

08-22-2006

Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/30/2008)



U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

RECORDS

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2006 AUG 19 AM 11:38

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

FILED SECTION

8-18-06

1. Name of conveying party(ies):

STAR FARM PRODUCTIONS LLC,
an Illinois limited liability company

- Individual(s)
- General Partnership
- Corporation- State: _____
- Other Limited Liability Company

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: CAPX III, L.P., a Delaware limited partnership
 Internal Address: N/A
 Street Address: 10 South Wacker Drive, Suite 1840
 City: Chicago
 State: Illinois
 Country: U.S.A. Zip: 60606

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship Delaware
- Corporation Citizenship _____
- Other _____ Citizenship _____

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)

3. Nature of conveyance)/Execution Date(s) :

Execution Date(s) August 14, 2006

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)
See Exhibit A Attached Hereto and Made a Part Hereof

B. Trademark Registration No.(s)
See Exhibit A Attached Hereto and Made a Part Hereof

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):
See Exhibit A Attached Hereto and Made a Part Hereof

5. Name & address of party to whom correspondence concerning document should be mailed:

Name: Chadwick Hoyt, Esq. - Horwood Marcus & Berk

Internal Address: N/A

Street Address: 180 North LaSalle Street, Suite 3700

City: Chicago

State: Illinois Zip: 60601

Phone Number: 312-606-3200

Fax Number: 312-606-3232

Email Address: N/A

6. Total number of applications and registrations involved:

30

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$765.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers N/A
Expiration Date N/A

b. Deposit Account Number N/A
Authorized User Name N/A

725.00 DP

00000139 2916750

9. Signature:

Sue Ann Ryckeghem
Signature

08.18.2006
Date

Sue Ann Ryckeghem, Paralegal
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 1

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

08/21/2006 11:38 AM
01 FC-8521
02 FC-8522

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Security Agreement") is made on August 14, 2006, by and between **STAR FARM PRODUCTIONS LLC**, an Illinois limited liability company ("Debtor"), and **CAPX III, L.P.**, a Delaware limited partnership ("Secured Party").

Debtor and Secured Party hereby agree as follows:

SECTION 1. Definitions; Interpretation.

(a) **Terms Defined in Security Agreement.** All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Security Agreement.

(b) **Certain Defined Terms.** As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Security Agreement" means that certain Security Agreement, dated as of the date hereof, between Debtor and Secured Party.

"PTO" means the United States Patent and Trademark Office.

"UCC" means the Uniform Commercial Code as in effect in the State of Illinois.

(c) **Terms Defined in UCC.** Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) **Construction.** In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to "proceeds" in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Debtor; (ii) "includes" and "including" are not limiting; (iii) "or" is not exclusive; and (iv) "all" includes "any" and "any" includes "all." To the extent not inconsistent with the foregoing, the rules of construction and interpretation applicable to the Security Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2. Security Interest.

(a) **Grant of Security Interest.** As security for the payment and performance of the Obligations, Debtor hereby grants to Secured Party a security interest in, and a mortgage upon, all of Debtor's right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Debtor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

(i) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names (but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark), all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names and applications as described in **Schedule A**), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(ii) the entire goodwill of or associated with the businesses now or hereafter conducted by Debtor connected with and symbolized by any of the aforementioned properties and assets;

(iii) all general intangibles and all intangible intellectual or other similar property of Debtor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(iv) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

(b) **Continuing Security Interest.** Debtor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 16.

SECTION 3. Supplement to Security Agreement. This Agreement has been entered into in conjunction with the security interests granted to Secured Party under the Security Agreement. The rights and remedies of Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

SECTION 4. Representations and Warranties. Debtor represents and warrants to Secured Party that:

(a) **Trademarks.** A true and correct list of all of the existing Collateral consisting of U.S. trademarks, trademark registrations or applications owned by Debtor, in whole or in part, is set forth in **Schedule A**.

(b) **Licenses.** A true and correct list of all licenses held by Debtor as of the date of this Agreement in whole or in part, is set forth in **Schedule B** ("Licenses").

(c) **No Other Liens.** No other liens, claims or security interests have been granted by Debtor to any other Person in such Trademarks and Licenses.

SECTION 5. Duties of Debtor. Debtor shall (i) prosecute diligently any Trademark or service mark application, if any, that is part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, (ii) make application on registrable trademarks or service marks as Debtor deems appropriate, and (iii) take all reasonable steps to preserve and maintain all of Debtor's rights in the Trademarks and Licenses whether now existing or hereafter acquired or arising, including, without limitation, making timely filings with the PTO or any similar office or agency in any state, province or country or renewals and extensions and diligently monitoring unauthorized use hereof.

SECTION 6. Future Agreements. Debtor agrees that, until Secured Party terminates this Agreement, it will not enter into any agreements, including, without limitation, any license agreements, which is inconsistent with Debtor's obligations hereunder, without Secured Party's prior written consent.

SECTION 7. Secured Party's Right to Sue. After the occurrence and during the continuation of an Event of Default, Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks or Licenses and, if the Secured Party shall commence any such suit, Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement. Debtor shall, upon demand, promptly reimburse Secured Party for all costs and expenses incurred by Secured Party in the exercise of such enforcement (including, without limitation, reasonable attorneys' fees).

SECTION 8. Power of Attorney. After the occurrence and during the continuance of an Event of Default, Debtor hereby appoints Secured Party and all Persons as Secured Party may designate, in its sole and absolute discretion, as Debtor's attorney-in-fact, with full authority in the place and stead of Debtor and in the name of Debtor or otherwise, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement. Debtor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Liabilities shall have been paid in full.

SECTION 9. Duty of Secured Party. Secured Party shall not be liable for any actions, omissions, errors of judgment or mistakes of fact or law with respect to the Trademarks or Licenses. Without limiting the generality of the foregoing, Secured Party shall not be under any obligation to take any action necessary or preserve rights in the Trademarks or Licenses against any other Persons but may do so at their option, and all expenses incurred in connection therewith shall be for the sole account of Debtor and added to the Liabilities secured hereby.

SECTION 10. Further Acts. On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or

purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO or any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the PTO, at the expense of Debtor. In addition, Debtor authorizes Secured Party to file financing statements describing the Collateral in any UCC filing office deemed appropriate by Secured Party. If the Debtor shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, the Debtor shall immediately notify Secured Party in a writing signed by the Debtor of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

SECTION 11. Authorization to Supplement. If Debtor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Secured Party with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting Debtor's obligations under this Section 11, Debtor authorizes Secured Party to modify this Agreement by amending **Schedule A or B** to include any such new trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on **Schedule A or B**.

SECTION 12. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, Secured Party and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Security Agreement.

SECTION 13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Illinois, except as required by mandatory provisions of law or to the extent the validity, perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than Illinois.

SECTION 14. Entire Agreement; Amendment. This Agreement and the Security Agreement, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Security Agreement. Notwithstanding the foregoing, Secured Party unilaterally may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in § 6 hereof. To the extent that any provision of this Agreement conflicts with any provision of the Security Agreement, the provision giving Secured Party greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Security Agreement.

SECTION 15. Counterparts. This Agreement may be executed in any number of

counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart. Any party hereto delivering a counterpart of this Agreement by facsimile shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability, or binding effect hereof.

SECTION 16. Termination. Upon payment and performance in full of all Obligations, the security interests created by this Agreement shall terminate and Secured Party (at Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to Secured Party hereunder, including cancellation of this Agreement by written notice from Secured Party to the PTO.

SECTION 17. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 18. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

SECTION 19. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Security Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Trademark Security Agreement, as of the date first above written.

DEBTOR:

STAR FARM PRODUCTIONS LLC

By: Shaun Ferro
Name: SHAUN FERRO
Title: CFO

On this 17th day of August, 2006, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he is the above-indicated officer of the Debtor, and which executed the above instrument; and that he signed his name thereto by authority of the board of directors or similar governing of said entity.



Kimberly Bertucci
Notary Public

SECURED PARTY:

CAPX III, L.P.

By: CAPX Partners III, LLC, its General Partner

By: CAPX Management Corp., its Manager

By: James N. Hallene
Name: JAMES N. HALLENE
Title: VICE PRESIDENT

SCHEDULE A
to the Trademark Security Agreement
Debtor: Star Farms Production LLC

Pending U.S. Trademark Applications of Debtor

| Application No. | Filing Date | Applicant | Mark |
|-----------------|-------------|---------------------------|--------------------------------|
| 78520285 | 11/19/04 | Star Farm Productions LLC | Edgar & Ellen |
| 78740003 | 10/25/05 | Star Farm Productions LLC | Edgar & Ellen |
| 78522156 | 11/23/04 | Star Farm Productions LLC | Good Food, Bad Attitude |
| 78522519 | 11/24/04 | Star Farm Productions LLC | Little Monsters Love Good Food |
| 78554076 | 1/26/05 | Star Farm Productions LLC | Monsters Love Good Food |
| 78549404 | 1/18/05 | Star Farm Productions LLC | Bebe Coco |
| 78638325 | 5/26/05 | Star Farm Productions LLC | Share the Scare |
| 78644976 | 6/7/05 | Star Farm Productions LLC | Superinas |
| 78650608 | 6/14/05 | Star Farm Productions LLC | Owning Beauty |
| 78751027 | 11/10/05 | Star Farm Productions LLC | Owning Beauty |
| 78751032 | 11/10/05 | Star Farm Productions LLC | Owning Beauty |
| 78683654 | 8/2/05 | Star Farm Productions LLC | Coco-Poco |
| 78683606 | 8/2/05 | Star Farm Productions LLC | Creeples |
| 78751058 | 8/2/05 | Star Farm Productions LLC | Creeples |
| 78702473 | 8/29/05 | Star Farm Productions LLC | Kaimira Code |
| 78718273 | 9/22/05 | Star Farm Productions LLC | Participatory Play |
| 78739923 | 10/25/05 | Star Farm Productions LLC | Ancient Sun |
| 78739940 | 10/25/05 | Star Farm Productions LLC | Ancient Sun |
| 78740607 | 10/26/05 | Star Farm Productions LLC | Guardians of the Code |
| 78740622 | 10/26/05 | Star Farm Productions LLC | Guardians of the Code |
| 78740632 | 10/26/05 | Star Farm Productions LLC | Guardians of the Code |
| 78751111 | 11/10/05 | Star Farm Productions LLC | What are you afraid of? |
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SCHEDULE B
to the Trademark Security Agreement
Debtor: Star Farms Production LLC

Licenses

None