

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
Badanco Enterprises, Inc.		01/24/2007	CORPORATION: DELAWARE
Badanco Parent Company, Inc.		01/24/2007	CORPORATION: DELAWARE
Badanco Acquisition Sub, Inc.		01/24/2007	CORPORATION: DELAWARE
Badanco Acquisition LLC		01/24/2007	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	CapitalSource Finance LLC, as Agent
Street Address:	445 Williard Avenue, 12th Floor
City:	Chevy Chase
State/Country:	MARYLAND
Postal Code:	20815
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 9

Property Type	Number	Word Mark
Registration Number:	1426568	BUSINESS PARTNER
Registration Number:	2455456	FREQUENT TRAVELER
Registration Number:	1531980	FREQUENT TRAVELER
Registration Number:	2450932	LUGGAGEGUY
Registration Number:	1011767	PEGASUS LUGGAGE THE GREAT SHAPES FOR THE GREAT ESCAPES
Registration Number:	2224069	TRAVEL GEAR
Registration Number:	1530868	TRAVEL PARTNERS
Registration Number:	680239	VENTURA
Registration Number:	1363373	VENTURA

CORRESPONDENCE DATA

900069635

**TRADEMARK
 REEL: 003483 FRAME: 0267**

CH \$240.00 1426568

Fax Number: (703)415-1557
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 703-415-1555
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Correspondent Name: Christopher E. Kondracki
Address Line 1: 2001 Jefferson Davis, Hwy., Suite 1007
Address Line 4: Arlington, VIRGINIA 22202

ATTORNEY DOCKET NUMBER:	7010802 TM 3
NAME OF SUBMITTER:	Christopher E. Kondracki
Signature:	/Christopher E. Kondracki/
Date:	02/17/2007

Total Attachments: 11
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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This **INTELLECTUAL PROPERTY SECURITY AGREEMENT**, dated as of January 24, 2007 (this "Agreement"), is by and among **BADANCO ENTERPRISES, INC.**, a Delaware corporation, (the "Borrower"), **BADANCO PARENT COMPANY, INC.**, a Delaware corporation, **BADANCO ACQUISITION SUB, INC.**, a Delaware corporation, **BADANCO ACQUISITION LLC**, a Delaware limited liability company, and such other Persons that hereafter become parties to this Agreement (the foregoing, individually, a "Grantor" and collectively, the "Grantors") and **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company as administrative and collateral agent for the Lender Parties (in such capacity, the "Agent").

WITNESSETH:

A. Pursuant to the Credit Agreement dated as of even date herewith by and among Grantors, Agent and the other Lender Parties (as amended, supplemented or otherwise modified from time to time the "Credit Agreement") and the Security Agreement dated as of as of even date herewith by and among Grantors and Agent (as amended, supplemented or otherwise modified from time to time the "Security Agreement"), Grantors have granted a security interest to Agent, for the benefit of itself and the other Lender Parties, in, among other things, all right, title and interest of Grantors in, to and under all of Grantors' Intellectual Property (as defined below), whether now existing or hereafter arising or acquired as security for the Secured Obligations (as defined in the Security Agreement) from time to time owing by Grantors under the Credit Agreement; and

B. Each Grantor is the owner of the entire right, title and interest in, to and under such Grantor's respective Intellectual Property listed on Schedule I hereto.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Agent and other Lender Parties to enter into the Credit Agreement, the parties hereto agree as follows:

1. Defined Terms.

(a) Definitions. All capitalized terms used herein but not otherwise defined have the meanings given to them in the Credit Agreement or in Annex A thereto, or in the Security Agreement, as applicable.

(b) Definitions of Certain Terms Used Herein. As used herein, the following terms shall have the following meanings:

"Copyrights" shall mean all of the following now owned or hereafter adopted or acquired by any Grantor: (i) all copyrights and General Intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United

States Copyright Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; and (ii) all reissues, extensions or renewals thereof.

“Copyright Licenses” shall mean, any and all rights now owned or hereafter acquired by any Grantor under any written agreement granting any right to use any Copyright or Copyright registration.

“Intellectual Property” shall mean all: (i) Trademarks and Trademark Licenses; (ii) Patents and Patent Licenses; (iii) Copyrights and Copyright Licenses; (iv) goodwill of the business symbolized by any Trademark, Trademark License, Patent, Patent License, Copyright or Copyright License, including, without limitation, records relating to the distribution of products or services bearing such Trademark, Patent or Copyright; (v) customer lists and customer information; (vi) income, fees, royalties and other payments at any time due or payable with respect to any Trademark, Patent or Copyright, including, without limitation, payments under all Licenses at any time entered into in connection therewith; (vii) books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any Trademark, Trademark License, Patent, Patent License, Copyright or Copyright License; (viii) the right to sue for all past, present and future infringements of any Trademark, Patent or Copyright; (ix) all other intellectual property; and (x) all common law and other rights throughout the world in and to all of the foregoing.

“IP Collateral” shall have the meaning assigned to such term in Section 2 hereof.

“Licenses” shall mean, collectively, the Trademark Licenses, the Patent Licenses, and the Copyright Licenses.

“Patents” shall mean all of the following in which any Grantor now holds or hereafter acquires any interest: (i) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or any other country, and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

“Patent Licenses” shall mean rights under any written agreement now owned or hereafter acquired by any Grantor granting any right with respect to any invention on which a Patent is in existence.

“Trademarks” shall mean all of the following now owned or hereafter adopted or acquired by any Grantor: (i) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, internet domain names, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications (other than intent-to-use applications) in connection therewith, including registrations, recordings and applications (other than intent-to-use

applications) in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (ii) all reissues, extensions or renewals thereof; and (iii) all goodwill associated with or symbolized by any of the foregoing.

“Trademark Licenses” shall mean rights under any written agreement now owned or hereafter acquired by any Grantor granting any right to use any Trademark.

(c) **Other Definitional Provisions.**

(i) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and paragraph references are to this Agreement unless otherwise specified.

(ii) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. **Grant of Security Interest.** To secure the payment and performance of the Secured Obligations, each Grantor hereby confirms and acknowledges that it has granted, assigned and conveyed (and, to the extent not previously granted under the Security Agreement, does hereby grant, assign and convey) to Agent for the benefit of itself and the other Lender Parties a security interest in such Grantor’s entire right, title and interest in its respective Intellectual Property and all proprietary rights relating to or arising from such Intellectual Property, in each case whether now owned or hereafter acquired by such Grantor, and including, without limitation, each Grantor’s right, title and interest in and to each Intellectual Property and proprietary rights identified on Schedule I attached hereto and made a part hereof (referred to collectively as the “IP Collateral”).

3. **Protection of Intellectual Property by Grantors.** Unless the Grantors shall determine in their good faith business judgment that such Intellectual Property is not material to the conduct of their business, Grantors shall, at their sole cost, expense and risk, undertake the following with respect to the Intellectual Property:

(a) Pay all renewal fees and other fees and costs associated with maintaining the Intellectual Property and with the processing of the Intellectual Property and take all other reasonable and necessary steps to maintain each registration of the Intellectual Property.

(b) Take all actions reasonably necessary to prevent any of the Intellectual Property from becoming forfeited, abandoned, dedicated to the public, invalidated or impaired in any way.

(c) Pursue the prompt, diligent processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts.

(d) Take any and all action which Grantors reasonably deem appropriate under the circumstances to protect the Intellectual Property from infringement, misappropriation or dilution, including, without limitation, the prosecution and defense of infringement actions.

4. **Representations, Warranties and Covenants.** Each Grantor represents and warrants that:

(a) Schedule I is a true, correct and complete list of all registered Intellectual Property owned by Grantors as of the date hereof.

(b) Except as set forth in Schedule I, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which any Grantor is the licensor or franchisor.

(c) The Intellectual Property identified on Schedule I hereto is valid and enforceable and no claim has been made that the use of any of the Intellectual Property does or may violate the rights of any third person, and no material claim has been asserted and is pending by any Person challenging or questioning the use by any Grantor of any of the Intellectual Property owned by any Grantor or the validity or effectiveness of any of the Intellectual Property owned by any Grantor, nor does any Grantor know of any valid basis for any such claim.

(d) Each Grantor owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted, and such Grantor is the sole and exclusive owner of the entire right, title and interest in, under and to, free and clear of any liens, charges and encumbrances, the Intellectual Property, other than Permitted Liens and Liens in favor of Agent.

(e) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or any Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect on the business or the property of any Grantor.

(f) Each Grantor has the legal right and authority to enter into this Agreement and perform its terms.

(g) Grantors shall give Agent written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:

(i) Grantors' obtaining rights to, and filing applications for registration of, any new Intellectual Property, or otherwise acquiring ownership of any newly registered Intellectual Property.

(ii) Grantors' becoming entitled to the benefit of any registered Intellectual Property whether as licensee or licensor.

(iii) Grantors' entering into any new Licenses.

(iv) Grantors' knowing that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal) regarding Grantors' ownership of, or the validity of, any material Intellectual Property or Grantors' right to register the same or to own and maintain the same.

(h) No Grantor shall enter into any new Licenses except as provided for, and pursuant to the terms and provisions of, the Credit Agreement and the Security Agreement.

5. **No Violation of Credit Agreement or Security Agreement.** None of the representations, warranties or covenants contained herein shall be construed to differ from any representation, warranty or covenant contained in the Credit Agreement or the Security Agreement.

6. **Agreement Applies to Future Intellectual Property.**

(a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in Sections 4(g)(i), 4(g)(ii) and 4(g)(iii) above, all of which shall be deemed to be and treated as "Intellectual Property" within the meaning of this Agreement.

(b) Upon the reasonable request of Agent, Grantors shall execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as Agent may request to evidence Agent's security interest in any Intellectual Property and the goodwill of Grantors relating thereto or represented thereby (including, without limitation, filings with the United States Patent and Trademark Office or any similar office), and Grantors hereby constitute Agent as their attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; *provided, however*, Agent's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

7. **Grantors' Rights To Enforce Intellectual Property.** Prior to Agent's giving of notice to Grantors (i) following the occurrence of an Event of Default or (ii) pursuant to Section 8(a) below, Grantors shall have the exclusive right to sue for past, present and future infringement of the Intellectual Property including the right to seek injunctions and/or money damages, in an effort by Grantors to protect the Intellectual Property against encroachment by third parties, *provided, however*:

(a) Grantors first provide Agent with written notice of Grantors' intention to so sue for enforcement of any Intellectual Property. If, in the reasonable opinion of Agent, Grantors have failed to take appropriate action within sixty (60) days after such notice is given to Agent, upon notice to Grantors, Agent may (but shall not be required to) itself take such action in the name of Grantors.

(b) Any money damages awarded or received by Grantors on account of such suit (or the threat of such suit) shall constitute IP Collateral.

(c) Any damages recovered in any action pursuant to this Section shall be applied as provided in the Credit Agreement and the Security Agreement.

(d) Following the occurrence of any Event of Default, Agent, by notice to Grantors, may terminate or limit Grantors' rights under this Section 7.

8. Agent's Actions To Protect Intellectual Property. In the event of:

(a) Grantors' failure to cure any failure by Grantors to observe or perform any of Grantors' covenants, agreements or other obligations hereunder; and/or

(b) the occurrence and continuance of any other Event of Default,

Agent, acting in its own name or in that of Grantors, may (but shall not be required to) act in Grantors' place and stead and/or in Agent's own right in connection therewith.

9. Rights Upon Default. Upon the occurrence of any Event of Default, Agent may exercise all rights and remedies as provided' for in the Credit Agreement and the Security Agreement and under applicable law.

10. Agent as Attorney-In-Fact.

(a) Grantors hereby irrevocably constitute and designate Agent as and for Grantors' attorney-in-fact, effective following the occurrence and during the continuance of an Event of Default:

(i) To supplement and amend from time to time Schedule I of this Agreement to include any new or additional Intellectual Property of Grantors.

(ii) To exercise any of the rights and powers referenced herein.

(iii) To execute all such instruments, documents, and papers as Agent determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Intellectual Property.

(b) The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until this Agreement is terminated by a duly authorized officer of Agent.

(c) Agent shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 10, but if Agent elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to any Grantor for any act or omission to act except for any act or omission to act as to which there is a final determination made in a judicial proceeding (in which proceeding Agent has had an opportunity to be heard) which determination includes a specific finding that the subject act or omission to act had been grossly negligent or in actual bad faith.

11. **Agent's Rights.** Any use by Agent of the Intellectual Property, as authorized hereunder in connection with the exercise of Agent's rights and remedies under this Agreement and under the Credit Agreement, the Security Agreement, and the other Loan Documents shall be coextensive with Grantors' rights thereunder and with respect thereto and without any liability for royalties or other related charges.

12. **No Limitation; Security Agreement.** This Agreement has been executed and delivered by Grantors for the purpose of recording the security interest granted to Agent with respect to the IP Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to Agent under the Security Agreement. The Security Agreement (and all rights and remedies of Grantors, Agent, and the other Lender Parties thereunder and under the Credit Agreement) shall remain in full force and effect in accordance with its terms. In the event of a conflict between this Agreement and the Security Agreement, the terms of this Agreement shall control with respect to the IP Collateral and the Security Agreement with respect to all other Collateral.

13. **Termination; Release of IP Collateral.** This Agreement and all obligations of Grantors and Agent shall remain in full force and effect until payment in full in cash and performance of all of the Secured Obligations (other than Contingent Obligations for which no claims have been asserted), termination of the Commitments and all outstanding Letters of Credit and a release of all claims against Agent and the other Lender Parties, and so long as no suits, actions, proceedings, or claims are pending or threatened against any Indemnitee asserting any damages, losses or liabilities are indemnified liabilities hereunder or under the Credit Agreement, whereupon this Agreement shall terminate without any further action on the part of any Person. Upon termination of this Agreement, Agent shall, at the expense of Grantors, take such actions required by the Credit Agreement and the Security Agreement to release its security interest in the IP Collateral.

14. **Binding Effect; Benefits.** This Agreement shall be binding upon Grantors and their respective successors and assigns, and shall inure to the benefit of Agent, the other Lender Parties and their respective successors and assigns.


15. **GOVERNING LAW.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS CHOICE OF LAW PROVISIONS.

16. **Intercreditor Agreement.** Grantors and Agent acknowledge that the exercise of certain of Agent's rights and remedies hereunder may be subject to, and restricted by, the provisions of the Intercreditor Agreement. Except as specified herein, nothing contained in the Intercreditor Agreement shall be deemed to modify any of the provisions of this Agreement, which, as among Grantors and Agent, shall remain in full force and effect.


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IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be executed by its duly authorized representatives as of the date first above written.


BADANCO ENTERPRISES, INC., as Borrower

By: 
Name: John Hastings
Title: Executive Vice President, Secretary, and Treasurer

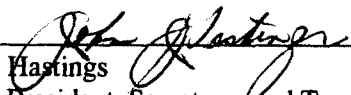
BADANCO PARENT COMPANY, INC., as Grantor

By: 
Name: John Hastings
Title: Vice President, Secretary, and Treasurer

BADANCO ACQUISITION SUB, INC., as Grantor

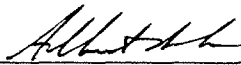
By: 
Name: John Hastings
Title: Vice President, Secretary, and Treasurer

BADANCO ACQUISITION LLC, as Grantor

By: 
Name: John Hastings
Title: Vice President, Secretary, and Treasurer

TRADEMARK

CAPITALSOURCE FINANCE LLC, as Agent

By: 
Name: *Albert Rocha*
Title: *Senior Counsel*

Schedule I

Intellectual Property

Patents:

Owner	Patent No./ Application No.	Title	Issue Date*	Country
Badanco Enterprises, Inc.	29/178271	Upright Trunk	11/16/2004	United States
Badanco Enterprises, Inc.	29/178281	Rectangular Train Case	11/9/2004	United States
Badanco Enterprises, Inc.	10/395,332	Vertical Upright zippered trunk	3/24/2003*	United States
Badanco Enterprises, Inc.	D352,170	Luggage with handle	11/8/1994	United States
Badanco Enterprises, Inc.	D312,728	Luggage case	12/11/1990	United States
Badanco Enterprises, Inc.	D294,196	Interior panel for an attache case lid or similar article	2/16/1988	United States
Badanco Enterprises, Inc.	D291,653	Luggage lock	9/1/1987	United States
Badanco Enterprises, Inc.	D291,624	Attache case or similar article	9/1/1987	United States

* Filing date if unissued patent application.

Registered Marks:

Owner	Marks	Country	Status / Reg. No. or Serial no.
Badanco Enterprises, Inc.	BUSINESS PARTNER	United States	1426568
Badanco Enterprises, Inc.	FREQUENT TRAVELER	United States	2455456
Badanco Enterprises, Inc.	FREQUENT TRAVELER	United States	1531980
Badanco Enterprises, Inc.	LUGGAGE GUY	United States	2450932
Badanco Enterprises, Inc.	PEGASUS	United States	1011767
Badanco Enterprises, Inc.	TRAVEL GEAR	United States	2224069
Badanco Enterprises, Inc.	TRAVEL PARTNERS	United States	1530868
Badanco Enterprises, Inc.	VENTURA	United States	680239
Badanco Enterprises, Inc.	VENTURA	United States	1363373
Badanco Enterprises, Inc.	VENTURA	Canada	149716