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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



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

102353961

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Treat Entertainment, Inc. 3101 Clairmont Rd., Suite C Atlanta, GA 30329

2. Name and address of receiving party(ies) Name: SunTrust Bank Internal Address: Street Address: 303 Peachtree Street City: Atlanta State: GA Zip: 30308

3. Nature of conveyance: [X] Security Agreement Execution Date: January 30, 2003

4. Application number(s) or registration number(s): A. Trademark Application No. (s) Additional number(s) attached [X] Yes

See attached Schedule B. Trademark Registration No. (s) 2346805

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Pamela A. Allen Internal Address: King & Spalding LLP Street Address: 191 Peachtree Street City: Atlanta State: GA Zip: 30303

6. Total number of applications and registrations involved: 43 7. Total fee (37 CFR 3.41): \$1,090.00 [XX] Enclosed \$120.00 expedited fee

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature. Pamela A. Allen Signature Date 2/7/03

Total number of pages including cover sheet, attachments, and document: 12

02/11/2003 6TON11 0000063 2346805

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

01 FC:8521 40.00 OP 02 FC:8522 1050.00 OP 03 FC:8023 120.00 OP

TRADEMARK REEL: 002609 FRAME: 0279

TRADEMARKS

Treat Entertainment, Inc.
Schedule I

TRADEMARK	APPLICATION/ REGISTRATION NO.	SERIAL/ REGISTRATION DATE
1 2 3 4 5 6 7 8 9 10 (words and design)	2346805	05/02/2000
CDEFGHIJKLMN (design only)	2346804	05/02/2000
America Bands Together (words only)	76-335369	11/06/2001
Artworks (words only)	78-087637	10/09/2001
Baby's Handprint (words and design)	2677266	01/21/2003
Baby Scrubs (words only)	2572242	05/21/2002
Bright Idea (words only)	2482135	08/28/2001
Citation (words only)	999632	12/17/1974
Color 'N' Stick (words only)	76-303934	08/22/2001
Cotton Tail Collection (words only)	75-896911	01/14/2000
Dalmatian Press (words only)	2233041	03/16/1999
Dalmatian Press (words and design)	2357287	06/13/2000
Explorer (words only)	994316	10/01/1974
Extreme Crystal Tattoos (words only)	76-260959	05/21/2001
EZ-Wraps (word only)	2566217	04/30/2002
Freedom (words only)	1021482	09/30/1975
Funny Pages (words only)	78-081297	08/27/2001
Glow Sticker (words only)	78-127600	05/09/2002

Continuation of Paragraph 4-
Trademark Recordation Form

TRADEMARK	APPLICATION/ REGISTRATION NO.	SERIAL/ REGISTRATION DATE
Handprint Memories (words only)	2617509	09/10/2002
Harris (words and design)	1002776	01/28/1975
Heads or Tails (words only)	75-893836	01/08/2000
H.E. Harris & Co. (stylized letters)	1012914	06/10/1975
H.E. Harris & Co. (words only)	75-896910	01/14/2000
H.E. Harris Collectibles (words only)	76-128945	09/14/2000
H.E. Harris Year Set (words only)	76-250150	05/02/2001
Home Learning Tools (words and design)	2354688	06/06/2000
Independence (words only)	998975	11/26/1974
Liberty (words only)	998976	11/26/1974
Parenting Notes (words and design)	2435647	03/13/2001
Peel & Press Pages (words only)	76-402149	05/01/2002
Pioneer (words only)	1013541	06/17/1975
Statesman (words only)	998974	11/26/1974
Speed-Rille (words only)	710276	01/24/1961
Team Planet (words only)	2672643	01/07/2003
Team Planet (words and design)	2563264	04/23/2002
The Tender Gift of Tender Times (words only)	2437467	03/20/2001
Tender Times (words only)	2545165	03/05/2002
Tender Times (words and design)	2437468	03/20/2001
Tender Times (words only)	2641806	10/29/2002

3117109 v1-52990.005048

TRADEMARK
REEL: 002609 FRAME: 0281

Continuation of Paragraph 4-
Trademark Recordation Form

<i>TRADEMARK</i>	<i>APPLICATION/ REGISTRATION NO.</i>	<i>SERIAL/ REGISTRATION DATE</i>
Tender Times Time Capsule (words only)	76-317067	09/24/2001
Traveler (words only)	998973	11/26/1974
Quizaroo (words only)	76-406615	05/13/2002
RUMPABUMPS (words only)	2336805	03/28/2000

COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT
(TRADEMARKS)

THIS COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (TRADEMARKS) ("Collateral Assignment") is entered into as of January 30, 2003, by and between TREAT ENTERTAINMENT, INC., an Alabama corporation ("Grantor"), and SUNTRUST BANK, a Georgia banking corporation having an address at 303 Peachtree Street, Atlanta, Georgia 30308, in its capacity as Agent (the "Agent") for itself and the Lenders party from time to time to that certain Amended and Restated Credit Agreement, dated as of January 30, 2003 by and among Treat Entertainment, Inc. (the "Borrower"), the Agent and the Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement).

RECITALS

A. Pursuant to the Credit Agreement, the Lenders have agreed, among other things, to establish the Revolving Credit Commitments and to make the Term Loan in favor of Grantor;

B. It is a condition precedent to the extension of the Loans under the Credit Agreement and under the Security Agreement that the Grantor execute and deliver this Collateral Assignment in favor of the Agent for its benefit and the benefit of the other Secured Parties (as defined below).

C. This Collateral Assignment is executed in furtherance of, and is subject to all of the terms and conditions of, the Security Agreement ("Security Agreement"), dated as of January 30, 2003, made by Grantor and other Subsidiaries of the Borrower in favor of the Agent, for its benefit and the benefit of the other Secured Parties.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

1. **DEFINITIONS.** The terms "General Intangibles", "Proceeds", "Trademark" and "Trademark License" shall have the meanings set forth in the Security Agreement. All other capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement.

2. **GRANT OF SECURITY INTEREST.** As further security for all Obligations, Grantor hereby grants, assigns and conveys to the Agent, for the benefit of the Agent, the Lenders, all other holders of any of the Obligations and all successors and assigns of the foregoing (collectively, the "Secured Parties"), all of Grantor's right, title

and interest in, to and under the following, whether now owned or hereafter acquired by Grantor or in which Grantor now has or at any time in the future may acquire any right (collectively, the "Collateral"):

(a) all Trademarks, including, without limitation, the Trademarks referred to in Schedule I hereto, all renewals thereof and the goodwill of Grantor's business and all other General Intangibles connected with the use of and symbolized by, any of the foregoing;

(b) all Trademark Licenses, including, without limitation, the Trademark Licenses, if any, referred to in Schedule I hereto and the rights of Grantor to collect royalties now or hereafter arising under any licenses of Trademarks now or hereafter granted by Grantor to any Person, including, without limitation, all royalties arising under the licenses described in Schedule I;

(c) to the extent not otherwise included, all Proceeds of any of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Trademark or breach of any Trademark License, including, without limitation, any Trademark or Trademark License referred to in Schedule I.

3. INCORPORATION OF SECURITY AGREEMENT. Grantor hereby further acknowledges and affirms that the representations, warranties and covenants of Grantor with respect to the Collateral and the rights and remedies of the Agent with respect to the collateral assignment of the 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.

4. GRANT OF LICENSE. The Agent hereby grants to Grantor the exclusive, nontransferable, royalty-free right, and license or sublicense (in the case of Trademark Licenses under which Grantor is licensee, if any), to use and enjoy the Trademarks and Trademark Licenses, if any, for Grantor's own benefit and account and for none other; provided that Grantor shall maintain standards of quality that conform to those high-quality standards presently used and established by Grantor, standards with which Grantor is presently familiar or standards established and used by Grantor with the approval of the Agent from time to time in the future in connection with the products and/or services presently offered for sale by Grantor or hereafter offered for sale by Grantor. Grantor agrees not to sell or assign its interest in, or grant any sublicenses under, the license granted to Grantor in this Section 4 without the prior written consent of the Agent. Upon the occurrence of an Event of Default, the Agent may terminate the license granted under this Section 4 and exercise all of the rights and remedies granted to it under the Security Agreement.

5. TERMINATION. This Collateral Assignment shall terminate and the Liens granted hereunder shall remain in full force and effect until the later of (x) the payment and performance in full of all Obligations and the payment of all other amounts payable under the Loan Documents and (y) the expiration or termination of all Revolving

Credit Commitments. Further, this Collateral Assignment and the Liens granted hereunder shall remain in full force and effect and continue to be effective should any petition be filed by or against the Grantor or any Credit Party for liquidation or reorganization, should the Grantor or any Credit Party become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Grantor or any Credit Party'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 Obligations and the cash collateral for any such contingent obligations and liabilities, 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 Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment or performance or any such cash collateral, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned. Upon termination of this Collateral Assignment, the Agent shall, at the expense of Grantor, execute and deliver to Grantor all deeds, assignments and other instruments as Grantor may reasonably request to revert in Grantor full title to the Collateral, subject to any disposition thereof which may have been made by the Agent pursuant hereto or pursuant to the Security Agreement.

6. FURTHER ASSURANCES. If at any time before the termination of this Collateral Assignment pursuant to Section 5 hereof, Grantor shall obtain or acquire rights to any new trademark or trademark application or registration, whether under a license or otherwise, the provisions of Section 2 shall automatically apply thereto and Grantor shall give the Agent prompt written notice thereof. Grantor authorizes the Agent, as attorney-in-fact for Grantor, to execute and deliver a new collateral assignment in substantially the form of this Collateral Assignment, or to execute and deliver an amendment to Schedule I of this Collateral Assignment, to include any future trademarks, trademark applications and registrations and trademark licenses covered by Section 2 of this Collateral Assignment or by this Section 6.

7. NONASSIGNABILITY. Grantor does hereby further agree that, without the prior written consent of the Agent, it will not obtain or acquire rights in or a license to any new trademark or trademark application that is not assignable to the Agent.

8. MISCELLANEOUS. Grantor does hereby further acknowledge and affirm that the sections of the Security Agreement entitled "Successors and Assigns," Notices," "Cumulative Remedies," "Governing Law," "Severability," "Amendments and Waivers," "Jurisdiction and Service of Process," "Consent to Venue," and "Waiver of Jury Trial" are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, each of the parties hereto has caused this Collateral Assignment to be duly executed by its duly authorized signatory as of the date first above written.

GRANTOR:

Signed, sealed and delivered on this 30th day of January, 2003.

TREAT ENTERTAINMENT, INC.

Unofficial Witness

By: _____
Name: Peter Limeri
Title: Chief Financial Officer

Notary Public

Commission Expiration Date:


AGENT:

Signed, sealed and delivered on this 30th day of January, 2003.


SUNTRUST BANK, as Agent



Unofficial Witness

By: 

Name: Scott Corley
Title: Director



Notary Public

Commission Expiration Date: 1/29/05

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

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Freedom (words only)	1021482	09/30/1975
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RECORDED: 02/10/2003

**TRADEMARK
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