

10-25-2005

Form PTO-1595 (Rev. 07/05)  
OMB No. 0651-0027 (exp. 6/30/2008)

U.S. DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office



103106615  
PATENTS ONE.

R

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

10-13-05

**1. Name of conveying party(ies)**

Nursery Supplies, Inc.

**2. Name and address of receiving party(ies)**

Name: General Electric Capital Corporation

Internal Address: \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

**3. Nature of conveyance/Execution Date(s):**

Execution Date(s) 5/26/05

- Assignment  Merger
- Security Agreement  Change of Name
- Joint Research Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other \_\_\_\_\_

Street Address: 201 Merritt Seven

City: Norwalk

State: Connecticut

Country: U.S.A Zip: 06856

Additional name(s) & address(es) attached?  Yes  No

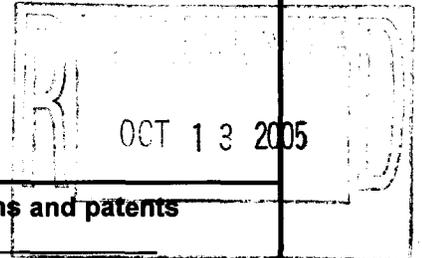
**4. Application or patent number(s):**

This document is being filed together with a new application.

A. Patent Application No.(s)  
11/110,882

B. Patent No.(s)  
5,241,784; D447,719

Additional numbers attached?  Yes  No



**5. Name and address to whom correspondence concerning document should be mailed:**

Name: Tracey D. Bennett

Internal Address: Paul, Hastings, Janofsky & Walker LLP

Street Address: 1055 Washington Boulevard

City: Stamford

State: Connecticut Zip: 06901

Phone Number: 203-961-7535

Fax Number: 203-674-7735

Email Address: traceybennett@paulhasting.com

**6. Total number of applications and patents involved: 3**

**7. Total fee (37 CFR 1.21(h) & 3.41) \$ 120.00**

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

**8. Payment Information**

a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number \_\_\_\_\_

Authorized User Name \_\_\_\_\_ 120.00

**9. Signature:**

Tracey D. Bennett  
Signature

10/12/05  
Date

Tracey D. Bennett  
Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 20

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

PATENT  
REEL: 017105 FRAME: 0343

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (together with all amendments, if any, from time to time hereto, this "Intellectual Property Security Agreement"), dated as of May 26, 2005, is made by EACH OF THE GRANTORS LISTED ON THE SIGNATURE PAGES HERETO AND EACH ADDITIONAL PARTY WHICH BECOMES A GRANTOR HERETO PURSUANT TO SECTION 8 HEREOF (each, a "Grantor" and collectively, "Grantors"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, in its capacity as Agent for Lenders ("Agent").

### W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement, dated as of the date hereof, by and among NSI HOLDINGS, INC., a Delaware corporation ("NSI Holdings"), NURSERY SUPPLIES, INC., a New Jersey corporation ("NSI") (NSI Holdings is, prior to the assumption of the Obligations by NSI pursuant to the Assumption Agreement, and NSI is, after such assumption, "Borrower"); NS, LLC, a Delaware limited liability company ("Holdings") the other Credit Parties signatory thereto, Agent, and the other Lenders signatory thereto from time to time (as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), Lenders have agreed to make Loans to, and incur Letter of Credit Obligations for the benefit of Borrower;

WHEREAS, each of the Grantors (other than Holdings) is a direct or indirect Subsidiary of Holdings; and

WHEREAS, Grantors directly or indirectly benefit from the credit facilities made available to Borrower under the Credit Agreement and in order to induce Agent and Lenders to enter into the Credit Agreement and other Loan Documents and to induce Lenders to make the Loans and to incur Letter of Credit Obligations as provided for in the Credit Agreement, Grantors desire to grant a continuing Lien on the Intellectual Property Collateral (as hereinafter defined) to Agent, for the benefit of Agent and Lenders, to secure all of the Obligations;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. Unless otherwise defined herein, all capitalized terms used but not otherwise defined herein (including the recitals hereto) have the meanings given to them in Annex A to the Credit Agreement.

2. GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL. To secure the complete and timely payment of all the Obligations of Credit Parties now or hereafter existing from time to time (herein, the "Secured Obligations"), each Grantor hereby assigns and pledges and grants to Agent, for the benefit of Agent and Lenders, a continuing first priority security interest in all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Intellectual Property Collateral"):

(a) all of its Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;

(c) all of its Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;

(d) all reissues, continuations or extensions of the foregoing;

(e) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and

(f) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License, (iii) infringement or dilution of any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement or dilution of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

The foregoing grant of a security interest by any Grantor shall not include any Licenses if and to the extent that (i) the terms of any such License prohibit assignment or encumbrance thereof, unless a consent or waiver to such assignment or encumbrance is obtained, and (ii) the term prohibiting such assignment or encumbrance is effective as a matter of law; provided that the foregoing exclusions shall not apply with respect to any such rights or interests once any such applicable provision is no longer in effect, and provided further that such Grantor shall use its best commercially reasonable efforts to obtain any and all consents and/or waivers necessary for the granting of a security interest in each such License to Agent.

3. REPRESENTATIONS AND WARRANTIES. Each Grantor jointly and severally represents and warrants that such Grantor does not have any interest in, or title to, any Patent, Trademark or registered Copyright except as set forth in Schedule I, Schedule II and Schedule III, respectively, hereto. This Intellectual Property Security Agreement is effective to create a valid and continuing Lien on and, upon the filing hereof with the United States Patent and Trademark Office and the United States Copyright Office together with payment of the appropriate filing fees, perfected security interests in favor of Agent in all of Grantors' Patents, Trademarks and Copyrights and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantors. Upon filing of this Intellectual Property Security Agreement with the United States Patent and Trademark Office and the United States Copyright Office and the filing of appropriate financing statements listed on Schedule I to the Security Agreement, together with payment of the appropriate filing fees, all action necessary

or otherwise requested by Agent to protect and perfect Agent's Lien on Grantor's Patents, Trademarks and Copyrights shall have been duly taken.

4. COVENANTS. Each Grantor jointly and severally covenants and agrees with Agent, on behalf of Agent and Lenders, that from and after the date of this Intellectual Property Security Agreement and until the Termination Date:

(a) Each Grantor shall notify Agent immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court), other than determinations or developments made during the application process, but including any applications refused on the merits either to allow a patent application or to register a Trademark or Copyright application regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(b) To the extent there have been new applications by any Grantor, once every three months (beginning with the three month anniversary of the date of this Agreement), Grantor shall deliver to Agent a notice of all applications made during such three month period for the registration of any Patent, Trademark or Copyright filed, either directly or through any agent, employee, licensee or designee, with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within the three-month period since the date of the previous notice (or, in the case of the first such notice, since the date of this Agreement.) Upon request of Agent, such Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to Agent) to evidence Agent's, on behalf of Agent and Lenders, Lien on such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.

(c) Each Grantor shall take all actions reasonably necessary or requested by Agent to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents or Trademarks (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings.

(d) In the event that any of the Intellectual Property Collateral is infringed upon, or misappropriated or diluted by a third party in a manner actionable under applicable law, each Grantor shall notify Agent promptly after such Grantor learns thereof. Each Grantor shall, unless it shall reasonably determine that such Intellectual Property Collateral is not material to the conduct of its business or operations, promptly take all appropriate actions, including, if warranted, bringing suit to stop such infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as Agent shall deem appropriate under the circumstances to protect such Intellectual Property Collateral.

5. SECURITY AGREEMENT. The security interests granted pursuant to this Intellectual Property Security Agreement are granted in conjunction with the security interests granted to Agent pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

6. REINSTATEMENT. This Intellectual Property Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference", a "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7. NOTICES. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Intellectual Property Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Credit Agreement.

8. ADDITIONAL GRANTORS. The initial Grantors hereunder shall include Holdings, NSI Holdings, the Borrower and any other Subsidiaries of Borrower as of the date hereof. From time to time subsequent to the date hereof, additional Credit Parties may become parties hereto, as additional Grantors (each, an "Additional Grantor"), by executing a counterpart of this Intellectual Property Security Agreement substantially in the form of Exhibit A attached hereto. Upon delivery of any such counterpart to Agent, notice of which is hereby waived by the Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if such Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder nor by any election of Agent not to cause any Credit Party to become an Additional Grantor hereunder. This Intellectual Property Security Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

9. TERMINATION OF THIS SECURITY AGREEMENT. Subject to Section 6 hereof, this Intellectual Property Security Agreement shall terminate upon the Termination Date. Upon termination of this Agreement, at the Grantors' sole cost and expense,

Agent shall execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

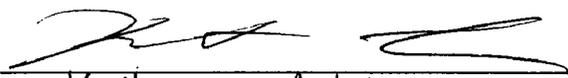
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

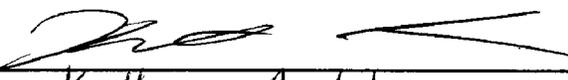
**NS, LLC**

By:   
Name: Katherine A. Lehman  
Title: Manager

**NSI HOLDINGS, INC.**

By:   
Name: Katherine A. Lehman  
Title: VP and Secretary

**NURSERY SUPPLIES, INC.**

By:   
Name: Katherine A. Lehman  
Title: VP and Assistant Secretary

ACCEPTED and ACKNOWLEDGED by:

**GENERAL ELECTRIC  
CAPITAL CORPORATION, as  
Agent**

By:   
Name: Peter S. ...  
Its: Duly Authorized Signatory

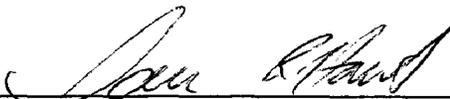
STM/295640

**PATENT**  
**REEL: 017105 FRAME: 0350**

ACKNOWLEDGMENT OF GRANTORS

STATE OF NEW YORK    )  
                                  )        ss.    NEW YORK  
COUNTY OF NEW YORK )

On this 26<sup>th</sup> day of May, 2005 before me personally appeared Katherine A. Lehman, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of NS, LLC, who being by me duly sworn did depose and say that he is an authorized officer of the Board of Managers of said limited liability company, that the said instrument was signed on behalf of said limited liability company as authorized by its Board of Managers and that he acknowledged said instrument to be the free act and deed of said limited liability company.

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

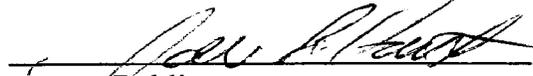
{seal}

LAWRENCE R. HAUT  
NOTARY PUBLIC, State of New York  
No. 02HA4847236  
Qualified in Westchester County  
Commission Expires May 31, 2007

STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK )

ss. NEW YORK

On this 26<sup>th</sup> day of May, 2005 before me personally appeared Katherine A. Lehman, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of NSI Holdings, Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

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

LAWRENCE R. HAUT  
NOTARY PUBLIC, State of New York  
No. 02HA4847236  
Qualified in Westchester County  
Commission Expires May 31, 2007

{seal}

STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK )

ss. NEW YORK

On this 26<sup>th</sup> day of May, 2005 before me personally appeared Katherine A. Lehman, proved to me on the basis of satisfactory evidence to be the Person who executed the foregoing instrument on behalf of Nursery Supplies, Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

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

{seal}

LAWRENCE R. HAUT  
NOTARY PUBLIC, State of New York  
No. 02HA4847236  
Qualified in Westchester County  
Commission Expires May 31, 2007

SCHEDULE I  
to  
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. PATENT REGISTRATIONS OF NURSERY SUPPLIES, INC.:

Patent Description	Registration Number	Registration Date
Container and Tag Assembly	6,463,696	October 15, 2002
Method and Apparatus for Controlling Root Growth	6,038,813	March 21, 2000
Molded Article	5,954,223	September 21, 1999
Nursery Container with Attachment Device	5,941,019	August 24, 1999
Reverse Lip Blow Molding	5,503,886	April 2, 1996
Reverse Lip Blow Molded Article	5,364,675	November 15, 1994
Apparatus for Manufacturing Containers with Thickened Flanges	5,282,736	February 1, 1994
Apparatus for Manufacturing Containers with Thickened Flanges	5,253,996	October 19, 1993
Process for Manufacturing Containers with Thickened Flanges	5,227,114	July 13, 1993
Reverse Lip Blow Molding	5,209,891	May 11, 1993
Process and Apparatus for Manufacturing Containers with Thickened Flanges and Longitudinal Reinforcing Ribs and Containers Thereby	5,202,078	April 13, 1993

305819.2

Reverse Lip Blow Molding Apparatus	5,051,084	September 24, 1991
Apparatus for Blow Molding an Article with Compression Molded Areas	5,026,268	June 25, 1991
Apparatus for Dispensing Containers	5,024,048	June 18, 1991
Blow Molded Article with Reverse Lip	4,972,963	November 27, 1990
Reverse Lip Blow Molding Apparatus	4,938,680	July 3, 1990
Plant Container with Concavoconvex Ribs	4,715,144	December 29, 1987
Nursery Container Upper Portion	Des. 413,835	September 14, 1999
Container	Des. 364,564	November 28, 1995
Plant Container	Des. 361,956	September 5, 1995
Container	Des. 338,636	August 24, 1993
Plant Container	Des. 325,181	April 7, 1992
Plant Container	Des. 298,303	November 1, 1998
Container and Tag Assembly	6,199,319	March 13, 2001
Dryer Densifier	5,465,503	November 14, 1995
	France Patent EP0437332	May 29, 1996
	Great Britain Patent EP0437332	May 29, 1996
	Germany Patent DE69119790.3	May 29, 1996
	Italy Patent EP0437332	May 29, 1996
	Mexico Patent 172527	December 17, 1993
	Canada Patent 2039005	April 18, 2000
	US Provisional Application No. 60/598,252	August 3, 2004

II. PATENT APPLICATIONS OF NURSERY SUPPLIES, INC.: None.

III. PATENT LICENSES OF NURSERY SUPPLIES, INC.:

1. Agreement for Sale of Patents and Trademark, dated June 15, 1999, with Robert W. Rigsby (the "Rigsby License Agreement").

2. Exclusive License Agreement with Jerald C. Shreckhise and George W. Shreckhise.

IV. PATENT REGISTRATIONS, APPLICATIONS AND LICENSES OF NSI HOLDINGS, INC.: None.

V. PATENT REGISTRATIONS, APPLICATIONS AND LICENSES OF NS, LLC: None

Addendum to Schedule I to Intellectual Property Security Agreement

1. Patent No. 5,241,784, issued on September 7, 1993.
2. Patent No. D447,719, issued on September 11, 2001.
3. Patent Application No. 11/110,882, filed on April 21, 2005.

SCHEDULE II  
to  
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. TRADEMARK REGISTRATIONS OF NURSERY SUPPLIES, INC.:

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
Classic	1,421,101	December 16, 1986
Arp-Tainer	1,356,702	August 27, 1985
Grip-Lip	1,775,895	June 8, 1993
Dec-Grow	1,963,450	March 19, 1996
AGS	1,981,272	June 18, 1996
Root Right	2,585,589	June 25, 2002
Root-Right	1090125 (foreign registration)	February 23, 1999
Root-Right	612519 (Registered in Mexico)	May 31, 1999
Root-Right	626823 (Registered in Mexico)	September 30, 1999
Root-Right	612520 (Registered in Mexico)	May 31, 1999
Lerio	2,844,405	May 25, 2004

II. TRADEMARK APPLICATIONS OF NURSERY SUPPLIES, INC.:

<u>Trademark Application</u>	<u>Application/Serial Number</u>	<u>Application Date</u>
Phoenix	76-107,015 (Inactive)	August 10, 2000
Plant Pouch	76-468,486	November 20, 2002
Intelli Pot	76-468,487 (Inactive)	November 20, 2002

III. TRADEMARK LICENSES OF NURSERY SUPPLIES, INC.: Rigsby License Agreement

IV. TRADEMARK REGISTRATIONS, APPLICATIONS AND LICENSES OF NSI HOLDINGS, INC.: None.

V. TRADEMARK REGISTRATIONS, APPLICATIONS AND LICENSES OF NS, LLC:  
None

305819.2

**PATENT**  
**REEL: 017105 FRAME: 0359**

Addendum to Schedule II to Intellectual Property Security Agreement

1. Trademark No. 1,871,367 (THE ACCELERATOR), registered January 3, 1995.
2. Trademark No. 2,670,344 (AIRBENCH), registered December 31, 2002.
3. Trademark No. 2,748,656 (RootTrainer), registered August 5, 2003.
4. Trademark No. 2,768,085 (TreePorter), registered September 23, 2003.

SCHEDULE III  
to  
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. COPYRIGHT REGISTRATIONS, APPLICATIONS AND LICENSES OF  
NURSERY SUPPLIES, INC.: None.

II. COPYRIGHT REGISTRATIONS, APPLICATIONS AND LICENSES OF NSI  
HOLDINGS, INC.: None.

I. COPYRIGHT REGISTRATIONS, APPLICATIONS AND LICENSES OF NS,  
LLC: None.

**EXHIBIT A**

**COUNTERPART TO INTELLECTUAL  
PROPERTY SECURITY AGREEMENT**

This counterpart, dated \_\_\_\_\_, [200\_\_], is delivered pursuant to Section 8 of that certain Intellectual Property Security Agreement dated as of May \_\_, 2005 (as from time to time amended, modified or supplemented, the "Intellectual Property Security Agreement"; the terms defined therein and not otherwise defined herein being used as therein defined), between Holdings, Borrower and any other Credit Parties signatory thereto and General Electric Capital Corporation, as Agent. The undersigned hereby agrees (i) that this counterpart may be attached to the Intellectual Property Security Agreement, and (ii) that the undersigned will comply with and be subject to, including representations and warranties, all the terms and conditions of the Intellectual Property Security Agreement as if it were an original signatory thereto.

[NAME OF ADDITIONAL GRANTOR]

By: \_\_\_\_\_

Name:

Title: