FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

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U.S. DEPARTMENT

02-03-1999
U.S. Patent & TMOfc/TM Mail Rcpt Dt. #

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original doc

1. Name of conveying party(ies):
SURE FIT, INC.

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

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

2. Name and address of receiving party(ies)
Name: FIRST UNION NATIONAL BANK
Internal Address:
Street Address: 2240 BUTLER PIKE
City: PLYMOUTH MEETING State: PA ZIP: 19462

☐ Individual(s) citizenship
☒ Association NATIONAL BANKING/PA
☐ General Partnership
☐ Limited Partnership
☐ Corporation-State
☐ Other

If assignee is not domiciled in the United States, a domestic represetative 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: 2-3-99

☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: JANUARY 11, 1999

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

A. Trademark Application No.(s)
74/193,303 & 74/355,718

B. Trademark Registration No.(s)
1,917,311 & 1,814454 & 1,814459
521,780

Additional numbers attached? ☐ Yes ☒ No

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

Name: AMY LEE BRADY
Internal Address: CSC

Street Address: 80 STATE STREET, 6TH FL.

City: ALBANY State: NY ZIP: 12207

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41).....$ 165.00

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number:

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

02/08/1999 DNGUYEN 00000275 1917311

01 FC:481 40.00 OP
02 FC:482 125.00 OP

DO NOT USE THIS SPACE

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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.

AMY LEE BRADY
Name of Person Signing

Amy L Brady
Signature

2/1/99
Date

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

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

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement ("Agreement") is made as of the 11th day of January, 1999, by Sure Fit, Inc., a Delaware corporation ("Debtor"), having a mailing address at 939 Marcon Boulevard, Allentown, PA 18103 and delivered to First Union National Bank, a national banking association ("Lender") with an address at 2240 Butler Pike, Plymouth Meeting, PA 19462.

BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Loan and Security Agreement of even date herewith between Debtor and Lender (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Loan Agreement"), under which Debtor is granting Lender a lien on and security interest in certain assets of Debtor associated with or relating to products leased or sold under Debtor's trademarks and the goodwill associated therewith, and under which Lender is entitled to foreclose or otherwise deal with such assets, trademarks, servicemarks and tradenames under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Debtor has adopted, used and is using (or has filed applications for the registration of) the trademarks, servicemarks and tradenames listed on Schedule "A" attached hereto and made part hereof (all such marks or names hereinafter referred to as the "Trademarks").

C. Pursuant to the Loan Agreement, Lender is acquiring a lien on, and security interest in, the Trademarks and the registration thereof, together with all the goodwill of Debtor associated therewith and represented thereby, as security for all of Debtor's Obligations, and desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure Debtor's Obligations (whether at the stated maturity, by acceleration or otherwise), Debtor grants a lien and security interest to Lender in all of its present and future right, title and interest in and to the Trademarks, together with all the goodwill of Debtor associated with and represented by the Trademarks, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Debtor hereby covenants and agrees to maintain the Trademarks in full force and effect until all of Debtor's Obligations are satisfied in full and the Revolving Credit has terminated.

3. Debtor represents, warrants and covenants that:

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

(b) Each of the Trademarks is valid and enforceable;

(c) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and (except for (i) Liens in favor of Fieldcrest securing the Seller Subordinated Debt and (ii) rights of Fieldcrest Cannon Licensing, Inc. (as licensee) pursuant to a Trademark License Agreement dated March 20, 1998 with Debtor (as licensor)), each of the Trademarks is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Debtor not to sue third persons;

(d) Debtor has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Debtor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Trademarks; and

(f) Debtor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in products leased or sold under the Trademarks and hereby grants to Lender (with no obligation of any kind upon Lender to do so) the right to upon notice visit Debtor's locations which manufacture, process, sell, or store products under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours to ensure Debtor's compliance with this paragraph 3(f).

4. Debtor further covenants that:

(a) Until all of Debtor's Obligations have been satisfied in full and the Revolving Credit has been terminated, it will not enter into any agreement, including without limitation, license agreements or options, which are inconsistent with Debtor's obligations under this Agreement.

(b) The Trademarks listed on Schedule "A" constitute all of the Trademarks, and all applications for any of the foregoing, now owned by Debtor. If, before all Obligations shall have been satisfied in full and the Revolving Credit shall have been terminated, Debtor shall (i) obtain rights to any new trademarks, trademark registrations or tradenames, or (ii) become entitled to the benefit of any trademark application, trademark or trademark registration, the provisions of this Agreement shall automatically apply thereto and such trademark application, trademark or trademark

registration, shall be deemed part of the Trademarks. Debtor shall give Lender prompt written notice thereof along with an amended Schedule "A."

5. So long as this Agreement is in effect and so long as Debtor has not received notice from Lender that an Event of Default has occurred and is continuing under the Loan Agreement and that Lender has elected to exercise its rights hereunder, Debtor shall continue to have the exclusive right to use the Trademarks and Lender shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. Debtor shall not sell, license, grant any option, assign or further encumber its rights and interest in the Trademarks.

7. Anything herein contained to the contrary notwithstanding, if and while an Event of Default exists under the Loan Agreement, Debtor hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in Pennsylvania, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Trademarks covered hereby. For such purposes, and in the event of an Event of Default under the Loan Agreement and while such Event of Default exists, Debtor hereby authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, assignments, documents, papers and instruments necessary for Lender to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as Exhibit 1. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or wilful misconduct of such attorney. This power of attorney shall be coupled with an interest, irrevocable for the life of this Agreement and the Loan Documents, and until all Debtor's Obligations are satisfied in full and the Revolving Credit has terminated.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Agreement, the language of the Loan Agreement shall control.

10. Upon full and unconditional satisfaction of all of Debtor's Obligations and termination of the Revolving Credit, Lender shall execute and deliver to Debtor all documents reasonably necessary to terminate Lender's security interest in the Trademarks.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Debtor on demand by Lender and until so paid shall be added to the principal amount of Debtor's Obligations and shall bear interest at the applicable rate for Base Rate Loans under the Revolving Credit or the rate prescribed in Section 2.11(c) of the Loan Agreement applicable to the Revolving Credit.

12. Debtor shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Agreement or thereafter, until Debtor's Obligations shall have been satisfied in full and the Revolving Credit terminated, to preserve and maintain all rights in the Trademarks, and upon reasonable request of Lender, Debtor shall make federal application on registrable but unregistered trademarks belonging to Debtor. Any reasonable expenses incurred in connection with such applications shall be borne by Debtor. Debtor shall not abandon any Trademark without the prior written consent of Lender.

13. Debtor shall have the right to bring suit in its own name to enforce the Trademarks, in which event Lender, may, if Debtor reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Debtor shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. During the existence of an Event of Default, Lender may, without any obligation to do so, complete any obligation of Debtor hereunder, in Debtor's name or in Lender's name, but at Debtor's expense, and Debtor hereby agrees to reimburse Lender in full for all reasonable costs and expenses, including reasonable attorneys' fees, incurred by Lender in protecting, defending and maintaining the Trademarks.

15. No course of dealing between Debtor and Lender nor any failure to exercise, nor any delay in exercising, on the part of Lender any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Documents, or by any other future agreements between Debtor and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

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

18. This Agreement shall be governed by and construed in accordance with the substantive laws of the Commonwealth of Pennsylvania, without regard to its otherwise applicable principles of conflicts of laws.

19. **To the extent that any Dispute is not submitted under Section 9.19 of the Loan Agreement, Debtor and Lender each waives any and all rights it may have to a jury trial in connection with any litigation, proceeding or counterclaim arising with respect to rights and obligations of the parties hereto or under the Loan Documents or with respect to any claims arising out of any discussions, negotiations or communications involving or related to any proposed renewal, extension, amendment, modification, restructure, forbearance, workout, or enforcement of the transactions contemplated by the Loan Documents.**

IN WITNESS WHEREOF, the parties hereto have executed this Trademark Security Agreement, under seal, the day and year first above written.

SURE FIT, INC.

By: _____

Attest: _____

(Corporate Seal)

Approved and Accepted:

FIRST UNION NATIONAL BANK

By: _____

TRADEMARK
REEL: 1850 FRAME: 0877

CORPORATE ACKNOWLEDGEMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF PHILADELPHIA :

On this 11th day of JAN; 1999, before me personally appeared BERTRAM C SHLENSKY, to me known and being duly sworn, deposes and says that s/he is PRESIDENT of SURE FIT, INC., the Debtor corporation described in the foregoing Agreement; that he/she knows the seal of the corporation; that the seal so affixed to the Agreement is such corporate seal; that he/she signed the Agreement and affixed the seal of the corporation thereto as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Dorothy L. Wydra
Notary Public

My Commission Expires: 10-31-2002

NOTARIAL SEAL
DOROTHY L. WYDRA, Notary Public
City of Philadelphia, Phila. County
My Commission Expires October 31, 2002

CORPORATE ACKNOWLEDGEMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF PHILADELPHIA :

On this 11th day of JAN., 1999, before me personally appeared MARTIN COSTELLO to me known and being duly sworn, deposes and says that s/he is VICE PRESIDENT of FIRST UNION NATIONAL BANK, the banking association described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him/her bylaw; that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Dorothy L. Wydra
Notary Public

My Commission Expires: 10-31-2002

NOTARIAL SEAL
DOROTHY L. WYDRA, Notary Public
City of Philadelphia, Phila. County
My Commission Expires October 31, 2002

SCHEDULE A TO TRADEMARK SECURITY AGREEMENT

TRADEMARKS	SERIAL NUMBER	REGISTRATION NO.	DATE FILED	ISSUE DATE	REGISTRATION DATE
COVERWORKS	74/485,681	1,917,311	2/2/94	2/2/943	9/5/95
DECOR EXPRESS & DESIGN	74/193,303		8/8/91		Pending
HOMESCAPES-CLASS 20	1814454			12/28/93	
HOMESCAPES - CLASS 24	1814459			12/28/93	
SURE FIT		521,780			3/7/50
CASUAL SLIPCOVER & DESIGN	74/355/718		10/25/93		

Exhibit 1

TRADEMARK ASSIGNMENT

WHEREAS, SURE FIT, INC., a Delaware corporation ("Grantor") is the registered owner of the United States trademarks, tradenames and registrations listed on Schedule A attached hereto and made a part hereof (the "Trademarks"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ having a place of business at _____
_____
_____ ("Grantee") is desirous of acquiring said Trademarks;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed as of the ___ day of _____, ____.

SURE FIT, INC.

Witness: _____

By:_____
as Attorney-in-fact

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STATE OF _____ :

: SS

COUNTY OF _____ :

On this the ___ day of _____, ___ before me a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of SURE FIT, INC. ("Grantor"), and he/she acknowledged to me that he/she executed the foregoing Trademark Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
(Individual Notary)

My Commission Expires:

_____, _____

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SCHEDULE A TO TRADEMARK ASSIGNMENT

TRADEMARKS	SERIAL NUMBER	REGISTRATION NO.	DATE FILED	ISSUE DATE	REGISTRATION DATE
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SURE FIT		521,780			3/7/50
CASUAL SLIPCOVER & DESIGN	74/355/718		10/25/93		

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