

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
AEROGROW INTERNATIONAL, INC.		02/19/2009	CORPORATION: NEVADA

RECEIVING PARTY DATA

Name:	FCC, LLC, a Florida limited liability company doing business as First Capital
Street Address:	3520 NW 58th Street
City:	Oklahoma City
State/Country:	OKLAHOMA
Postal Code:	73112
Entity Type:	LIMITED LIABILITY COMPANY: FLORIDA

PROPERTY NUMBERS Total: 39

Property Type	Number	Word Mark
Registration Number:	3412797	AEROGROW
Registration Number:	3252527	AEROGARDEN
Registration Number:	3525830	BIO-DOME
Registration Number:	3455606	FARMER'S MARKET FRESH
Registration Number:	3524683	HERB APPEAL
Registration Number:	3370002	SWEET RUBIES
Registration Number:	3565083	PLUG & GROW
Registration Number:	3568085	AEROGARDEN
Registration Number:	3311054	AEROGARDEN
Registration Number:	3311062	AEROGARDEN
Registration Number:	3322684	AEROGARDEN
Registration Number:	3376411	HERB 'N SERVE
Registration Number:	3373707	CHEF IN A BOX
Registration Number:	3389624	WALL FARM

CH \$990.00 3412797

Registration Number:	3389625	WALL GARDEN
Registration Number:	3392651	ULTIMATE KITCHEN GARDENER
Serial Number:	77154135	GET THE GARDEN
Registration Number:	3413666	VEG-E-GARDEN
Registration Number:	3568213	FLORIST IN A BOX
Serial Number:	77229682	AEROGARDEN
Serial Number:	77238309	HERB IT UP
Registration Number:	3573607	FLORIST IN A BOX
Registration Number:	3573608	CHEF IN A BOX
Serial Number:	77303340	ENGLISH COTTAGE
Serial Number:	77303344	SPLASH OF COLOR
Registration Number:	3528760	MOUNTAIN MEADOW
Registration Number:	3522253	AGS ADVANCED GROWING SYSTEM
Serial Number:	77440754	PLANT PILLOW
Serial Number:	77464412	PATIOPONICS
Registration Number:	3570754	HERB 'N ICE
Serial Number:	77478932	SLEEPGARDEN
Serial Number:	77550915	HERB 'N SAVE
Serial Number:	77550941	FRESH AIR
Serial Number:	77550953	GIFT THAT KEEPS ON GROWING
Serial Number:	77550972	
Serial Number:	77573358	AEROGARDEN ANTICS
Serial Number:	77584019	GREENSPACE
Serial Number:	77651442	VEGGIEPRO
Serial Number:	77655735	GROW ANYTHING, ANYTIME, ANYWHERE

CORRESPONDENCE DATA

Fax Number: (212)527-7701
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
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Correspondent Name: Paul Fields/Darby & Darby P.C.
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ATTORNEY DOCKET NUMBER:	20790/8204084-000
NAME OF SUBMITTER:	Paul Fields

Signature:	/Paul Fields/
Date:	03/04/2009
Total Attachments: 8 source=Trademark Security Interest - Aerogrow International Inc and FCC, LLC#page1.tif source=Trademark Security Interest - Aerogrow International Inc and FCC, LLC#page2.tif source=Trademark Security Interest - Aerogrow International Inc and FCC, LLC#page3.tif source=Trademark Security Interest - Aerogrow International Inc and FCC, LLC#page4.tif source=Trademark Security Interest - Aerogrow International Inc and FCC, LLC#page5.tif source=Trademark Security Interest - Aerogrow International Inc and FCC, LLC#page6.tif source=Trademark Security Interest - Aerogrow International Inc and FCC, LLC#page7.tif source=Trademark Security Interest - Aerogrow International Inc and FCC, LLC#page8.tif	

PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (this "Agreement"), dated as of February 19, 2009, is made by and among AEROGROW INTERNATIONAL, INC., a Nevada corporation (the "Borrower") and FCC, LLC, a Florida limited liability company doing business as First Capital (the "Lender").

Recitals

Borrower and Lender are parties to a Loan and Security Agreement dated June 23, 2008 (as the same may hereafter be amended, supplemented or restated from time to time, the "Loan Agreement") setting forth the terms on which Lender may now or hereafter extend credit to or for the account of Borrower. Jack J. Walker has guaranteed certain of Borrower's Obligations to Lender and Jervis B. Perkins and H. MacGregor Clarke have guaranteed the validity of the collateral of Borrower to Lender.

As a condition to extending credit to or for the account of Borrower, Lender has required the execution and delivery of this Agreement by Borrower.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Agreement and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Loan Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Patents" means all of Borrower's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on **Exhibit A**.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of Borrower's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on **Exhibit B**.

2. Security Interest. Borrower hereby irrevocably pledges and assigns to, and grants Lender a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Obligations. As set forth in the Loan Agreement, the Security Interest is coupled with a security interest in

substantially all of the personal property of Borrower. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. Borrower represents, warrants and agrees as follows:

(a) **Patents.** **Exhibit A** accurately lists all Patents owned or controlled by the Borrower as of the date hereof, or to which the Borrower has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, Borrower owns, controls or has a right to have assigned to it any Patents not listed on **Exhibit A**, or if **Exhibit A** ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then Borrower shall within 30 days provide written notice to Lender with a replacement **Exhibit A**, which upon acceptance by Lender shall become part of this Agreement.

(b) **Trademarks.** **Exhibit B** accurately lists all Trademarks owned or controlled by the Borrower as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that **Exhibit B** need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Borrower's or any Affiliate's business(es). If after the date hereof, Borrower owns or controls any Trademarks not listed on **Exhibit B** (other than common law marks which are not material to the Borrower's or any Affiliate's business(es)), or if **Exhibit B** ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then Borrower shall promptly provide written notice to Lender with a replacement **Exhibit B**, which upon acceptance by Lender shall become part of this Agreement.

(c) **Affiliates.** As of the date hereof, no Affiliate of the Borrower owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Borrower, constitute Patents or Trademarks. If after the date hereof any Affiliate of the Borrower owns, controls, or has a right to have assigned to it any such items, then Borrower shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Borrower; or (ii) notify Lender of such item(s) and cause such Affiliate to execute and deliver to Lender a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** Borrower identified as the owner of each Patent and Trademark on **Exhibits A and B** has absolute title to each Patent and each Trademark listed thereon, free and clear of all Liens except Permitted Liens. The Borrower (i) will have, at the time such Borrower acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except

Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Borrower will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without Lender's prior written consent.

(g) **Defense.** Borrower will, at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** Borrower will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. Borrower covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing Lender: (i) sufficient written notice, of at least 30 days, to allow Lender to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Lender's Right to Take Action.** If Borrower fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Lender gives Borrower written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if Borrower notifies Lender that they intend to abandon a Patent or Trademark, Lender may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Borrower (or, at Lender's option, in Lender's own name) and may (but need not) take any and all other actions which Lender may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Borrower shall pay Lender on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with or as a result of Lender's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Lender at the default rate of interest provided for in the Loan Agreement.

(k) **Power of Attorney.** To facilitate Lender's taking action under subsection (i) and exercising its rights under Section 6, each Borrower hereby irrevocably appoints (which appointment is coupled with an interest) Lender, or its delegate, as the attorney-in-fact of such Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of such Borrower, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by such Borrower under this Section 3, or, necessary for Lender, after a Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Loan Agreement as provided therein and the payment and performance of all Obligations.

4. **Borrower's Use of the Patents and Trademarks.** Borrower shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Default exists.

5. **Defaults.** A Default, as defined in the Loan Agreement shall constitute an event of default under this Agreement (herein called a "Default").

6. **Remedies.** While a Default exists, Lender may, at its option, take any or all of the following actions:

(a) Lender may exercise any or all remedies available under the Loan Agreement.

(b) Lender may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) Lender may enforce the Patents and Trademarks and any licenses thereunder, and if Lender shall commence any suit for such enforcement, Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement.

7. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Lender. A waiver signed by Lender shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Lender's rights or remedies. All rights and remedies of Lender shall be cumulative and may be exercised singularly or concurrently, at Lender's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the

exercise or enforcement of any other. All notices to be given to Borrower under this Agreement shall be given in the manner and with the effect provided in the Loan Agreement. Lender shall not be obligated to preserve any rights the Borrower may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective participants, successors and assigns and shall take effect when signed by Borrower and delivered to Lender, and each Borrower waives notice of Lender's acceptance hereof. Lender may execute this Agreement if appropriate for the purpose of filing, but the failure of Lender to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement authorized by the Borrower shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Oklahoma without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date first written above.

AEROGROW INTERNATIONAL, INC.

By: Jervis B Perkins
Jervis B Perkins, Chief Executive Officer

FCC, LLC, d/b/a FIRST CAPITAL

By: Lee E. Elmore
Lee E. Elmore, Senior Vice President

STATE OF Colorado)
) SS:
COUNTY OF Boulder)

On February 19, 2009 before me, Elizabeth L. Stagg, Notary Public, personally appeared Jervis B. Perkins, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Oklahoma that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Elizabeth L. Stagg (Signature of Notary)

(Seal of Notary)

My commission expires 3/27/2011.

Exhibit A - Patents

Docket	Serial No.	Status	Title	Filing Date	Issue/Reg Date	Issue/Reg No.
04-06A	10/528,110	allowable	Devices and Methods for Growing Plants	15-Jul-05		
04-06A CON	12/073,984	pending	Devices and Methods for Growing Plants	12-Mar-08		
04-06D	11/112,269	pending	Devices and Methods for Growing Plants	22-Apr-05		
04-06D CON	12/073,985	pending	Devices and Methods for Growing Plants	12-Mar-08		
04-07A	12/002,543	pending	Devices and Methods for Growing Plants by Measuring Liquid Consumption	17-Dec-07		
04-09	11/321,023	pending	pH Buffered Plant Nutrient Compositions and Methods for Growing Plants	28-Dec-05		
05-01	11/455,364	pending	Smart Garden Methods and Devices for Growing Plants	19-Jun-06		
05-05D	29/235,880	issued	Indoor Gardening Appliance	8-Aug-05	17-Feb-09	D586,688
07-01	11/653,121	pending	Devices and Methods for Growing Plants	12-Jan-07		
07-05	11/654,164	pending	Systems and Methods for Controlling Liquid Delivery and Distribution to Plants	16-Jan-07		
07-24D	29/292,564	pending	Indoor Gardening Appliance	18-Oct-07		
			3-Pod Design in Europe	4/0/08		
07-39p	61/000,926	provisional	Plant Growing System	30-Oct-07		
07-39	12/261,821	pending	Air Stone Utility	30-Oct-08		
07-40D	29/293,343	pending	Indoor Gardening Appliance	16-Nov-07		
07-40D EU		pending	6-Pod Design in Europe (35 countries)	May-08	16-May-08	000935366-0001 to 0006
07-40D JP		pending	6-Pod Design in Japan	May-08		
07-40D KR		pending	6-Pod Design in Korea	May-08		

Exhibit B - Trademarks

Docket	Serial No.	Status	Title	Filing Date	Issue/Reg Date	Issue/Reg No.
10-05T	78614573	registered	AEROGROW	22-Apr-05	4/15/2008	3,412,797
05-11T	78781935	registered	AEROGARDEN (class 11, upper/lower case)	28-Dec-05	12-Jun-07	3252527
05-11T MX	790722	registered	AEROGARDEN	23-Jun-06	20-Mar-07	977468
05-11T Madrid	A0005030	pending	AEROGARDEN (Australia, China, Japan, Korea, Russian Fed, Switzerland, Norway, EC (24 countries))	16-Jun-06		
			Japan			
			Europe		21-Jun-07	889982
			Korea		4-Jan-08	889982
05-11T CA	1,305,822	allowed	AEROGARDEN (Canada)	19-Jun-06	2-Aug-07	TMA693,363
06-02T	78836718	registered	BIO-DOME	14-Mar-06	28-Oct-08	3525830
06-08T	78882877	registered	FARMER'S MARKET FRESH	12-May-06	24-Jun-08	3,455,606
06-15T	77045636	registered	HERB APPEAL	16-Nov-06	28-Oct-08	3,524,683
06-17T	77058522	registered	SWEET RUBIES	6-Dec-06	15-Jan-08	3,370,002
06-18T	77058534	registered	PLUG & GROW	6-Dec-06	20-Jan-09	3,565,083
06-22T	77073345	registered	AEROGARDEN (class 28, toys)	29-Dec-06	27-Jan-09	3,568,085
06-23T	77073362	registered	AEROGARDEN (class 16, print)	29-Dec-06	16-Oct-07	3,311,054
06-24T	77073424	registered	AEROGARDEN (class 9, circuit board/DVD)	29-Dec-06	16-Oct-07	3,311,062
06-25T	77073448	registered	AeroGarden (class 11, stylized)	29-Dec-06	30-Oct-07	3,322,684
07-06T	77095536	registered	HERB 'N SERVE	1-Jan-07	29-Jan-08	3,376,411
07-07T	77127173	registered	CHEF IN A BOX	9-Mar-07	22-Jan-08	3,373,707
07-09T	77129806	registered	WALL FARM	13-Mar-07	26-Feb-08	3,389,624
07-10T	77129826	registered	WALL GARDEN	13-Mar-07	26-Feb-08	3,389,625
07-12T	77132449	registered	ULTIMATE KITCHEN GARDENER	15-Mar-07	4-Mar-08	3,392,651
07-16T	77154135	allowed	GET THE GARDEN	11-Apr-07		
07-17T	77170403	registered	VEG-E-GARDEN	1-May-07	15-Apr-08	3,413,666
07-18T	77185032	registered	FLORIST IN A BOX	18-May-07	27-Jan-09	3,568,213
07-21T	77229682	allowed	AEROGARDEN	13-Jul-07		
07-22T	77238309	allowed	HERB IT UP	25-Jul-07		
07-26T	77304513	allowed	FLORIST IN A BOX LOGO	15-Oct-07	10-Feb-09	3,573,607
07-27T	77304572	allowed	CHEF IN A BOX LOGO	15-Oct-07	10-Feb-09	3,573,608
07-33T	77303340	allowed	ENGLISH COTTAGE	12-Oct-07		
07-34T	77303344	allowed	SPLASH OF COLOR	12-Oct-07		
07-35T	77304010	registered	MOUNTAIN MEADOW	15-Oct-07	4-Nov-08	3,528,760
07-42T	77347195	registered	AGS ADVANCED GROWING SYSTEM (STYLIZED)	7-Dec-07	21-Oct-08	3,522,253
08-04T	77440754	allowed	PLANT PILLOW	4-Apr-08		
08-06T	77464412	allowed	PATIOPONICS	2-May-08		
08-07T	77476610	allowed	HERB 'N ICE	16-May-08	3-Feb-09	3,570,754
08-08T	77478932	allowed	SLEEPGARDEN	20-May-08		
08-09T	77550915	pending	HERB 'N SAVE	19-Aug-08		
08-10T	77550941	pending	FRESHAIR	19-Aug-08		
08-11T	77550953	pending	GIFT THAT KEEPS ON GROWING	19-Aug-08		
08-12T	77550972	pending	AeroGarden 365 Sun Snowflake symbol	19-Aug-08		
08-13T	77573358	pending	AEROGARDEN ANTICS	18-Sep-08		
08-14T	77584019	pending	GREENSPACE	2-Oct-08		
09-01T	77651442	pending	VEGGIEPRO	16-Jan-09		
09-02T	77655735	pending	GROW ANYTHING, ANYTIME, ANYWHERE	23-Jan-09		

TRADEMARK

RECORDED: 03/04/2009

REEL: 003946 FRAME: 0332