclaim arising with respect to rights and obligations of the parties hereto or under the Loan Documents.**

IN WITNESS WHEREOF, the parties hereto have executed this Trademark/Service Mark Security Agreement, under seal, the day and year first above written.

GENERATION 2 WORLDWIDE, LLC

By: Ronald D. Davis  
Manager

Approved and Accepted:

FINOVA CAPITAL CORPORATION

Witnessed: Rocky A. Jindell

By: Patrick M. Carr

ACKNOWLEDGMENT

UNITED STATES OF AMERICA )  
STATE OF ALABAMA ) SS  
COUNTY OF )

On this the 9 day of January, 2004 before me personally appeared Ronald D. Davis, to me known and being duly sworn, deposes and says that he is Manager of Generation 2 Worldwide, LLC, the Debtor described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such company; and he desires the same to be recorded as such.

Chris Hamey  
Notary Public  
My Commission Expires: 7/29/06

CORPORATE ACKNOWLEDGMENT

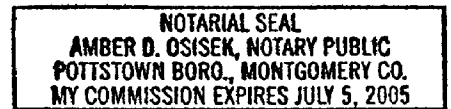
UNITED STATES OF AMERICA )  
COMMONWEALTH OF PENNSYLVANIA ) SS  
COUNTY OF MONTGOMERY )

On this 13<sup>th</sup> day of January, 2004, before me personally appeared Patrick M. Cornell to me known and being duly sworn, deposes and says that s/he is a Vice President of FINOVA Capital Corporation, the Lender described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and he desires the same to be recorded as such.



Notary Public

My Commission Expires: \_\_\_\_\_



SCHEDULE A TO TRADEMARK/SERVICE MARK SECURITY AGREEMENT

<u>TRADEMARKS/ SERVICE MARKS</u>	<u>APPLICATION/ REGISTRATION NO.</u>	<u>COUNTRY</u>	<u>REGISTRATION DATE</u>
1. SAFETYCRAFT	2580044	USA	June 11, 2002
2. CHILDESIGNS KEEPING THEM SAFE BY DESIGN	2126312	USA	December 30, 1997
3. GENERATION 2 WORLDWIDE	21940496	USA	October 6, 1998
4. FREEHAND	2748544	USA	August 5, 2003



Exhibit 1

TRADEMARK ASSIGNMENT

WHEREAS, Generation 2 Worldwide, LLC, a Kentucky limited liability company ("Grantor") is the registered owner of the United States trademarks, tradenames and registrations listed on Schedule A attached hereto and made a part hereof (the "Trademarks"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, \_\_\_\_\_ having a place of business at \_\_\_\_\_ ("Grantee") is desirous of acquiring said Trademarks;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

GENERATION 2 WORLDWIDE, LLC

Witness: \_\_\_\_\_

By: \_\_\_\_\_  
as Attorney-in-fact

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me a Notary Public for the said County and State, personally appeared \_\_\_\_\_ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of Generation 2 Worldwide, LLC ("Grantor"), and he acknowledged to me that they executed the foregoing Trademark Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

SCHEDULE A TO TRADEMARK ASSIGNMENT

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