

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
Hobbico Inc.		02/10/2012	CORPORATION: ILLINOIS

RECEIVING PARTY DATA

Name:	Cyprium Investors III LP
Street Address:	200 Public Square
Internal Address:	Suite 2020
City:	Cleveland
State/Country:	OHIO
Postal Code:	44114
Entity Type:	LIMITED LIABILITY LIMITED PARTNERSHIP: DELAWARE

Name:	Key Principal Partners IIIA LLC
Street Address:	200 Public Square
Internal Address:	Suite 2020
City:	Cleveland
State/Country:	OHIO
Postal Code:	44114
Entity Type:	LIMITED PARTNERSHIP: OHIO

Name:	Cyprium International Investors III LP
Street Address:	200 Public Square
Internal Address:	Suite 2020
City:	Cleveland
State/Country:	OHIO
Postal Code:	44114
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

PROPERTY NUMBERS Total: 3

Property Type	Number	Word Mark
		TRADEMARK

Registration Number:	3478174	
Registration Number:	3302091	AXIAL
Registration Number:	3302092	

CORRESPONDENCE DATA

Fax Number: (216)696-0740
Phone: 216-861-7184
Email: clevelandip@bakerlaw.com
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.
Correspondent Name: Brian A. Bulson
Address Line 1: 1900 East 9th Street
Address Line 2: Suite 3200
Address Line 4: Cleveland, OHIO 44114

ATTORNEY DOCKET NUMBER:	009550.000010
NAME OF SUBMITTER:	Brian A. Bulson
Signature:	/Brian A. Bulson/
Date:	02/15/2012

Total Attachments: 10
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TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement") is dated as of February 10, 2012, by Hobbico Inc., an Illinois corporation ("Grantor"), and Cyprum Investors III LP, a Delaware limited liability partnership formerly known as KPP Investors III LP ("KPP I"), Key Principal Partners IIIA LLC, an Ohio limited partnership ("KPP II"), and Cyprum International Investors III LP, a Delaware limited partnership formerly known as KPP International Investors III LP ("KPP III" and together with KPP I and KPP II, the "Grantees").

WITNESSETH:

WHEREAS, Grantor and certain of its Subsidiaries (the "Borrowers") are parties to that certain Securities Purchase Agreement dated as of December 22, 2010, as amended on the date hereof pursuant to that certain First Amendment to Securities Purchase Agreement (as may be further amended, restated, supplemented or modified from time to time, the "Purchase Agreement");

WHEREAS, in connection with its purchase of Axial R/C Inc., a California corporation ("Axial"), Grantor was assigned the Axial Marks (as defined below);

WHEREAS, the Grantees have required as a condition, among others, to entering into the Purchase Agreement, in order to secure the prompt and complete payment, observance and performance of all of the Secured Obligations (as defined in the Pledge and Security Agreement of even date herewith made by Grantor in favor of the Grantees (the "Pledge Agreement")), that Grantor execute and deliver this Agreement to Grantees; and

WHEREAS, the Borrowers, the Grantees and Wells Fargo Bank, National Association (the "Senior Agent") are parties to that certain Subordination and Intercreditor Agreement dated as of December 22, 2010, as amended on the date hereof pursuant to that certain First Amendment to Subordination and Intercreditor Agreement (as it may be further amended, restated, supplemented or modified from time to time, the "Subordination Agreement"), which establishes the relative rights and priorities of the Grantees, the Senior Agent and the Senior Lenders (as defined in the Purchase Agreement) with respect to the Collateral (as defined in the Purchase Agreement). The liens and security interests created hereunder, the obligations of the Borrowers to deliver Collateral to the Grantees, and the exercise of rights and remedies of the Grantees set forth herein shall be subject in all instances to the terms of the Subordination Agreement.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Defined Terms.** Unless otherwise defined herein, the capitalized terms used herein which are defined in the Purchase Agreement shall have the meanings specified in the Purchase Agreement.
2. **Incorporation of the Purchase Agreement.** The Purchase Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.
3. **Security Interest in Axial Marks and Axial Licenses.** To secure a prompt, complete and timely payment, performance and satisfaction of all of the Secured Obligations, Grantor hereby grants to Grantees a continuing security interest in, as and by way of a first mortgage and security interest having

priority over all other security interests, with power of sale to the extent permitted by applicable law, all of the following:

(a) the trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, internet domain names and service mark applications listed on Schedule A attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements or dilutions thereof, (iv) the goodwill symbolized by the foregoing and connected therewith and (v) all of Grantor's rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Axial Marks"); and

(b) rights under or interests in any trademark license agreements or service mark license agreements with any other party in connection with the Axial Marks or such other party's trademarks and registered trademarks, trademark applications, service marks, registered service marks, service mark applications, trade names and trade styles, to the extent such rights are assignable pursuant to such trademark license agreements or service mark license agreement without invalidating such agreements, whether Grantor is a licensor or licensee under any such license agreement, including without limitation, those license agreements listed on Schedule B attached hereto and made a part hereof, and the right, upon the occurrence and during the continuation of an Event of Default, to prepare and sell any and all Inventory now or hereafter owned by Grantor and now or hereafter covered by such licenses, and all books and all records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) pertaining to any of the foregoing (all of the foregoing are hereinafter referred to collectively as the "Axial Licenses," together with the Axial Marks, the "Axial Mark Collateral").

Notwithstanding the foregoing, with respect to Grantor, the payment and performance of the Secured Obligations shall not be secured by (and the definition of Axial Mark Collateral is hereby limited to exclude): (a) any contract, license, permit or franchise where the third party to such agreement asserts (and it is determined that) such contract, license, permit or franchise validly prohibits the creation by Grantor of a security interest in such contract, license, permit or franchise (or in any rights or property obtained by Grantor under such contract, license, permit or franchise), in which case the security granted hereunder in such contract, license, permit or franchise, shall be deemed not to have been granted, ab initio; or (b) any rights or property to the extent that any valid and enforceable law or regulation applicable to such rights or property prohibits the creation of a security interest therein; provided, however, that the provisions of this paragraph shall not prohibit the creation of a security interest under the Pledge and Security Agreement to the extent that Article 9 of the UCC is effective to permit the creation of such security interest notwithstanding the prohibitions referred to above; provided, further, that the provisions of this paragraph shall not prohibit the security interests created by the Pledge and Security Agreement from extending to the proceeds of such contract, license, permit, franchise or rights or property or to the monetary value of the good will and other General Intangibles of Grantor related thereto. Grantor represents and warrants to the Grantees that Grantor does not have knowledge of any contract, license, permit, franchise, rights or properties of third parties that would prohibit the creation of a security interest therein.

4. Axial Marks and Axial Licenses. Grantor hereby represents and warrants to the Grantees that (i) Schedule A sets forth all of the Axial Marks owned by Grantor as of the date of this Agreement, (ii) Schedule B sets forth all of the Axial Licenses held by Grantor as of the date of this Agreement and (iii) no other liens, claims or security interests have been granted by Grantor to any other Person in such Axial Marks and Axial Licenses.

5. Royalties. Grantor hereby agrees that the use by the Grantees of the Axial Marks and Axial Licenses as authorized hereunder shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Grantees to Grantor.

6. Termination of Grantees' Security Interest. This Agreement is made for collateral security purposes only. Upon payment in full of all of the Secured Obligations and termination of the Purchase Agreement, this Agreement shall terminate. Following such termination, the Grantees shall, upon the request of Grantor, execute a written release confirming the termination and any and all other documents reasonably requested by Grantor or the United States Patent and Trademark Office or any similar office or agency in any state, province or county, in connection with such termination.

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

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

9. Waivers. No course of dealing between Grantor and the Grantees and no failure or delay on the part of the Grantees to exercise, or delay in exercising, any right, power or privilege hereunder, under the Purchase Agreement or under any other agreement, shall operate as a waiver of the Grantees' rights, powers or partial exercise of any right, power or privilege hereunder, under the Purchase Agreement or under any other agreement.

10. Modification. This Agreement may not be altered, amended or modified in any way, except as specifically provided herein or by a writing signed by Grantor and the Grantees.

11. Cumulative Remedies; Power of Attorney. All of the rights and remedies of the Grantees with respect to the Axial Marks or Axial Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. After the occurrence and during the continuance of an Event of Default, Grantor hereby appoints the Grantees and all Persons as the Grantees may designate, in their sole and absolute discretion, as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, to take any action and to execute any instrument which the Grantees may deem necessary or advisable to accomplish the purposes of this Agreement. Grantor 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 Secured Obligations shall have been paid in full and all financing arrangements between the Grantees and Grantor shall have been terminated. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Grantees under the

Purchase Agreement or any of the other Investment Documents, but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Axial Marks or Axial Licenses may be located or deemed located.

12. Binding Effect; Benefits. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the Grantees, for the benefit of the Grantees and their respective nominees. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor. No Grantor shall assign its obligations hereunder without the Grantees' prior written consent.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held invalid or prohibited under applicable law, such provision shall be ineffective only to the extent of such invalidity or prohibition, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

14. GOVERNING LAW; WAIVER OF JURY TRIAL. THIS AGREEMENT SHALL BE GOVERNED BY, AND BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PROVISIONS. GRANTOR AND THE GRANTEEES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. GRANTOR AND GRANTEEES EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY AND ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISIONS HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

15. Subordination. THIS INSTRUMENT IS SUBJECT TO THE TERMS OF THE SUBORDINATION AGREEMENT IN FAVOR OF WELLS FARGO BANK, NATIONAL ASSOCIATION AND EACH HOLDER, BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

16. Notices. All notices or other communications required or desired to be served, given or delivered hereunder shall be served, given or delivered and shall be deemed to have been validly served, given or delivered in accordance with Section 13.2 of the Purchase Agreement.

17. Duty of Grantees. The Grantees shall not be liable for any actions, omissions, errors of judgment or mistakes of fact or law with respect to the Axial Marks or Axial Licenses except as a result of the gross negligence or willful misconduct of the Grantees. Without limiting the generality of the foregoing, the Grantees shall not be under any obligation to take any action necessary to preserve rights of Grantor in the Axial Marks or Axial Licenses against any other Persons but may do so at its option, and

all expenses incurred in connection therewith shall be for the sole account of Grantor and added to the Secured Obligations secured hereby.

18. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

[Signature page to follow]

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

GRANTOR:

Hobbico Inc.

By: *Willard K. Muirheid*

Name: Willard K. Muirheid

Title: Secretary/Treasurer

ACKNOWLEDGED BY THE GRANTEES:

KEY PRINCIPAL PARTNERS IIIA LLC

By: _____
Cindy J. Babitt, Authorized Signer

CYPRIMUM INVESTORS III LP

By: CYPRIMUM III MANAGEMENT LLC,
its General Partner

By: CYPRIMUM INVESTMENT
PARTNERS LLC, its Manager

By: _____
Cindy J. Babitt, Managing Partner

CYPRIMUM INTERNATIONAL INVESTORS
III LP

By: CYPRIMUM III MANAGEMENT LLC,
its General Partner

By: CYPRIMUM INVESTMENT
PARTNERS LLC, its Manager

By: _____
Cindy J. Babitt, Managing Partner

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GRANTOR:

Hobbico Inc.

By: _____

Name: Willard K. Muirheid

Title: Secretary/Treasurer

ACKNOWLEDGED BY THE GRANTEES:

KEY PRINCIPAL PARTNERS IIIA LLC

By: Cindy J. Babitt
Cindy J. Babitt, Authorized Signer

CYPRIMUM INVESTORS III LP

By: CYPRIMUM III MANAGEMENT LLC,
its General Partner

By: CYPRIMUM INVESTMENT
PARTNERS LLC, its Manager

By: Cindy J. Babitt
Cindy J. Babitt, Managing Partner

CYPRIMUM INTERNATIONAL INVESTORS
III LP



By: CYPRIMUM III MANAGEMENT LLC,
its General Partner

By: CYPRIMUM INVESTMENT
PARTNERS LLC, its Manager

By: Cindy J. Babitt
Cindy J. Babitt, Managing Partner

SCHEDULE A

Registered Trademarks

Mark	Serial No. Filing Date	Registration No. Registration Date
	78/866171 Apr. 20, 2006	3478174 Jul. 29, 2008
AXIAL	78/866137 Apr. 20, 2006	3302091 Oct. 2, 2007
	78/866150 Apr. 20, 2006	3302092 Oct. 2, 2007

SCHEDULE A (CON'T)

Unregistered Trademarks

None

Tradenames

Axial Racing

Internet Domain Names

SCHEDULE A

Domain Names

Domain Name	Expires	Registrant
22CRAWLER.COM	02/19/2012	Axial, Inc.
22ROCKCRAWLER.COM	02/19/2012	Axial, Inc.
AX10ROCKCRAWLER.COM	02/19/2012	Axial, Inc.
AX10ROCKRACER.COM	02/19/2012	Axial, Inc.
AX10RTC.COM	03/03/2013	Axial, Inc.
AX10RTR.COM	03/03/2013	Axial, Inc.
AX10SCORPION.COM	02/19/2012	Axial, Inc.
AXIALALERT.COM	06/10/2012	Axial, Inc.
AXIALCOUNTDOWN.COM	01/19/2012	Axial, Inc.
AXIALCRAWLING.COM	02/19/2012	Axial, Inc.
AXIALRACING.COM	09/20/2012	Axial, Inc.
AXIALRCCRAWLING.COM	02/19/2012	Axial, Inc.
AXIALROCKCRAWLING.COM	02/19/2012	Axial, Inc.
AXIALUSA.COM	02/25/2013	Axial, Inc.
AXIALVIDEOAWARDS.COM	03/09/2013	Axial, Inc.
AXIALWCC.COM	03/07/2013	Axial, Inc.
AXIALXR10.COM	05/11/2012	Axial, Inc.
READY2CRAWL.COM	01/16/2012	Axial, Inc.
READY-2-CRAWL.COM	01/16/2012	Axial, Inc.
READY2CRAWL.NET	01/16/2012	Axial, Inc.
READY-2-CRAWL.NET	01/16/2012	Axial, Inc.
READYTOCRAWL.COM	01/16/2012	Axial, Inc.
READYTOCRAWL.NET	01/16/2012	Axial, Inc.
SCALERROCKCRAWLER.COM	02/19/2012	Axial, Inc.
SCX10.COM	12/18/2012	Axial, Inc.

SCHEDULE B

Licenses

NONE

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RECORDED: 02/15/2012

TRADEMARK
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