

10-29-1998

FORM PTO 1594

(Rev. 6-93)

10-19-98
OMB No. 0651-0011 (exp. 4/94)



U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner

100864551

ached original documents or copy thereof.

1. Name of conveying party(ies):

New Creative Enterprises, Inc.
f/k/a NCE Operating Subsidiary, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

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

2. Name and address of receiving party(ies)

Name: U.S. Bank National Association

Internal Address: _____

Street Address: 601 Second Avenue South

City: Minneapolis State: Minnesota ZIP: 55402-4302

- Individual(s)
- Association Banking
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: September 11, 1998

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

A. Trademark Application No.(s) 74/560,333; 75/390,318; 75/390,317; 75/143,298; 75/443,728; and 75/489,944

B. Trademark Registration No.(s) 1,949,685; 2,145,031; and 2,138,958

Additional numbers attached? Yes No

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

Name: Devan V. Padmanabhan, Esq.

Internal Address: Dorsey & Whitney LLP

Street Address: 220 South Sixth Street

City: Minneapolis State: MN ZIP 55402

6. Total Number of applications and registrations involved:

7. Total fee (37 CFR 3.41). \$ 240.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

N/A
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Devan V. Padmanabhan
Name of person Signing

Devan V. Padmanabhan
Signature Reg. No. 38,262

Oct 13, 1998
Date

Total number of pages comprising cover sheet:

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

10/23/1998 TTON11 00000223 1949685

01 FC:481
02 FC:482

40.00 OP
200.00 OP

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK
REEL: 1805 FRAME: 0141

COLLATERAL ASSIGNMENT (TRADEMARKS)

THIS COLLATERAL ASSIGNMENT (TRADEMARKS) (the "Assignment"), dated as of September 11, 1998, is made and given by NEW CREATIVE ENTERPRISES, INC., an Ohio corporation f/k/a NCE Operating Subsidiary, Inc. (the "Assignor"), to U.S. BANK NATIONAL ASSOCIATION, a national banking association as Administrative Agent (in such capacity, and together with any successor in such capacity, hereinafter called "Assignee") for the benefit of the Banks (as such terms are defined below).

RECITALS

A. The Assignor and NCE Holdings, Inc., an Ohio corporation f/k/a New Creative Enterprises, Inc. ("NCE Holdings") have entered into an Instrument of Transfer pursuant to which NCE Holdings transferred the Trademarks (as defined below) to the Assignor on or about September 11, 1998.

B. The Assignor, NCE Holdings, the banks which are signatories thereto (individually, a "Bank" and, collectively, the "Banks"), the Assignee, as administrative agent for the Banks and Fleet National Bank, as syndication agent have entered into a Credit Agreement dated as of September 11, 1998 (as the same may hereafter be amended, supplemented, extended, restated, or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Banks have agreed to extend certain credit accommodations to the Assignor under the terms and conditions set forth therein (all terms capitalized and used herein without being defined shall have the meaning given them in the Credit Agreement).

C. To secure all the liabilities and obligations of the Assignor to the Banks arising under the Credit Agreement, whether now existing or hereafter arising (the "Liabilities"), the Assignor has pledged and granted to the Assignee a security interest in the property described in a Security Agreement of even date herewith (the "Security Agreement") by and between Assignor and Assignee which property includes general intangibles, including, without limitation, patents, inventions, trademarks, trade names, copyrights and trade secrets.

D. The Assignor owns the trademarks and tradenames set forth in Exhibit A attached hereto, and the trademarks and tradenames so listed are registered or application has been made for such registration as noted in Exhibit A in the United States Patent and Trademark Office.

E. It is a condition precedent to the obligation of the Banks to extend credit accommodations pursuant to the terms of the Credit Agreement that this Assignment be executed and delivered by the Assignor.

F. The Assignor finds it advantageous, desirable and in its best interests to comply with the requirement that it execute and deliver this Assignment to the Assignee.

NOW, THEREFORE, in consideration of the premises and to induce the Assignee to extend credit accommodations under the Credit Agreement, the parties hereto agree as follows:

1. The Assignor does hereby assign all of its right, title and interest in and to all of the present trademarks and trade names and the registrations and applications therefor owned by the Assignor (the "Trademarks"), including but not limited to those registered trademarks and tradenames set forth on Exhibit A, and including, without limitation, any and all common law rights in Trademarks owned by the Assignor, all proceeds thereof together with the right to recover for past, present and future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof, together with the goodwill of the business associated with said Trademarks, said Trademarks to be held and enjoyed by the Assignee for its own use and behalf, and for its legal representatives, successors and assigns, as fully and entirely as the same would have been held by the Assignor had this Assignment not been made. The foregoing assignment shall be effective only upon the occurrence of an Event of Default under the Credit Agreement and upon written notice by the Assignee to the Assignor of the acceptance by the Assignee of this Assignment; unless and until the acceptance of this Assignment, this Assignment shall have no effect. After the occurrence and continuation an Event of Default under the Credit Agreement, the Assignee shall be entitled to transfer the Trademarks pursuant to the Assignment of Trademarks attached hereto as Exhibit B. The Assignor hereby irrevocably authorizes the Assignee to complete the undated Assignment of Trademarks at the time of transfer.

2. The Assignor hereby covenants and warrants that:

(a) except for applications pending, the Trademarks listed on Exhibit A have been duly issued and are registered and subsisting and have not been adjudged invalid or unenforceable in whole or in part;

(b) each of the Trademarks and listed on Exhibit A is valid and enforceable;

(c) no written claim has been made to the Assignor or, to the knowledge of the Assignor, to any other person, that use of any of the Trademarks does or may violate the rights of any third person and no claim has been made by the Assignor that any other person is infringing upon the rights of the Assignor under the Trademarks;

(d) the Assignor has the unqualified right to enter into this Assignment and perform its terms;

(e) the Assignor will be, until the Liabilities shall have been satisfied in full and the Loan Documents shall have been terminated, in substantial compliance with statutory notice requirements relating to its use of the Trademarks;

(f) the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks listed on Exhibit A, free and clear of any liens, charges and encumbrances, including without limitation, licenses and covenants by the Assignor not to sue third persons;

(g) the Trademarks listed on Exhibit A are all of the United States Trademarks Registrations and applications therefor now owned by the Assignor; and

(h) the Assignor will, at any time upon request, communicate to the Assignee, its successors and assigns, any facts relating to the Trademarks or the history thereof as may be known to the Assignor or its officers, employees and agents, and cause such officers, employees and agents to testify as to the same in any infringement or other litigation at the request of the Assignee.

3. The Assignor agrees that, until the rights of the Assignee in the Trademarks are terminated pursuant to Section 6, it will not enter into any agreement that is in conflict with its obligations under this Assignment.

4. If, before the Liabilities shall have been satisfied in full, the Assignor shall obtain rights to any new trademark or trade name, or become entitled to the benefit of any trademark application, registration, trademark or trade name or any renewal or extension of any trademark registration, such shall be included in the definition of "Trademarks" as used in this Assignment (except for purposes of Section 2 hereof), Section 1 hereof shall automatically apply thereto, and the Assignor shall give to the Assignee prompt notice thereof in writing. The Assignor authorizes the Assignee to modify this Assignment by amending Exhibit A to include any future trademark or trade name.

5. The Assignor agrees not to sell, assign or encumber its interest in, or grant any license with respect to, any of the Trademarks, except for the licenses listed on Exhibit C attached hereto and except as permitted by the Credit Agreement.

6. The Assignor agrees that it will authorize, execute and deliver to Assignee all documents requested by Assignee to facilitate the purposes of this

Assignment, including, but not limited to, documents required to record Assignee's interest in any appropriate office in any domestic or foreign jurisdiction. At such time as the Credit Agreement and the other Loan Documents shall have been terminated in accordance with their terms, the Assignee shall on demand of the Assignor execute and deliver to the Assignor all termination statements and other instruments as may be necessary or proper to terminate this Assignment and assign to the Assignor all the Assignee's rights in the Trademarks, subject to any disposition thereof which may have been made by the Assignee pursuant hereto or pursuant to the Credit Agreement or any Loan Documents, as defined therein.

7. The Assignor shall have the duty, through counsel reasonably acceptable to the Assignee, (i) to prosecute diligently any pending Trademark application as of the date of this Assignment or thereafter until the Credit Agreement and the Loan Documents shall have been terminated in accordance with their terms; provided, that the Assignor may abandon any such application upon thirty days' written notice to the Assignee, (ii) to make application on those trademarks and trade names which are unregistered but capable of being registered and which a prudent person would reasonably cause to be registered and (iii) to preserve and maintain all rights in all Trademarks which a prudent person would reasonably preserve and maintain. Any expenses incurred in connection with applications that constitute Trademarks shall be borne by the Assignor. The Assignor shall not abandon any application presently pending that constitutes a Trademark without the written consent of the Assignee.

8. The Assignee shall have the right but shall in no way be obligated to bring suit in its own name to enforce or to defend the Trademarks and any license thereunder if the Assignor has failed to bring such suit in circumstances in which a prudent person would have brought such suit. The Assignor shall at the reasonable request of the Assignee do any and all lawful acts and execute any and all proper documents required by the Assignee in aid of such enforcement or defense (including, without limitation, participation as a plaintiff or defendant in any proceeding) and, if Assignor has failed to bring such suit in circumstances in which a prudent person would have brought such suit, the Assignor shall promptly, upon demand, reimburse and indemnify the Assignee for all reasonable costs and expenses incurred by the Assignee in the exercise of its rights under this Section.

9. This Assignment shall also serve to evidence the security interest in the Trademarks granted by the Assignor to the Assignee pursuant to the Security Agreement.

10. No course of dealing between the Assignor and the Assignee, failure to exercise, nor any delay in exercising, on the part of the Assignee, with respect to any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder

preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. All of the Assignee's rights and remedies with respect to the Trademarks, whether established hereby, by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

12. This Assignment is subject to modification only by a writing signed by the parties, except as provided in Section 4 hereof.

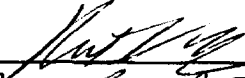
13. This Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

14. Upon payment in full of all Liabilities (other than Assignor's unmatured indemnity obligations under any Loan Document) and the expiration of any obligation of the Assignee to extend credit accommodations to the Assignor, this Assignment shall terminate and all rights to the Trademarks shall revert to the Assignor.

15. THIS ASSIGNMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF) OF (I) THE UNITED STATES OF AMERICA AS TO RIGHTS AND INTERESTS HEREUNDER WHICH ARE REGISTERED OR FOR THE REGISTRATION OF WHICH APPLICATION IS PENDING WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE AND (II) THE STATE OF MINNESOTA IN ALL OTHER RESPECTS. WHENEVER POSSIBLE, EACH PROVISION OF THIS ASSIGNMENT AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS ASSIGNMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS ASSIGNMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO. IN THE EVENT OF ANY CONFLICT WITHIN, BETWEEN OR AMONG THE PROVISIONS OF THIS ASSIGNMENT, ANY OTHER LOAN DOCUMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR THEREBY OR RELATING HERETO OR THERETO, THOSE PROVISIONS GIVING THE ASSIGNEE THE GREATER RIGHT SHALL GOVERN.

IN WITNESS WHEREOF, the Assignor has executed this instrument.

NEW CREATIVE ENTERPRISES, INC.
f/k/a NCE Operating Subsidiary, Inc.

By 
Title President

[SIGNATURE PAGE TO COLLATERAL ASSIGNMENT (TRADEMARKS)]

Trademarks

Title	U.S. Doc. No.	Applicati on File Date	Serial No.	Registrati on Date	Reg. No.	Status
<i>Banner Guard</i> Fade retardant solution applied to cloth items, namely flags and windsocks.	W34005 CLASS(ES): 1	8/12/94	74/560,333			Abandoned
<i>Flag Guard</i> Fade retardant solution applied to cloth items, namely flags and windsocks.	W33849 CLASS(ES): 1	7/19/94	74/551,114	1/16/96	1,949,685	Issued
<i>Gardensculpts</i> Three-dimensional hanging flag sculpture decorations.	W40240 CLASS(ES): 24	11/14/97	75/390,318			Pending
<i>In The Wind Products & Design</i> Cloth flags and cloth banners.	W35913 CLASS(ES): 24	10/13/95	75/005,538	3/17/98	2,145,031	Issued
<i>Lawnsculpts</i> Three-dimensional hanging flag sculpture decorations.	W40241 CLASS(ES): 24	11/14/97	75/390,317			Pending
<i>My PC Pals & Design</i> Decorative noteholder for display screen.	W37370 CLASS(ES): 28	8/1/96	75/143,298			Pending
<i>Snowkins Collection & Design</i> 6-metal stocking holders and metal plant hangers 20-wooden lawn ornaments, picture frames 21-waterball chimes & wind.	W40853 CLASS(ES): 6, 20, 21, 24	3/3/98	75/443,728			Pending

Title	U.S. Doc. No.	Applicati on File Date	Serial No.	Registrati on Date	Reg. No.	Status
<i>The Kathy Hatch Collection & Design</i> Collectibles made of wood, namely birdhouses, baskets, garden accessories and decorations and utensil caddies.	W41305 CLASS(ES): 20	5/22/98	75/489,944			Pending
<i>Windsculpts</i> Three-dimensional hanging flag sculpture decorations.	W38658 CLASS(ES): 24	3/7/97	75/253,438	2/24/98	2,138,958	Issued

ASSIGNMENT OF TRADEMARKS

This Assignment having an effective date of _____, 19__ is made by and between New Creative Enterprises, Inc., an Ohio corporation (hereinafter "Assignor"), and _____, a national banking association, located and doing business at _____ ("Assignee").

WHEREAS, Assignor has adopted and owns certain trademarks which are registered in the U.S. Patent and Trademark Office or which are the subject of a pending application in the U.S. Patent and Trademark Office (hereinafter the "Marks") and,

WHEREAS, Assignee is desirous of acquiring the Marks and registration therefor.

NOW THEREFORE, in consideration of and in exchange for good and valuable consideration, the receipt of which is hereby acknowledged, Assignor does hereby sell, assign and transfer unto Assignee, and its successors and assigns, all of its right, title and interest in and to the Marks, and the registrations and applications therefor, together with that part of the good will of the business connected with the use of and symbolized by the Marks, and including Assignor's entire right, title and interest in and to any and all causes of action and rights of recovery for past infringement of the Marks. Assignor hereby covenants that it has full right to convey the entire interest herein assigned, and that it has not executed, and will not execute, any agreements inconsistent herewith. Assignor hereby irrevocably authorizes U.S. Bank National Association, doing business as First Bank National Association, to date this undated Assignment and otherwise complete this Assignment at the time of transfer.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this assignment as of the dates identified below.

NEW CREATIVE ENTERPRISES, INC.
f/k/a NCE Operating Subsidiary, Inc.
(Assignor)

Date: _____

By _____
Title _____

_____ (Assignee)

Date: _____

By _____
Title: _____

**New Creative Enterprises
License Contracts**

LICENSE	LICENSE PERIOD	LICENSED PRODUCTS
100 Acre Pooh	4/1/98 to 12/31/99	Windsculpts, flags, lawn ornaments, windchimes, windsocks
101 Dalmatians - Chimes	3/1/96 to 9/30/98	Windchimes, yard signs, picture frames, dog dishes, stocking hangers, bird feeders and houses.
101 Dalmatians - Flags	3/1/96 to 9/30/98	Flags and windsocks
Amcal Licensing/Deb Strain	7/9/98 to 7/9/00	Heat Transfer Flags
Art Makers International	6/1/96 to 12/31/99	Chimes and P.C. Pals
Articles/Shawn Reynolds	12/1/96 to Until product is no longer marketed	P.C. Pals
Collegiate Licensing Co.	8/31/97 to 8/31/98	Gifts, novelties, flags, wind socks
Colorado, Univ. of	9/10/97 to 9/5/98	Flags, wind chimes, P.C. pals
Dilbert	11/15/96 to 3/31/99	Flags, mini flags, P.C. Pals, & window peepers
E.O.S. Ideas Inc.	Detail in Schedule A to come	Designs by Licensor
Edith Collection	8/1/96 to 1/1/00	Door covers, flags, mini flags, silk screen flags, windsculpts, yard signs, mini chimes, waterball chimes, luminaries, & magna chimes
Elaine Thompson	3/1/98 to 12/31/01	Designs created by Elaine Thompson (Snowkins designs)
Faith Rollins	5/1/98 to 12/31/01	Designs created by Faith Rollins
Garfield	1/1/98 to 12/31/99	Flags, bird houses, bird feeders, wind chimes, wind socks, wind banners, mailbox covers, mailbox signs, and yard signs
Harvard	1/1/97 to 12/31/99	Flags
Home Sweet Home Collectibles	2/24/98 to no expiration	Copper Town Cottage Collection
Hunchback of Notre Dame	9/12/95 to 12/31/97	Flags
Indiana University	8/3/97 to 8/2/99	Flags, retractable flags, wind chimes
Iowa State	9/4/97 to 9/4/98	Flags, wind chimes
Iowa, University of	1/1/99 (automatic renewal every year)	Flags
Jon Tury	6/1/97 to 12/31/98	Solar Chimes
Kathy Hatch	9/5/96 to Until product is no longer marketed	Designs created by Kathy Hatch
Kinka/Raecath, Inc.	8/1/98 to 7/31/01	Designs by Licensor
Laurie Korsgaden	7/24/98 to 12/31/00	Designs by Licensor
Licensing Resource Group	6/30/98 to 6/30/99	Flags
Louisville, Univ. of	11/26/96 to 10/31/98	Flags
Massachusetts, Univ. of	10/3/96 to 10/29/99	Flags
Miami, Univ. of (Florida)	1/1/96 to 12/31/98	Flags & wind socks
Michigan State Univ.	2/1/98 to 2/1/99	Flags
Mickey & Co.	7/1/97 to 12/31/99	Flags, mini flags, silk screen flags, lawn ornaments, wind chimes, windsocks.

**New Creative Enterprises
License Contracts**

LICENSE	LICENSE PERIOD	LICENSED PRODUCTS
Mickey Unlimited	7/1/97 to 12/31/99	Flags, mini flags, silk screen flags, lawn ornaments, wind chimes, windsocks.
Minnesota, Univ. of	1/1/98 to 1/1/99	Flags
NBA Properties, Inc.	8/1/97 to 7/31/98	Flags
NBA Properties, Inc. - Houston Rockets	5/15/97 to 8/31/97	Flags
NHL Enterprises, L.P.	3/1/97 to 6/30/99	Flags, mini chimes, P.C. Pals, yard ornaments, wind socks, wind banners, & wind sculptures
Notre Dame, Univ. of	1/1/97 to 12/31/99	Flags, car flags, P.C. Pals, wind chimes
Ohio State Univ.	6/2/97 to 6/2/99	Mini chimes, P.C. Pals, flags, wind socks, mini retractable flags
Oklahoma, Univ. of	1/1/96 to 12/31/98	Flags
Oregon State Univ.	10/1/97 to 10/1/98	Flags, mini chimes
Oregon, Univ. of	6/30/98 to 6/30/99	Flags, wind chimes, P.C. pals
Peanuts	4/1/97 to 3/31/99	Flags, bird feeders, bird houses, chimes, lawn ornaments, P.C. Pals, window peepers, & wind socks
Princeton Univ.	9/30/97 to 9/30/98	Flags
Robert L. Lach	3/1/98 to 12/31/01	Multipurpose flag pole bracket
Rutgers	7/1/98 to 6/30/99	Flags, wind chimes, P.C. pals
Sheila's	7/1/96 to 7/1/99	Chimes designed by Sheila's Inc.
Stanford	7/1/98 to 7/1/99	Flags, mini chimes
Syracuse Univ.	7/23/96 to 6/30/99	Flags
Texas A & M Univ.	1/1/97 to 1/1/99	Flags
Texas, Univ. of	This school went to Collegiate Licensing Co.	Flags, wind socks, mini wind chimes, P.C. Pals
Troy State Univ.	4/23/97 to 4/23/98	Flags
UCLA	10/1/97 to 9/30/98	Pennants/flags & wind chimes
Virginia Tech	6/30/98 to 6/30/99	Flags
Warner Brothers	5/1/98 to 12/31/00	Flags, wind socks, wind twirls, wind chimes, bird houses, lawn ornaments, & sun catchers
Washington, Univ. of	8/1/94 to no expiration	Flags
West Virginia Univ.	6/30/98 to 6/30/99	Flags, wind chimes, P.C. pals
Winnie The Pooh	1/1/98 to 12/31/98	Flags, wind socks, wind chimes, lawn ornaments