

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
Hobbico Inc.		02/10/2012	CORPORATION: ILLINOIS
RECEIVING PARTY DATA			
Name:	Wells Fargo Bank, National Association, as administrative agent		
Street Address:	230 W. Monroe Street		
Internal Address:	Suite 2900		
City:	Chicago		
State/Country:	ILLINOIS		
Postal Code:	60606		
Entity Type:	National Banking Association: UNITED STATES		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	3478174		
Registration Number:	3302091	AXIAL	
Registration Number:	3302092		
CORRESPONDENCE DATA			
Fax Number:	(312)207-6400		
Phone:	312-207-1000		
Email:	ipdocket-chi@reedsmith.com		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Correspondent Name:	Riley, Jonathan W.		
Address Line 1:	10 South Wacker Drive		
Address Line 4:	Chicago, ILLINOIS 60606		
NAME OF SUBMITTER:	Jonathan W. Riley		
Signature:	/Jonathan W. Riley/		

OP \$90.00 3478174

Date:

02/20/2012

Total Attachments: 9

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TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this “**Agreement**”) is dated as of February 10, 2012, by Hobbico Inc., an Illinois corporation (“**Grantor**”), and Wells Fargo Bank, National Association, in its capacity as administrative agent (“**Grantee**”) for the benefit of itself and all other financial institutions that from time to time become Lenders (together with Grantee, the “**Lenders**”) under the Credit Agreement (as defined below).

WITNESSETH:

WHEREAS, Grantor and certain of its Subsidiaries (the “**Borrowers**”) are entering into that certain Credit Agreement dated as of February 10, 2012 (as heretofore amended, the “**Credit Agreement**”);

WHEREAS, in connection with its purchase of Axial R/C Inc., a California corporation (“**Axial**”), Grantor was assigned the Axial Marks (as defined below);
and

WHEREAS, the Lenders have required as a condition, among others, to entering into the Credit Agreement, in order to secure the prompt and complete payment, observance and performance of all of the Secured Obligations (as defined in the Pledge and Security Agreement of even date herewith made by Grantor in favor of Agent (the “**Pledge Agreement**”)), that Grantor execute and deliver this Agreement to Grantee.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Defined Terms.** Unless otherwise defined herein, the capitalized terms used herein which are defined in the Credit Agreement shall have the meanings specified in the Credit Agreement.
2. **Incorporation of the Credit Agreement.** The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.
3. **Security Interest in Axial Marks and Axial Licenses.** To secure a prompt, complete and timely payment, performance and satisfaction of all of the Secured Obligations, Grantor hereby grants to Grantee, for the ratable benefit of the Lenders, a continuing security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of the following:
 - (a) the trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, internet domain names and service mark applications listed on Schedule A attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements or dilutions thereof, (iv) the goodwill symbolized by the foregoing and connected therewith and (v) all of Grantor’s rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the “**Axial Marks**”); and

(b) rights under or interests in any trademark license agreements or service mark license agreements with any other party in connection with the Axial Marks or such other party's trademarks and registered trademarks, trademark applications, service marks, registered service marks, service mark applications, trade names and trade styles, to the extent such rights are assignable pursuant to such trademark license agreements or service mark license agreement without invalidating such agreements, whether Grantor is a licensor or licensee under any such license agreement, including without limitation, those license agreements listed on Schedule B attached hereto and made a part hereof, and the right, upon the occurrence and during the continuation of an Event of Default, to prepare and sell any and all Inventory now or hereafter owned by Grantor and now or hereafter covered by such licenses, and all books and all records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) pertaining to any of the foregoing (all of the foregoing are hereinafter referred to collectively as the "Axial Licenses," together with the Axial Marks, the "Axial Mark Collateral").

Notwithstanding the foregoing, with respect to Grantor, the payment and performance of the Secured Obligations shall not be secured by (and the definition of Axial Mark Collateral is hereby limited to exclude): (a) any contract, license, permit or franchise where the third party to such agreement asserts (and it is determined that) such contract, license, permit or franchise validly prohibits the creation by Grantor of a security interest in such contract, license, permit or franchise (or in any rights or property obtained by Grantor under such contract, license, permit or franchise), in which case the security granted hereunder in such contract, license, permit or franchise, shall be deemed not to have been granted, ab initio; or (b) any rights or property to the extent that any valid and enforceable law or regulation applicable to such rights or property prohibits the creation of a security interest therein; provided, however, that the provisions of this paragraph shall not prohibit the creation of a security interest under the Pledge and Security Agreement to the extent that Article 9 of the UCC is effective to permit the creation of such security interest notwithstanding the prohibitions referred to above; provided, further, that the provisions of this paragraph shall not prohibit the security interests created by the Pledge and Security Agreement from extending to the proceeds of such contract, license, permit, franchise or rights or property or to the monetary value of the good will and other General Intangibles of Grantor related thereto. Grantor represents and warrants to the Lenders that Grantor does not have knowledge of any contract, license, permit, franchise, rights or properties of third parties that would prohibit the creation of a security interest therein.

4. Axial Marks and Axial Licenses. Grantor hereby represents and warrants to Grantee that (i) Schedule A sets forth all of the Axial Marks owned by Grantor as of the date of this Agreement, (ii) Schedule B sets forth all of the Axial Licenses held by Grantor as of the date of this Agreement and (iii) no other liens, claims or security interests have been granted by Grantor to any other Person in such Axial Marks and Axial Licenses.

5. Royalties. Grantor hereby agrees that the use by Grantee of the Axial Marks and Axial Licenses as authorized hereunder shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Grantee to Grantor.

6. Termination of Grantee's Security Interest. This Agreement is made for collateral security purposes only. Upon payment in full of all of the Secured Obligations and termination of the Credit Agreement, this Agreement shall terminate. Following such termination, Grantee shall, upon the request of Grantor, execute a written release confirming the termination and any and all other documents reasonably requested by Grantor or the United States Patent and Trademark Office or any similar office or agency in any state, province or county, in connection with such termination.

7. **Duties of Grantor.** Grantor shall (i) prosecute diligently any trademark or service mark application, if any, that is part of the Axial Marks pending as of the date hereof or thereafter until the termination of this Agreement, (ii) make application on registrable trademarks or service marks as Grantor deems appropriate, and (iii) take all reasonable steps to preserve and maintain all of Grantor's rights in the Axial Marks and Axial Licenses whether now existing or hereafter acquired or arising, including, without limitation, making timely filings with regard to registered trademarks or service marks with the United States Patent and Trademark Office or any similar office or agency in any state, province or country or renewals and extensions and diligently monitoring unauthorized use thereof.

8. **Grantee's Right to Sue.** After the occurrence and during the continuation of a Default or Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Axial Marks or Axial Licenses and, if the Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents required by Grantee in aid of such enforcement. Grantor shall, upon demand, promptly reimburse Grantee for all Costs incurred by Grantee in the exercise of such enforcement (including, without limitation, reasonable attorneys' fees).

9. **Waivers.** No course of dealing between Grantor and Grantee and no failure or delay on the part of Grantee to exercise, or delay in exercising, any right, power or privilege hereunder, under the Credit Agreement or under any other agreement, shall operate as a waiver of Grantees' rights, powers or partial exercise of any right, power or privilege hereunder, under the Credit Agreement or under any other agreement.

10. **Modification.** This Agreement may not be altered, amended or modified in any way, except as specifically provided herein or by a writing signed by Grantor and Grantee.

11. **Cumulative Remedies; Power of Attorney.** All of the rights and remedies of Grantee with respect to the Axial Marks or Axial Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. After the occurrence and during the continuance of a Default or Event of Default, Grantor hereby appoints Grantee and all Persons as Grantee may designate, in its sole and absolute discretion, as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, to take any action and to execute any instrument which Grantee may deem necessary or advisable to accomplish the purposes of this Agreement. Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Secured Obligations shall have been paid in full and all financing arrangements between Grantee, the Lenders and Grantor shall have been terminated. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Grantee under the Credit Agreement or any of the other Loan Documents, but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Axial Marks or Axial Licenses may be located or deemed located.

12. **Binding Effect; Benefits.** This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to Grantee, for the benefit of Grantee, the other Lenders and their respective nominees. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor. No Grantor shall assign its obligations hereunder without Grantee's prior written consent.

13. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement

shall be held invalid or prohibited under applicable law, such provision shall be ineffective only to the extent of such invalidity or prohibition, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

14. **GOVERNING LAW; WAIVER OF JURY TRIAL.** THIS AGREEMENT SHALL BE GOVERNED BY, AND BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PROVISIONS. GRANTOR AND GRANTEE HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. GRANTOR AND GRANTEE EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY AND ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISIONS HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

15. **Notices.** All notices or other communications required or desired to be served, given or delivered hereunder shall be served, given or delivered and shall be deemed to have been validly served, given or delivered in accordance with Section 9.02 of the Credit Agreement.

16. **Duty of Grantee.** Grantee shall not be liable for any actions, omissions, errors of judgment or mistakes of fact or law with respect to the Axial Marks or Axial Licenses except as a result of the gross negligence or willful misconduct of Grantee. Without limiting the generality of the foregoing, Grantee shall not be under any obligation to take any action necessary to preserve rights of Grantor in the Axial Marks or Axial Licenses against any other Persons but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of Grantor and added to the Secured Obligations secured hereby.

17. **Section Headings.** The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereby have duly executed this Trademark Security Agreement dated as of the date first written above.

GRANTOR:

Hobbico Inc.

By: *Willard K. Muirheid*
Name: Willard K. Muirheid
Title: Secretary/Treasurer

ACKNOWLEDGED BY THE GRANTEE:

Wells Fargo Bank, National Association

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereby have duly executed this Trademark Security Agreement dated as of the date first written above.

GRANTOR:

Hobbico Inc.

By: _____
Name: Willard K. Muirheid
Title: Secretary/Treasurer



ACKNOWLEDGED BY THE GRANTEE:

Wells Fargo Bank, National Association

By: Michael Bleecher
Name: Michael Bleecher
Title: AVP

SCHEDULE A

Registered Trademarks

Mark	Serial No. Filing Date	Registration No. Registration Date
	78/866171 Apr. 20, 2006	3478174 Jul. 29, 2008
AXIAL	78/866137 Apr. 20, 2006	3302091 Oct. 2, 2007
	78/866150 Apr. 20, 2006	3302092 Oct. 2, 2007

SCHEDULE A (CON'T)

Unregistered Trademarks

None

Tradenames

Axial Racing

Internet Domain Names

SCHEDULE A

Domain Names

Domain Name	Expires	Registrant
22CRAWLER.COM	02/19/2012	Axial, Inc.
22ROCKCRAWLER.COM	02/19/2012	Axial, Inc.
AX10ROCKCRAWLER.COM	02/19/2012	Axial, Inc.
AX10ROCKRACER.COM	02/19/2012	Axial, Inc.
AX10RTC.COM	03/03/2013	Axial, Inc.
AX10RTR.COM	03/03/2013	Axial, Inc.
AX10SCORPION.COM	02/19/2012	Axial, Inc.
AXIALALERT.COM	06/10/2012	Axial, Inc.
AXIALCOUNTDOWN.COM	01/19/2012	Axial, Inc.
AXIALCRAWLING.COM	02/19/2012	Axial, Inc.
AXIALRACING.COM	09/20/2012	Axial, Inc.
AXIALRCCRAWLING.COM	02/19/2012	Axial, Inc.
AXIALROCKCRAWLING.COM	02/19/2012	Axial, Inc.
AXIALUSA.COM	02/25/2013	Axial, Inc.
AXIALVIDEOAWARDS.COM	03/09/2013	Axial, Inc.
AXIALWCC.COM	03/07/2013	Axial, Inc.
AXIALXR10.COM	05/11/2012	Axial, Inc.
READY2CRAWL.COM	01/16/2012	Axial, Inc.
READY-2-CRAWL.COM	01/16/2012	Axial, Inc.
READY2CRAWL.NET	01/16/2012	Axial, Inc.
READY-2-CRAWL.NET	01/16/2012	Axial, Inc.
READYTOCRAWL.COM	01/16/2012	Axial, Inc.
READYTOCRAWL.NET	01/16/2012	Axial, Inc.
SCALERROCKCRAWLER.COM	02/19/2012	Axial, Inc.
SCX10.COM	12/18/2012	Axial, Inc.

SCHEDULE B

Licenses

NONE

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RECORDED: 02/20/2012

**TRADEMARK
REEL: 004719 FRAME: 0829**