

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
VOGEN FUNDING, L.P.		08/04/2008	LIMITED PARTNERSHIP: DELAWARE
RECEIVING PARTY DATA			
Name:	CONVERGENT CAPITAL PARTNERS II, L.P.		
Street Address:	505 North Highway 169, Suite 245		
City:	MINNEAPOLIS		
State/Country:	MINNESOTA		
Postal Code:	55441		
Entity Type:	LIMITED PARTNERSHIP: DELAWARE		
PROPERTY NUMBERS Total: 6			
Property Type	Number	Word Mark	
Serial Number:	77383564		
Registration Number:	1880967	COLOR ASSOCIATES	
Registration Number:	2164416	VISIONPOINT	
Registration Number:	2743286	GROUP360	
Registration Number:	2739863		
Registration Number:	2743312	GROUP360 COMMUNICATIONS	
CORRESPONDENCE DATA			
Fax Number:	(612)371-3207		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	612 371 3211		
Email:	tmg@lindquist.com		
Correspondent Name:	LINDQUIST & VENNUM P.L.L.P.		
Address Line 1:	80 South Eighth Street, 4200 IDS Center		
Address Line 2:	Connie Heikkila		
Address Line 4:	MINNEAPOLIS, MINNESOTA 55402		

CH \$165.00 77383564

ATTORNEY DOCKET NUMBER:	455367.0017
NAME OF SUBMITTER:	CONNIE R. HEIKKILA
Signature:	/connierheikkila/
Date:	08/11/2008

Total Attachments: 12
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THIS INSTRUMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBJECT TO THE PROVISIONS SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT DATED AS OF AUGUST 4, 2008 AMONG ENTERPRISE BANK & TRUST, CONVERGENT CAPITAL PARTNERS II, L.P., AND VOGEN FUNDING, L.P. (THE "SUBORDINATION AGREEMENT") AND EACH HOLDER OF THIS INSTRUMENT, BY ACCEPTANCE HEREOF, AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (the "Agreement") is made as of August 4, 2008 by and between VOGEN FUNDING, L.P., a Delaware limited partnership ("Vogen"), CONVERGENT CAPITAL PARTNERS II, L.P., a Delaware limited partnership, in its capacity as agent for the Lenders under the Purchase Agreement described below (the "Agent") and GROUP360, INC., a Delaware corporation (the "Company"). The Company is referred to in this Agreement as a "Borrower." The Agent and Vogen are each a "Lender" and, together, the "Lenders" under this Agreement.

BACKGROUND

A. The Agent and the other Lenders named therein have agreed to purchase senior subordinated notes in the aggregate principal amount of up to \$5,600,000 (the "Notes") issued by the Borrower pursuant to a Securities Purchase Agreement dated the date hereof by and between the Lenders and the Borrower (as it may be amended or otherwise modified from time to time, the "Purchase Agreement").

B. The Borrower has granted the Lenders a security interest in certain assets of the Borrower pursuant to a Security Agreement dated the date hereof by and among the Borrower and the Agent (as it may be amended or otherwise modified from time to time, the "Security Agreement").

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

1. Definitions. As used in this Agreement, all capitalized terms have the meanings set forth in the Purchase Agreement except that the following capitalized terms have the meanings indicated:

1.1 "Event of Default" means the occurrence of any one or more of the following:

(i) the occurrence of a Default under the Purchase Agreement; or

(ii) a default by the Borrower in the performance or observance of any covenant, condition, undertaking or agreement contained in this Agreement and the continuance of such default for a period of twenty (20) days after the Borrower has knowledge of the occurrence thereof; or

(iii) any warranty, representation or other statement by or on behalf of the Borrower contained in this Agreement, or in any instrument furnished in compliance with or in reference hereto, is false or misleading in any material respect at the time made.

1.2 “Obligations” means all of the indebtedness, obligations and liabilities of the Borrowers to the Lender, individually or collectively, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the Purchase Agreement, the Notes, any other instruments or agreements executed and delivered pursuant thereto or in connection therewith (including but not limited to the Warrants (as defined in the Purchase Agreement) and any obligation of Borrower following any exercise of the “put right” set forth in the Warrants), or this Agreement.

1.3 “Patents” means all of the Borrowers’ entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents including, without limitation, the patents and applications listed on Schedule A attached hereto, any divisions, continuations, reissues, re-examinations, extensions and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

1.4 “Trademarks” means all of the Borrowers’ entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, the trademarks and applications listed on Schedule B attached hereto, any renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

2. Grant of Security Interest. Borrower grants to the Agent, to secure the payment and performance in full of all of the Obligations, a security interest in the Patents, the Trademarks, all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower’s business connected with the use of and symbolized by the Trademarks.

3. Representations and Warranties. Borrower represents and warrants to the Lenders as follows:

3.1 No Patent or Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent or Trademark been cancelled, in whole or in part and each such Patent and Trademark is presently subsisting.

3.2 The Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent and Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by the Borrower not to sue third persons. The Patents listed in Schedule A and the Trademarks listed in Schedule B constitute all the United States federal registrations or applications registered in the United States Patent and Trademark Office, as well all registrations or applications registered in any state thereof or any political subdivision thereof, that the Borrower owns.

3.3 The Borrower has no notice of (i) any suits or actions commenced or threatened with reference to any Patent or Trademark nor (ii) any third-party claim that any aspect of the Borrower's present or contemplated business operations infringes or will infringe any patent, trademark or trade name.

4. Restrictions on Future Agreements. Borrower will not, without the prior written consent of the Agent, sell or assign its interest in any Patent or Trademark or enter into any other agreement with respect to any Patent or Trademark which would affect the validity or enforcement of the rights transferred to the Agent or the Lenders under this Agreement.

5. Product Quality. Borrower will maintain the quality of any and all products in connection with which the Patents or Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default, the Borrower agrees that the Agent, or a representative appointed by the Agent, will have the right to establish such additional product quality controls as the Agent, or such representative, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Patents and Trademarks.

6. New Patents and Trademarks. If Borrower becomes (i) aware of any existing Patents or Trademarks of which the Borrower has not previously informed the Agent, or (ii) entitled to the benefit of any Patents or Trademarks, which benefit is not in existence on the date hereof, the provisions of this Agreement will automatically apply thereto and the Borrower will give the Agent prompt written notice thereof. Borrower authorizes the Agent to modify this Agreement by amending Schedule A and Schedule B to include any such Patents and Trademarks.

7. Duties of the Borrower. Borrower agrees to (i) file and prosecute diligently any patent or trademark applications pending as of the date hereof or hereafter until the Obligations have been paid in full, (ii) preserve and maintain all rights in the Patents and Trademarks, as commercially reasonable, and (iii) ensure that the Patents and Trademarks are and remain

enforceable, as commercially reasonable. Any expenses incurred in connection with the Borrowers' obligations under this Section 7 will be borne by the Borrower.

8. Agent's Right to Sue. Upon the occurrence of an Event of Default, the Agent will have the right, but will in no way be obligated, to bring suit in its own name to enforce the Patents and Trademarks and, if the Agent commences any such suit, the Borrower will, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement and the Borrower will promptly, upon demand, reimburse and indemnify the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this Section 8.

9. Cumulative Remedies; Power of Attorney; Effect on Loan Documents. All of the Agent's rights and remedies with respect to the Patents and Trademarks, whether established in this Agreement or the Security Agreement, or by any other agreements or by law are cumulative and may be exercised singularly or concurrently. Borrower authorizes the Agent upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of the Agent as the Agent may select, in its sole discretion, as such Borrower's true and lawful attorney-in-fact, with the power to (i) endorse the Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use of the Patents and Trademarks, (ii) take any other actions with respect to the Patents and Trademarks as the Agent deems to be in the best interest of the Lenders, (iii) grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents or Trademarks to anyone. To the extent permitted by law, Borrower ratifies all that any such attorneys lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent or the Lenders under the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. The Agent and each Lender has, in addition to all other rights and remedies given it by the terms of this Agreement and the Loan Documents, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Minnesota.

10. Further Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, the Agent may, by written notice to the Borrower, take any or all of the following actions: (i) declare the entire right, title and interest of the Borrower in and to each of the Patents and Trademarks vested, in which event such right, title and interest shall immediately vest, in the Agent pursuant to the assignment of security interest in the form of Exhibit A and/or Exhibit B hereto, executed by the Borrower and filed promptly after the date hereof, pursuant to which all of the Borrower's right, title and interest in and to the Patents and Trademarks are assigned to the Agent; (ii) take and use or sell the Patents and the Trademarks; and (iii) direct the Borrower to refrain, in which event the Borrower will refrain, from using the Patents and Trademarks in any manner whatsoever, directly or indirectly, and, if requested by the Agent, change the Borrower's corporate name to eliminate therefrom any use of any Trademark and execute such other and further documents that the Agent may request to further confirm this and to transfer ownership of the Patents and Trademarks and registrations and any pending application in the United States Patent and Trademark Office or any equivalent government

agency or office in any state or political subdivision thereof or in any foreign jurisdiction to the Agent. Borrower agrees that the use by the Agent of all Patents and Trademarks as provided in this Agreement will be without any liability for royalties or other related charges from the Agent to the Borrower.

11. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth in this Agreement will be borne by the Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by the Agent in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents or Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Patents or Trademarks will be borne by and paid by the Borrower and until paid will constitute Obligations.

12. No Waiver by Agent. The Agent will not be deemed to have waived any of its rights hereunder unless such waiver is in writing and signed by the Agent. No delay or omission on the part of the Agent in exercising any right will operate as a waiver of such right or any other right. A waiver on any one occasion will not be construed as a waiver of any right on any future occasion. All rights and remedies of the Agent or any Lender with respect to the Obligations, the Patents or the Trademarks, whether evidenced hereby or by any other instrument or papers, will be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Agent or any such Lender deems expedient.

13. Governing Law. This Agreement will be construed and enforced in accordance with the substantive laws of the State of Minnesota without giving effect to the conflicts of laws principles of any jurisdiction.

14. Notices. All notices, consents, requests, instructions, approvals and other communications required by this Agreement will be validly given, made or served if in writing and delivered personally, sent by certified mail (postage prepaid), facsimile transmission, or by a nationally recognized overnight delivery service, addressed as follows (or such other address as is furnished in writing by a party to the other parties):

(a) If to the Agent:

Convergent Capital Partners II, L.P.
Attn: Matthew Grossman
505 North Highway 169, Suite 245
Minneapolis, MN 55441
Telephone: (763) 432-4083

Fax: (763) 432-4085

with a copy to:

Lindquist & Vennum P.L.L.P.
Attn: Robert E. Tunheim
4200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402
Telephone: (612) 371-3915
Fax: (612) 371-3207

(b) If to the Borrower:

Group360, Inc.
Attn: Chief Executive Officer
1307 Washington Street
St. Louis, Missouri 63103

15. Entire Agreement. This Agreement and the Loan Documents contain the entire understanding of the parties hereto with respect to the subject matter contained herein. There are no restrictions, promises, warranties, covenants, or undertakings, other than those expressly provided for herein and in the Loan Documents. This Agreement and the Loan Documents supersede all prior agreements and undertakings between the parties with respect to such subject matter.

16. Severability of Invalid Provision. If any one or more covenant or agreement provided in this Agreement is contrary to law, then such covenant or agreement will be null and void and will in no way affect the validity of the other provisions of this Agreement, which will otherwise be fully effective and enforceable.

17. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including one or more future holders of the Notes; provided, however, that Borrower may not assign any of its obligations hereunder without the prior written consent of the Agent.

18. Counterparts. This Agreement may be executed in one or more counterparts, and will become effective when one or more counterparts have been signed by each of the parties.

19. Consent to Jurisdiction. AT THE OPTION OF THE AGENT, THIS AGREEMENT MAY BE ENFORCED IN ANY FEDERAL COURT OR MINNESOTA STATE COURT SITTING IN HENNEPIN COUNTY, MINNESOTA, AND BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING

DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ALLEGING ANY BREACH OF THIS AGREEMENT, THE AGENT AT ITS OPTION IS ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES DESCRIBED ABOVE, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

20. Waiver of Jury Trial. BORROWER WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION BASED ON OR PERTAINING TO THIS AGREEMENT.

* * * * *

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the day and year first above written.

THE BORROWER:

GROUP360, INC.

By: Justin A. Goldstein
Its: CFO

THE LENDERS:

CONVERGENT CAPITAL PARTNERS II, L.P. VOGEN FUNDING, L.P.

By: Convergent Capital II, LLC
Its: General Partner

By: Vogen Funding GP, LLC
Its: General Partner

By: CapX Management Corp.
Its: Manager

By: _____
Its: _____

By: _____
Its: _____

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the day and year first above written.

THE BORROWER:

GROUP360, INC.

By: _____
Its: _____

THE LENDERS:

CONVERGENT CAPITAL PARTNERS II, VOGEN FUNDING, L.P.
L.P.

By: Convergent Capital II, LLC
Its: General Partner

By: Vogen Funding GP, LLC
Its: General Partner

By: CapX Management Corp.
Its: Manager

By: Keith J. Bous
Its: Manager

By: _____
Its: _____

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the day and year first above written.

THE BORROWER:

GROUP360, INC.

By: _____
Its: _____

THE LENDERS:

CONVERGENT CAPITAL PARTNERS II, VOGEN FUNDING, L.P.
L.P.

By: Convergent Capital II, LLC
Its: General Partner

By: Vogen Funding GP, LLC
Its: General Partner

By: CapX Management Corp.
Its: Manager

By: _____
Its: _____

By: John Hallano
Its: VICE PRESIDENT

EXHIBIT B

ASSIGNMENT OF SECURITY INTEREST IN TRADEMARKS

Pursuant to a Patent and Trademark Security Agreement (the "Agreement"), dated as of August 1, 2008, Group360, Inc. (the "Grantor"), whose address is 1307 Washington Ave, St. Louis, Missouri 63103, as assignor, hereby grants and assigns to Convergent Capital Partners II, L.P., a Delaware limited partnership, whose address is 505 North Highway 169, Suite 245, Minneapolis, Minnesota 55441, as assignee, a continuing security interest in and a continuing lien upon, all trademarks and service marks, registrations and applications for registration now owned or hereafter acquired by Grantor, together with the goodwill associated therewith (the "Goodwill"), including without limitation the below listed registrations and applications for registration:

Registrations		
Registration Number	Issue Date	Mark
1880967	2/28/95	Color Associates
2164416	6/9/98	Visionpoint
2743286	7/29/03	Group360
2739863	6/22/03	Group360 Sphere Logo
2743312	7/29/03	Group360 Communications

Applications		
Application Number	Filing Date	Mark
77/383564	1/29/08	Group360 Sphere Logo

The assignees' security interest in the trademarks, service marks, registrations, applications for registration and Goodwill can be terminated only in accordance with the terms of the Agreement.

GRANTOR:

GROUP360, INC.

By: *Joseph A. Cilldehes*
Its: CFD

ACKNOWLEDGEMENT

STATE OF Missouri)
)
COUNTY OF St Louis)

ss.

On this 1st day of August, 2008, the foregoing Assignment was executed before me by Todd A Gidycz the CFO of GROUP 360, INC., a DELAWARE [corporation], on behalf of the [corporation].

Thomas L Moran
Notary Public

