

02-04-1999

FORM PTO-1618A  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK



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MED  
2/2/99

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

Conveyance Type

- Assignment  License
  - Security Agreement  Nunc Pro Tunc Assignment
  - Merger  Change of Name
  - Other
- Effective Date  
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

02/03/1999 INGVYEN 00000309 7530718

FOR OFFICE USE ONLY

01 FC:481  
02 FC:482

40.00 OP  
250.00 OP

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK  
REEL: 1848 FRAME: 0427

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages** Enter the total number of pages of the attached conveyance document including any attachments. #

**Trademark Application Number(s) or Registration Number(s)**  Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

**Number of Properties** Enter the total number of properties involved. #

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)  
Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**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. Charges to deposit account are authorized, as indicated herein.

Beth J. Atkinson

*Beth J. Atkinson*  
Signature

2-1-99

Name of Person Signing

Date Signed

**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
**TRADEMARK**

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

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Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

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Address (line 3)

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**Registration Number(s)**

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Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

BANK OF NOVA SCOTIA, THE

DBA/AK/A/T/A

Toronto-Dominion Bank, The, as Agent

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other  Bank

Citizenship/State of Incorporation/Organization

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Registration Number(s)

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## COLLATERAL ASSIGNMENT OF TRADEMARKS

THIS COLLATERAL ASSIGNMENT OF TRADEMARKS ("Assignment"), made as of the 7<sup>th</sup> day of July, 1998, between PALLISER FURNITURE LTD., a corporation organized and existing under the laws of Canada (the "Assignor"), and THE TORONTO-DOMINION BANK, a Canadian Bank, having a mailing address of 201 Portage Avenue at Main Street, Winnipeg, Manitoba, Canada R3C 2T2, as agent for THE TORONTO-DOMINION BANK, THE BANK OF NOVA SCOTIA and CANADIAN IMPERIAL BANK OF COMMERCE (collectively the "Lenders;" the Toronto-Dominion Bank, in its capacity as agent for the Lenders, is hereinafter referred to as the "Agent").

### **RECITALS:**

A. The Lenders have entered or may enter into certain financial and financing arrangements with Palliser Furniture Corporation, a subsidiary of Assignor and/or has extended or may extend loans, credit or other financial accommodations to Palliser Furniture Corporation and/or to Assignor and/or to Palliser Furniture Holdings Ltd., the parent of Assignor (collectively, the "Affiliates").

B. In order to induce the Lenders to enter into such arrangements and/or extend such credit, loans or other accommodations to the Assignor and/or the Affiliates, Palliser Furniture Corporation has agreed to grant to the Agent for the benefit of the Lenders a security interest in the Collateral, as defined in that certain General Security Agreement executed by Palliser Furniture Corporation to the Agent for the benefit of the Lenders, dated August 5, 1997 (the "Security Agreement").

C. A portion of the Collateral consists of the Trademarks (as hereinafter defined).

D. The Trademarks have been adopted, used and are being used by the Assignor.

E. In order to induce the Agent and Lenders to enter into certain financial and financing arrangements and to extend loans, credit or other financial accommodations, the Assignor desires to assign Assignor's right, title and interest in, to and under the Trademarks to the Agent for the benefit of the Lenders, except as provided herein.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, the Assignor and the Agent hereby agree as follows:

1. Definitions. In addition to the words and terms elsewhere defined in this Assignment, the following terms shall have the following meanings unless the context indicates a contrary meaning or intent:

(a) "Event of Default" shall mean: (a) the occurrence of an Event of Default under the Security Agreement; or (b) the failure of the Assignor to perform, observe or comply with the loan documents relating to any of the Obligations other than those arising under the terms of the Security Agreement; or (c) failure of the Assignor to perform, observe, or comply with any of the provisions of this Assignment and such failure shall remain uncured for a period of ten (10) days after the date of written notice from the Agent to the Assignor.

(b) "Obligations" shall mean all liabilities, indebtedness and obligations of any and every kind and nature, heretofore, now or hereafter owing, arising, due or payable from the Assignor or the Affiliates to the Agent or the Lenders (or any of them), howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, contingent, fixed, joint and several, joint or several or otherwise, and whether arising under or evidenced by the Security Agreement or notes, instruments, bonds, financing agreements, interest rate swap or protection agreements, guaranties, deeds of trust, mortgages, security agreements, pledge agreements, subordination agreements or any other writing of any kind, type or description (together with all substitutions for and replacements of any of the foregoing), heretofore, now or hereafter executed and delivered by the Assignor or any Affiliate or for or under which the Assignor or any Affiliate is liable or has or may become liable, whether by assumption, operation of law or otherwise, together with any and all extensions and renewals of such liabilities, indebtedness and obligations.

(c) "Trademarks" shall mean the trademarks and trademark applications of Assignor which are listed on Schedule A hereto, which trademarks and trademark applications are registered in the United States Patent and Trademark Office.

2. Assignment. Assignor hereby assigns, conveys and transfers to the Agent, its successors and assigns, as security for the payment and performance of the Obligations, all of Assignor's right, title and interest in, to and under (i) the Trademarks, (ii) the goodwill of the business symbolized by the Trademarks, (iii) any right to sue for past, present and future infringements and all rights corresponding thereto, and (iv) the registration of the Trademarks with the United States Patent and Trademark Office; provided, however, that until the occurrence and continuance of an Event of Default, the Assignor may continue to use the Trademarks in its businesses and exercise the foregoing rights as if it had not made this Assignment to the Agent.

3. Warranties and Representations of Assignor. Assignor represents and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of Assignor's knowledge, each of the Trademarks is valid and enforceable;

(c) The Trademarks and all rights associated with the registration thereof with the United States Patent and Trademark Office are solely and exclusively owned by Assignor and have not heretofore been assigned, conveyed or transferred by Assignor;

(d) Assignor has the right to make this Assignment; and

(e) This Assignment will not violate any other agreement to which Assignor is a party or by which the assets of Assignor are bound.

4. Duties of Assignor. Assignor shall have the duty, through counsel acceptable to the Agent, to prosecute diligently trademark applications of the Trademarks pending as of the date of this Assignment or thereafter, if any, until the Obligations shall have been paid in full, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Assignor. The Assignor shall not abandon any Trademark without the consent of the Agent, which consent shall not be unreasonably withheld. It is understood that this Assignment shall not impose, and the Agent shall not have, any duty or responsibility with respect to any registration, renewal, protection, maintenance, or any other matters related to the Trademarks.

5. Termination. This Assignment shall terminate and the Agent shall reassign all of its right, title and interest in the Trademarks to Assignor promptly upon the payment and performance in full of all Obligations.

6. Inconsistent Agreements. Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Assignor's obligations under this Assignment, without the Agent's prior written consent.

7. Future Trademarks. If, before the Obligations shall have been satisfied in full, Assignor shall obtain rights to any future trademarks, the provisions of paragraph 2 hereof shall automatically apply thereto and Assignor shall give the Agent prompt written notice thereof. Assignor authorizes the Agent to modify this Assignment by amending Schedule A to include any future trademarks and trademark applications hereunder.

8. Assignor's Right To Use. Unless and until there shall have occurred and be continuing an Event of Default, the Agent hereby grants to the Assignor the exclusive, nontransferable right and license to use the Trademarks on and in connection with products sold by the Assignor and to exercise the rights set forth in paragraph 2 hereof for Assignor's own benefit and account and for none other. The Assignor agrees not to sell or assign its interest in, or grant any sublicense under, the license hereby granted to the Assignor, without the prior written consent of the Agent.



9. Remedies. If any Event of Default shall have occurred and be continuing, Assignor's license under the Trademarks as set forth in paragraph 8 shall terminate forthwith, and the Agent shall have, in addition to all other rights and remedies given it by this Assignment, those 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 Trademarks may be located and, without limiting the generality of the foregoing, the Agent may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignor or any Affiliate, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon all or from time to time any of the Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Assignor or other person lawfully entitled thereto. Notice of any sale or other disposition of the Trademarks shall be given to the Assignor in accordance with applicable law before the time of any intended public or private sale or other disposition of the Trademarks is to be made. At any such sale or other disposition, the Agent or any Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of the Assignor, which right is hereby waived and released.

10. Attorney-In-Fact. If any Event of Default shall have occurred and be continuing, the Assignor hereby authorizes and empowers the Agent to make, constitute and appoint any officer or agent of the Agent, as the Agent may select in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for the Agent to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any third person, or necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to any third person. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Assignment.

11. Fees, Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Agent in connection with the preparation of this Assignment and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by the Assignor on demand by the Agent and until so paid shall be added to the principal amount of the Obligations.

12. No Waiver. No course of dealing between the Assignor and the Agent or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of the Agent, any right, power or privilege hereunder or under the Security Agreement shall operate as a waiver thereof, nor

shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. Rights and Remedies Cumulative. All of the Agent's rights and remedies with respect to the Trademarks, whether established hereby or by the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

14. Severability. The provisions of this Assignment are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Assignment in any jurisdiction.

15. Modification. This Assignment is subject to modification only by a writing signed by the parties, except as provided in paragraph 7 hereof.

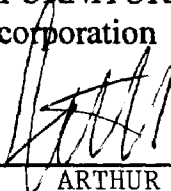
16. Binding Effect. The benefits and burdens of this Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

17. Paragraph Headings. The titles to the paragraphs of this Assignment are solely for the convenience of the parties and shall not be used to explain, modify, simplify or aid in the interpretation of the provisions of this Assignment.

IN WITNESS WHEREOF, the Assignor and the Agent have executed this Assignment under seal on the day and date first appearing above.

ASSIGNOR:

PALLISER FURNITURE LTD.,  
A Canada corporation

By:   
Name: ARTHUR DEFEHR  
Title: PRESIDENT

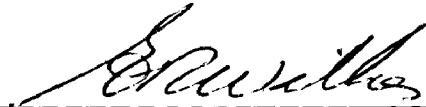
ATTEST:

  
Name: REGINALD KIEWER  
Title: ~~(Assistant)~~ Secretary


[CORPORATE SEAL]

AGENT:

THE TORONTO-DOMINION BANK,  
a Canadian Bank

By:   
Name: Gary Wilkes  
Title: ~~(Vice) President~~ Account Manager

ATTEST:

  
Name: Karen Fisher  
Title: ~~(Assistant) Secretary~~  
Services Officer

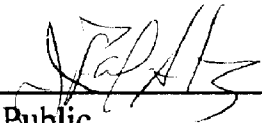
[CORPORATE SEAL]



CANADA )  
 )  
PROVINCE OF Manitoba )

I, Joseph Robert Douglas Steinburg, a Notary Public in and for the Province of Manitoba, do hereby certify that Reginald Kliever personally came before me this day and acknowledged that he/~~she~~ is Secretary of PALLISER FURNITURE LTD., a Canada corporation, Assignor, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself/herself as its Secretary.

Witness my hand and notarial stamp or seal, this 7 of July, 1998.


  
\_\_\_\_\_  
Notary Public  
[Notarial Stamp or Seal]

Commission Expires: N/A  
\_\_\_\_\_

CANADA )  
 )  
PROVINCE OF Manitoba )

I, D. Sean Kells, a Notary Public in and for the Province of Manitoba, do hereby certify that Karen Fisher personally appeared before me this day and acknowledged that ~~he~~/she is services officer ~~Secretary~~ of THE TORONTO-DOMINION BANK, a Canadian Bank, Agent, and that, by authority duly given and as the act of the Bank, the foregoing instrument was signed in its name by its Account Manager ~~President~~, sealed with its corporate seal, and attested by ~~himself~~/herself as its Services Officer ~~Secretary~~.

Witness my hand and notarial stamp or seal, this 15th of September, 1998.

  
\_\_\_\_\_  
Notary Public  
[Notarial Stamp or Seal]

Commission Expires: N/A  
\_\_\_\_\_

**U.S. TRADE-MARKS**

<u>Trade-mark</u>	<u>Application #</u>	<u>Registration #</u>
Contempra	75/307,168	
Fundamentals	74/705,705	2,039,853
Genesis Design	75/016,684	
Great Rooms by Palliser	75/304,699	
Horizons by Palliser	75/307,169	
Kiira Designs	74/586,779	
Leather Connection	75/073,424	
Leather Leather	74/650,690	
P Design	73/354,536	1,235,731
Palliser	73/782,967	1,623,690
Palliser & Design	73/354,537	1,235,732

CANADA )  
 )  
PROVINCE OF MANITOBA )

APPOINTMENT OF DOMESTIC  
REPRESENTATIVE

THE TORONTO-DOMINION BANK, a Canadian Bank (the "Bank"), having a mailing address of 201 Portage Avenue at Main Street, Winnipeg, Manitoba, Canada R3C 2T2 in its personal capacity and as agent for the Bank, THE BANK OF NOVA SCOTIA, and CANADIAN IMPERIAL BANK OF COMMERCE (in such capacity, the Bank is herein referred to as "Agent") hereby appoints as its agent WOCASAR, INC., a North Carolina corporation, having a mailing address of c/o Womble Carlyle Sandridge & Rice, PLLC, Post Office Drawer 84, Winston-Salem, North Carolina 27102, for the sole purpose of recording with The United States Patent and Trademark Office the attached Collateral Assignment of Trademarks, dated the 7th day of July, 1998, between PALLISER FURNITURE LTD., a corporation organized and existing under the laws of Canada, and the Agent, with full power and authority to act in the name of the Agent for the sole purpose stated herein. The Agent retains full power and authority both to appoint others to act as its agent or agents for such purpose and to revoke such appointment or appointments.

IN TESTIMONY WHEREOF, the undersigned has caused this instrument to be executed under seal on this 28th day of January, 1999.

AGENT:  
THE TORONTO-DOMINION BANK,  
a Canadian Bank, in its personal capacity and as Agent

By: [Signature]  
Name: GARRY WILKES  
Title: ACCOUNT MANAGER

ATTEST

Name: KAREN FISHER  
Title: COMMERCIAL BANKING SERVICES OFFICER  
[CORPORATE SEAL]



CANADA )  
 )  
PROVINCE OF Manitoba )

I, D. Sean Kellys, a Notary Public in and for the Province of Manitoba, do hereby certify that Karen Fisher personally appeared before me this day and acknowledged that he/she is Commercial Banking Services Officer of THE TORONTO-DOMINION BANK, a Canadian Bank, and that, by authority duly given and as the act of the Bank, the foregoing instrument was signed in its name by its Account Manager, sealed with its corporate seal, and attested by himself/herself as its Commercial Banking Services Officer.

Witness my hand and notarial stamp or seal, this 28th of January, 1999.

Commission Expires:

No expiry

[Signature]  
Notary Public  
[Notarial Stamp or Seal]