

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
International Video Conversions, Inc.		03/29/2006	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Bank of America, N.A.		
Street Address:	333 S. Hope St., 13th Floor		
Internal Address:	Attn: Point.360 Acct Officer		
City:	Los Angeles		
State/Country:	CALIFORNIA		
Postal Code:	90071		
Entity Type:	national bank: UNITED STATES		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	1751057	IVC	
CORRESPONDENCE DATA			
Fax Number:	(213)443-2926		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	213-617-5493		
Email:	jcravitz@sheppardmullin.com		
Correspondent Name:	Sheppard, Mullin, Richter & Hampton LLP		
Address Line 1:	333 S. Hope St., 48th Floor		
Address Line 2:	Attn: J. Cravitz		
Address Line 4:	Los Angeles, CALIFORNIA 90071		
ATTORNEY DOCKET NUMBER:	0BN1-121187		
NAME OF SUBMITTER:	Julie Cravitz		
Signature:	/julie cravitz/		

CH \$40.00 1751057

Date:

05/04/2006

Total Attachments: 11

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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of March 29, 2006, is entered into by and between INTERNATIONAL VIDEO CONVERSIONS, INC., a California corporation with a chief executive office and principal place of business located at 2777 Ontario Street, Burbank, California 91504 ("Debtor"), and BANK OF AMERICA, N.A., a national banking association with a place of business located at 333 South Hope Street, 13th Floor, Los Angeles, California 90071 ("Secured Party"), with reference to the following facts:

RECITALS

A. Pursuant to the Standard Loan Agreement of even date herewith, by and between Point.360, a California corporation (the "Borrower"), and Secured Party (the "Loan Agreement"), Secured Party has agreed to provide certain credit facilities to the Borrower. The terms used herein, unless otherwise stated, shall have the same meaning as the terms used and defined in the Loan Agreement.

B. Debtor has executed in favor of Secured Party a certain Continuing and Unconditional Guaranty of even date herewith (the "Guaranty"), pursuant to which Debtor has guaranteed the payment when due of all of the Borrower's indebtedness, liabilities and obligations to Secured Party under the Loan Agreement.

C. As security for the payment of its obligations to Secured Party under the Guaranty, Debtor is entering into this Agreement with Secured Party, by which Debtor shall grant Secured Party a security interest in all of Debtor's current and future trademarks as herein provided.

NOW, THEREFORE, in order to induce Secured Party to provide the credit facilities to Borrower contemplated under the Loan Agreement, Debtor hereby represents, warrants, covenants and agrees as follows:

1. SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in:

A. All of Debtor's now existing or hereafter acquired right, title, and interest in and to: all of Debtor's domestic trademarks, trade names, trade styles and service marks; all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any political subdivision thereof, and all reissues, extensions and renewals thereof including those trademarks, terms, designs and applications described in Schedule A hereto (collectively, the "Trademarks");

B. The goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and

C. Any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Trademarks or any licenses with respect to the Trademarks (all of the foregoing are collectively referred to herein as the "Collateral").

2. OBLIGATIONS SECURED

The security interest granted by Debtor to Secured Party in this Agreement shall secure the payment of all obligations of Debtor to Secured Party under the Guaranty (collectively, the "Secured Obligations").

3. WARRANTIES AND COVENANTS

Debtor hereby covenants, represents and warrants that (all of such covenants, representations and warranties being continuing in nature so long as any of the Secured Obligations are outstanding):

A. All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns sole, full, and clear title thereto, and has the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense, perform all acts and execute all documents reasonably necessary to maintain the existence of the Collateral as valid, subsisting and registered trademarks, including, without limitation, the filing of any renewal affidavits and applications, other than Collateral that is not material to Debtor's business. The Collateral is not subject to any lien, security interest, pledge, mortgage, hypothecation, material claim or encumbrance ("Lien"), except the security interest granted hereunder, the licenses, if any, which are specifically described in Schedule B hereto and Permitted Liens.

B. Debtor will not assign, sell, transfer, grant a Lien upon or grant an exclusive or non-exclusive license relating thereto, except to Secured Party, or otherwise dispose of any of the Collateral that is material to Debtor's business without the prior written consent of Secured Party.

C. Debtor will, at Debtor's expense, perform all acts and execute all documents requested at any time by Secured Party in its commercially reasonable discretion to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral. Debtor further authorizes Secured Party to have this or any other similar security agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

D. Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Power of Attorney in the form of Exhibit 1 annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder. Secured Party agrees it will exercise the Power of Attorney only upon the occurrence and during the continuation of an Event of Default.

E. Secured Party may, in its sole discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party in its commercially reasonable discretion to maintain and preserve the Collateral, defend, protect, record, amend or enforce the Secured Obligations, the Collateral, or the security interest granted hereunder including but not limited to, all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for any such payment, which payment shall be deemed a borrowing by Debtor from the Lender, and shall be payable on demand together with interest at the rate set forth in the Loan Documents and shall be part of the Secured Obligations secured hereby.

F. As of the date hereof, Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Schedule A annexed hereto.

G. Debtor shall notify Secured Party in writing of the filing of any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States or any state therein within thirty (30) days of such filing. Upon request of Secured Party, Debtor shall execute and deliver to Secured Party any and all amendments to this Agreement as may be requested by Secured Party to evidence the security interests of Secured Party in such Trademark.

H. Debtor will not permit any of the Trademarks to become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable unless Debtor, in the exercise of its reasonable business judgment, determines that such Trademark is not valuable or otherwise material to Debtor's business. Debtor shall notify Secured Party immediately if Debtor knows or has reason to know of any reason why any application, registration, or recording may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable.

I. Debtor will take such actions in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country as are necessary to maintain such application and registration of the Patents or Trademarks material to Debtor's business as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

J. Debtor will promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design likely to cause confusion with any Trademark material to Debtor's business or of any use by any person of any other process or product which infringes upon any Trademark, in each case that is material to Debtor's business. If requested by Secured Party, Debtor, at Debtor's expense, shall take such action as Secured Party, in Secured Party's commercially reasonable discretion, may deem reasonably advisable for the protection of Secured Party's interest in and to the Trademarks.

K. Debtor will maintain the quality of the products associated with the Trademarks at a level consistent with the quality at the time of this Agreement. Debtor hereby grants to Secured Party the right to visit Debtor's plant and facilities which manufacture or store products sold under any of the Trademarks and to inspect the products and quality-control records relating thereto at such times as permitted in the Loan Agreement, which right may be exercised by Secured Party not more frequently than once per year prior to the occurrence and continuation of a Default or Event of Default and only during Debtor's regular business hours.

4. RIGHTS AND REMEDIES

Upon the occurrence and during the continuance of an Event of Default and at any time thereafter, in addition to all other rights and remedies of Secured Party, whether provided under applicable law, the Loan Documents or otherwise, and after expiration of any grace period, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor, except as such notice or consent is expressly provided for hereunder.

A. Secured Party may make use of any Trademarks for the sale of goods or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor, provided that Secured Party may not alter or modify any of the Trademarks.

B. Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner as Secured Party shall in its sole discretion deem appropriate. Such license or licenses may be general, special, or otherwise and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

C. Secured Party may assign, sell, or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide Debtor with ten (10) days prior written notice of any proposed disposition of the Collateral. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition. In any such event, Debtor shall be liable for any deficiency.

D. In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to subparagraph 4C hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in subparagraph 3D hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees.

E. Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all reasonable legal, travel, and other reasonable expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to the Secured Obligations. Debtor shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds, and Debtor will pay Secured Party on demand any such unpaid amount, together with interest at the default rate set forth in the Loan Agreement.

F. In the event that any such license, assignment, sale or disposition of the Collateral (or any part thereof) is made after the occurrence and during the continuance of an Event of Default, Debtor shall supply to Secured Party or Secured Party's designee Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof, and at times and under circumstances reasonably convenient to Debtor.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, the Loan Agreement, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

5. MISCELLANEOUS

A. Any failure or delay by Secured Party to require strict performance by Debtor of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any Event of Default shall not waive or affect any other Event of Default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtor, specifying such waiver.

B. All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been duly given or made: if by hand, immediately upon

delivery; if by facsimile (fax), telex or telegram, immediately upon sending; if by any overnight delivery service, one day after dispatch; and if mailed by first class or certified mail, three (3) days after mailing. All notices, requests and demands are to be given or made to the respective parties at the addresses set forth in the introduction to this Agreement.

C. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

D. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

E. The security interest granted to Secured Party hereunder shall terminate upon termination of the Loan Agreement and indefeasible payment in full to the Lender of all Secured Obligations (other than contingent indemnification obligations).


F. THE VALIDITY, INTERPRETATION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF CALIFORNIA. DEBTOR HEREBY IRREVOCABLY CONSENTS AND SUBMITS IN ADVANCE TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS LOCATED WITHIN THE COUNTY OF LOS ANGELES IN THE STATE OF CALIFORNIA, TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE OTHER AGREEMENTS OR TO ANY MATTER ARISING THEREFROM IN ANY SUCH ACTION OR PROCEEDING. DEBTOR AGREES THAT SERVICE OF SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS MAY BE MADE OUTSIDE SUCH COUNTY IN SUCH MANNER AS MAY BE PERMISSIBLE UNDER THE RULES OF SUCH COURTS.

[Rest of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement by their respective duly authorized officers as of the date first above written.

DEBTOR:

INTERNATIONAL VIDEO
CONVERSIONS, INC.
a California corporation

By: 
Name: ALAN STEEL
Title: CFO

SECURED PARTY:

BANK OF AMERICA, N.A.,
a national banking association

By: _____
Daniel M. Timmons
Vice President

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement by their respective duly authorized officers as of the date first above written.

DEBTOR:

POINT.360,
a California corporation

By: _____
Name: _____
Title: _____

SECURED PARTY:

BANK OF AMERICA, N.A.,
a national banking association

By: *Dan Timmons*
Daniel M. Timmons
Vice President

EXHIBIT 1

SPECIAL POWER OF ATTORNEY

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

KNOW ALL MEN BY THESE PRESENTS, INTERNATIONAL VIDEO CONVERSIONS, INC., a California corporation ("Debtor"), hereby appoints and constitutes BANK OF AMERICA, N.A., a national banking association ("Secured Party"), and each officer thereof, Debtor's true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instruments of assignment, or other papers which Secured Party, in its sole discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all of the right, title, and interest of Debtor in and to any patents or trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its sole discretion, deems necessary or advisable to further the purposes described in paragraph 1 hereof.

This Special Power of Attorney is made pursuant to a Trademark Security Agreement of even date herewith between Debtor and Secured Party (as amended or supplemented, the "Trademark Security Agreement") and may not be revoked until indefeasible payment in full of all of the "Secured Obligations" referred to in the Trademark Security Agreement. Secured Party agrees that it will exercise its rights with respect to this Special Power of Attorney only after the failure by Debtor to pay its obligations to Secured Party when due under the Guaranty referred to in the Trademark Security Agreement.

Dated as of March 29, 2006.

DEBTOR:

INTERNATIONAL VIDEO
CONVERSIONS, INC.,
a California corporation

By: _____
Name: _____
Title: _____

SCHEDULE A
to
TRADEMARK SECURITY AGREEMENT

Trademarks / Service Marks

Trademark/
Service Mark

Registration/Serial No.

Registration
Date

IVC

1,751,057

February 9, 1993

SCHEDULE B
to
TRADEMARK SECURITY AGREEMENT

Permitted Licenses

None