

05-14-1999

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



101037267

**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  
03 31 99

**Conveying Party**

☐ Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

03 31 99

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

FOR OFFICE USE ONLY

05/13/1999 JSHABAZZ 00000094 1535335

01 FC:481  
02 FC:482

40.00 OP  
75.00 OP

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: 1896 FRAME: 0753**

**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)**

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1535335"/>	<input type="text" value="1862527"/>	<input type="text"/>
<input type="text" value="1831370"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="1832765"/>	<input type="text"/>	<input type="text"/>

**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 ☐

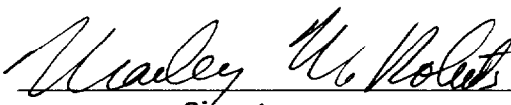
No ☐

**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.

Manley W. Roberts, Esq.

Name of Person Signing



Signature

5/5/99

Date Signed

# **INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT** (this "Agreement") is made this 31st day of March, 1999 by **RIVER OAKS FURNITURE, INC.** (formerly known as River Oaks Acquisition Co., Inc.), a Mississippi corporation (the "Grantor") in favor of **BNY FINANCIAL CORPORATION**, a corporation organized under the laws of the State of New York (the "Secured Party"), as factor under the Factoring Agreement (as defined below), and as Lender under the Credit Agreement (as defined below). All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned thereto in the Credit Agreement.

## **WITNESSETH:**

**WHEREAS**, the Lender has agreed to provide the Grantor certain term loan and revolving credit facilities pursuant to the terms of that certain Revolving Credit and Term Loan Agreement by and between the Grantor and the Lender dated as of March 31, 1999 (as from time to time amended, supplemented or replaced, the "Credit Agreement"); and

**WHEREAS**, the Grantor will directly and materially benefit from the credit facilities provided under the Credit Agreement and the making of loans and advances thereunder as contemplated thereby; and

**WHEREAS**, the Grantor and the Secured Party have entered into that certain Factoring Agreement dated as of the date hereof (the "Factoring Agreement") pursuant to which the Lender has agreed to purchase certain accounts receivable of the Grantor; and

**WHEREAS**, as collateral security for payment and performance of its Obligations under the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement), all indebtedness and obligations under the Factoring Documents, the Assumed BNY Debt, and any other indebtedness owed by the Grantor to the Secured Party, the Grantor is willing to grant to the Secured Party a security interest in the assets described herein; and

**WHEREAS**, the Secured Party is unwilling to enter into the Loan Documents and the Factoring Documents unless the Grantor enters into this Agreement;

**NOW, THEREFORE**, in order to induce the Secured Party to enter into the Loan Documents and the Factoring Documents and in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

**Section 1. Grant of Security.** The Grantor hereby grants to the Secured Party a security interest in all of the following (collectively, the "Collateral"):

- (a) all of the Grantor's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign patents and patent applications (including without limitation the patents and patent applications identified on Schedule I attached hereto and incorporated herein by reference) and including the right to recover for all past, present

and future infringements thereof and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto (collectively, the "Patents");

(b) all of the Grantor's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign trademarks, trade names, trade dress, service marks, trademark and service mark registrations, and applications for trademark or service mark registration and any renewals thereof (including without limitation each trademark, trade name, trade dress, registration and application identified in Schedule II attached hereto and incorporated herein by reference) and including all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto (including without limitation damages for past or future infringements thereof), the right to sue or otherwise recover for all past, present and future infringements thereof, all rights corresponding thereto throughout the world (but only such rights as now exist or may come to exist under applicable local law) and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark and service mark (collectively, the "Trademarks");

(c) all of the Grantor's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign copyrights and copyright applications (including without limitation the registered copyrights and copyright applications identified on Schedule III attached hereto and incorporated herein by reference) and including the right to recover for all past, present and future infringements thereof and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto (collectively, the "Copyrights");

(d) All license agreements regarding Patents, Trademarks or Copyrights with any other party, whether the Grantor is a licensor or licensee under any such license agreement (including without limitation the licenses listed on Schedule IV attached hereto and incorporated herein by reference) which by their terms do not prohibit assignment or the granting of a security interest therein, and the right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Security Agreement) now or hereafter owned by the Grantor and now or hereafter covered by such licenses (collectively, the "Licenses"); and

(e) all proceeds of any of the foregoing.

In addition, the Grantor has executed in blank and delivered to the Secured Party an assignment of licenses and federally registered patents, trademarks and copyrights (the "IP Assignment") owned by it, if any, in substantially the form of Exhibit A hereto. The Grantor hereby authorizes the Secured Party to complete as Assignee and record with the United States Patent and Trademark Office (the "PTO") and United States Copyright Office (the "Copyright Office") the IP Assignment upon the occurrence of an Acceleration Event (as defined in Section 10 hereof).

**Section 2. Security for Obligations.** The security interests granted under this Agreement (the "Security Interests") by the Grantor secure the payment of all obligations of the Grantor to the Secured Party or any affiliate of the Secured Party, including but not limited to all obligations under, in respect of or in connection with this Agreement, the Credit Agreement, the Factoring Documents, each other Loan Document to which the Grantor is or becomes a party, and the Assumed BNY Debt (all such obligations being the "Secured Obligations").

The Security Interests granted by this Agreement are granted in conjunction with the security interests granted to the Secured Party in other assets of the Grantor pursuant to the other Loan Documents and the Factoring Documents.

**Section 3. Collateral Assignment.** In addition to, and not in limitation of, the grant of a security interest in the Trademarks, Copyrights and Licenses in Section 1 above, the Grantor hereby grants, assigns, transfers, conveys and sets over to the Secured Party the Grantor's entire right, title and interest in and to the Trademarks, Copyrights and Licenses; provided, that such grant, assignment, transfer and conveyance shall become effective only at the election of the Secured Party after the occurrence of an Event of Default and acceleration of the Obligations under the Credit Agreement. The Grantor hereby agrees that after the occurrence of an Event of Default and acceleration of the Obligations under the Credit Agreement the use by the Secured Party of any of the Trademarks, Copyrights and Licenses shall be without any liability for royalties or other related charges from the Secured Party to the Grantor.

**Section 4. Further Assurances.**

(a) The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable, or that the Secured Party may reasonably request, in order to (i) continue, perfect and protect any Security Interest granted or purported to be granted hereby, (ii) perfect the Security Interest for the benefit of the Secured Party in and assign to the Secured Party, as security for the repayment and satisfaction of the Secured Obligations, all Collateral located in any domestic or foreign jurisdiction, and (iii) enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any part of the Collateral. Without limiting the generality of the foregoing, the Grantor will execute and file (with the appropriate governmental offices, authorities, agencies and regulatory bodies in the United States and any applicable foreign jurisdiction) such supplements to this Agreement and such financing or continuation statements, or amendments thereto, and such other instruments or notices, including executed IP Assignment, with the PTO and the Copyright Office, as may be necessary or desirable, or as the Secured Party may reasonably request, in order to perfect and preserve the Security Interests granted or purported to be granted hereby.

(b) The Grantor hereby authorizes the Secured Party to file, where permitted by law, one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor. A carbon, photographic

or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.

(d) The Grantor agrees that, should it have or obtain an ownership interest in any material United States or foreign patent or patent application that is not now identified on Schedule I, any material trademark or trademark application that is not now identified on Schedule II or any material copyright or copyright application that is not now identified on Schedule III or any material license agreement in respect of any patent, trademark or copyright that is not now identified on Schedule IV: (i) the provisions of this Agreement shall automatically apply to such item, and such item shall automatically become part of the Collateral; and (ii) the Grantor shall, within three months after acquiring or becoming aware of such ownership interest, (A) give written notice thereof to the Secured Party and, (B) with respect to material Trademarks, cause such Trademarks to be properly registered with the PTO, (C) with respect to material copyrights, cause such copyrights to be registered with the United States Copyright Office and (D) with respect to patents and patent applications and trademarks and trademark applications, prepare, execute and file in the PTO or if appropriate in the equivalent agencies in any foreign jurisdiction, within the requisite time period, all documents that are known by the Grantor to be necessary or that the Secured Party reasonably requests in order to perfect the Security Interest of the Secured Party therein. The Grantor authorizes the Secured Party to execute and file such a document in the name of the Grantor if the Grantor fails to do so.

(e) The Grantor agrees that should any of its Subsidiaries (whether now or hereafter existing) obtain any ownership interest in any United States or foreign patent or patent application, trademarks or trademark application, trademarks, trade names, trade dress, service marks, trademark and service mark registrations, and applications for trademark or service mark registration and any renewals thereof, the Grantor shall either cause such corporation (i) to become a party to the Credit Agreement, as required by the Secured Party, and a party hereto, or (ii) to transfer and assign all such corporation's ownership interests therein to the Grantor, whereupon the provisions of subsection (d) of this Section 8 shall be applicable thereto.

(f) To the extent necessary or economically desirable in the conduct of its business, the Grantor agrees: (i) to take all necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof or in any court, to maintain and pursue each patent application now or hereafter included in the Collateral and to maintain each patent, trademark or copyright now or hereafter included in the Collateral, including the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the

participation in interference, reexamination, opposition and infringement proceedings; (ii) to take corresponding steps with respect to material unpatented inventions on which the Grantor is now or hereafter becomes entitled to seek protection; (iii) to bear any expenses incurred in connection with such activities; and (iv) not to abandon any right to file a material patent application, or abandon any material pending application with respect to any of the Collateral, without the written consent of the Secured Party.

(g) The Grantor shall not do any act or omit to do any act whereby any of the Collateral may become dedicated or abandoned, except where such dedication or abandonment (i) will not materially adversely affect the business, condition (financial or otherwise), operations, performance, or properties of the Grantor individually or of the Grantor and its Subsidiaries, and (ii) is in the ordinary course of the Grantor's business. The Grantor agrees to notify the Secured Party promptly and in writing if it learns that any of the Collateral may become abandoned or dedicated or of any adverse determination or any development (including without limitation the institution of any proceeding in the PTO, or in the equivalent agencies in any foreign jurisdiction, or any court) regarding any material part of the Collateral.

(h) In the event that any of the Collateral as to which it has granted the Security Interests is infringed or misappropriated by a third party, the Grantor shall promptly notify the Secured Party and shall, unless the Grantor shall reasonably determine that such Collateral would not reasonably be likely to, in the aggregate, be of material economic value to the Grantor, take all reasonable steps to terminate the infringement or misappropriation, and take such other actions as the Grantor shall deem appropriate under the circumstances to protect such Collateral. Any expense incurred in connection with such activities shall be borne by the Grantor.

(i) The Grantor agrees (i) to maintain the quality of any and all products in connection with which the Collateral is used, consistent with the quality standards established by the Grantor for said products as of the date of determination, and (ii) to provide the Secured Party at least quarterly, with a certificate of an officer of the Grantor certifying the Grantor's compliance with the foregoing subsections (a) through (h).

(j) The Grantor agrees that it will promptly correct any defect or error that may be discovered in (i) this Agreement, (ii) any document executed pursuant hereto or (iii) the execution, acknowledgment or recordation thereof.

(k) The Grantor shall continue to mark its products according to statute with the numbers of all appropriate Patents.

**Section 5. General Representations and Warranties.** The Grantor represents and warrants as follows:

(a) It has the unqualified right to enter into this Agreement and to perform its terms.

(b) No authorization, consent, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other Person is required either (i) for the grant by the Grantor of the Security Interests granted hereby or for the execution, delivery or performance of this Agreement by the Grantor, or (ii) for the perfection of or the exercise by the Secured Party of its rights and remedies hereunder, except for the filing of this Agreement with the United States Patent and Trademark Office with respect to each Trademark, the filing of a registration certificate with respect to any infringed Trademark and the filings required by the Uniform Commercial Code of the State in which the Grantor maintains its chief executive office, and except to the extent that the exercise of rights and remedies may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors rights generally or by general principles of equity.

(c) Set forth on Schedule IV is a list, which is complete and accurate in all material respects as of the date hereof, of Licenses of the Grantor necessary for the conduct of its business as currently conducted or utilized and material in the Grantor's commercial manufacturing operations or materially used in the selling or marketing of the Grantor's products, including the expiration date of such Licenses; provided that such schedule does not include Licenses that relate to readily available software and other similar licenses that are commercially available and not limited in distribution.

(d) Each License of the Grantor identified on Schedule IV is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and is, to the Grantor's knowledge, valid and enforceable. No action or proceeding is pending or threatened (i) seeking to limit, cancel or question the validity of the Collateral that would be reasonably likely, in the aggregate, to be of material economic value or (ii) which, if adversely determined, would have a material adverse effect on the value of the Collateral taken as a whole.

(e) It has notified the Secured Party in writing of all uses of any Patent, Trademark or Copyright, prior to the Grantor's use, of which the Grantor is aware, which would in the reasonable judgment of the Grantor lead to such item becoming invalid or unenforceable, including prior unauthorized uses by third parties and uses that were not supported by the goodwill of the business connected with such item.

(f) It has not granted any release, covenant not to sue, or non-assertion assurance to any third person, nor allowed any shop right to arise with respect to any third person, with respect to any part of the Collateral that would be reasonably likely, in the aggregate, to be of material economic value.

(g) Its products have been marked as required by statute with respect to the Collateral.

(h) The actions contemplated under or in connection with the Loan Documents will not impair the legal right of the Grantor to use any of the Collateral.



(i) Except as disclosed to the Security Party in writing prior to the date of this Agreement, the Grantor has no knowledge of the existence of any right under any patent, trademark, license agreement, trade name, trade secret, know-how, confidential research, development and commercial information, or other proprietary information held by any other Person that would preclude the Grantor from publishing, distributing, marketing, selling, or using any product currently made by it, being made for it or sold or used by it, imported by it or exported by it, as the case may be, or to use any processes currently used by it (except, in each case, to the extent that the Grantor has granted an exclusive license to another Person), or materially interfere with the ability of the Grantor to carry on its business as currently carried on, and the Grantor has no knowledge of any claim to the contrary that is likely to be made.

(j) The Grantor has used consistent standards of quality in manufacturing, distribution and marketing of each product sold and provision of each service provided under any Collateral, and has taken all steps necessary to ensure that all licensed users of any Collateral use such consistent standards of quality.

(k) None of the Grantor's Subsidiaries has an ownership interest in any patents, patent applications, copyrights, copyright applications, trademark, trade name, trade dress, service marks, trademark or service mark registrations or any applications for trademark or service mark registration.

(l) No claim has been made (and, as to Collateral with respect to which the Grantor is a licensor, to the knowledge of the Grantor, no claim has been made against the third party licensee), and the Grantor has no knowledge of any claim that is likely to be made, that the use by the Grantor of any Collateral does or may violate the rights of any Person.

**Section 6. Patent Representations and Warranties.** The Grantor represents and warrants as follows:

(a) It is the sole legal and beneficial owner of the Patents set forth opposite its name on Schedule I hereto, free and clear of any Lien, security interest, option, charge, pledge, assignment (whether conditional or not), or any other encumbrance except for the security interests created or permitted by this Agreement or the Credit Agreement and certain Licenses and registered user agreements described on Schedule IV or the Permitted Liens, and no effective financing statement or other instrument similar in effect covering all or any part of such Collateral, is on file in any recording office, except such as may have been filed in favor of the Secured Party.

(b) Set forth on Schedule I is a list, which is complete and accurate in all material respects as of the date hereof, of all of the Patents owned by the Grantor necessary for the conduct of its business as currently conducted or utilized and material in the Grantor's commercial manufacturing operations or materially used in the selling or marketing of the Grantor's products.

(c) Each Patent of the Grantor identified on Schedule I hereto is subsisting and has not been adjudged unpatentable, invalid or unenforceable, in whole or in part, to the knowledge of the Grantor, is patentable, valid and enforceable and each of such Patent applications has been filed in conformity with applicable rules and procedures of the United States Patent and Trademark Office and of the equivalent agencies in each applicable foreign jurisdiction and will be diligently prosecuted in conformity therewith so as to not improperly become abandoned.

**Section 7. Trademark Representations and Warranties.** The Grantor represents and warrants as follows:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the Trademarks purported to be granted by it hereunder, free and clear of any Lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for the Security Interests created or permitted by this Agreement or the Credit Agreement and certain Licenses and registered user agreements described on Schedule IV or Permitted Liens. No effective financing statement or other instrument similar in effect covering all or any part of the Trademarks purported to be granted by the Grantor hereunder is on file in any recording office, including, without limitation, the United States Patent and Trademark Office and the equivalent offices in any foreign jurisdiction, except such as may have been filed in favor of the Secured Party.

(b) Set forth on Schedule II is a list, which is complete and accurate in all material respects as of the date hereof, of all of the Trademarks owned by the Grantor necessary for the conduct of its business as currently conducted or utilized and material in the Grantor's commercial manufacturing operations or materially used in the selling or marketing of the Grantor's products.

(c) Each Trademark of the Grantor identified on Schedule II is validly subsisting and has not been abandoned or adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to the Grantor's knowledge, valid, registrable and enforceable.

**Section 8. Copyright Representations and Warranties.** The Grantor represents and warrants as follows:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the Copyrights purported to be granted by it hereunder, free and clear of any Lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for the Security Interests created or permitted by this Agreement or the Credit Agreement and certain Licenses and registered user agreements described on Schedule IV and the Permitted Liens. No effective financing statement, notice of assignment or security interest or other instrument similar in effect covering all or any part of the Copyrights purported to be granted by the Grantor hereunder is on file in any recording office, including, without limitation, the United States

Patent and Trademark Office and the equivalent offices in any foreign jurisdiction, except such as may have been filed in favor of the Secured Party.

(b) Set forth on Schedule III is a list, which is complete and accurate in all material respects as of the date hereof, of all of the registered copyrights owned by the Grantor and either necessary for the conduct of its business as currently conducted or utilized and material in the Grantor's commercial manufacturing operations or materially used in the selling or marketing of the Grantor's products.

(c) Each Copyright of the Grantor identified on Schedule III is validly subsisting and has not been abandoned or adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to the Grantor's knowledge, valid, registrable and enforceable.

**Section 9. Transfers and Other Liens.** The Grantor shall not:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of, or grant any option with respect to, the Collateral, except as permitted by the Credit Agreement, except that the Grantor may license the Collateral (i) in the ordinary course of the Grantor's business, provided that such license is necessary or desirable in the conduct of the Grantor's business, or (ii) in connection with a sale of assets in compliance with the Credit Agreement, provided that such license shall be on terms reasonably expected to maximize the gain to the Grantor resulting from the granting of such license. The Secured Party shall execute any documents that the Grantor may reasonably request in order to permit the Grantor to exercise its right hereunder to license the Trademarks, provided that the Secured Party shall not be required to do anything that may, in their sole judgment, adversely affect the validity of the Security Interests or the assignment of the Collateral located in any foreign jurisdiction;

(b) create or suffer to exist any Lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral except for the Security Interests created by this Agreement or other Permitted Liens; or

(c) take any other action in connection with any of the Collateral that would impair the value of the interest or rights of the Grantor in the Collateral or that would impair the interest or rights of the Secured Party.

**Section 10. Secured Party Appointed Attorney-in-Fact.** Without limiting any other provision of this Agreement, upon the occurrence and during the continuance of an Acceleration Event (as hereinafter defined), the Grantor hereby irrevocably appoints the Secured Party as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Secured Party's discretion, to take any action and to execute any instrument that the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings that the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral; and

(d) to execute, in connection with the sale provided for in Section 14, any endorsement, assignments, or other instruments of conveyance or transfer with respect to the Collateral.

For purposes of this Agreement, "Acceleration Event" means that (a) an Event of Default has occurred and is continuing and (b) the Secured Obligations have become due and payable (whether by acceleration, at final maturity or otherwise).

#### **Section 11. Secured Party May Perform.**

(a) If the Grantor fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor under Section 15(b) to the fullest extent permitted by applicable law.

(b) The Secured Party or its designated representatives shall have the right to the extent reasonably requested and upon reasonable prior notice, at any reasonable time during normal business hours of the Grantor and from time to time, to inspect the Grantor's premises and to examine the Grantor's books, records and operations relating to the Collateral.

**Section 12. The Secured Party's Duties.** The powers conferred on the Secured Party hereunder are solely to protect the interest of the Secured Party in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against other parties or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which such party accords its own property.

**Section 13. Events of Default.** It is understood and agreed that the occurrence of any one or more of the following shall constitute an "Event of Default" hereunder with respect to the Grantor and shall entitle the Secured Party to take such actions as are elsewhere provided in this Agreement in respect of Events of Default:

(a) an "Event of Default" or "Default" as defined in the Credit Agreement shall have occurred and be continuing; or

(b) any covenant made by the Grantor herein is breached, violated, or not complied with and not cured (other than with respect to any breach or violation of or non-compliance with Section 4(g) or Section 9 hereof) within 30 days after notice thereof from the Secured Party; provided, however, any breach or violation of or non-compliance with Section 4(g) or Section 9 hereof shall immediately result in an Event of Default.

**Section 14. Remedies Upon Acceleration Event.** If an Acceleration Event shall have occurred and be continuing:

(a) The Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the Uniform Commercial Code (the "UCC") and also may (i) exercise any and all rights and remedies of the Grantor under, in connection with, or otherwise in respect of, such Collateral, including the completion and filing of the IP Assignment, (ii) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Secured Party forthwith, assemble all or part of the documents embodying such Collateral as directed by the Secured Party and make it available to the Secured Party at a place to be designated by the Secured Party that is reasonably convenient to both the Secured Party and the Grantor, (iii) occupy any premises owned or leased by the Grantor where documents embodying such Collateral or any part thereof are assembled for a reasonable period in order to effectuate the Secured Party's rights and remedies hereunder or under applicable law, without obligation to the Grantor in respect of such occupation, (iv) license such Collateral or any part thereof, and (v) without notice except as specified below, sell such Collateral or any part thereof in one or more parcels at public or private sale, at any of the Secured Party's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Secured Party may deem commercially reasonable. The Grantor agrees that at least ten days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All payments received by the Grantor under or in connection with any of such Collateral shall be received in trust for the Secured Party, shall be segregated from other funds of the Grantor and shall be immediately paid over to the Secured Party in the same form as so received (with any necessary endorsement).

(c) All payments made under or in connection with or otherwise in respect of the Collateral, and all cash proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of such Collateral may, in the

discretion of the Secured Party, be held by the Secured Party, as collateral for, and then or at any time thereafter applied (after payment of any amounts payable to the Secured Party pursuant to Section 15) against all or any part of the Secured Obligations, in such order as the Secured Party shall elect. Any surplus of such cash or cash proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whosoever may be lawfully entitled to receive such surplus. Any sale or other disposition of the Collateral and the possession thereof by the Secured Party shall be in compliance with all provisions of applicable law (including applicable provisions of the UCC).

**Section 15. Indemnity and Expenses.**

(a) The Grantor agrees to indemnify the Secured Party from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement that are incurred by Secured Party (including without limitation enforcement of this Agreement), except claims, losses or liabilities resulting from the Secured Party's gross negligence or willful misconduct.

(b) The Grantor will upon demand pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, that the Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Secured Party, or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

**Section 16. Security Interest Absolute.** All rights of the Secured Party in the Security Interests granted hereunder, and each of the Secured Obligations, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Credit Agreement, the Factoring Documents or any other Loan Document, or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to departure from, the Credit Agreement, the Factoring Documents or any other Loan Document, including, but not limited to, (i) an increase or decrease in the Secured Obligations and (ii) an amendment of any Loan Document or Factoring Documents to permit the Secured Party to extend further or additional credit to the Grantor in any form including credit by way of loan, purchase of assets, guarantee or otherwise, which credit shall thereupon be and become subject to the Credit Agreement or the Factoring Documents and the other Loan Documents as a Secured Obligation;

(c) any taking and holding of collateral or guarantees (including without limitation any collateral pledged as security for the Secured Obligations under the Security Instruments or the Factoring Documents) for all or any of the Secured Obligations; or any amendment, alteration, exchange, substitution, transfer, enforcement, waiver, subordination, termination or release of any collateral or such guarantees (including without limitation any collateral pledged as security for the Secured Obligations under the Security Instruments or the Factoring Documents), or any non-perfection of any collateral, or any consent to departure from any such guaranty (including without limitation any collateral pledged as security for the Secured Obligations under the Security Instruments or the Factoring Documents);

(d) any manner of application of collateral, or proceeds thereof, to all or any of the Secured Obligations, or the manner of sale of any collateral;

(e) any consent by the Secured Party to the change, restructure or termination of the corporate structure or existence of the Grantor and any corresponding restructure of the Secured Obligations, or any other restructure or refinancing of the Secured Obligations or any portion thereof;

(f) any modification, compromise, settlement or release by the Secured Party, by operation of law or otherwise, collection or other liquidation of the Secured Obligations or the liability of the Grantor or any guarantor of the Secured Obligations, or of any collateral for the Secured Obligation, in whole or in part, and any refusal of payment by the Secured Party in whole or in part, from any obligor or guarantor (including without limitation any guarantor) in connection with any of the Secured Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, the Grantor; or

(g) any other circumstance (including without limitation any statute of limitations) that might otherwise constitute a defense available to, or a discharge of the Grantor.

The granting of a Security Interest in the Collateral shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by the Secured Party, upon the insolvency, bankruptcy or reorganization of the Grantor or otherwise, all as though such payment had not been made.

**Section 17. Waiver.** The Grantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Secured Obligations and this Agreement and any requirement that the Secured Party protect, secure, perfect or insure any Security Interest or any Collateral subject thereto or exhaust any right or take any action against the Grantor or any other Person (including without limitation any guarantor) or any collateral securing payment of the Secured Obligations (including without limitation any collateral pledged as security for the Secured Obligations under the Security Instrument or the Factoring Documents).

**Section 18. Subrogation.** Prior to termination of this Agreement in accordance with the provisions of Section 21(c), the Grantor will not exercise any rights that it may acquire by way of subrogation under this Agreement. If an amount shall be paid to the Grantor on account of such

subrogation rights at any time prior to termination of this Agreement in accordance with the provisions of Section 21(c), such amount shall be held in trust for the benefit of the Secured Party and shall forthwith be paid to the Secured Party, to be credited and applied upon the Secured Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement.

#### **Section 19. Amendments, Etc.**

(a) Except as provided in subsection (b) of this Section 19, no amendment or waiver of any provision of this Agreement nor consent to any departure by the Grantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) Upon the execution and delivery by any Person of a supplement to this Agreement pursuant to which such Person agrees to become a party hereto (each an "Intellectual Property Security Agreement Supplement"), (i) such Person or entity shall be referred to as an "Additional Grantor" and shall be and become a Grantor and each reference in this Agreement to "Grantor" shall also mean and be a reference to such Additional Grantor, and (ii) the schedules attached to each Intellectual Property Security Agreement Supplement shall be incorporated into and become a part of and supplement Schedules I, II, III and IV hereto, and the Secured Party may attach such supplements to such Schedules, and each reference to such Schedules shall mean and be a reference to such Schedules as supplemented pursuant hereto.

(c) Any person that executes an Intellectual Property Security Agreement Supplement shall also execute and deliver such financing statements and all further instruments and documents and take all further action that may be necessary or desirable or that the Secured Party may reasonably request in order to perfect and protect any Security Interest purported to be granted thereby.

**Section 20. Addresses for Notices.** Any notice shall be conclusively deemed to have been received by any party hereto and be effective on the day on which delivered to such party (against receipt therefor) at the address set forth below or such other address as such party shall specify to the other parties in writing, (or, in the case of notice by telecopy (where receipt of such notice is verified by return), when received at such telecopy number as may from time to time be specified in written notice to the other parties hereto or otherwise received) or, if sent prepaid by certified or registered mail return receipt requested on the third Business Day after the day on which mailed, or, if sent prepaid by a national overnight courier service, on the first Business Day after the day on which delivered to such service against receipt therefor, addressed to such party at said address:

(a) if to the Grantor:

River Oaks Furniture, Inc.  
P.O. Box 277  
200 Riverview Drive



Fulton, Mississippi 38843  
Attention: Thomas Dieterich  
Telephone: (601) 891-4555  
Telefacsimile: (601) 891-4559

(b) if to the Secured Party:

BNY Financial Corporation  
1290 Avenue of the Americas  
New York, New York 10104  
Attention: Frank Imperato  
Telephone: (212) 408-7026  
Telefacsimile: (212) 408-7162

with a copy to:

BNY Financial Corporation  
2810 Interstate Tower  
121 West Trade Street  
Charlotte, North Carolina 28202-5394  
Attention: Mr. Timothy E. Tysinger  
Telephone: (704) 342-5360  
Telefacsimile: (704) 342-5353

**Section 21. Continuing Security Interest; Assignments Under the Credit Agreement; Release of Collateral.**

(a) This Agreement shall create a continuing Security Interest in the Collateral and shall (i) remain in full force and effect until terminated in accordance with the provisions of Section 21(c), (ii) be binding upon the Grantor, its successors and assigns, provided, however, the Grantor shall not make any assignment hereof without the prior consent of the Secured Party, and (iii) inure, together with the rights and remedies of the Secured Party hereunder, to the benefit of the Secured Party and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), the Secured Party may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Credit Agreement (to the extent permitted by the Credit Agreement); and to the extent of any such assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to the Secured Party herein or otherwise, subject however, to the provisions of the Credit Agreement.

(b) Except as permitted by the Credit Agreement, the Grantor shall not sell, lease, transfer or otherwise dispose of any item of Collateral during the term of this Agreement without the prior written consent of the Secured Party to such sale, lease, transfer or other disposition.

(c) On the date when the Secured Obligations shall have been paid in full and the Credit Agreement and Factoring Documents have terminated, the Collateral shall be automatically released from the Liens created hereby, all rights to the Collateral shall automatically revert to the Grantor, and this Agreement and all obligations of the Grantor hereunder shall terminate without delivery of any instrument or performance of any act by any party. Upon such termination of this Agreement, the Secured Party shall reassign and redeliver such Collateral and execute and deliver to the Grantor such documents as it shall reasonably request to evidence such termination.

**Section 22. Severability.** If any term or provision of this Agreement is or shall become illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of this Agreement shall remain legal, valid and enforceable in such jurisdiction and such illegal, invalid or unenforceable provision shall be legal, valid and enforceable in any other jurisdiction.

**Section 23. Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

**Section 24. Governing Law.**

(a) **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.**

(b) **EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREIN SHALL BE INSTITUTED IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR, AT THE OPTION OF THE SECURED PARTY, IN ANY OTHER COURTS LOCATED IN THE STATE OF NEW YORK, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.**

(c) **EACH PARTY AGREES THAT SERVICE OF PROCESS MAY BE MADE ON SUCH PARTY BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF SUCH PARTY PROVIDED BY**

**SECTION 20, OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF NEW YORK.**

**(d) NOTHING CONTAINED IN SUBSECTIONS (b) OR (c) HEREOF SHALL PRECLUDE THE SECURED PARTY FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS IN THE COURTS OF ANY PLACE WHERE ANY PARTY OR ANY PARTY'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, THE JURISDICTION OF ANY OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE TO IT.**

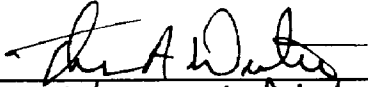
**(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH PARTY HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY HAVE THAT EACH ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

**[SIGNATURES APPEAR ON FOLLOWING PAGES]**

IN WITNESS WHEREOF, the parties have duly executed this Intellectual Property Security Agreement on the day and year first written above.

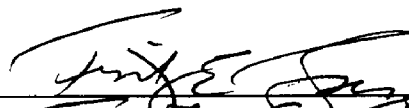
**GRANTOR:**

**RIVER OAKS FURNITURE, INC.,** formerly known as  
**River Oaks Acquisition Co., Inc.**

By:   
Name: Thomas A. Dieterich  
Title: C.E.O.

**SECURED PARTY:**

**BNY FINANCIAL CORPORATION,** as Lender

By:   
Name: Timothy E. Tysinger  
Title: EVP

INTELLECTUAL PROPERTY SECURITY AGREEMENT

Signature Page 1 of 2

**TRADEMARK**  
**REEL: 1896 FRAME: 0772**

STATE OF North Carolina )  
 ) ss.  
COUNTY OF Mecklenburg )

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 31st day of March, 1999, personally appeared Thomas A. Dieterich to me known personally, and who, being by me duly sworn, deposes and says that he is the C.E.O. of River Oaks Furniture, Inc. and that foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Thomas A. Dieterich acknowledged said instrument to be the free act and deed of said corporation.

Barbara W. Cooper  
Notary Public  
My commission expires: \*4-12-2003

# **SCHEDULE I**

## **Patents and Patent Applications**

## **SCHEDULE II**

### **Trademarks and Trademark Applications**

<b><u>Description</u></b>	<b><u>Reg. No.</u></b>	<b><u>Date</u></b>
Trademark: RIVER OAKS	1535335	April 18, 1989
Trademark: RIVER CREST	1831370	April 19, 1994
Trademark: ROARING RIVER	1832765	April 26, 1994
Trademark: GOLDEN OAKS	1862527	November 15, 1994

# **SCHEDULE III**

## **Copyrights**



## **SCHEDULE IV**

### **License Agreements**

**EXHIBIT A**

**ASSIGNMENT OF PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES**

**THIS ASSIGNMENT OF PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES** (this "Agreement") is made as of this 31st day of March, 1999 by **RIVER OAKS FURNITURE, INC.** (formerly known as River Oaks Acquisition Co., Inc.), a Mississippi corporation (the "Assignor"), to **BNY FINANCIAL CORPORATION**, a corporation organized under the laws of the State of New York (the "Secured Party"), as factor under the Factoring Agreement (as defined below), and as lender under the Credit Agreement (as defined below). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Credit Agreement (as defined below);

**WITNESSETH:**

**WHEREAS**, the Secured Party has agreed to provide to the Assignor certain term loan and revolving credit facilities pursuant to the terms of that certain Revolving Credit and Term Loan Agreement by and between the Assignor and the Secured Party dated as of March 31, 1999 (as from time to time amended, supplemented or replaced, the "Credit Agreement"); and

**WHEREAS**, the Assignor and the Secured Party have entered into that certain Factoring Agreement dated as of the date hereof (the "Factoring Agreement") pursuant to which the Secured Party has agreed to purchase certain accounts receivable of the Assignors; and

**WHEREAS**, the Assignor will directly and materially benefit from the loans and advances made and to be made under the Credit Agreement and the proceeds received under the Factoring Agreement; and

**WHEREAS**, the Assignor has entered into an Intellectual Property Security Agreement (the "IP Security Agreement") dated as of March 31, 1999 pursuant to which the Assignor has granted to the Secured Party a security interest in the Marks, Copyrights, Licenses and Patents defined below in order to secured its obligations under the Credit Agreement; and

**WHEREAS**, the Assignor (a) has adopted and used and is using the trademarks and service marks (the "Marks") identified on Annex I hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on Annex I hereto, (b) is the owner of and uses the copyrights, copyright registrations and pending registration applications set forth on Annex II hereto (the "Copyrights"), (c) is a party to and has rights under the licenses and license agreements listed on Annex III hereto (the "Licenses") and (d) is the owner of and uses the patents, patent registrations and pending registration applications set forth on Annex IV hereto (the "Patents" and together with the Marks, the Copyrights and the Licenses, the "Collateral"); and

**WHEREAS**, the Secured Party desires to acquire the Marks, the Copyrights, the Licenses and the Patents and the registrations thereof and registration applications therefor, as applicable, in

connection with the exercise of its remedies after the occurrence of an Event of Default and acceleration of the Obligations under the Credit Agreement;

**NOW, THEREFORE**, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Secured Party all right, title and interest in and to the Marks, Copyrights and Licenses, together with (i) the registrations of and registration applications therefor, as applicable, (ii) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks, Copyrights, Patents or the registrations thereof or such associated goodwill, and (iv) all rights of each Assignor to enforce all Licenses.

The Assignor hereby grants to the Secured Party, and notice is hereby given that the Assignor has granted to the Secured Party, a first priority security interest in the Collateral to secure the payment and performance in full of all of the obligations of the Assignor to the Secured Party or any affiliate of the Secured Party, including but not limited to all obligations under the Credit Agreement, the Loan Documents, the Factoring Documents and the Assumed BNY Debt.

This Assignment is intended to and shall take effect as a sealed instrument at such time as the Secured Party shall complete this instrument by signing its acceptance of this Assignment below.

[Signature page follows.]

**IN WITNESS WHEREOF**, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this 31st day of March, 1999.

**RIVER OAKS FURNITURE, INC (formerly known as  
River Oaks Acquisition Co., Inc.)**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The foregoing assignment of the Patents, Trademarks, Copyrights and Licenses and the registrations thereof and registration applications therefor by the Secured Party is hereby accepted as of the 31st day of March, 1999.

**BNY FINANCIAL CORPORATION**, as Lender

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ASSIGNMENT OF PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES  
Signature Page 2 of 2

**TRADEMARK**  
**REEL: 1896 FRAME: 0781**

STATE OF NEW YORK )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this \_\_\_\_ day of \_\_\_\_\_, 1999, personally appeared \_\_\_\_\_ to me known personally, and who, being by me duly sworn, deposes and says that he is the \_\_\_\_\_ of River Oaks Furniture, Inc. and that foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public  
My commission expires: \*

## ANNEX I

Trademark or <u>Service Mark</u>	Registrations United States Patent and Trademark Office <u>Registration No.</u>	<u>Registration Date</u>
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*[List chronologically in ascending numerical order]*

Trademark or <u>Service Mark</u>	Pending Applications United States Patent and Trademark Office <u>Serial No.</u>	<u>Filing Date</u>
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*[List chronologically in ascending numerical order]*

## ANNEX II

### Part I

#### Copyrights Registered with U.S. Copyright Office

<u>Title</u>	<u>[Author(s)]</u>	<u>Copyright Number</u>	<u>Registration Date</u>
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### Part II

#### Copyrights Not Registered

<u>Title</u>	<u>[Author(s)]</u>
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## ANNEX III

### Licenses

ANNEX IV

Patent

Registrations

United States Patent and Trademark Officer

Registration No.

Registration Date

Patent

Pending Applications

United States Patent and Trademark Office

Serial No.

Filing Date