

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
Kids II, Inc.		07/12/2006	CORPORATION: GEORGIA

RECEIVING PARTY DATA

Name:	AmSouth Bank
Street Address:	3390 Peachtree Road
Internal Address:	Suite 1000
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30326
Entity Type:	Banking Corporation: ALABAMA

PROPERTY NUMBERS Total: 12

Property Type	Number	Word Mark
Registration Number:	2613509	BRIGHT INSPIRATIONS
Registration Number:	2854316	BRIGHT INSPIRATIONS
Registration Number:	3087194	BRIGHT INSPIRATIONS
Registration Number:	1804601	BRIGHT STARTS
Registration Number:	2473856	BRIGHT STARTS PLAY TO LEARN TOYS
Registration Number:	1912663	DISCOVERY PALS
Registration Number:	1966267	KIDS II
Registration Number:	1870679	KIDS II
Registration Number:	2291402	KIDS II. TOYS YOUR CHILD WILL LOVE TO REACH FOR.
Registration Number:	1861041	LITTLE DUCKIES
Registration Number:	2701738	PLAY TO LEARN TOYS
Registration Number:	2878889	TINY ONES

CORRESPONDENCE DATA

900053869

**TRADEMARK
 REEL: 003353 FRAME: 0344**

CH \$315.00 2613509

Fax Number: (404)572-5128
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 404-572-4786
Email: epolak@kslaw.com
Correspondent Name: King & Spalding
Address Line 1: 1180 Peachtree St.
Address Line 2: ATTN: Gerald T. Woods, Esq.
Address Line 4: Atlanta, GEORGIA 30309

ATTORNEY DOCKET NUMBER:	02532.009003
NAME OF SUBMITTER:	Gerald Woods
Signature:	/Gerald Woods/
Date:	07/23/2006

Total Attachments: 5
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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of July 12, 2006, is made by the undersigned (the "Company") to and in favor of AMSOUTH BANK, an Alabama bank ("Lender"), pursuant to that certain Loan and Security Agreement, dated as of even date herewith, between the Company, as the borrower thereunder, and the Lender (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"; capitalized terms used herein and not defined shall have the meanings ascribed to them in the Loan Agreement).

WITNESSETH:

RECITALS.

E. The Company owns and uses certain Trademarks (as hereinafter defined) which are registered in, or applications for registration of which have been filed in, the United States Patent and Trademark Office, all as more fully described on Schedule I attached hereto and by reference made part a hereof; and

F. The Lender proposes to make certain loans to the Company pursuant to the Loan Agreement; and

G. Pursuant to the Loan Agreement, the Company has assigned, conveyed, mortgaged, pledged, hypothecated and transferred to the Lender all of its right, title and interest in and to, and granted to the Lender a security interest in, the property described therein, including, without limitation, all of the Company's Trademarks (as hereinafter defined), whether presently existing or hereafter acquired or arising, or in which the Company now has or hereafter acquires rights and wherever located, and all products and proceeds any of the foregoing, as security for all of the Obligations; and

H. As a condition precedent to the extension of such financial accommodations pursuant to the Loan Agreement and in furtherance of the Loan Agreement, including, without limitation, for purposes of perfecting the security interests granted therein, the Lender has required that the Company grant to the Lender a security interest in and a collateral assignment of the Property (as hereinafter defined);

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

1. For purposes of this Agreement and in addition to terms defined elsewhere in this Agreement, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

"Trademarks" means all of the following: (i) all trademarks and service marks, all registrations and recordings thereof, and all applications for trademarks and service marks, including, without limitation, registrations, recordings and applications in the

office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those referred to in Schedule I attached hereto, and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

2. As security for the payment and performance of all of the Obligations, the Company hereby grants and conveys a security interest to the Lender in, and collaterally assigns to the Lender, all of the Company's right, title and interest in, to and under the following (collectively, the "Property"): (a) each Trademark now or hereafter owned by the Company or in which the Company now has or hereafter acquires rights and wherever located, including, without limitation, each Trademark referred to in Schedule I hereto and any renewals of registrations thereof; (b) the goodwill of the Company symbolized by the Trademarks; and (c) all products and proceeds of the foregoing, including, without limitation, any claim by the Company against third parties for past, present or future infringement of any Trademark including, without limitation, any Trademark referred to in Schedule I hereto.

Notwithstanding the foregoing or anything else in this Agreement to the contrary, unless and until the Lender exercises the rights and remedies accorded to it under the Loan and Security Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, the Lender hereby grants to the Company the exclusive, nontransferable, royalty-free right and license under the Property for the Company's own benefit and account, so that the Company may use and enjoy the Property in connection with its business operations and exercise rights and remedies with respect to the Property, but with respect to all Property being used in the Company's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property. The Company agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to the Company in this paragraph, except that the Company may sublicense the Property in the ordinary course of the Company's business but only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property. Upon the exercise by the Lender of the rights and remedies accorded to it under the Loan Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, the license granted under this paragraph to the Company shall terminate.

3. The Company does hereby further acknowledge and affirm that the representations, warranties and covenants of the Company with respect to the Property and the rights and remedies of the Lender with respect to the security interest in and collateral assignment of the Property 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.

4. This Agreement shall terminate upon termination of the Loan Agreement. At any time and from time to time prior to such termination, the Lender may terminate its security interest in or reconvey to the Company any rights with respect to any or all of the Property. Upon termination of this Agreement and following a request from the Company, the Lender shall, at the expense of the Company, execute and deliver to the Company all deeds,

assignments and other instruments as may be necessary or proper in reasonable judgment of the Company in order to evidence such termination, subject to any disposition of the Property which may have been made by the Lender pursuant hereto or pursuant to the Loan Agreement.

5. If at any time before the termination of this Agreement, the Company shall obtain or acquire rights to any new Trademark (including any Trademark application), the provisions of Section 2 shall automatically apply thereto and the Company shall comply with the terms of the Security Agreement with respect to such new Trademark. The Company authorizes the Lender to modify this Agreement by amending Schedule I to include any future Trademarks (and Trademark applications) covered by Section 2 or by this Section 5.

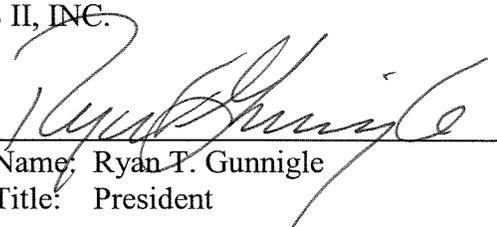
6. The Company further agrees that (a) neither the Lender nor any Lender shall have any obligation or responsibility to protect or defend the Property and the Company shall, at its own expense protect, defend and maintain the same in accordance with the terms and conditions set forth in the Loan Agreement, (b) the Company shall forthwith advise the Lender promptly in writing upon detection of infringements of any of the Property being used in the Company's business and (c) if the Company fails to comply with the requirements of the preceding clause (a), the Lender or any Lender may do so in the Company's name or in its own name, but in any case at the Company's expense, and the Company hereby agrees to reimburse the Lender for all expenses, including reasonable attorneys' fees, incurred by the Lender in protecting, defending and maintaining the Property.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its duly authorized officers as of the date first above written.

"COMPANY"

KIDS II, INC.

By:



Name: Ryan T. Gunnigle
Title: President

On July 12, 2006, before me personally came Ryan T. Gunnigle, to me personally known and known to me to be the person described in and who executed the foregoing instrument as the President of KIDS II, INC., who being by me duly sworn, did depose and say that he (she) is the President of said company and which executed the foregoing instrument; that the said instrument was signed on behalf of said company by order of its board of directors (or other governing body); that he (she) signed his (her) name thereto by like order; and that he (she) acknowledged said instrument to be the free act and deed of said company.

Notary Public

My Commission Expires:



[NOTARIAL SEAL]



SCHEDULE I

TM NAME	CLASS	PRODUCT/COMMENTS (IF ANY)	REG. NO.	DATE ISSUED
(Old—Sun Logo)	28	Plush toys, pullstrings, activity books	2,613,509	08/27/2005
BRIGHT INSPIRATIONS (US)	28	Plush toys, pullstrings, activity books	2,854,316	06/15/2004
BRIGHT INSPIRATIONS (US)	20, 24, 25, 28	Decorative pillows (20); infant and children's bedding and accessories, namely quilts, crib blankets, receiving blankets, blanket throws, towels, etc. (24); cloth bibs, slippers, socks, hats, and mittens (25); soft toy pix books, plush baby rattles, plus toy animals, plush toy animals attached to blankets (28)	3,087,194	05/02/06
BRIGHT STARTS (US)	28	Rattles, squeakers and dolls	1,804,601	11/16/1993
BRIGHT STARTS PLAY TO LEARN TOYS (US)		Child development line	2,473,856	07/31/2001
DISCOVERY PAL (US)	28	#636/#6361 Caterpillars, night lights, lamps, tow storage nets, infant bath accessories, furnitures, mirrors booster	1,912,663	08/15/1995
KIDS II & Design (US)	11, 20, 21, 28		1,966,267	04/09/1996
Kids II (US)	28	Block letters	1,870,679	12/27/1994
KIDS II, Toys your child will love to reach for.		Bright Starts Play To Learn tag line	2,291,402	11/09/1999
LITTLE DUCKIES	28	Bathtub toys, storage net, spout covers	1,861,041	11/01/1994
PLAY TO LEARN TOYS	28		2,701,738	04/01/2003
Tiny Ones	28		2,878,889	08/31/2004