

**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
United Storeowners Association of Baby Stores, LLC		07/14/2010	LIMITED LIABILITY COMPANY: ILLINOIS

**RECEIVING PARTY DATA**

Name:	Commerce Capital, LP
Street Address:	5115 Maryland Way, Suite 304
City:	Brentwood
State/Country:	TENNESSEE
Postal Code:	37027
Entity Type:	LIMITED PARTNERSHIP: TENNESSEE

**PROPERTY NUMBERS Total: 7**

Property Type	Number	Word Mark
Registration Number:	1498176	USA BABY
Registration Number:	1634474	THE BABY'S ROOM
Registration Number:	2443615	THE BABY'S ROOM
Registration Number:	2474811	CHILD SPACE
Registration Number:	2472684	CHILD SPACE
Registration Number:	2692465	USA BABY
Registration Number:	3031990	THE BABY'S ROOM

**CORRESPONDENCE DATA**

Fax Number: (615)251-1057  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: 615-256-0500  
 Email: eyp@h3gm.com  
 Correspondent Name: Curtis Capeling  
 Address Line 1: 315 Deaderick Street, Suite 1800

OP \$190.00 1498176

Address Line 4: Nashville, TENNESSEE 37238

ATTORNEY DOCKET NUMBER: 7819-10006

NAME OF SUBMITTER: Alan S. Levine

Signature: /s/ Alan S. Levine

Date: 07/16/2010

**Total Attachments: 10**

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## SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Security Agreement") is made the 30th day of June, 2010, between United Storeowners Association of Baby Stores, LLC, an Illinois limited liability company (the "Association"), and Commerce Capital, LP, a Tennessee limited partnership (the "Secured Party").

WHEREAS, the Association's members consist of various owners of juvenile furniture stores (the "Storeowners");

WHEREAS, simultaneously with the execution of this Security Agreement, the Association, the Storeowners and Secured Party are entering into a Trademark Sale Agreement (the "Trademark Sale Agreement"), and Addenda thereto ("Addenda"); and

WHEREAS, under the Trademark Sale Agreement, intellectual property is being conveyed to the Association, and the Association is granting a Security Interest in said intellectual property as collateral for the obligation of Storeowners arising under Section 3(a) of the Trademark Sale Agreement, as modified with respect to certain Storeowners by the Addenda;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the Secured Party and the Association agree as follows:

### 1. Definitions.

- 1.1 The term "Collateral" means the following personal property of the Association, wherever located, and whether now owned or hereafter acquired or created, including:
  - (a) the Registered Marks, Unregistered Marks and Domains, as defined by the Trademark Sale Agreement, and all goodwill associated therewith; and
  - (b) the proceeds and products of the foregoing.
- 1.2 The term "Obligations" means Storeowners' obligations to pay to Secured Party the first \$200,000 of the amounts due in accordance with Section 3(a) of the Trademark Sale Agreement within the time specified in such Section 3(a) (including any applicable cure periods), as modified with respect to certain Storeowners by the Addenda, and all amounts owed by the Storeowners under any modifications, renewals or extensions of the foregoing obligation.
- 1.3 The term "UCC" means the Uniform Commercial Code in effect in the State of Illinois. Any term used in the UCC and not defined in this Security Agreement has the meaning given to the term in the UCC.

### 2. Grant of Security Interest.

The Association grants a security interest in the Collateral to the Secured Party to secure the payment and performance of the Obligations.

3. **Perfection of Security Interests.**

The Association authorizes the Secured Party to file a financing statement (the "Financing Statement") with the Secretary of State of Illinois and a lien on the Registered Marks (the "Lien") at the United States Patent and Trademark Office describing the Collateral.

4. **Association's Representations and Warranties.**

The Association makes the following representations and warranties.

- 4.1 It has rights in or the power to transfer the Collateral. The Association is the registrant of the Domains. The Association is the owner of the Registered Marks, and to the best of the Association's knowledge, said ownership is free and clear of all liens, claims, security interests, other encumbrances of any kind or nature, and rights of others regarding the use of the Registered Marks (other than pursuant to the Settlement Agreement, licenses to Storeowners granted in accordance with the Trademark Sale Agreement, or a claimed right under a franchise agreement). To the best of the Association's knowledge: it is the owner of the Unregistered Marks and said ownership is free and clear of all liens, claims, security interests, other encumbrances of any kind or nature, and the rights of others regarding the use of the Unregistered Marks (other than pursuant to the Settlement Agreement, licenses to Storeowners granted in accordance with the Trademark Sale Agreement, or a claimed right under a franchise agreement).
- 4.2 The Association's chief executive office is located in the State of Illinois, its state of organization is the State of Illinois and the exact legal name is as set forth in the first paragraph of this Security Agreement.
- 4.3 Association is a limited liability company duly organized, validly existing, authorized to exercise all its limited liability company powers, rights and privileges, and in good standing in the State of Illinois; and has the limited liability company power and limited liability company authority to carry on its business as now conducted.
- 4.4 Association has all requisite limited liability company power and authority to execute and deliver this Security Agreement and the other documents required by this Security Agreement to be executed by it (the "Transaction Documents"), and to carry out and perform its obligations under the terms of such documents.
- 4.5 The Transaction Documents constitute legally binding and valid obligations of Association enforceable in accordance with their respective terms, except to the extent that such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium, or other laws of general application relating to or affecting enforcement of creditors' rights and laws concerning equitable remedies.

5. **Association's Covenants.**

Until the Obligations are paid in full, the Association agrees that it will:

- 5.1 preserve its limited liability company existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets, recapitalize or reorganize;
- 5.2 not change the state of its organization; and
- 5.3 not change its limited liability company name without providing the Secured Party with 30 days prior written notice;

provided, however, that the Association shall have the right, upon providing the Secured Party with at least 30 days' prior written notice, to change from a limited liability company to an Illinois not-for-profit corporation.

6. **Events of Default.**

The occurrence of any of the following shall be an Event of Default:

- 6.1 Failure of Storeowners to pay the Obligations within the times (including any applicable cure period) specified in the Trademark Sale Agreement;
- 6.2 A breach by Association of Section 16 or 19 of the Trademark Sale Agreement;
- 6.3 The incorrectness or breach of any representation or warranty or covenant contained in this Security Agreement or in any of the other Transaction Documents;
- 6.4 Attachment, execution or levy by any third party on any of the Collateral;
- 6.5 The Association voluntarily or involuntarily becoming subject to any proceeding under (a) the United States Bankruptcy Code or (b) any similar remedy under state law; or
- 6.6 The Secured Party shall receive at any time following the Closing a lien search report indicating that another lien or security interest arose by reason of action taken by the Association or omission by the Association that is prior to the Secured Party's security interest;

provided, however, that the foregoing shall only constitute an Event of Default if:  
(i) Secured Party shall have given notice to the Association of the Event of Default (whether such notice is given under this Agreement or the Trademark Sale Agreement) and (ii) there is a failure to cure within the periods hereinafter set forth:

Under Section 6.1                      Within the applicable cure period provided in the Trademark Sale Agreement

Under any of  
Sections 6.2 through 6.6:              Within thirty (30) days following receipt of notice.

**7. Default Costs.**

7.1      Should an Event of Default occur, the Association will pay to the Secured Party all costs reasonably incurred by the Secured Party for the purpose of enforcing its rights hereunder, including, without limitation costs of foreclosure; costs of collection; and a reasonable fee for the services of attorneys employed by the Secured Party for any purpose related to this Security Agreement or the enforcement of the security interest granted hereunder, including consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation or arbitration.

**8. Remedies Upon Default.**

8.1      Upon any Event of Default, the Secured Party may pursue any remedy available at law (including those available under the provisions of the UCC), or in equity to collect, enforce or satisfy any Obligations then owing, whether by acceleration or otherwise.

8.2      In addition, upon any Event of Default, the Secured Party shall have the right to pursue any of the following remedies separately, successively or simultaneously:

(a)      File suit and obtain judgment and may seek any ancillary remedies provided by law, including levy of attachment and garnishment.

(b)      Require the Association to assemble and make the Collateral available to the Secured Party.

(c)      Without taking possession, sell, lease or otherwise dispose of the Collateral, at public or private sale, in accordance with the UCC.

**9. Foreclosure Procedures.**

9.1      No delay or omission by the Secured Party to exercise any right or remedy accruing upon any Event of Default shall impair any right or remedy, waive any default or operate as an acquiescence to the Event of Default, or affect any subsequent default of the same or of a different nature.

9.2      The Secured Party shall give the Association such notice of any private or public sale as may be required by the UCC.

9.3      The Secured Party has no obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them and the Secured Party may

release, modify or waive any collateral provided by any other person to secure any of the Obligations, all without affecting Secured Party's rights against the Association. The Association waives any right it may have to require the Secured Party to pursue any third person for any of the Obligations.

- 9.4 The Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.
- 9.5 If the Secured Party sells any of the Collateral upon credit, the Association will be credited only with payments actually made by the purchaser, received by the Secured Party and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Secured Party may resell the Collateral and the Association shall be credited with the proceeds of the sale.
- 9.6 In the event the Secured Party purchases any of the Collateral being sold, the Secured Party may pay for the Collateral by crediting some or all of the Obligations.
- 9.7 The Secured Party has no obligation to marshal any assets in favor of the Association.

#### 10. **Miscellaneous.**

- 10.1 This Security Agreement shall bind and shall inure to the benefit of the heirs, legatees, executors, administrators, successors and assigns of the Secured Party and the Association. The Secured Party does not consent to any assignment by the Association. The Secured Party may assign its rights and interests under this Security Agreement. If an assignment is made, the Association shall render performance under this Security Agreement to the assignee.
- 10.2 Should any provision of this Security Agreement be found to be void, invalid or unenforceable by a court or panel of arbitrators of competent jurisdiction, that finding shall only affect the provisions found to be void, invalid or unenforceable and shall not affect the remaining provisions of this Security Agreement.
- 10.3 Any notices required by this Security Agreement shall be deemed to be delivered when provided in accordance with the procedures forth in Section 15 of the Trademark Sale Agreement.
- 10.4 Section headings used in this Security Agreement are for convenience only. They are not a part of this Security Agreement and shall not be used in construing it.
- 10.5 This Security Agreement shall be construed and enforced in accordance with the laws of the State of Illinois except to the extent that Article 9 of the UCC provides for a different State's law as to perfection and priority.

- 10.6 No reference to "proceeds" in this Security Agreement authorizes any sale, transfer, or other disposition of the Collateral by the Association. "Includes" and "including" are not limiting. "Or" is not exclusive. "All" includes "any" and "any" includes "all."
- 10.7 This Security Agreement is the entire agreement of the Association and the Secured Party concerning its subject matter. Any modification to this Security Agreement must be made in writing and signed by the party adversely affected.
- 10.8 Any party to this Security Agreement may, in writing, waive the enforcement of any provision to the extent the provision is for its benefit.
- 10.9 The Association agrees to execute any further documents, and to take any further actions, reasonably requested by the Secured Party to evidence or perfect the security interests granted herein, to maintain the first priority of the security interests, or to effectuate the rights granted to the Secured Party herein.
- 10.10 The Association shall be liable to the Secured Party for all sums paid or incurred by the Secured Party in connection with the enforcement of this Agreement, which shall include, but shall not be limited to, the payment of all attorneys fees, indebtedness tax, documentary stamps and intangible taxes. All such sums shall be payable by the Association to the Secured Party upon demand.
- 10.11 Upon payment in full of the Obligations and all other amounts due to Secured Party under this Security Agreement, Secured Party shall, at Secured Party's expense, forthwith execute and file all documents reasonably requested by the Association to terminate and release the security interest granted hereunder.

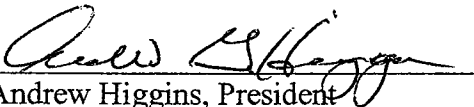
**[Remainder of page intentionally left blank.]**



The parties have signed this Security Agreement as of the day and year first above written.

COMMERCE CAPITAL, LP

By: Commerce Equity Capital Corp.,  
General Partner

By:   
Andrew Higgins, President

UNITED STOREOWNERS ASSOCIATION OF  
BABY STORES, LLC

By: \_\_\_\_\_  
Alan S. Levine, Manager


The parties have signed this Security Agreement as of the day and year first above written.

COMMERCE CAPITAL, LP

By: Commerce Equity Capital Corp.,  
General Partner

By: \_\_\_\_\_  
Andrew Higgins, President

UNITED STOREOWNERS ASSOCIATION OF  
BABY STORES, LLC

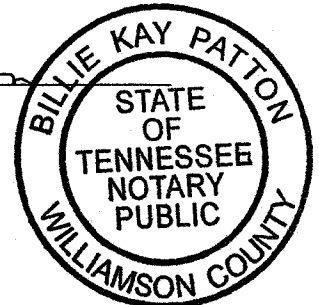
By:   
\_\_\_\_\_  
Alan S. Levine, Manager

STATE OF TENNESSEE  
COUNTY OF Williamson

Personally appeared before me, the undersigned Notary Public for the state and county aforesaid, Andrew Higgins, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he/she is the President of COMMERCE EQUITY CAPITAL CORP., a corporation and the general partner of COMMERCE CAPITAL, LP, a limited partnership, the within named bargainor, and that he/she, as such President of said general partner, being authorized so to do, executed the within instrument as the act and deed of said bargainor for the purposes therein contained by signing the name of said general partner by himself/herself as such President.

WITNESS my hand and seal at office this 14<sup>th</sup> day of July, 2010.

Billie Kay Patton  
Notary Public



My Commission Expires: 5/7/2012

STATE OF ILLINOIS)  
COUNTY OF COOK )

Before me, \_\_\_\_\_ of the state and county aforesaid, personally appeared Alan S. Levine, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence and who, upon oath, acknowledged himself to be the Manager of UNITED STOREOWNERS ASSOCIATION OF BABY STORES, LLC, a limited liability company, and that he as such Manager, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited liability company by himself as Manager.

Witness my hand and seal, at office in Chicago, Illinois, this \_\_\_ day of July, 2010.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF TENNESSEE  
COUNTY OF \_\_\_\_\_

Personally appeared before me, the undersigned Notary Public for the state and county aforesaid, Andrew Higgins, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he/she is the President of COMMERCE EQUITY CAPITAL CORP., a corporation and the general partner of COMMERCE CAPITAL, LP, a limited partnership, the within named bargainor, and that he/she, as such President of said general partner, being authorized so to do, executed the within instrument as the act and deed of said bargainor for the purposes therein contained by signing the name of said general partner by himself/herself as such President.

WITNESS my hand and seal at office this \_\_\_\_\_ day of July, 2010.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF ILLINOIS)  
COUNTY OF COOK )

Before me, MARCIA E. Rollins of the state and county aforesaid, personally appeared Alan S. Levine, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence and who, upon oath, acknowledged himself to be the Manager of UNITED STOREOWNERS ASSOCIATION OF BABY STORES, LLC, a limited liability company, and that he as such Manager, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited liability company by himself as Manager.

Witness my hand and seal, at office in Chicago, Illinois, this 17<sup>th</sup> day of July, 2010.

Marcia E. Rollins  
Notary Public

My Commission Expires: \_\_\_\_\_ 12/1/11

