

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
COLORBOK, LLC		03/05/2012	LIMITED LIABILITY COMPANY: OHIO

**RECEIVING PARTY DATA**

<b>Name:</b>	FIRSTMERIT BANK, N.A.
<b>Street Address:</b>	106 S. Main Street
<b>Internal Address:</b>	12th Floor
<b>City:</b>	Akron
<b>State/Country:</b>	OHIO
<b>Postal Code:</b>	44308
<b>Entity Type:</b>	National Banking Association: UNITED STATES

**PROPERTY NUMBERS Total: 14**

Property Type	Number	Word Mark
Registration Number:	2086435	AUTUMN LEAVES
Registration Number:	3208245	AUTUMN LEAVES
Registration Number:	2752068	CROP IN STYLE
Registration Number:	3247065	STORE IN STYLE THINKNG INSIDE THE BOX
Registration Number:	2718763	M MAKINGMEMORIES
Registration Number:	2910583	MAKINGMEMORIES
Registration Number:	3034179	MAKINGMEMORIES
Registration Number:	3236119	CHARMED
Registration Number:	3175962	M
Serial Number:	85049144	MY SECRET PILLOW
Serial Number:	78723075	STORYBOOK PILLOW
Serial Number:	78313714	SWEET THANG
Serial Number:	77290312	"WHERE BEDTIME AND STORYTIME BECOME ONE!"

**CH \$365.00 2086435**

Serial Number:

77931918

REMARKABLES COLOR WASH COLOR AGAIN

**CORRESPONDENCE DATA**

Fax Number: 7344184279

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*

Phone: 734-418-4278

Email: TMdocketing@honigman.com

Correspondent Name: Jennifer Sheehan Anderson

Address Line 1: 39400 Woodward Avenue

Address Line 2: Suite 101

Address Line 4: Bloomfield Hills, MICHIGAN 48304-5151

ATTORNEY DOCKET NUMBER:

233516-327082

NAME OF SUBMITTER:

Jennifer Sheehan Anderson

Signature:

/Jennifer Sheehan Anderson/

Date:

03/22/2013

**Total Attachments: 23**

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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of March 5, 2012, by **COLORBÖK, LLC**, an Ohio limited liability company ("Pledgor"), and delivered to **FIRSTMERIT BANK, N.A.**, a national banking association ("Lender").

### BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Credit and Security Agreement dated of even date herewith by and among Pledgor and Lender (as supplemented, restated, amended, superseded or replaced from time to time, the "Loan Agreement"). Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Pledgor has adopted, used and is using (or has filed applications for the registration of) the patents, patent rights and patent applications (collectively, the "Patents"); trademarks, service marks, trade names, service trademark applications and service trade names (collectively, "Trademarks"); copyrights and copyright applications and licenses (collectively, the "Copyrights"), all as listed on Schedule A attached hereto and made part hereof (all such Patents, Trademarks Copyrights, along with associated goodwill relating thereto, hereinafter referred to as the "Assets").

C. Pursuant to this Agreement, Lender is acquiring a lien on, and security interest in, the Assets and the registration thereof, together with all the goodwill of Pledgor associated therewith and represented thereby, as security for all of Pledgor's Obligations under the Loan Documents (as defined below) and desires to have its security interest in the Assets confirmed by a document in such form that it may be recorded in the United States Patent and Trademark Office, United States Copyright Office, or other relevant office, respectively.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Agreement, and all other instruments, agreements and documents entered into in connection therewith (collectively, the "Loan Documents"), and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure Pledgor's Obligations under the Loan Documents, Pledgor grants a lien and security interest to Lender in all of its present and future right, title and interest in and to the Assets, including without limitation, the goodwill of Pledgor associated with and represented by the Assets, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements and the proceeds thereof, including, without limitation, all royalties, licensing fees and the like along with all proceeds of infringement suits. Subject to the provisions contained in Section 19, Pledgor hereby authorizes Lender to file a copy of this Agreement in the United States Patent and Trademark Office, the United States Copyright Office,

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and with any appropriately empowered officials of foreign countries necessary to perfect Lender's security interest in the Assets as set forth herein.

2. Pledgor hereby covenants and agrees to maintain the Assets in full force and effect until all of the Obligations are indefeasibly paid and satisfied in full.

3. Subject to the provisions contained in Section 19, Pledgor represents, warrants and covenants that:

(a) The Assets are subsisting and have not been adjudged invalid or unenforceable;

(b) Each of the Assets is valid and enforceable;

(c) Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Assets, and each of the Assets is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Pledgor not to sue third persons;

(d) Pledgor has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Pledgor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §1051-1127, 17 U.S.C. §101, et seq., 35 U.S.C. §101 et seq. and any other applicable statutes, rules and regulations in connection with its use of the Assets; and

(f) Each of the Assets listed on Schedule A constitute all of the Assets, and all applications for any of the foregoing, now owned by Pledgor. If, before all Obligations have been indefeasibly paid and satisfied in full, Pledgor shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, trade names or copyrights or licenses or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or license renewal or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and such patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or license renewal or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent shall be deemed part of the Assets. From time to time upon Lender's request, Pledgor shall provide Lender and Lender's counsel with an amended Schedule listing Pledgor's Assets in form and substance reasonably satisfactory to Lender.

4. Pledgor further covenants that until all of the Obligations have been indefeasibly paid and satisfied in full, it will not enter into any agreement, including without limitation, license agreements or options, which is inconsistent with Pledgor's obligations under this Agreement, except for agency, co-marketing and co-branding agreements.

5. So long as an Event of Default has not occurred and is not continuing beyond any applicable grace period under the Loan Agreement, Pledgor shall continue to have the exclusive right to use the Assets, and Lender shall have no right to use the Assets or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Assets to anyone else.

6. Except as expressly permitted by the terms of that certain Subordination Agreement of even date herewith among Lender, Pledgor, and LCP Holdings, Inc., Pledgor agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Assets without prior written consent of Lender, which consent will not be unreasonably withheld or delayed.

7. Upon the occurrence and continuance of an Event of Default beyond any applicable grace period under the Loan Agreement, Pledgor hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of Ohio, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Assets covered hereby. Pledgor hereby authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, upon the occurrence and continuance of an Event of Default beyond any applicable grace period under the Loan Agreement, with the power to endorse Pledgor's name on all applications, assignments, documents, papers and instruments necessary for Lender, to use the Assets or to grant or issue any exclusive or non-exclusive license under the Assets to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Assets to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as Exhibit 1. Subject to the provisions contained in Section 19, Pledgor hereby authorizes Lender to file a copy of such trademark assignment in the United States Patent and Trademark Office, the United States Copyright Office, and with any appropriately empowered officials of foreign countries necessary to evidence Lender's interest in the Assets as set forth herein. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all the Obligations are indefeasibly paid and satisfied in full.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the parties hereto.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Documents, the language of the Loan Documents shall control.

10. Upon the full and unconditional satisfaction of all of the Obligations under the Loan Documents, Lender shall execute and deliver to Pledgor all documents reasonably necessary to terminate Lender's security interest in the Assets.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices (subject to the provisions contained in Section 19), the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining or preserving the Assets, or in defending or prosecuting any actions or proceedings arising out of or related to the Assets, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Pledgor on demand by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the otherwise applicable rate of interest prescribed in the Loan Agreement.

12. Subject to the terms of the Loan Documents and subject to the provisions contained in Section 19, Pledgor shall have the duty to prosecute diligently any trademark application with respect to the Assets pending as of the date of this Agreement or thereafter, until all of the Obligations shall have been indefeasibly paid and satisfied in full, to preserve and maintain all rights in the Assets, and upon request of Lender, Pledgor shall make federal application on registerable but unregistered patents, trademarks, copyrights or licenses belonging to Pledgor. Subject to the provisions contained in Section 19, any expenses incurred in connection with such applications shall be borne by Pledgor. Subject to the provisions contained in Section 19, Pledgor shall not abandon any material Patent, Trademark or Copyright without the prior written consent of Lender.

13. Pledgor shall have the right to bring suit in its own name to enforce the Assets, in which event Lender may, if Pledgor reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that Lender is not thereby incurring any risk of liability because of such joinder. Pledgor shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including reasonable attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. Upon the occurrence and continuance of an Event of Default beyond any applicable grace period under the Loan Agreement, Lender may, without any obligation to do so, complete any obligation of Pledgor hereunder, in Pledgor's name or in Lender's name, but at Pledgor's expense, and Pledgor hereby agrees to reimburse Lender in full for all costs and expenses, including reasonable attorneys' fees, incurred by Lender in protecting, defending and maintaining the Assets.

15. No course of dealing between Pledgor and Lender, nor any failure to exercise, nor any delay in exercising on the part of Lender any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Assets, whether established hereby, by the Loan Documents or by any other future agreements between Pledgor and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. This Agreement shall be governed by and construed in conformity with the laws of the State of Ohio without regard to its otherwise applicable principles of conflicts of laws.

19. Notwithstanding anything contained herein to the contrary:

(a) with respect to the copyrights set forth on Exhibit A as of the Closing Date, Pledgor shall not be required to file any assignments with the United States Copyright Office or other relevant office evidencing its ownership of such copyrights;

(b) with respect to those trademarks set forth on Exhibit A as having no value, prior to the occurrence of an Event of Default beyond any applicable grace periods: (i) Pledgor shall not be required to file assignments with the United States Patent and Trademark Office or other relevant office evidencing its ownership in such trademarks and (ii) Lender shall not file, at Pledgor's expense, evidence of its security interest in such trademarks;

(c) with respect to those trademarks registered in Canada set forth on Exhibit A as having value, Pledgor shall provide Lender, within four (4) months of the Closing Date, evidence (in form and substance acceptable to Lender in its Permitted Discretion) that: (i) assignments to Pledgor of such trademarks have been filed with and accepted by the Canadian Trademarks Office and (ii) Lender's security interest in such trademarks shall have been filed with the Canadian Trademarks Office.

(d) with respect to those trademarks registered in the United States of America set forth on Exhibit A as having value, Pledgor shall provide Lender, within 15 days of the Closing Date, evidence (in form and substance acceptable to Lender in its Permitted Discretion) that: (i) assignments to Pledgor of such trademarks have been filed with and accepted by the United States Patent and Trademark Office and (ii) Lender's security interest in such trademarks shall have been filed with the United States Patent and Trademark Office.

**20. PLEDGOR AND LENDER EACH WAIVE ANY AND ALL RIGHTS IT MAY HAVE TO A JURY TRIAL IN CONNECTION WITH ANY LITIGATION, PROCEEDING OR COUNTERCLAIM ARISING WITH RESPECT TO RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO OR UNDER THE LOAN DOCUMENTS.**

IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Security Agreement the day and year first above written.

COLORBÖK, LLC

By: \_\_\_\_\_  
Name: Chuck McGonigle  
Title: Chief Executive Officer

Approved and Accepted:

FIRSTMERIT BANK, N.A.

By: *Julie D. Nason*  
Name: JULIE D. NASON  
Title: V.P. AND ABL Relationship Manager

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY  
SECURITY AGREEMENT]



CORPORATE ACKNOWLEDGMENTS

UNITED STATES OF AMERICA :  
STATE OF \_\_\_\_\_ : SS  
COUNTY OF \_\_\_\_\_ :

Acknowledged before me on this \_\_\_\_ of March 2012, before me personally appeared Chuck McGonigle, to me known and being duly sworn, deposes and says that he is the Chief Executive Officer of COLORBÖK, LLC, an Ohio limited liability company, the Pledgor described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such company; and that he desires the same to be recorded as such.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

UNITED STATES OF AMERICA :  
STATE OF OHIO : SS  
COUNTY OF CUYAHOGA :

Acknowledged before me on this 5 of MARCH 2012, before me personally appeared Diane Nadel to me known and being duly sworn, deposes and says that s/he is the VP & Asst. Mgr. of FIRSTMERIT BANK, N.A., a national banking association, the Lender described in the foregoing Agreement; that s/he signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Beth Mayhugh  
Notary Public  
My Commission Expires: 04-3-13

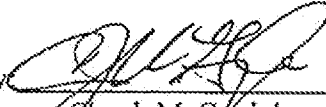


BETH MAYHUGH, NOTARY  
STATE OF OHIO  
MY COMMISSION EXPIRES: APRIL 3, 2013

[ACKNOWLEDGMENT PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Security Agreement the day and year first above written.

**COLORBÖK, LLC**

By:   
Name: Chuck McGonigle  
Title: Chief Executive Officer

Approved and Accepted:

**FIRSTMERIT BANK, N.A.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT]

CORPORATE ACKNOWLEDGMENTS

UNITED STATES OF AMERICA :  
STATE OF Michigan : SS  
COUNTY OF Washtenaw :

Acknowledged before me on this 2nd of March 2012, before me personally appeared Chuck McGonigle, to me known and being duly sworn, deposes and says that he is the Chief Executive Officer of **COLORBÖK, LLC**, an Ohio limited liability company, the Pledgor described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such company; and that he desires the same to be recorded as such.

Sheresa Ann-Maree Best  
Notary Public  
My Commission Expires: 1-8-2014

UNITED STATES OF AMERICA :  
STATE OF OHIO : SS  
COUNTY OF CUYAHOGA :

Acknowledged before me on this \_\_\_\_ of \_\_\_\_\_ 2012, before me personally appeared \_\_\_\_\_ to me known and being duly sworn, deposes and says that s/he is the \_\_\_\_\_ of **FIRSTMERIT BANK, N.A.**, a national banking association, the Lender described in the foregoing Agreement; that s/he signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

[ACKNOWLEDGMENT PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT]

SCHEDULE A

(see attached)

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**FIRST AMENDMENT TO  
CREDIT AND SECURITY AGREEMENT**

This First Amendment to Credit and Security Agreement (this "Amendment"), dated as of August 8, 2012, is by and between COLORBÖK, LLC, an Ohio limited liability company, ("Borrower"), and FIRSTMERIT BANK, N.A., a national banking association ("Lender").

**BACKGROUND**

A. Borrower and Lender entered into that certain Credit and Security Agreement dated as of March 5, 2012 (as may be amended, modified, extended, or restated from time to time, the "Agreement"), pursuant to which Lender extended certain financing arrangements to Borrower.

B. The parties hereto have agreed to modify the terms and conditions of the Agreement as more fully set forth herein.

C. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Agreement.

NOW THEREFORE, in consideration of the terms, conditions and covenants set forth below, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties, intending to be legally bound hereby, promise and agree as follows:

1. Amendment to Section 1.2 (General Terms). Section 1.2 of the Agreement is hereby amended by adding the following definitions of "ANW/Crestwood", "ANW Acquisition", and "ANW Acquisition Documents" in proper alphabetical order:

"ANW/Crestwood" shall mean ANW/Crestwood, Inc., a New Jersey corporation.

"ANW Acquisition" shall mean the acquisition by the Borrower of certain of the assets of ANW/Crestwood pursuant to the terms of the ANW Acquisition Documents.

"ANW Acquisition Documents" shall mean, collectively, that certain Disposition Agreement between ANW/Crestwood, the Borrower, and the other parties thereto, dated as of April 9, 2012, as amended by that certain First Amendment to Disposition Agreement dated as of August 8, 2012, and all other documents delivered in connection therewith.

2. Amendment to Section 9.2 (Schedules). Section 9.2 of the Agreement is hereby amended by deleting such section in its entirety and replacing it with the following:

9.2 **Schedules**.

Deliver to the Lender on or before the fifteenth (15th) day of each calendar month for the prior calendar month (a) an accounts receivable aging (reconciled to the general ledger and the Borrowing Base Certificate), (b) an accounts payable aging (reconciled to the general ledger), (c) an Inventory report (which shall include a lower of cost or market calculation), (d) a Borrowing Base Certificate

(which shall be calculated as of the last day of the prior calendar month and which shall not be binding upon the Lender or restrictive of the Lender's rights under this Agreement), (e) the amount of any Excess Inventory sold during the prior month and the gain or loss generated on the sale, and (f) the amount of sales commissions and other amounts payable by the Borrower to ANW/Crestwood. In addition, the Borrower shall deliver to the Lender on or before each Wednesday, or if such day is not a Business Day, the following Business Day, for the prior Week an interim Borrowing Base Certificate (which shall be calculated as of the last Business Day of the prior week and which shall not be binding upon the Lender or restrictive of the Lender's rights under this Agreement) reflecting all activity (sales, collections, credits, etc.) impacting the accounts of the Borrower for all Business Days of the immediately preceding Week. The amount derived as being excluded from Eligible Accounts used on such interim Borrowing Base Certificate shall be the amount that is calculated and updated monthly pursuant to this Section 9.2 and which is satisfactory to the Lender in its Permitted Discretion. The amount of Eligible Inventory to be included on such interim Borrowing Base Certificate shall be calculated and updated monthly pursuant to this Section 9.2 and which is satisfactory to the Lender. In addition, the Borrower will deliver to the Lender at such intervals as the Lender may reasonably require: (i) confirmatory assignment schedules, (ii) copies of Account Debtor's invoices, (iii) evidence of shipment or delivery, and (iv) such further schedules, documents and/or information regarding the Collateral as the Lender may require including trial balances and test verifications. The Lender shall have the right to confirm and verify all Accounts by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary to protect its interests hereunder. The items to be provided under this Section 9.2 are to be in form satisfactory to the Lender and executed by the Borrower and delivered to the Lender from time to time solely for the Lender's convenience in maintaining records of the Collateral, and the Borrower's failure to deliver any of such items to the Lender shall not affect, terminate, modify or otherwise limit the Lender's Lien with respect to the Collateral.

3. Amendment to Schedules. Schedule 4.5 (Ownership of Collateral) and Schedule 5.19 (Material Business Agreements) attached to the Agreement are hereby amended by deleting them in their entirety and replacing them with Schedule 4.5 and Schedule 5.19 attached hereto.

4. Waiver. Borrower acknowledges and agrees that as of the date hereof, it is in default of Section 7.9 (Nature of Business) of the Agreement with respect to Borrower entering into the ANW Acquisition (the "Existing Default"). Upon the effectiveness of this Amendment and in specific reliance on the covenants, representations and warranties made herein, Lender hereby waives the Existing Default; provided that such waiver shall be conditioned on and subject to Borrower satisfying the conditions contained in Section 6 of this Amendment. Further, such waiver shall in no way constitute a waiver of any other Event of Default which may have occurred but which is not specifically referenced as an

"Existing Default" nor shall it obligate Lender to provide any further waiver of any other Event of Default. Except as otherwise waived hereunder, Lender reserves the right to invoke fully any and all of its respective rights, remedies, powers and privileges under the Agreement and all other Loan Documents at any time in the exercise of Lender's sole and absolute discretion. This waiver is a one-time waiver related specifically to the Existing Default and shall not constitute a course of conduct of imply a future waiver of any provision of the Agreement.

5. Post-Closing Conditions. The failure of Borrower to meet any of the following conditions within the time frames indicated (or such extended time as may be agreed to by Lender in its sole discretion) shall constitute an Event of Default under the Agreement: (a) Borrower shall provide to Lender, within 60 days of the date hereof (the "IP Post-Closing Schedule Date"), updated schedules to the Credit Agreement and Intellectual Property Security Agreement with respect to Borrower's Intellectual Property, including, without limitation, listing whether each such piece of intellectual property has value or no value, in form and substance acceptable to Lender (the "Updated IP Schedules"); (b) Borrower shall provide to Lender, within 15 days of the IP Post-Closing Schedule Date, evidence (in form and substance acceptable to Lender in its Permitted Discretion) that: (i) assignments to Borrower of such intellectual property set forth on Updated IP Schedules as having value have been filed with and accepted by the United States Patent and Trademark Office, where applicable and (ii) Lender's first priority security interest in such intellectual property shall have been filed with the United States Patent and Trademark Office, where applicable; (c) Borrower shall provide to Lender, within four (4) months of the IP Post-Closing Schedule Date, evidence (in form and substance acceptable to Lender in its Permitted Discretion) that: (i) assignments to Borrower of such intellectual property set forth on Updated IP Schedules as having value have been filed with and accepted by applicable foreign offices, where applicable and (ii) Lender's first priority security interest in such intellectual property shall have been filed with the applicable foreign offices, where applicable; and (d) Borrower shall perform such other acts, and execute such additional documents, amendments, and agreements, as Lender deems necessary or desirable from time to time to create, preserve, continue, perfect, validate or carry out any of Lender's rights under the Agreement or the other Loan Documents or to effectuate the purpose hereof or thereof.

6. Conditions to Effectiveness. This Amendment shall be effective upon completion of the following (each of such documents and/or actions to be in form and substance acceptable to Lender in its sole discretion):

- (a) Execution and delivery of this Amendment by all parties hereto;
- (b) Payment by Borrower of any and all costs, fees and expenses of Lender (including the Amendment Fee (as hereinafter defined) and attorney fees) in connection with this Amendment;
- (c) Borrower's delivery to Lender updated insurance certificates, in form and substance satisfactory to Lender, complying with the requirements of the Agreement, which shall include, without limitation, insurance coverage for all locations of Borrower, including, without limitation, inventory located in New Jersey pursuant to the terms of the ANW Acquisition Documents;
- (d) Borrower's delivery to Lender appropriate loss payable endorsements in form and substance satisfactory to Lender, naming Lender as a lender loss payee with respect to all insurance coverage covering damage, loss or destruction of Collateral; and
- (e) Such other agreements and documents related hereto as Lender may require.

7. Representations and Warranties. Borrower represents and warrants to Lender:

- (a) The execution, delivery and performance by Borrower of this Amendment and the transactions contemplated herein (i) are and will be within the powers of Borrower, (ii) have been authorized by all necessary actions of Borrower, (iii) are not and will not be in contravention of any order of any court or other agency of government, or of any law to which Borrower or any property of Borrower is bound, and (iv) are not and will not be in conflict with, or result in a breach of or constitute (with due notice and/or lapse of time) a default under the articles of organization, articles of incorporation, code of regulations, operating agreement, as applicable, or any indenture, agreement or undertaking to which Borrower is a party or by which Borrower or any property of Borrower are bound;
- (b) This Amendment and any other agreements, instruments or documents executed and/or delivered in connection herewith, shall be valid, binding and enforceable against Borrower in accordance with their respective terms except to the extent enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;
- (c) Each of the representations and warranties contained in, and each of the exhibits and/or schedules attached to, the Agreement, as amended hereby, and the Loan Documents are true, correct and complete in all material respects as of the date hereof;
- (d) No event or condition which has or is likely to have a Material Adverse Effect as to Borrower has occurred from the Closing Date to the date hereof;
- (e) Upon the effectiveness of this Amendment, no Default or Event of Default is outstanding under the Agreement; and
- (f) In connection with the ANW Acquisition, Borrower is a good-faith transferee, as defined in Section 9.617 of the Uniform Commercial Code.

8. Confirmation of Security Interests. Borrower confirms and agrees that all prior security interests and liens granted to Lender in all existing and future assets of Borrower remain unimpaired and in full force and effect and shall continue to cover and secure all Obligations. Borrower further confirms and represents that all of the collateral of Borrower remains free and clear of all liens other than those in favor of Lender or as otherwise permitted in the Agreement. Nothing contained herein is intended to in any way impair or limit the validity, priority or extent of Lender's security interest in and liens upon the collateral of Borrower.

9. Obligations Absolute. Borrower covenants and agrees (a) to pay the balance of any principal, together with all accrued interest, as specified above in connection with any promissory note executed and evidencing any indebtedness incurred in connection with the Agreement, as modified by this Amendment pursuant to the terms set forth therein and (b) to perform and observe covenants, agreements, stipulations and conditions on its part to be performed hereunder or under the Agreement and all other documents executed in connection herewith or thereof.

10. No Set-Offs Etc. Borrower hereby declares that Borrower has no set-offs, counterclaims, defenses or other causes of action against Lender arising out of the Agreement or any related loan documents, and to the extent any such set-offs, counterclaims, defenses or other causes of action may exist, whether known or unknown, such items are hereby waived by Borrower.



11. Release. BORROWER HEREBY RELEASES, WAIVES AND FOREVER RELINQUISHES ALL CLAIMS, DEMANDS, OBLIGATIONS, LIABILITIES AND CAUSES OF ACTION OF WHATEVER KIND OR NATURE, WHETHER KNOWN OR UNKNOWN, INCLUDING ANY SO-CALLED "LENDER LIABILITY" CLAIMS OR DEFENSES WHICH IT HAVE, MAY HAVE, OR MIGHT ASSERT NOW OR IN THE FUTURE AGAINST LENDER AND/OR ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS, ACCOUNTANTS, CONSULTANTS, SUCCESSORS, AND ASSIGNS (INDIVIDUALLY, A "RELEASEE" AND COLLECTIVELY, THE "RELEASEES"), DIRECTLY OR INDIRECTLY, ARISING OUT OF, BASED UPON, OR IN ANY MANNER CONNECTED WITH (A) ANY TRANSACTION, EVENT, CIRCUMSTANCE, ACTION, FAILURE TO ACT, OR OCCURRENCE OF ANY SORT OR TYPE, WHETHER KNOWN OR UNKNOWN, WHICH OCCURRED, EXISTED, OR WAS TAKEN OR PERMITTED PRIOR TO THE EXECUTION OF THIS AMENDMENT WITH RESPECT TO THE OBLIGATIONS, THE AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE ADMINISTRATION THEREOF, (B) ANY DISCUSSIONS, COMMITMENTS, NEGOTIATIONS, CONVERSATIONS, OR COMMUNICATIONS WITH RESPECT TO THE OBLIGATIONS OR (C) ANY THING OR MATTER RELATED TO ANY OF THE FOREGOING PRIOR TO THE EXECUTION OF THIS AMENDMENT. THE INCLUSION OF THIS PARAGRAPH IN THIS AMENDMENT AND THE EXECUTION OF THIS AMENDMENT BY LENDER DOES NOT CONSTITUTE AN ACKNOWLEDGMENT OR ADMISSION BY LENDER OF LIABILITY FOR ANY MATTER, OR A PRECEDENT UPON WHICH ANY LIABILITY MAY BE ASSERTED.

12. Fees; Expenses. Borrower agrees to pay Lender an amendment fee in the amount of \$5,000.00 (the "Amendment Fee") in immediately available funds, which fee shall be earned in full on the date hereof. In addition to the Amendment Fee, Borrower shall reimburse Lender for all costs and expenses incurred in connection with this Amendment, including, without limitation, attorneys' fees.

13. Non-Waiver. This Amendment does not obligate Lender to agree to any other extension or modification of the Agreement nor does it constitute a course of conduct or dealing on behalf of Lender or a waiver of any other rights or remedies of Lender. No omission or delay by Lender in exercising any right or power under the Agreement, this Amendment or any related instruments, agreements or documents will impair such right or power or be construed to be a waiver of any Default or Event of Default or an acquiescence therein, and any single or partial exercise of any such right or power will not preclude other or further exercise thereof or the exercise of any other right, and no waiver will be valid unless in writing and then only to the extent specified.

14. Incorporation. This Amendment is incorporated by reference into, and made part of, the Agreement which, except as expressly modified herein, remains in full force and effect in accordance with its terms.

15. No Modification. No modification of this Amendment or of any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

16. Headings. The headings of any section or paragraph of this Amendment are for convenience only and shall not be used to interpret any provision of this Amendment.

17. Successors and Assigns. This Amendment will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

18. Governing Law. This Amendment shall be governed by, and construed and enforced in accordance with the laws of the State of Ohio, excluding the provisions related to conflicts of laws.

19. Severability. The provisions of this Amendment are to be deemed severable, and the invalidity or unenforceability of any provision shall not affect or impair the remaining provisions which shall continue in full force and effect.

20. Counterparts, Facsimile and .pdf. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature by facsimile or .pdf shall have the same force and effect as an original signature hereto.

21. CONFESSION OF JUDGMENT. BORROWER HEREBY AUTHORIZES ANY ATTORNEY-AT-LAW TO APPEAR IN ANY COURT OF RECORD IN ANY COUNTY IN THE STATE OF OHIO OR ELSEWHERE WHERE BORROWER HAS A PLACE OF BUSINESS, SIGNED THIS AGREEMENT OR CAN BE FOUND, AFTER LENDER DECLARES A DEFAULT AND ACCELERATES THE BALANCES DUE UNDER THIS AGREEMENT, TO WAIVE THE ISSUANCE OF SERVICE OF PROCESS AND CONFESS JUDGMENT AGAINST BORROWER IN FAVOR OF LENDER FOR THE AMOUNTS THEN APPEARING DUE, TOGETHER WITH THE COSTS OF SUIT, AND THEREUPON TO RELEASE ALL ERRORS AND WAIVE ALL RIGHT OF APPEAL AND STAY OF EXECUTION. BORROWER AGREES AND CONSENTS THAT THE ATTORNEY CONFESSING JUDGMENT ON BEHALF OF BORROWER HEREUNDER MAY ALSO BE COUNSEL TO LENDER OR ANY OF ITS AFFILIATES, WAIVES ANY CONFLICT OF INTEREST WHICH MIGHT OTHERWISE ARISE, AND CONSENTS TO LENDER PAYING SUCH CONFESSING ATTORNEY A LEGAL FEE OR ALLOWING SUCH ATTORNEY'S FEES TO BE PAID FROM ANY PROCEEDS OF COLLECTION OF THIS AGREEMENT OR COLLATERAL SECURITY THEREFOR.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment is hereby executed on the date first written above.

WARNING -- BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

COLORBÖK, LLC,  
an Ohio limited liability company

By: Mary Jo Manly  
Name: Mary Jo Manly  
Title: CFO

LENDER:

FIRSTMERIT BANK, N.A.

By: Julie D'Amico  
Name: JULIE D'AMICO  
Title: V.P. & ABL RELATIONSHIP Manager

ISSUER:

FIRSTMERIT BANK, N.A.

By: Julie D'Amico  
Name: JULIE D'AMICO  
Title: V.P. & ABL RELATIONSHIP Manager

**SCHEDULE 4.5**  
**Locations of Inventory**

**10700 Business Drive Suite 200**  
**Fontana, CA 92337-8232**

**80 Southgate Dr**  
**Guelph, Ontario, Canada**

**1100 Randolph Road**  
**Somerset, NJ 08873**

**1725 Kilkenny Court**  
**Woodstock, IL 60098**

**SCHEDULE 5.19**  
**Material Business Agreements**

Third Party	Name of Agreement(s)
Wal-Mart	All contractual arrangements with Walmart that are referred to in the consent provided
Jo-Ann Stores	All contractual arrangements with Jo-Ann Store that are referred to in the consent provided
Michaels Stores	All contractual arrangements with Michaels Stores that are referred to in the consent provided
Wells Fargo Bank, NA	Amended and Restated Receivables Purchase Agreement dated February 8, 2012
Scio Holding Company	Lease Contract between Scio Holding Company and the Company dated July 16, 2009 for premises located at 110 Parkland Plaza, Ann Arbor, MI 48103-6201.
Walton Suites, LLC	South Walton Suites Office Lease Agreement between Walton Suites, LLC and the Company dated July 11, 2008 for the premises located at 1120 South Walton Blvd., Bentonville, AR 72712.
Europartners, Inc.	Master License Agreement between Europartners, Inc. d/b/a Lo Coco Licensing and the Company dated August 31, 2009.
Precious Moments, Incorporated	"Precious Moments" License Agreement between Precious Moments, Incorporated and the Company dated September 2, 2010 (Contract No. 35).
Hearst Magazines	Licensing Agreement between Hearst Magazines and the Company dated September 24, 2010.
STKR.it	Product License between the Company and STKR.it dated January 9, 2012.
Phoenix International	Master Customs Power of Attorney and Collateral Access Agreement
DB Schenker	Master Customs Power of Attorney and Collateral Access Agreement
Lane Sales Development Group Inc.	Bailee Agreement
Direct Contract Packaging, LLC	Bailee Agreement
Canusa Corporation, et al	Disposition Agreement, effective April 9, 2012, and all Amendments thereto
Senario, LLC and Michael Nakamura	Asset Purchase Agreement dated August 3, 2012

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Updated IP Schedule -- September 9, 2012

Trademark (with value)	Country	Application/ Registration Number	File/Registration Date	Owner Name
Colorbök	Australia	1232403	06/17/2010	Colorbök, Inc.
Colorbök	Canada	1562308	02/01/2012	Colorbök, Inc.
Heidi Grace Designs	Canada	1562310	02/01/2012	Colorbök, Inc.
Makit & Bakit	Canada	1562312	02/01/2012	Colorbök, Inc.
Makit & Bakit Suncatcher	Canada	1562251	02/12/2012	Colorbök, Inc.
Paint A Suncatcher	Canada	TMA375498	11/09/1990	Quincrafts Corporation
Preciousbank Perma-Coat Ceramic & Design	Canada	1562245	02/01/2012	Colorbök, Inc.
Preciousmug & Design	Canada	1562252	02/01/2012	Colorbök, Inc.
Preciouspet & Design	Canada	1562257	02/01/2012	Colorbök, Inc.
Preciousplate & Design	Canada	1562244	02/01/2012	Colorbök, Inc.
Sew Easy Plush Pals	Canada	1562247	02/01/2012	Colorbök, Inc.
Alpha Stax	China	5279835	07/07/2009	Colorbök, Inc.
Colorbök	China	6610313	10/14/2010	Colorbök, Inc.
Colorbök	China	6610277	03/28/2010	Colorbök, Inc.
Colorbök	China	6610278	08/14/2010	Colorbök, Inc.
Makit & Bakit	China	5279832	07/21/2009	Colorbök, Inc.
Quincrafts	China	6054145	01/14/2010	Colorbök, Inc.
Stax	China	5279839	07/07/2009	Colorbök, Inc.
Colorbök	European Union (CTM)	5308002	03/05/2011	Colorbök, Inc.
Quincrafts	European Union (CTM)	5308151	08/03/2007	Colorbök, Inc.
Xyz	European Union (CTM)	7030422	08/04/2009	Colorbök, Inc.
Colorbök	Japan	5152076	07/18/2008	Colorbök, Inc.
Colorbök	Mexico	1098953	05/12/2009	Colorbök, Inc.
Colorbök	Mexico	1128404	10/29/2009	Colorbök, Inc.
Quincrafts	Taiwan	1318451	07/16/2008	Colorbök, Inc.
Alpha Stax	United States	2,944,901	04/26/2005	Colorbök, Inc.
Cloud 9	United States	77/426,321	03/19/2008	Colorbök, Inc.
Cloud 9	United States	3,149,071	09/26/2006	Colorbök, Inc.
Cloud 9	United States	4,060,792	11/22/2011	Colorbök, Inc.
Colorbök	United States	1,731,029	11/10/1992	Colorbök, Inc.
Express Yourself...Creatively	United States	3,442,430	06/03/2008	Colorbök, Inc.
Heidi Grace	United States	85/339,850	06/07/2011	Colorbök, Inc.

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Heidi Grace Designs	United States	3,187,903	12/19/2006	Colorbok, Inc.
Heidi Grace Designs	United States	85/339,843	06/07/2011	Colorbök, Inc.
Heidi Grace Designs	United States	3,999,164	07/19/2011	Colorbök, Inc.
Makit & Bakit	United States	870,205	05/27/1969	Colorbök, Inc.
Makit & Bakit Suncatcher	United States	85/529,319	01/31/2012	Colorbök, Inc.
Preciousbank Perma-Coat Ceramic & Design	United States	3,685,448	09/22/2009	Colorbök, Inc.
Preciousmug & Design	United States	3,165,027	10/31/2006	Colorbök, Inc.
Preciouspet & Design	United States	3,162,248	10/24/2006	Colorbök, Inc.
Preciousplate & Design	United States	3,162,247	10/24/2006	Colorbök, Inc.
Sew Easy Plush Pals	United States	85/529,280	01/31/2012	Colorbök, Inc.
AUTUMN LEAVES	United States	2,086,435		Westrim, Inc.
AUTUMN LEAVES Logo	United States	3208245		Westrim, Inc.
AUTUMN LEAVES	Canada	690,397		Westrim, Inc.
CROP IN STYLE	United States	2,752,068		Westrim, Inc.
STORE IN STYLE/THINKING INSIDE THE BOX Logo	United States	3,247,065		Westrim, Inc.
M MAKING MEMORIES (and Design)	United States	2,718,763	January 28, 2002/May 27, 2003	Making Memories, Inc.
MAKINGMEMORIES	United States	2,910,583	June 24, 2003/December 14, 2004	Making Memories, Inc.
MAKINGMEMORIES	United States	3,034,179	June 24, 2003/December 27, 2005	Making Memories, Inc.
CHARMED	United States	3,236,119	October 6, 2005/May 1, 2007	Making Memories, Inc.
M (and Design)	United States	3,175,962	October 7, 2003/November 28, 2006	Making Memories, Inc.
MAKINGMEMORIES	Canada	CA 1209421/662611	March 12, 2004/April 12, 2006	Making Memories, Inc.
MAKINGMEMORIES	China	3,961,940	March 16, 2004	Making Memories, Inc.
MY SECRET PILLOW	EUROPEAN UNION	7368079	7/29/09	Senario, LLC
MY SECRET PILLOW	UNITED STATES	85049144	7/12/11	Senario, LLC
REMARKABLES --	UNITED	77931918	9/14/10	Senario, LLC

Updated IP Schedule – September 9, 2012

COLOR WASH COLOR AGAIN	STATES			
STORYBOOK PILLOW	UNITED STATES	78723075	9/11/07	Senario, LLC
SWEET THANG	UNITED STATES	78313714	7/26/05	Senario, LLC
WHERE BEDTIME AND STORYTIME BECOME ONE	UNITED STATES	77290312	6/16/09	Senario, LLC



<b>Patents (With Value)</b>			
<b>Patent</b>	<b>Patent No.</b>	<b>Country</b>	<b>Owner Name</b>
Foldable Scoring Base with an Integrated Media Trimmer	13/109758	United States	Making Memories, Inc.
Pillow Book	US D549,282 S	United States	Senario, LLC
Pillow Book	US 7,257,851 B1	United States	Senario, LLC