

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Creative Kingdoms, LLC		04/23/2007	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	New Kingdoms, LLC		
Street Address:	2411 Oak Street		
Internal Address:	Suite 402		
City:	Myrtle Beach		
State/Country:	SOUTH CAROLINA		
Postal Code:	29577		
Entity Type:	LIMITED LIABILITY COMPANY: SOUTH CAROLINA		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Serial Number:	78503294	MAGIQUEST	
Serial Number:	78503301	MQ	
Serial Number:	78546366	MQ	
CORRESPONDENCE DATA			
Fax Number:	(919)834-4564		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(919) 828.0564		
Email:	trademarks@parkerpoe.com		
Correspondent Name:	James A. Thomas		
Address Line 1:	150 Fayetteville Street Mall		
Address Line 2:	Parker Poe/Suite 1400, P.O. Box 389		
Address Line 4:	Raleigh, NORTH CAROLINA 27602-0389		
ATTORNEY DOCKET NUMBER:	51367		

OP \$90.00 78503294

NAME OF SUBMITTER:	Rick Briggs
Signature:	/Rick Briggs/
Date:	05/23/2007

Total Attachments: 10
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ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "Agreement"), dated as of April 23, 2007 (the "Effective Date"), is executed by and between Creative Kingdoms, LLC, a Delaware limited liability company ("Assignor"), and New Kingdoms, LLC, a South Carolina limited liability company ("Assignee"), in connection with that certain New Kingdoms Security Agreement by and between Assignee and Burroughs & Chapin Company, Inc., a South Carolina corporation ("B&C") of even date herewith (the "NK Security Agreement").

1. Transfer and Assignment. Assignor hereby sells, assigns, transfers, conveys and delivers to Assignee, all of Assignor's right, title and interest under, in and to the following assets and properties (collectively, the "Assigned Assets"):

- a. The copyrights (both registered and non-registered) set forth on Annex A to the NK Security Agreement (the "Assigned Copyrights");
- b. The trademarks set forth on Annex B to the NK Security Agreement (the "Assigned Trademarks") other than United States "intent to use" applications until, in each case, a verified statement of use is filed with respect to each such application; and
- c. The agreements set forth on Annex C to the NK Security Agreement (the "Contracts").

With respect to any United States "intent to use" applications set forth in Annex B to the NK Security Agreement (the "Retained Trademarks"), Assignor hereby grants to Assignee a license in and to all such trademarks in such applications under the terms set forth in Exhibit 1, attached to and incorporated into this Agreement by this reference, which license shall continue with respect to each such Retained Trademark until such time as Assignor assigns the application for each such Retained Trademark pursuant to Sections 1(b) and 3 herein.

2. Assumption of Liabilities. Assignee hereby accepts the sale, assignment, transfer, conveyance and delivery by Assignor to Assignee of the Assigned Assets. Assignee hereby assumes and agrees to perform and discharge: (a) any and all liabilities, obligations or claims of any nature, whether matured or unmatured, liquidated or unliquidated, fixed or contingent, known or unknown, or whether arising out of acts or occurrences, arising from and after the Effective Date relating to ownership of the Assigned Assets, but only to the extent relating to acts or occurrences first arising after the Effective Date, and (b) all executory obligations arising under the Contracts on and after the Effective Date (collectively, the "Assumed Liabilities").

3. Further Assurances. Assignor and Assignee agree, at the other party's request, whether on or after the date hereof, and without further consideration, that each shall execute and deliver any and all further instruments and documents, and take such further actions, as the other party may reasonably request or as may reasonably be required in order more effectively to vest in Assignee all of Assignor's right, title and interest under, in and to each of the Assigned Assets, and to evidence Assignee's assumption of the Assumed Liabilities, or to otherwise carry out the

provisions of this Agreement. Without limiting the foregoing, Assignor specifically agrees to execute and deliver to Assignee future assignments of each Retained Trademark (and accompanying goodwill) promptly upon acceptance by the US Patent and Trademark Office of a verified statement of use filed in connection with each such application as referenced in Section 1(b) above.

4. Rights of Third Party Beneficiary. The parties acknowledge and agree that B&C is an intended third party beneficiary of this Agreement. Without limiting the generality of the foregoing, the parties hereby appoint B&C as their true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the parties and in the name of either party or in B&C's own name, from time to time after the Effective Date, in B&C's discretion to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to perfect Assignee's ownership interest in any Assigned Copyright or Assigned Trademark. The powers conferred on B&C hereunder are solely to protect B&C's interests in the Assigned Copyrights and Assigned Trademarks as a secured party under the NK Security Agreement. Nothing herein shall impose any duty upon B&C to exercise any powers conferred to B&C under this Section, and all such powers shall cease and extinguish upon the expiration or earlier termination of the NK Security Agreement, at which time B&C shall cease to be a third party beneficiary of this Agreement.

5. Consents. Anything to the contrary notwithstanding, this Agreement shall not operate to assign any Contract or any claim, right or benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party, would constitute a breach, default or other contravention thereof or in any way adversely affect the rights of Assignor or Assignee thereunder, until such time as an appropriate consent is obtained. In the event that a third party consent required to assign any Contract is not obtained on or prior to the Effective Date, then, subject always to the terms of such Contract and to the extent permitted by law, the parties will use commercially reasonable efforts to obtain as promptly as practicable the necessary consent(s) to permit the assignment of such Contract to Assignee and, prior to the time that such consent is obtained or if such consent cannot be obtained, (i) provide to Assignee the benefits of such Contract, (ii) relieve Assignor of the executory obligations of such Contract and (iii) enforce at the request of Assignee and for the account of Assignee any rights of Assignor arising under such Contract (including the right to elect to terminate such Contract in accordance with the terms thereof upon the request of Assignee).

6. Representations. Assignor hereby represents and warrants to B&C and Assignee as follows:

- a. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware.
- b. The Company has the power and authority and the legal right to execute and deliver, to perform its obligations under this Agreement and has taken all necessary action to authorize its execution, delivery and performance of this Agreement.

- c. This Agreement constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms.
- d. The Contracts are in full force and effect and the Assignor is not in breach of the Contracts.
- e. Assignor has good and marketable title to all of the Assigned Copyrights, Retained Trademarks and Assigned Trademarks, free and clear of any liens. The Retained Trademarks and the Assigned Trademarks constitute all Trademarks (as defined in the NK Security Agreement) owned by the Assignor necessary to operate the MagiQuest Business in the United States. The Assigned Copyrights constitute all Copyrights (as defined in the NK Security Agreement) owned by the Assignor necessary to operate the MagiQuest Business in the United States.
- f. All material applications and registrations relating to the Assigned Copyrights, Retained Trademarks and Assigned Trademarks are currently valid, active and in good standing. The use of the Assigned Copyrights, the Retained Trademarks and the Assigned Trademarks does not misappropriate, infringe upon or conflict with any patent, copyright, trade name, trade secret, trademark or other intellectual property rights of any third party. To the Knowledge of Assignor, no party has filed or threatened to file a claim against Assignor alleging that it has violated, infringed on or otherwise improperly used the intellectual property rights of such party and Assignor has not violated or infringed any patent, trademark, trade name, service mark, service name, copyright or trade secret held by others. Assignor has not received notice from any third party claiming any right, title or interest in the Assigned Copyrights, the Retained Trademarks or the Assigned Trademarks.
- g. This Agreement (including the license granted hereunder) does not contravene or constitute a default of any agreement, commitment, or instrument to which Assignor is bound.
- h. Pursuant to this Agreement and the License Agreement (the "License Agreement") dated as of the date hereof between Assignee and Assignor, Licensee shall have rights to all Intellectual Property owned by Licensor necessary to operate the MagiQuest Business. To the Knowledge of Licensor, pursuant to this Agreement and the License Agreement, Licensee has rights to all Intellectual Property necessary to operate the MagiQuest Business. Licensor may cure a breach of either of the two foregoing sentences by extending or providing rights to Intellectual Property pursuant to the License Agreement in accordance with the intent of the License Agreement.

7. Binding Effect; Benefit. Each and all of the covenants, terms, provisions and agreements herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8. Limitation on Liability.

a. Notwithstanding anything to the contrary in this Agreement, except and solely with respect to the representations set forth in Section 6(e) and the first two sentences of Section 6(h), in all instances B&C's sole and exclusive remedy for breach or non-performance shall be by recourse pursuant to the NK Security Agreement to the Collateral (as defined therein); provided further than in the event of a breach of the representations set forth in Section 6(e) and the first two sentences of Section 6(h), to the extent the Collateral is ultimately insufficient to compensate B&C for all Losses (as defined in the Security Agreement dated as of the date hereof between B&C and Assignor (the "CK Security Agreement")) incurred by B&C arising out of, relating to, or resulting from any such breach, the Company shall indemnify B&C for such Losses, and, for the benefit of the Company and in no way providing an estimate of Losses associated therewith, in no case shall the Company's aggregate maximum liability hereunder and under the CK Security Agreement in any and all such cases exceed \$7 million (less any amounts received by B&C in respect of the Note).

b. Except as, and only to the extent, expressly set forth in the representations and warranties in Section 6 hereof (and subject to the limitations and restrictions contained in this Agreement), in entering into this Agreement, B&C has relied solely upon its own investigation and analysis, and B&C (i) acknowledges that none of the Company nor any of its respective directors, officers, employees, shareholders, members, affiliates, controlling persons, agents, counsel, accountants, or representatives (collectively, "Representatives") makes or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any of the information provided or made available to B&C or its Representatives, and (ii) agrees, to the fullest extent permitted by law, that none of the Company nor any of its Representatives shall have any liability or responsibility whatsoever to the Collateral or against B&C or its Representatives on any basis (including in contract or tort, under federal or state securities laws or otherwise) based upon any information provided or made available, or statements made, to B&C or its Representatives (or any omissions therefrom).

9. Governing Law. This Agreement shall be governed as to all matters by, and shall be construed and enforced in accordance with, the laws of the State of Delaware, without regard to principles of choice of law.

10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. Headings. The headings in this Agreement are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any provision hereof.

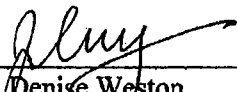
12. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

ASSIGNOR

CREATIVE KINGDOMS, LLC,
a Delaware limited liability company

By: 
Denise Weston
President

ASSIGNEE

NEW KINGDOMS, LLC,
a South Carolina limited liability company

By: _____
Douglas P. Wendel
President and CEO

By: 
Rick Briggs
Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed
as of the date first written above.

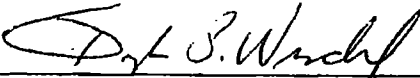
ASSIGNOR

CREATIVE KINGDOMS, LLC,
a Delaware limited liability company

By: _____
Denise Weston
President

ASSIGNEE

NEW KINGDOMS, LLC,
a South Carolina limited liability company

By:  _____
Douglas P. Wendel
President and CEO

By: _____
Rick Briggs
Vice President

Exhibit 1

TRADEMARK LICENSE TERMS

1 Exclusive License by CK to NK

- 1.1 Creative Kingdoms, LLC ("CK") hereby confirms its grant, and does hereby further grant, to New Kingdoms, LLC ("NK") the exclusive right and license (with the right to sublicense as provided in paragraph 1.11 below) to use the Retained Trademarks in the United States.
- 1.2 NK shall use the Retained Trademarks only in association with goods or services approved by CK and otherwise strictly in accordance with CK's standards and specifications as may be supplied or otherwise designated from time to time.
- 1.3 CK or its authorised representatives shall have the right to inspect at any time during normal business hours and after reasonable notice, the business premises of NK to ensure that the character and quality of the goods used or services offered in association with the Retained Trademarks are satisfactory to CK.
- 1.4 NK will, upon the request of CK, supply to CK or its authorised representatives, samples of the goods in association with which it uses the Retained Trademarks together with samples of labelling, publicity, advertising and promotional or other material used by it in the distribution, advertising, offering for sale and sale of such goods, and samples of materials employed in conjunction with services carried out under the Retained Trademarks.
- 1.5 If it shall appear to CK, either by virtue of anything learned under Sections 1.3 or 1.4 or otherwise, that any of the goods or services offered in connection with the Retained Trademarks fail to comply with the standards of quality referred to herein or fail any other requirements herein, or should NK itself so discover, NK shall forthwith remedy such non-compliance immediately, but in any event not less than thirty (30) days, which remedial actions shall include withdrawing from the market any such non-complying goods or ceasing to perform such non-complying services if CK requires such action.
- 1.6 NK shall use its best endeavours to preserve the value and validity of the Retained Trademarks and in particular shall do the following:
 - 1.6.1 Use its reasonable efforts to create, promote and retain goodwill in and to the Retained Trademarks; and
 - 1.6.2 Conduct its business according to at least the same standards as those of CK and its related companies and shall accept CK's statement as to what those standards are; and
 - 1.6.3 Give to CK any information as to the use by NK of the Retained Trademarks which CK may require and otherwise render any necessary assistance to CK in

maintaining the Retained Trademarks duly registered, save that CK shall pay all renewal fees.

- 1.7 NK acknowledges the title of CK to the Retained Trademarks owned by CK in the Territory and elsewhere.
- 1.8 NK further undertakes (during the continuance of this Agreement and at all times thereafter) to use its best efforts not to do any act which would or might endanger, destroy or similarly affect the value of the goodwill pertaining to any of the Retained Trademarks nor do any act which might support an application to remove any of the Retained Trademarks from a trademark register or cause the trademark registrar to require a disclaimer with respect to any such CK Trademark or part thereof nor assist any other person or body corporate or unincorporate directly or indirectly in any such act.
- 1.9 If NK learns of any infringement or threatened infringement of any of the Retained Trademarks or that any other party alleges or claims that any of the Retained Trademarks are liable to cause deception or confusion to the public or are invalid, NK shall forthwith notify CK, giving particulars thereof, and NK shall provide all information and assistance to CK in the event that CK decides that proceedings should be commenced or defended. Any such proceedings shall be under the control of CK.
- 1.10 NK agrees that all use of the Retained Trademarks by it or by a sublicensee shall be for the benefit of CK, and the goodwill accrued in connection with its use of the Retained Trademarks, whether arising at common law or otherwise, shall accrue to CK, and CK or its successor in title may call for an assignment thereof without any expense to NK.
- 1.11 NK shall have the right to sublicense its rights hereunder, provided that in granting any such sublicense it shall impose on any sublicensee the duties and obligations imposed hereunder in paragraphs 1.2 through 1.10 above.
- 1.12 The Effective Date of the license granted to NK under this Section 1 shall be the date each such Trademark came, or in the future comes, into existence in the United States or the date that CK acquired, or in the future acquires, rights in such Trademark in the United States, if such date is later.

2 Term and Termination

- 2.1 This Agreement and the licenses granted hereunder shall continue in force unless and until it is terminated.
- 2.2 Either party may terminate this Agreement upon any breach, default or other defect of performance, by either party under this Agreement, by giving the other party thirty (30) days' written notice, in which case termination shall become effective at the end of the said thirty (30) day period unless the party in breach shall remedy such breach, default, or other defect of performance during such thirty (30) day period.
- 2.3 In addition to the foregoing, CK shall have the right to terminate this Agreement if NK's ability to carry out its obligations under this Agreement is prevented or substantially

interfered with by any regulation, law, decree or act of state or other action of a government or government agency.

2.4 Upon any termination of this Agreement:

2.4.1 all licenses granted hereunder shall immediately terminate; and

2.4.2 no party shall be relieved of any liability or obligation that accrued under this Agreement prior to such termination.

3 **Further Covenants.** Each party agrees to perform all acts and execute all documents or certificates reasonably required by the other party in order to carry out the intent and purposes of this Agreement.

4 **Notices.** All notices required to be given under this Agreement shall be given in writing, postage and other delivery charges prepaid. Such notices shall be delivered by one of the following means: by personal delivery, by courier, by mail (provided that if notice is being sent internationally, then either by air mail or by surface mail provided that surface mail would not cause a material delay in delivery over air mail), by telegram, by facsimile (with confirmation by mail), by e-mail (provided the fact that the e-mail was opened by the recipient can be confirmed by return e-mail), or by any other means agreed by the receiving party. Notice shall be deemed given on the earlier of the date received or the date that is five (5) business days following the date the notice was given.

5 **Construction.** The titles and captions of the sections and subsections in this Agreement have been inserted as a matter of convenience of reference only and shall not control or affect the meaning or construction of any of the terms or provisions. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context of this Agreement or any paragraph or clause may require, as if such words had been fully and properly written in the appropriate number and gender.

6 **Binding Effect and Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.