

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Nursery Supplies, Inc.		05/26/2005	CORPORATION: NEW JERSEY
NS, LLC		05/26/2005	Limited Liability Company: DELAWARE
NSI Holdings, Inc.		05/26/2005	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	American Capital Financial Services, Inc.
Street Address:	2 Bethesda Metro Center, 14th Floor
Internal Address:	Attn: Brett Hyman
City:	Bethesda
State/Country:	MARYLAND
Postal Code:	20814
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 9

Property Type	Number	Word Mark
Registration Number:	1421101	CLASSIC
Registration Number:	1356702	ARP-TAINER
Registration Number:	1775895	GRIP-LIP
Registration Number:	1963450	DEC-GROW
Registration Number:	1981272	AGS
Registration Number:	2585589	ROOT RIGHT
Serial Number:	76107015	PHOENIX
Serial Number:	76468486	PLANT POUCH
Serial Number:	76468487	INTELLI-POT

CORRESPONDENCE DATA

900025780

TRADEMARK
REEL: 003096 FRAME: 0235

OP \$240.00 1421101

Fax Number: (301)654-6714

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

Phone: 301 841-1359

Email: brett.hyman@americancapital.com

Correspondent Name: American Capital Strategies, Ltd

Address Line 1: 2 Bethesda Metro Center, 14th Floor

Address Line 2: Attn: Brett Hyman

Address Line 4: Bethesda, MARYLAND 20814

NAME OF SUBMITTER:	Brett Hyman
Signature:	/Brett Hyman/
Date:	06/03/2005

Total Attachments: 10

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EXECUTION

THIS INSTRUMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF MAY 26, 2005 AMONG (I) AMERICAN CAPITAL FINANCIAL SERVICES, INC., AS ADMINISTRATIVE AGENT, AND (II) GENERAL ELECTRIC CAPITAL CORPORATION, AS "AGENT," TO THE INDEBTEDNESS (INCLUDING, BUT NOT LIMITED TO, PRINCIPAL, INTEREST, FEES AND EXPENSES) OWED BY NS, LLC, NSI HOLDINGS, INC., AND NURSERY SUPPLIES, INC. AND ANY OTHER PERSONS SIGNATORY THERETO FROM TIME TO TIME AS "CREDIT PARTIES" (COLLECTIVELY, THE "CREDIT PARTIES") PURSUANT TO THAT CERTAIN CREDIT AGREEMENT DATED AS OF MAY 26, 2005, AMONG THE CREDIT PARTIES, AGENT AND THE LENDERS FROM TIME TO TIME PARTY THERETO, AS SUCH CREDIT AGREEMENT HAS BEEN AND HEREAFTER MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, INCLUDING AGREEMENTS EVIDENCING SUCCESSIVE REFINANCINGS OR REFUNDINGS THEREOF; AND EACH HOLDER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (together with all amendments, if any, from time to time hereto, this "Intellectual Property Security Agreement"), dated as of May 26, 2005, is made by EACH OF THE GRANTORS LISTED ON THE SIGNATURE PAGES HERETO AND EACH ADDITIONAL PARTY WHICH BECOMES A GRANTOR HERETO PURSUANT TO SECTION 8 HEREOF (each, a "Grantor" and collectively, "Grantors"), in favor of AMERICAN CAPITAL FINANCIAL SERVICES, INC., in its capacity as Agent for Purchasers ("Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Note Purchase Agreement, dated as of the date hereof, by and among the Grantors, the securities purchasers that are now and hereafter at any time parties thereto (each a "Purchaser" and collectively, "Purchasers") and Agent (as from time to time amended, restated, supplemented or otherwise modified, the "Purchase Agreement"), the Purchasers have agreed to purchase Notes from the Grantors for their direct and indirect benefit; and

WHEREAS, Grantors directly or indirectly benefit from the purchase of the Notes by the Purchasers from the Grantors pursuant to the Purchase Agreement and in order to induce Agent and Purchasers to enter into the Purchase Agreement and other Transaction Documents and to induce Purchasers to purchase the Notes as provided for in the Purchase Agreement, Grantors desire to grant a continuing Lien on the Intellectual Property Collateral (as hereinafter defined) to Agent, for the benefit of Agent and Purchasers, to secure all of the Obligations;

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. Unless otherwise defined herein, all capitalized terms used but not otherwise defined herein (including the recitals hereto) have the meanings given to them in Article I of the Purchase Agreement.

2. GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL. To secure the complete and timely payment of all the Obligations of Credit Parties now or hereafter existing from time to time (herein, the "Secured Obligations"), each Grantor hereby assigns and pledges and grants to Agent, for the benefit of Agent and Purchasers, a continuing priority security interest in all of such 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 Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;

(c) all of its Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;

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

(e) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and

(f) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License, (iii) infringement or dilution of any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement or dilution of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

The foregoing grant of a security interest by any Grantor shall not include any Licenses if and to the extent that (i) the terms of any such License prohibit assignment or encumbrance thereof, unless a consent or waiver to such assignment or encumbrance is obtained, and (ii) the term prohibiting such assignment or encumbrance is effective as a matter of law; provided that the foregoing exclusions shall not apply with respect to any such rights or interests once any such applicable provision is no longer in effect, and provided further that such Grantor shall use its best commercially reasonable efforts to obtain any and all consents and/or waivers necessary for the granting of a security interest in each such License to Agent.

3. REPRESENTATIONS AND WARRANTIES. Each Grantor jointly and severally represents and warrants that such Grantor does not have any interest in, or title to, any Patent, Trademark or registered Copyright except as set forth in Schedule I, Schedule II and Schedule III, respectively, 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 and the United States Copyright Office together with payment of the appropriate filing fees, perfected security interests in favor of Agent in all of Grantors' Patents, Trademarks and Copyrights and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantors. Upon filing of this Intellectual Property Security Agreement with the United States Patent and Trademark Office and the United States Copyright Office and the filing of appropriate financing statements listed on Schedule I to the Security Agreement, together with payment of the appropriate filing fees, all action necessary or otherwise requested by Agent to protect and perfect Agent's Lien on Grantor's Patents, Trademarks and Copyrights shall have been duly taken.

4. COVENANTS. Each Grantor jointly and severally covenants and agrees with Agent, on behalf of Agent and Purchasers, that from and after the date of this Intellectual Property Security Agreement and until the date on which (a) the Notes have been indefeasibly repaid in full, (b) all other Obligations under the Purchase Agreement and the other Transaction Documents have been completely discharged (other than with respect to indemnities and other similar contingent obligations for which no claim or other demand has been made and to the extent no Grantor is aware of any such claim or other contingent obligations), and (c) Grantors shall not have any further right to borrow any monies under the Purchase Agreement (the "Termination Date"):

(a) Each Grantor shall notify Agent immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated to the public, 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, the United States Copyright Office or any court), other than determinations or developments made during the application process, but including any applications refused on the merits either to allow a patent application or to register a Trademark or Copyright application regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(b) To the extent there have been new applications by any Grantor, once every three months (beginning with the three month anniversary of the date of this Agreement), Grantor shall deliver to Agent a notice of all applications made during such three month period for the registration of any Patent, Trademark or Copyright filed, either directly or through any agent, employee, licensee or designee, with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within the three-month period since the date of the previous notice (or, in the case of the first such notice, since the date of this Agreement.) Upon request of Agent, such Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to Agent) to evidence Agent's, on behalf of Agent and Purchasers, Lien on such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.

(c) Each Grantor shall take all actions reasonably necessary or requested by Agent to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents or 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.

(d) In the event that any of the Intellectual Property Collateral is infringed upon, or misappropriated or diluted by a third party in a manner actionable under applicable law, each Grantor shall notify Agent promptly after such Grantor learns thereof. Each Grantor shall, unless it shall reasonably determine that such Intellectual Property Collateral is not material to the conduct of its business or operations, promptly take all appropriate actions, including, if warranted, bringing suit to stop such infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as Agent 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 Agent pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Security 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 any Grantor for liquidation or reorganization, should any 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 any 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 Secured 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 Secured Obligations, whether as a "voidable preference", a "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 Secured 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 Purchase Agreement.

8. ADDITIONAL GRANTORS. The initial Grantors hereunder shall include each Grantor signatory hereto on the date hereof. From time to time subsequent to the

date hereof, additional Loan Parties or direct and indirect Subsidiaries of the Grantors may become parties hereto, as additional Grantors (each, an "Additional Grantor"), by executing a counterpart of this Intellectual Property Security Agreement substantially in the form of Exhibit A attached hereto. Upon delivery of any such counterpart to Agent, notice of which is hereby waived by the Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if such Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder nor by any election of Agent not to cause any Loan Party to become an Additional Grantor hereunder. This Intellectual Property Security Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

9. TERMINATION OF THIS SECURITY AGREEMENT. Subject to Section 6 hereof, this Intellectual Property Security Agreement shall terminate upon the Termination Date. Upon termination of this Agreement, at the Grantors' sole cost and expense, Agent shall execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each 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.

NS, LLC

By: [Signature]
Name: KATHERINE A. LEHMAN
Title: MANAGER

NSI HOLDINGS, INC.

By: [Signature]
Name: KATHERINE A. LEHMAN
Title: VICE PRESIDENT AND SECRETARY

NURSERY SUPPLIES, INC.

By: [Signature]
Name: KATHERINE A. LEHMAN
Title: VICE PRESIDENT AND SECRETARY

ACCEPTED and ACKNOWLEDGED by:

**AMERICAN CAPITAL FINANCIAL
SERVICES, INC., as
Agent**

By: 
Its: Duly Authorized Signatory

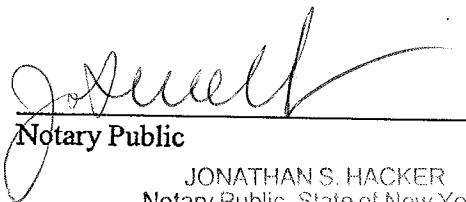
ACKNOWLEDGMENT OF GRANTORS

STATE OF New York

COUNTY OF New York

SS. _____

On this 7th day of May, 2005 before me personally appeared Katherine Lee, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of NS, LLC, who being by me duly sworn did depose and say that he is an authorized officer of the Managing Member of said limited liability company, that the said instrument was signed on behalf of said limited liability company as authorized by its Managing Member and that he acknowledged said instrument to be the free act and deed of said limited liability company.


Notary Public

{seal}

JONATHAN S. HACKER
Notary Public, State of New York
No. 31-4722938
Qualified in New York County
Commission Expires April 30, 2006

STATE OF New York
COUNTY OF New York

ss. _____

On this ____ day of May, 2005 before me personally appeared Jonathan S. Hacker
proved to me on the basis of satisfactory evidence to be the person who executed the foregoing
instrument on behalf of NSI Holdings, Inc., who being by me duly sworn did depose and say that
he is an authorized officer of said corporation, that the said instrument was signed on behalf of
said corporation as authorized by Board of Directors and that he acknowledged said instrument
to be the free act and deed of said corporation.

Jonathan S. Hacker
Notary Public

{seal}

JONATHAN S. HACKER
Notary Public, State of New York
No. 31-4722938
Qualified in New York County
Commission Expires April 30, 2006

STATE OF New York

COUNTY OF New York

ss. _____

On this 25th day of May, 2005 before me personally appeared Katherine L. Loh
proved to me on the basis of satisfactory evidence to be the Person who executed the foregoing
instrument on behalf of Nursery Supplies, Inc., who being by me duly sworn did depose and say
that he is an authorized officer of said corporation, that the said instrument was signed on behalf
of said corporation as authorized by its Board of Directors and that he acknowledged said
instrument to be the free act and deed of said corporation.

[Signature]
Notary Public

{seal}

JONATHAN S. HACKER
Notary Public, State of New York
No. 31-4722938
Qualified in New York County
Commission Expires April 30, 2006