

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	Release of Security Interest
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Bank One, N.A.		10/28/2004	National Banking Association: UNITED STATES

RECEIVING PARTY DATA	
Name:	Pumpkin Ltd.
Doing Business As:	Pumpkin Masters, Inc.
Street Address:	1905 Sherman Street
City:	Denver
State/Country:	COLORADO
Postal Code:	80203
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 26

Property Type	Number	Word Mark
Registration Number:	2213214	'POWER' TOOLS FOR PUMPKINS
Registration Number:	2279335	BAREBONES
Registration Number:	1476839	CARVE-O-LANTERN
Registration Number:	1465923	CARVE-O-LANTERN
Registration Number:	2160808	DURASAW
Registration Number:	2484623	EASY CARVE
Registration Number:	2094288	HALLOWEEN HARDWARE
Registration Number:	2591780	LANTERNS OF LIBERTY
Registration Number:	1879719	MELON LIGHTS FOR SUMMER NIGHTS!
Registration Number:	2212466	OK!
Registration Number:	2152583	OUR KIDS
Registration Number:	1912503	PUMPKIN MASTERS
Registration Number:	2611708	PUMPKIN PORTRAITS
Registration Number:	1477650	PUT A NEW FACE ON HALLOWEEN

OP \$665.00 2213214

Registration Number:	2272369	SCARY CARRIES
Registration Number:	2093958	THE ORIGINAL PUMPKIN CARVER
Registration Number:	2430455	THE THING YA' FLING
Registration Number:	2437613	ZOJO
Serial Number:	78361557	HALLOWEEN HOST
Serial Number:	78190432	LIGHTS ON
Serial Number:	78086592	MONSTER SNOT
Serial Number:	78387834	OK!
Serial Number:	78387823	OUR KIDS
Serial Number:	78382029	STAR STUDED PUMPKINS
Serial Number:	78289228	ZIPPY CARVE
Registration Number:	2310954	BARE BONES

CORRESPONDENCE DATA

Fax Number: (303)860-9826
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 303-860-8006
Email: trademark@pumpkinmasters.com
Correspondent Name: Beth Magnuson
Address Line 1: 1905 Sherman Street
Address Line 4: Denver, COLORADO 80203

ATTORNEY DOCKET NUMBER:	BANK ONE SI RELEASE REC.
NAME OF SUBMITTER:	Beth Magnuson

Total Attachments: 21

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**TERMINATION OF PATENT, TRADEMARK AND COPYRIGHT
SECURITY INTEREST**

This TERMINATION OF TRADEMARK SECURITY INTEREST is executed as of October 28, 2004 by BANK ONE, N.A. ("Lender"), with reference hereby made to that certain Loan Agreement, dated as of June 11, 2004 (as the same may have been amended, modified or otherwise supplemented from time to time, the "Loan Agreement"), by and among Lender, PUMPKIN LTD., a Delaware corporation, as borrower ("Borrower"), PUMPKIN MASTERS HOLDINGS, INC., a Delaware corporation, as guarantor, and SECURITY CAPITAL CORPORATION, a Delaware corporation, as guarantor.

Recitals

WHEREAS, pursuant to the Loan Agreement, Borrower executed and delivered to Lender that certain Security Agreement Re: Patents, Trademarks and Copyrights and that certain Collateral Agreement Re: Patents, Trademarks, Copyrights and Licenses, each dated as of June 11, 2004 (collectively, the "IP Security Agreement") with respect to the Collateral, as such term is defined therein;

WHEREAS, all obligations under the Loan Agreement have been paid in full and no outstanding obligations remain due and owing.

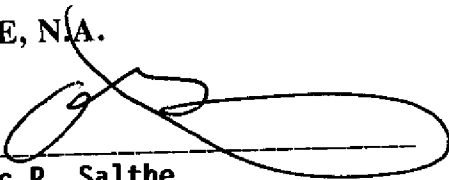
For good and valuable consideration, receipt of which is hereby acknowledged, Lender agrees as follows:

1. Lender hereby terminates the IP Security Agreement, and the IP Security Agreement shall hereafter be of no further force or effect;
2. Lender hereby releases the liens and security interests granted to it in the Collateral pursuant to the IP Security Agreement and acknowledges, agrees and confirms that it has no right, title or interest in or to (or security interest in) the Collateral; and
3. To the extent that Lender shall be deemed to have any right, title, or interest in the Collateral pursuant to the IP Security Agreement, Lender hereby re-transfers and re-assigns to Borrower all of such right, title and interest.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Termination of Patent, Trademark and Copyright Security Interest to be executed by its duly authorized officer as of the date first written above.

BANK ONE, N.A.

By: 
Name: Eric P. Salthe
Title: A.V.P.

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SECURITY AGREEMENT
RE: PATENTS TRADEMARKS AND COPYRIGHTS

THIS SECURITY AGREEMENT RE: PATENTS, TRADEMARKS AND COPYRIGHTS (the "Agreement") is made and entered into as of June 11, 2004 by and between PUMPKIN LTD., a Delaware corporation, with a mailing address at 1905 Sherman Street, Denver, Colorado 80203 (the "Debtor"), and BANK ONE, N.A, a national banking association with a mailing address at 100 East Broad Street, Columbus, Ohio 43271-0171 (the "Lender").

Background

The following is a mutual statement by the parties of certain factual matters which form the basis of this Agreement.

A. **Loans.** The Debtor, Pumpkin Masters Holdings, Inc., a Delaware corporation and the sole stockholder of the Debtor, Security Capital Corporation, a Delaware corporation, and the Lender have entered into a Loan Agreement of even date herewith (the "Loan Agreement") pursuant to which the Lender has agreed (i) to lend to the Debtor the maximum sum of up to Seven Million Dollars (\$7,000,000) under a revolving line of credit (the "Revolving Credit Commitment") and (ii) to issue letters of credit in an aggregate maximum amount of One Million Dollars (\$1,000,000) (the "Letters of Credit"). The Revolving Credit Commitment is evidenced by a promissory note (the "Revolving Credit Note") of the Debtor. The borrowings under the Revolving Credit Commitment are sometimes hereinafter referred to as the "Revolving Credit Loans". The (i) aggregate undrawn stated amount under all Letters of Credit outstanding at any one time plus (ii) the aggregate unpaid amount at such time of all obligations of the Debtor then outstanding under and in connection with any Letters of Credit to reimburse the Lender for amounts paid by the Lender in respect of any one or more drawings under any Letters of Credit is sometimes referred to as the "LOC Obligations". Capitalized terms used in this Agreement that are not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

B. **Security Interest.** The Lender is willing to make the Revolving Credit Loans to the Debtor and to issue the Letters of Credit upon the condition that the Debtor grant to and create in favor of the Lender security interests in certain property of the Debtor as security for (i) the payment of the Revolving Credit Note and the LOC Obligations, (ii) the payment of all amounts owing pursuant to this Agreement, the Loan Agreement and the other Loan Documents, and (iii) the performance by the Debtor of, and compliance with, all of the terms, covenants, conditions, stipulations and agreements contained in this Agreement, the Loan Agreement, the Revolving Credit Note and the other Loan Documents, (iv) the repayment of (a) any amounts the Lender may advance or spend for the maintenance or preservation of the Collateral (as defined hereinafter) and (b) any other expenditures that the Lender may make under the provisions of this Agreement or for the benefit of the Debtor, (v) all amounts owed under any modification, renewals or extensions of any of the foregoing obligations, (vi) any and all obligations, contingent or otherwise, whether now existing or hereafter arising, of the Debtor to the Lender arising under or in connection with any Rate Management Transaction, and (vii) any of the foregoing that arises after the filing of a petition by or against the Debtor under the Bankruptcy Code, even if the obligations do not accrue because of the automatic stay under Bankruptcy Code §362 or otherwise (collectively, the "Secured

obligations"). The Debtor has determined that the execution and delivery of this Agreement is in furtherance of its corporate purposes and in its best interest and that it will derive substantial benefit, whether directly or indirectly, from the execution of this Agreement, having regard for all relevant facts and circumstances.

Statement of Agreement

For and in consideration of the Revolving Credit Loans made by the Lender to the Debtor and the issuance of the Letters of Credit by the Lender, and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

Section 1. Grant of Security Interest in the Collateral; Obligations Secured. (a) The Debtor hereby pledges and grants to the Lender a security interest in, and acknowledges and agrees that the Lender has and shall continue to have a continuing security interest in, any and all right, title and interest of the Debtor, whether now existing or hereafter acquired or arising, in and to the following:

(i) **Patents.** Patents, whether now owned or hereafter acquired, or in which Debtor now has or hereafter acquires any rights (the term "Patent" means and includes (A) all letters patent of the United States of America or any other country or any political subdivision thereof, now existing or hereafter acquired, all registrations and recordings thereof, and all applications for letters patent of the United States of America or any other country or any political subdivision thereof, now existing or hereafter acquired, including without limitation registrations, recordings and applications therefor in the United States Patent and Trademark Office or any other country or any political subdivision thereof and (B) all reissues, continuations, continuations-in-part or extensions thereof), including without limitation each Patent listed on Schedule A-1 hereto, and all of the inventions now or hereafter described and claimed in the Debtor's Patents;

(ii) **Patent Licenses.** Patent Licenses, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term "Patent Licenses" means and includes any written agreement granting to any person any right to exploit, use or practice any invention on which a Patent is owned by another person), including without limitation each Patent License listed on Schedule A-2 hereto, and all royalties and other sums due or to become due under or in respect of the Debtor's Patent Licenses, together with the right to sue for and collect all such royalties and other sums;

(iii) **Trademarks.** Trademarks, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term "Trademarks" means and includes (A) all trademarks, trade names, trade styles, service marks and logos, all prints and labels on which said trademarks, trade names, trade styles, service marks and logos have appeared or appear and all designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in

connection therewith, including without limitation registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any state thereof or any other country or any political subdivision thereof and (B) all renewals thereof), including without limitation each Trademark application and registration listed on Schedule B-1 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark;

(iv) **Trademark Licenses.** Trademark Licenses, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term "Trademark Licenses" means and includes any written agreement granting to any person any right to use or exploit any Trademark or Trademark registration of another person), including without limitation the agreements described in Schedule B-2 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark licensed and all royalties and other sums due or to become due under or in respect of the Debtor's Trademark Licenses, together with the right to sue for and collect all such royalties and other sums;

(v) **Copyrights.** Copyrights and Copyright registrations, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term "Copyrights" means and includes (A) all original works of authorship fixed in any tangible medium of expression, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including without limitation registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States of America, any state thereof or any other country or any political subdivision thereof and (B) all renewals thereof), including without limitation each Copyright registration listed on Schedule C-1 hereto;

(vi) **Copyright Licenses.** Copyright Licenses, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term "Copyright Licenses" means and includes any written agreement granting to any person any right to use or exploit any Copyright or Copyright registration of another person), including without limitation the agreements described in Schedule C-2 hereto, and all royalties and other sums due or to become due under or in respect of the Borrower's Copyright Licenses, together with the right to sue for and collect all such royalties and other sums; and

(vii) **Proceeds and Products.** All proceeds and products of the foregoing and all insurance of the foregoing and proceeds thereof, whether now existing or hereafter arising, including without limitation (A) any claim of the Borrower against third parties for damages by reason of past, present or future infringement of any Patent or any Patent licensed under any Patent License, (B) any claims by the Debtor against third parties for damages by reason of past, present or future infringement or dilution of any Trademark or of any Trademark

licensed under any Trademark License, or for injury to the goodwill of the business connected with the use of, or symbolized by, any Trademark or of any Trademark licensed under any Trademark License, (C) any claim of the Debtor against third parties for damages by reason of past, present or future infringement of any Copyright or any Copyright licensed under any Copyright License, and (D) any claim of the Debtor against third parties for damages by reason of past, present or future infringement of any Copyright or any Copyright licensed under any Copyright License, and (E) any claim by the Debtor against third parties for damages by reason of past, present or future misappropriation or wrongful use or disclosure of any trade secret or other property or right described above or of any such trade secret or other property or right licensed under any license or agreement described above, and together with the right to sue for and collect the damages described in the immediately preceding clauses (A), (B), (C) and (D);

all of the foregoing being herein sometimes referred to as the "Collateral"; provided, however, that the Collateral described above shall not include any interest of the Debtor in any contract, license, permit or similar general intangible if the granting of a security interest therein is prohibited by the terms of the written agreement creating or evidencing such contract, license, permit or similar intangible, provided, further, that, notwithstanding anything set forth in the proviso set forth above to the contrary, to the extent not prohibited by law, the Lender shall at all times have a security interest in all rights of the Debtor to payments of money due or to become due under any such contract, license, permit or similar general intangible, and all proceeds thereof, and, if and when the prohibition which prevents the granting of a security interest in any such property is removed, terminated or otherwise becomes unenforceable as a matter of law, the Lender will be deemed to have, and at all times to have had, a security interest in such property and the Collateral will be deemed to include, and at all times to have included, such property; and

(b) This Agreement, including the security interest granted hereunder, is made and given to secure, and shall secure, the prompt payment or performance in full when due, whether by lapse of time, acceleration or otherwise, of the Secured Obligations.

Section 2. Continuing Agreement; Termination and Release. This Agreement is made for collateral purposes only. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Secured Obligations shall have been fully paid and satisfied and all of the Lender's obligations to provide credit under the Loan Agreement shall have terminated. Upon such termination of this Agreement, the Lender shall, upon the request and at the expense of the Debtor, forthwith release, assign and transfer, without recourse, and, to the extent applicable, deliver, against receipt and without recourse to the Lender, such of the Collateral as may then be in the possession of the Lender and as shall not have been sold or otherwise applied pursuant to the terms hereof to or on the order of the Debtor. Said release, assignment, transfer and delivery shall include an instrument in form recordable in the United States Patent and Trademark Office and the United States Copyright Office by which the Lender shall terminate, release and, without representation, recourse or warranty, reassign to the Debtor all rights in each Patent, Patent License, Trademark, Trademark License, Copyright and

Copyright License, including each registration thereof and application therefor, conveyed and transferred to the Lender pursuant to this Agreement.

Section 3. No Release. Nothing set forth in this Agreement shall relieve the Debtor from the performance of any term, covenant, condition or agreement on the Debtor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any party under or in respect of any of the Collateral or impose any obligation on the Lender to perform or observe any such term, covenant, condition or agreement on the Debtor's part to be so performed or observed or impose any liability on the Lender for any act or omission on the part of the Debtor relative thereto or for any breach of any representation or warranty on the part of the Debtor contained in this Agreement or under or in respect of the Collateral or made in connection herewith or therewith.

Section 4. [Reserved]

Section 5. Representations and Warranties of the Debtor. The Debtor hereby represents and warrants to the Lender as follows:

(a) The Debtor is, and, as to the Collateral acquired by it from time to time after the date hereof, the Debtor will be, the owner or, as applicable, licensee of all the Collateral. The Debtor's rights in the Collateral are and shall remain free and clear of any lien, pledge, security interest, encumbrance, assignment, collateral assignment or charge of any kind, including without limitation any filing of, or agreement to file, a financing statement as debtor under the Uniform Commercial Code or any similar statute, except for the lien and security interest created by this Agreement and Permitted Liens. The Debtor has made no previous assignment, conveyance, transfer or agreement in conflict with the liens granted hereby. The Debtor further represents and warrants to the Lender that Schedules A-1, A-2, B-1, B-2, C-1 and C-2 hereto, respectively, are true and correct lists of all Patents, Patent Licenses, and all registered Trademarks, Trademark Licenses, Copyrights and Copyright Licenses owned or used by the Debtor as of the date hereof and that Schedules A-1, A-2, B-1, B-2, C-1 and C-2 are true and correct in all material respects with respect to the matters set forth therein as of the date hereof.

(b) The Debtor has made all necessary filings and recordations to protect its interests in the Collateral in each case to the extent a failure to do so could reasonably be expected to have a Material Adverse Effect.

(c) The Debtor owns directly or has rights to use all the Collateral and all rights with respect to any of the foregoing used in or necessary for the business of the Debtor in the ordinary course as presently conducted, except where the failure to own or have such rights would not have a Material Adverse Effect. The use of the Collateral and all rights with respect to the foregoing by the Debtor does not, to the actual knowledge of the Debtor, infringe, in any material respect, on the rights of any party, nor has any claim of such infringement been made.

(d) Upon appropriate filings and the acceptance thereof in the appropriate offices under the Uniform Commercial Code, in the United States Patent and Trademark Office and the United States Copyright Office, this Agreement will create a valid and duly perfected lien on and security interest in the Collateral located in the United States of America effective against purchasers from and creditors of the Debtor, subject to no prior liens or encumbrances other than Permitted Liens.

Section 6. Covenants and Agreements of the Debtor. The Debtor hereby covenants and agrees with the Lender as follows:

(a) On a continuing basis, the Debtor will, at the expense of the Debtor, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places within the United States of America, all such instruments, including without limitation appropriate financing and continuation statements and collateral agreements, and take all such action as may reasonably be deemed necessary or advisable by the Lender (i) to carry out the intent and purposes of this Agreement, (ii) to assure and confirm to the Lender the grant or perfection of the security interest in the Collateral intended to be created hereby, subject to no prior Liens or encumbrances other than Permitted Liens, for the benefit of the Lender or (iii) to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to the Collateral.

(b) Without limiting the generality of the foregoing paragraph (a) of this Section 6, the Debtor (i) will not enter into any agreement that would impair or conflict with the Debtor's obligations hereunder; (ii) will, promptly following its becoming aware thereof, notify the Lender of (x) any final adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office that could reasonably be expected to have a Material Adverse Effect or (y) the institution of any proceeding or any adverse determination in any federal, state, local or foreign court or administrative body regarding the Debtor's claim of ownership in or right to use any of the Collateral, its right to register any such Collateral or its right to keep and maintain such registration, in each case, that could reasonably be expected to have a Material Adverse Effect; (iii) will preserve and maintain all rights in the Collateral, unless no longer used in the ordinary course of the Debtor's business or no longer deemed necessary to the Debtor's business; (iv) will not grant or permit to exist any lien or encumbrance upon or with respect to the Collateral or any portion thereof except Permitted Liens and will not execute any security agreement or financing statement covering any of the Collateral except in favor of the Lender; (v) will not permit to lapse or become abandoned (unless no longer used in the ordinary course of the Debtor's business or no longer deemed necessary to the Debtor's business), or settle or compromise any pending or future material litigation or material administrative proceeding with respect to any Collateral that could reasonably be expected to have a Material Adverse Effect without the prior written consent of the Lender (which consent shall not be unreasonably withheld), or, except for licenses of Collateral in the ordinary course of business, contract for sale or otherwise sell, convey, assign or dispose of, or

grant any option with respect to, the Collateral or any portion thereof, except for sales thereof otherwise permitted under the provisions of the Loan Agreement; (vi) upon the Debtor obtaining knowledge thereof, will promptly notify the Lender in writing of any event that could reasonably be expected to have a Material Adverse Effect on the value of any of the Collateral, the ability of the Debtor or the Lender to dispose of any such Collateral or the rights and remedies of the Lender in relation thereto, including without limitation a levy or threat of levy or any legal process against any such Collateral that could reasonably be expected to have a Material Adverse Effect; (vii) will diligently keep reasonable records respecting the Collateral; (viii) hereby authorizes the Lender, in its sole discretion, to file one or more financing or continuation statements relative to all or any part of the Collateral without the signature of the Debtor where permitted by law (and the Collateral Agent agrees to provide the Debtor notice after any such filing is made pursuant to this clause (viii)), provided the failure to give such notice shall not affect the validity or enforceability of the relevant filing; (ix) will furnish to the Lender from time to time statements and schedules further identifying and describing the Collateral and such other materials evidencing or reports pertaining to the Collateral as the Lender may reasonably request, all in reasonable detail; (x) will pay when due any and all taxes, levies, maintenance fees, charges, assessments, licenses fees and similar taxes or impositions payable in respect of the Collateral except to the extent being contested in good faith by appropriate proceedings which prevent the enforcement of the matter being contested (and for which the Debtor has established adequate reserves) and do not interfere with the business of the Debtor in the ordinary course or unless no longer necessary to the Debtor's business; and (xi) comply in all material respects with all laws, rules and regulations applicable to the Collateral.

(c) If, before the Secured Obligations shall have been paid and satisfied in full, the Debtor shall obtain any rights to or become entitled to the benefit of any new patent, patent application, service mark, trade name, trademark, trademark application, trademark registration, copyright, copyright application, copyright registration, license renewal or extension, 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 the same shall automatically constitute Collateral and be and become subject to the assignment, lien and security interest created hereby, as the case may be, without further action by any party, all to the same extent and with the same force and effect as if the same had originally been Collateral hereunder. If the Debtor so obtains or becomes entitled to any of the rights described above which are material, the Debtor shall promptly give written notice thereof to the Lender. The Debtor agrees to confirm the attachment of the lien and security interest created hereby to any such rights described above by execution of instruments, including, but not limited to, instruments for recordation with the United States Patent and Trademark Office and the United States Copyright Office, in form and substance acceptable to the Lender.

(d) The Debtor shall promptly notify the Lender of any future Collateral and, upon receipt of such notice by the Lender, Schedules A-1, A-2, B-1, B-2, C-1 and C-2 hereto shall be deemed amended to include reference to any such future Collateral.

(e) The Debtor shall prosecute diligently applications for the Patents, Trademarks and Copyrights now or hereafter pending and make application on unpatented but patentable inventions and registrable but unregistered Trademarks and Copyrights, that, in each case, in the Debtor's reasonable judgment would be materially beneficial to the business of the Debtor in the ordinary course as presently, and as now contemplated will be, conducted, file and prosecute opposition and cancellation proceedings and perform all acts necessary to preserve and maintain all rights in the Collateral, unless as to any Patent, Trademark or Copyright, in the reasonable judgment of the Debtor, such Patent, Trademark or Copyright has become immaterial or obsolete to such business of the Debtor. Any expenses incurred in connection with such actions shall be borne by the Debtor.

(f) The Debtor will, with respect to the Collateral, comply with the provisions regarding insurance contained in Section 6.7 of the Loan Agreement.

(g) The Debtor shall not abandon any right to file any material patent application, trademark application, service mark application, copyright application, patent, trademark or copyright without the prior written consent of the Lender, which consent shall not be unreasonably withheld.

Section 7. Supplements; Further Assurances. The Debtor (i) agrees that it will join with the Lender in executing and, at its own expense, file and refile, or permit the Lender to file and refile, such financing statements, continuation statements and other instruments and documents (including without limitation this Agreement) in such offices (including without limitation the United States Patent and Trademark Office and the United States Copyright Office) as the Lender may reasonably deem necessary or appropriate in order to perfect and preserve the rights and interests granted to the Lender hereunder and (ii) hereby authorizes the Lender to file and refile such instruments and documents and any other instruments or documents related thereto without the signature of the Debtor where permitted by law and (iii) agrees to do such further acts and things, and to execute and deliver to the Lender such additional instruments and documents, as the Lender may require to carry into effect the purposes of this Agreement or to better assure and confirm unto the Lender its respective rights, powers and remedies hereunder. All of the foregoing are to be at the sole cost of the Debtor. Any reasonable costs of the foregoing incurred by the Lender shall be payable by the Debtor upon demand, together with interest thereon from the date of incurrence at the Default Rate until so paid, and shall constitute additional Secured Obligations.

Section 8. The Lender May Perform. If the Debtor fails to perform any agreement contained herein after receipt of a written request to do so from the Lender, the Lender may itself (upon ten (10) days' prior written notice to the Debtor unless the Lender in good faith determines that immediate payment or performance is reasonably necessary to protect or preserve the Collateral), but shall not be obligated to, perform, or cause performance of, such agreement, and the reasonable expenses of the Lender, including the reasonable fees and expenses of its counsel, so incurred in connection therewith shall be payable by the Debtor.

Section 9. Remedies. Upon the occurrence and during the continuation of any Event of Default, the Lender shall have, in addition to all other rights provided herein, in the Loan Agreement or by law, the rights and remedies of a Lender under the Uniform Commercial Code, and further the Lender may, without demand and without advertisement, notice (except as required by law), hearing or process of law, all of which the Debtor hereby waives, at any time or times, sell and deliver any or all of the Collateral at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as the Lender deems advisable, in its sole discretion. In addition to all other sums due the Lender hereunder, the Debtor shall pay the Lender all reasonable costs and expenses incurred by the Lender, including reasonable attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of the Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Lender or the Debtor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations.

Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, the Lender may to the full extent permitted by applicable law, with ten (10) days' prior notice to the Debtor, and without advertisement, notice, hearing or process of law of any kind, all of which the Debtor hereby waives, (i) exercise any and all rights as beneficial and legal owner of the Collateral, including without limitation any and all consensual rights and powers with respect to the Collateral and (ii) sell or assign or grant a license to use, or cause to be sold or assigned or a license granted to use, any or all of the Collateral or any part hereof, in each case free of all rights and claims of the Debtor therein and thereto, but subject to any existing licenses in the Collateral permitted under the terms of this Agreement. In that connection, the Lender shall have the right to cause any or all of the Collateral to be transferred of record into the name of the Lender or its nominee as well as the right to impose (i) such limitations and restrictions on the sale or assignment of the Collateral as the Lender may deem to be necessary or appropriate to comply with any law, rule or regulation, whether federal, state or local, having applicability to the sale or assignment and (ii) requirements for any necessary governmental approvals.

Anything contained herein to the contrary notwithstanding, the Lender shall not sell, assign or otherwise transfer any Trademark or Trademark License without also transferring in connection therewith all of the business and goodwill associated therewith.

Failure by the Lender to exercise any right, remedy or option under this Agreement or any other agreement between the Debtor and the Lender or provided by law, or delay by the Lender in exercising the same, shall not operate as a waiver; no waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. Neither the Lender nor any party acting as attorney for the Lender shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. The rights and remedies of the Lender under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Lender may have.

Section 10. Power of Attorney. The Debtor hereby irrevocably appoints the Lender, its nominee, or any other person whom the Lender may designate as the Debtor's attorney-in-fact,

with full authority in the place and stead of the Debtor and in the name of the Debtor, the Lender or otherwise, upon the occurrence and during the continuation of any Event of Default, or if the Debtor fails to perform any agreement contained herein within ten (10) days after the Lender's written request, then to the extent necessary to enable the Lender to perform such agreement itself, from time to time in the Lender's discretion, to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation to record an assignment of the Patents, Patent Licenses, Trademarks and Trademark Licenses (provided that, in the case of Trademarks and Trademark Licenses the business and goodwill associated therewith are also assigned), if any, to the Lender with the United States Patent and Trademark Office, to record an assignment of the Copyrights and Copyright Licenses to the Lender with the United States Copyright Office, to prosecute diligently any Patent, Trademark or Copyright or any application for Patents, Trademarks or Copyrights pending as of the date of this Agreement or thereafter until the Secured Obligations shall have been paid in full, to make application on unpatented but patentable inventions and registrable but unregistered Trademarks or Copyrights, to file and prosecute opposition and cancellation proceedings, to do all other acts necessary or desirable to preserve all rights in Collateral and otherwise to file any claims or take any action or institute any proceedings which the Lender may deem necessary or desirable to accomplish the purpose of this Agreement. The Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither the Lender nor any such attorney will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. The foregoing power of attorney, being coupled with an interest, is irrevocable until the Secured Obligations have been fully paid and satisfied.

Section 11. Application of Proceeds. The proceeds and avails of the Collateral at any time received by the Lender upon the occurrence and during the continuation of any Event of Default shall, when received by the Lender in cash or its equivalent, be applied by or at the direction of the Lender in the following manner:

(a) First, to the payment or reimbursement of all reasonable advances, expenses and disbursements of the Lender (including, without limitation, the reasonable fees and disbursements of its counsel and agents) incurred in connection with the administration and enforcement of, or the preservation of any rights under, this Agreement or the Loan Agreement or in the collection of the obligations of the Debtor under the Revolving Credit Note; and

(b) Second, to be applied in any manner desired by the Lender to the satisfaction of the Secured Obligations.

Section 12. Miscellaneous. (a) The Debtor hereby indemnifies the Lender for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable costs, reasonable expenses or disbursements (including reasonable attorneys' fees) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Lender, in any way relating to or arising out of, directly or indirectly, (i) the manufacture, use or sale or other disposition of products or processes utilizing or embodying any Collateral or (ii) any transactions contemplated hereby or any enforcement of the terms hereof, including, but not

limited to, any action of, or failure to act by, the Lender in connection with this Agreement; provided, however, that the Debtor shall not be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Lender.

(b) All communications hereunder shall be in writing and shall be given to the relevant party, and shall be deemed to have been made when given to the relevant party, in accordance with Section 9.1 of the Loan Agreement.

(c) In the event that any provision hereof shall be deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall be construed as not containing such provision, but only as to such jurisdictions where such law or interpretation is operative, and the invalidity of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(d) This Agreement shall be deemed to have been made in this State of Ohio and shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to principles of conflicts of law, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of Ohio. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(e) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument.

(f) Each of the parties hereto hereby, to the fullest extent permitted by law, waives trial by jury in any action brought under or in connection with this Agreement or any of the other Loan Documents.

IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed as of the date first above written.

DEBTOR:

PUMPKIN LTD.,
a Delaware corporation

By: *Paul A. Miller*
Name: Paul A. Miller
Title: Vice President

Accepted and agreed to by the Lender as of the date first above written.

LENDER:

BANK ONE, N.A.

By: *Mark S. Slayman*
Mark S. Slayman, First Vice President

STATE OF Ohio)
) SS
COUNTY OF Franklin)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Paul A. Miller, Vice President of Pumpkin Ltd., a Delaware corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act and deed of said limited liability company for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 2nd day of June, 2004.



CAROL R. McCOY
Notary Public, State of Ohio
My Commission Expires 12-25-08

Carol R. McCoy
Notary Public

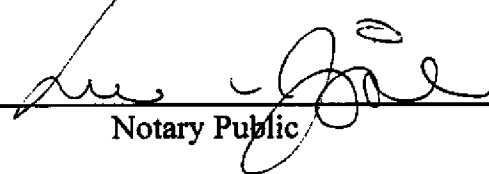
Carol R. McCoy
(Type or Print Name)

My Commission Expires: 12-25-08

STATE OF OHIO)
) SS
COUNTY OF FRANKLIN)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Mark S. Slayman, First Vice President of Bank One, N.A., a national banking association, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act and deed of said bank for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 4 day of June, 2004.



Notary Public

(Notarial Seal)



(Type or Print Name)

My Commission Expires



DONNA LYNNE RIPPPL
Notary Public, State of Ohio
My Commission Expires June 5, 2004

SCHEDULE B-1

**TO SECURITY AGREEMENT
RE: PATENTS, TRADEMARKS AND COPYRIGHTS**

**Registered U.S. Trademarks
and Trademark Applications**

Trademarks and Tradenames:

TRADEMARK	STATUS	REG. / SER. NO.	IC / G&S	FILING DATE	FIRST USE DATE	REG. DATE
POWER TOOLS FOR PUMPKINS®	Registered	2,213,214	8 - pumpkin carving and lighting kit comprised of hand held tools, namely, a saw, a scoop, and a drill, and a candle	2/16/96	7/30/98	12/22/98
BAREBONES® (stylized)	Registered	2,279,335	2 - paints for decorating pumpkins	8/7/98	12/22/97	9/21/99
BAREBONES® (stylized)	Registered	2,310,954	8 - manually operated hand tools for caring pumpkins, namely, saws and drills	8/7/98	11/12/96	1/25/00
Boo Bags™	Common Law					
CARVE-O-LANTERN®	Registered	1,476,839	16 - kit for pumpkin carving, namely an instruction manual, patterns and hand tools therefor	7/13/87	10/20/86	2/16/88
CARVE-O-LANTERN®	Registered	1,465,923	41 - educational services, namely, conducting classes and seminars in the field of pumpkin sculpturing	3/23/87	10/31/86	11/17/87
Carving Patterns™	Common Law					
Creepy Carries™	Common Law					
DURASAW®	Registered	2,160,808	8 - hand held tools, namely, saws	2/16/96	10/14/97	5/26/98
EASY CARVE®	Registered	2,484,623	16 - Kit for pumpkin decorating, consisting of instructions, patterns, hand tools, and a candle, all sold as a unit	1/21/00	7/2/99	9/4/01
Exceptional Easter™	Common Law					
					2000	

TRADEMARK	STATUS	REG. / SER. NO.	IC / G&S	FILING DATE	FIRST USE DATE	REG. DATE
FRIGHT LIGHTS™	Common Law				2000	
HALLOWEEN HARDWARE®	Registered	2,094,288	8 – hand held tools for carving pumpkins, namely, saws	2/1/96	4/12/95	9/9/97
HALLOWEEN HARDWARE®	Registered	2,094,288	21 – hand held tools for carving pumpkins, namely, scoops	2/1/96	4/12/95	9/9/97
HALLOWEEN HOST	Pending	78/361,557	16 – Drink coasters 21 – Charms for attachment to beverage glasses to identify drinks; food spreaders; swizzle sticks; appetizer forks; bottle covers; reusable plastic ice cubes; a house mark for Halloween party kitchenware and giftware	2/3/04	ITU	
LANTERNS OF LIBERTY®	Registered	2,591,780	16 – stencils; printed instructions and ideas for carving pumpkins and for creating holiday decorations with a patriotic theme.	10/16/01	10/16/01	7/9/02
LANTERNS OF LIBERTY®	Registered	2,591,780	42 – information services, namely providing information and ideas for carving pumpkins and for creating holiday decorations with a patriotic theme	10/16/01	10/31/01	7/9/02
LIGHTS ON™	Pending	78/190,432	25 – Costumes	12/2/02	ITU	
MELON LIGHTS FOR SUMMER NIGHTS!®	Registered	1,879,719	16 – kit for watermelon carving; namely , an instruction manual, patterns and hand tools therefor	2/14/94	4/1/92	2/21/95
Monster Eye™	Common Law					
Monster Sack™	Common Law					
MONSTER SNOT™	Allowed	78/086,592	28 – toy and novelty pressurized dispenser of plastic stream material; plastic stream material for use in a toy an novelty pressured dispenser	10/2/01	6/24/02	-

TRADEMARK	STATUS	REG. / SER. NO.	IC / G&S	FILING DATE	FIRST USE DATE	REG. DATE
PK!	Pending	78/387,834	028: Egg decorating kits; Easter basket stuffers	3/19/04	ITU	
PK!®	Registered	2,212,466	16 – children's art supplies, namely, arts and craft painting kits, chalk, and slideable stickers	6/26/97	2/15/97	12/22/98
OUR KIDS	Pending	78/387,823	028: Egg decorating kits; Easter basket stuffers	3/19/04	ITU	
OUR KIDS®	Registered	2,152,583	16 – children's art supplies, namely, arts and craft painting kits, chalk, and slideable stickers	6/26/97	2/15/97	4/21/98
Peek A Boos™	Common Law					
PRODUCT MASTERS™	Common Law	Trade name cert. filed – Colo.		9/14/98		
PUMPKIN MASTERS/AMERICA'S PUMPKIN CARVING COMPANY & Design® (Canada)	Registered	489,994	Pumpkin carving and decorative products namely, saws, drills, pokers, scoops, candles and candle holders, patterns and instructional booklets sold separately and in kits.	8/23/96	1994	2/16/98
PUMPKIN MASTERS®	Registered	1,912,503	16 – kit for pumpkin carving, instruction manual, patterns and hand tools therefor	12/20/93	5/16/94	8/15/95
PUMPKIN MASTERS® (Canada)	Registered	489,360	Pumpkin carving and decorative products namely, saws, drills, pokers, scoops, candles and candle holders, patterns and instructional booklets sold separately and in kits.	8/23/96	1994	2/5/98
PUMPKIN MASTERS® (United Kingdom) (stylized)	Registered	2,137,466	4 – Candles; wicks; candles adapted for Halloween; lubricants; fuels	6/28/97		10/9/98

TRADEMARK	STATUS	REG. / SER. NO.	IC / G&S	FILING DATE	FIRST USE DATE	REG. DATE
PUMPKIN MASTERS® (United Kingdom) (stylized)	Registered	2,137,466	8 - Hand tools and implements; axes; blades; razors; cleavers; cutlery; cutters; cutting tools; cutting bars; drills; saws; pokers; scoops; drill holders; fruit pickers; knives; machetes; files; paring knives; pincers; saw blades; saw holders; scrapers; scraping tools; screw drivers; sharpening instruments; spatulas; spades; swords; tongs; tweezers; slicers; shredders; wrenches; parts and fittings for all the aforesaid goods	6/28/97		10/9/98
PUMPKIN MASTERS® (United Kingdom) (stylized)	Registered	2,137,466	16 - Pattern and instructional booklets; printed matter; books; publications; stationery; parts and fittings for the aforesaid goods	6/28/97		10/9/98
PUMPKIN MASTERS® (United Kingdom) (stylized)	Registered	2,137,466	28 - Games; toys; playthings; candle holders; parts and fittings for the aforesaid goods	6/28/97		10/9/98
PUMPKIN MASTERS® (United Kingdom) Series includes: PUMPKIN-MASTERS, PUMPKIN MASTERS, PUMPKIN-MASTER, PUMPKIN MASTER	Registered	2,136,895	4 - Candles; wicks; candles adapted for Halloween; lubricants; fuels	6/25/97		2/20/98

TRADEMARK	STATUS	REG. / SER. NO.	IC / G&S	FILING DATE	FIRST USE DATE	REG. DATE
PUMPKIN MASTERS® (United Kingdom) Series includes: PUMPKIN-MASTERS, PUMPKIN MASTERS, PUMPKIN-MASTER, PUMPKIN MASTER	Registered	2,136,895	8 - Hand tools and implements; axes; blades; razors; cleavers; cutlery; cutters; cutting tools; cutting bars; drills; saws; pokers; scoops; drill holders; fruit pickers; knives; machetes; files; paring knives; pincers; saw blades; saw holders; scrapers; scraping tools; screw drivers; sharpening instruments; spatulas; spades; swords; tongs; tweezers; slicers; shredders; wrenches; parts and fittings for all the aforesaid goods	6/25/97		2/20/98
PUMPKIN MASTERS® (United Kingdom) Series includes: PUMPKIN-MASTERS, PUMPKIN MASTERS, PUMPKIN-MASTER, PUMPKIN MASTER	Registered	2,136,895	16 - Pattern and instructional booklets; printed matter; books; publications; stationery; parts and fittings for the aforesaid goods	6/25/97		2/20/98
PUMPKIN MASTERS® (United Kingdom) Series includes: PUMPKIN-MASTERS, PUMPKIN MASTERS, PUMPKIN-MASTER, PUMPKIN MASTER	Registered	2,136,895	28 - Games; toys; playthings; candle holders; parts and fittings for the aforesaid goods	6/25/97		2/20/98
PUMPKIN PORTRAITS®	Registered	2,611,708	40 - electronic imaging, scanning, digitizing, alteration, photographic computer imaging of photographs, paintings, drawings, computer illustrations and other visual media, photographic reproduction of portraits, in the form of carved pumpkins	9/22/00	9/1/99	8/27/02

TRADEMARK	STATUS	REG. / SER. NO.	IC / G&S	FILING DATE	FIRST USE DATE	REG. DATE
PUMPKIN PORTRAITS® (Canada)	Allowed	1,096,668	42 - Reproducing images from photographs, paintings, drawings, computer illustrations, and other visual media in the form of carved pumpkins	3/21/01		
PUMPKIN PORTRAITS® (United Kingdom)	Pending	2,265,159	42 - Reproducing images from photographs, paintings, drawings, computer illustrations, and other visual media in the form of carved pumpkins	3/22/01		
PUT A NEW FACE ON HALLOWEEN®	Registered	1,477,650	16 - kit for pumpkin carving; namely, and instruction manual, patterns and hand tools therefor	7/14/87	2/10/87	2/23/88
QUICKPattern™	Common Law				1997	
SCARY CARRIES® (stylized)	Registered	2,272,369	16 - Halloween trick-or-treating bags	9/22/98	12/26/96	8/24/99
Scraper Scoop™	Common Law				1990	
Sensational Shadows™	Common Law				1996	
Spine Tinglers™	Common Law				2002	
STAR STUDED PUMPKINS	Pending	78/382,029	016: Pumpkin carving kits; tools for carving pumpkins	3/10/04	ITU	
THE ORIGINAL PUMPKIN CARVER®	Registered	2,093,958	8 - plastic carving knife for use in carving pumpkins	3/28/94	2/14/92	9/9/97
THE THING YA' FLING®	Registered	2,430,455	28 - Stuffed toy flying discs for playing a toss game	6/1/99	1/30/00	2/20/01
ZIPPY CARVE	Pending	78/289,228	16 - Pumpkin carving kits; tools for carving pumpkins	8/19/03	ITU	
ZOJO®	Registered	2,437,613	28 - Toys, namely, flying discs	7/8/99	2/22/00	3/20/01