

06-02-1999

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

101053326

WLD
5-28-99

To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

KOB, LP

- ☐ Individual(s)
☐ General Partnership
☐ Corporation - State of _____
☐ Other _____
- ☐ Association
☒ Limited Partnership State of Tennessee

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

3. Nature of conveyance:

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

Execution Date: March 17, 1999

2. Name and address of receiving party(ies):

Name: NATIONAL BANK OF CANADA

Internal Address: _____

Street Address: 125 West 55th Street, 23rd FloorCity: New York State: New York ZIP: 10019

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☐ Corporation-State _____
☒ Other a Canadian commercial banking institution

If assignee is not domiciled in the United States, a domestic representative designation is attached:
☐ Yes ☐ No

(Designation must be a separate document from Assignment)

Additional name(s) & address(es) attached? ☐ Yes ☒ No

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

A. Trademark Application No.(s)

75/147,420

B. Trademark registration No.(s)

 1,562,781
 1,986,911
 2,073,120
Additional numbers attached? ☐ Yes ☒ No

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

Name: P. Weston Musselman, Jr.Jenkins & Gilchrist, P.C.

Internal Address: _____

Street Address: 1445 Ross Avenue, Ste. 3200City: Dallas State: Texas Zip: 75202-2799

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41): \$ 115.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account.

(If check is not received with this correspondence or additional fees are required, please charge to deposit account 10-0447.)

8. Deposit Account number:

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

DO NOT USE THIS SPACE

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.

P. Weston Musselman, Jr.
 Name of Person Signing

P. Weston Musselman, Jr.
 Signature

5/24/99
 Date

Total number of pages comprising cover sheet: 7

06/01/1999 DNGUYEN 00000303 75147420

 01 FC:481 40.00 OP
 02 FC:482 75.00 OP

TRADEMARK SECURITY AGREEMENT

WHEREAS, KOB, L.P., a Tennessee limited partnership ("Grantor"), owns the trademarks, trademark registrations, and trademark applications listed on Schedule 1 annexed hereto and is a party to the trademark licenses listed on Schedule 1 annexed hereto;

WHEREAS, OLD AMERICA STORES, LP ("Borrower") and NATIONAL BANK OF CANADA ("Secured Party"), are parties to that certain Loan and Security Agreement dated as of March 17, 1999, as the same may be amended and in effect from time to time, the "Agreement"), which provides for extensions of credit to be made to Borrower by the Secured Party; and

WHEREAS, pursuant to the terms of that certain Guaranty Agreement (the "Guaranty") dated as of the date hereof, Grantor has guaranteed the payment and performance of the Liabilities, as defined in the Agreement;

WHEREAS, it is a condition to the Secured Party's execution of the Agreement that Grantor execute this Trademark Security Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Secured Party a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter created or acquired:

(1) its trademarks, trademark registrations and trademark applications, including, without limitation, the trademarks, trademark registrations (together with any reissues, continuations or extensions thereof) and trademark applications referred to in Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each of its trademarks, trademark registrations and trademark applications;

(2) each trademark license in which it has an interest and all of the goodwill of the business connected with the use of, and symbolized by, each such trademark license, including, without limitation, each trademark license referred to in Schedule 1 annexed hereto; and

(3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any trademark or trademark registration including, without limitation, the trademarks and trademark registrations referred to in Schedule 1 annexed hereto, the trademark registrations issued with respect to the trademark applications referred to in Schedule 1 and the trademarks licensed under any trademark license, or (b) injury to the goodwill associated with any trademark, trademark registration or trademark licensed under any trademark license.

Grantor represents and warrants to Secured Party (i) that the information contained in Schedule 1 hereto is true, correct and complete, (ii) that all Trademark Collateral owned by the

Grantor as of the date hereof is identified on such Schedule and, (iii) that Grantor's principal place of business is 1109 Robin Hood Drive, Union City, Tennessee 38261.

If, before the Liabilities are paid in full, Grantor obtains any new Trademark Collateral or rights thereto or becomes entitled to the benefit of any Trademark Collateral, Grantor shall give to Secured Party prompt written notice thereof, and shall execute and deliver a security agreement, in a form substantially similar to this Trademark Security Agreement and describing any such new Trademark Collateral, to Secured Party. Grantor shall: (a) prosecute diligently any trademark or trademark license application at any time pending; (b) make application on all new trademarks as reasonably deemed appropriate by Grantor; (c) preserve and maintain all rights in the Trademark Collateral; and (d) upon and after the occurrence and during the continuance of an Event of Default under the Agreement, use its best efforts to obtain any consents, waivers or agreements necessary to enable Secured Party to exercise its remedies with respect to the Trademark Collateral.

If no Event of Default shall have occurred and be continuing, Grantor shall have the exclusive, non-transferrable right and license to use the Trademark Collateral in the ordinary course of business and the exclusive right to grant to other persons licenses and sublicenses with respect to the Trademark Collateral for full and fair consideration. Grantor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted in this paragraph without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld.

If an Event of Default under the Agreement or the Guaranty shall have occurred and be continuing, the Secured Party shall have the following rights and remedies:

(i) In addition to all other rights and remedies granted to the Secured Party in the Agreement or in any other Loan Document or by applicable law, the secured Party shall have all of the rights and remedies of a secured party under the Uniform Commercial Code (whether or not the Uniform Commercial Code applies to the Trademark Collateral) and all other rights and remedies permitted by law. Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Trademark Collateral applied to the Liabilities of Grantor under the Guaranty are insufficient to pay such Liabilities in full. The Secured Party may apply the Trademark Collateral against such liabilities as provided in the Agreement. Grantor waives all rights of marshalling, valuation and appraisal in respect of the Trademark Collateral.

(ii) The Secured Party may collect or receive all money or property at any time payable or receivable on account of or in exchange for any of the Trademark Collateral, but shall be under no obligation to do so.

(iii) For purposes of enabling the Secured Party to exercise its rights and remedies under this paragraph and enabling the Secured Party and its successors and assigns to enjoy the full benefits of the Trademark Collateral, the Grantor hereby grants to the Secured Party an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, assign, license or sublicense any of the Trademark Collateral, including in such license reasonable access to all media in which any of the licensed

items may be recorded or stored and all computer programs used for the completion or printout thereof. This license shall also inure to the benefit of all successors, assigns and transferees of the Secured Party.

In connection with all remedial powers included in this Trademark Security Agreement, Grantor hereby grants unto Secured Party full power to do any and all things necessary or appropriate in connection with the exercise of such powers as fully and effectually as Grantor might or could do, hereby ratifying all that Secured Party shall do or cause to be done by virtue of this Trademark Security Agreement. This power of attorney shall not be affected by any disability or incapacity suffered by the Grantor and each shall survive the same. All powers conferred upon Secured Party by this Trademark Security Agreement, being coupled with an interest, shall be irrevocable until this Trademark Security Agreement is terminated by a written instrument executed by a duly authorized officer of Grantor.

Grantor shall not change its name, identity or corporate structure in any manner that might make any financing statement filed in connection with this Trademark Security Agreement seriously misleading unless the Grantor shall have given Secured Party thirty (30) days prior written notice thereof and shall have taken all action deemed necessary or desirable by Secured Party to protect its liens and the perfection and priority thereof. The Debtor shall not change its principal place of business, chief executive office or the place where it keeps its books and records unless it shall have given Secured Party thirty (30) days prior written notice thereof and shall have taken all action deemed necessary or desirable by Secured Party to cause its security interest in the Trademark Collateral to be perfected with first priority.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer as of the 17 day of March, 1999.

Acknowledged:

GRANTOR:

KOB, L.P.

By: REK, LLC, its general partner

By: 

Danny Crow
Authorized Officer

SECURED PARTY:

NATIONAL BANK OF CANADA

By: 

Bill Fay
Vice President

By: 

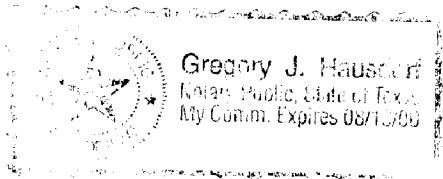
Bill Handley
Vice President

STATE OF TEXAS
COUNTY OF DALLAS

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This instrument was acknowledged before me this 17 day of March, 1999, by Danny Crow, the authorized officer of REK, LLC, the general partner of KOB, L.P., a Tennessee limited partnership, on behalf of such limited partnership.

{Seal}



Gregory J. Hausdorf
Notary Public in and for the
State of Texas
Print Name: _____

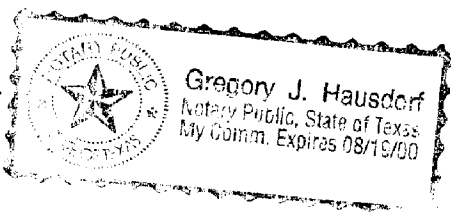
My Commission Expires: _____

STATE OF TEXAS
COUNTY OF DALLAS

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This instrument was acknowledged before me this 17 day of March, 1999, by Bill Fay, the Vice President of National Bank of Canada, a Canadian banking association, on behalf of such banking association.

{Seal}



Gregory J. Hausdorf
Notary Public in and for the
State of Texas
Print Name: _____

My Commission Expires: _____

STATE OF TEXAS

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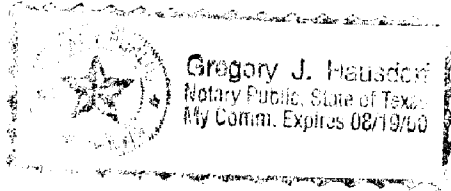
§

COUNTY OF DALLAS

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This instrument was acknowledged before me this 17 day of March, 1999, by Bill Handley, the Vice President of National Bank of Canada, a Canadian banking association, on behalf of such banking association.

{Seal}



Gregory Hausdon
Notary Public in and for the
State of Texas

Print Name: _____

My Commission Expires: _____

Schedule I

to

Trademark Security Agreement

TRADEMARKS						
Owner of Record	Country of Registration	Trademark	Application or Registration No.	Filing Date	Expiration Date	Goods
KOB, L.P.	U.S.	OLD AMERICA CRAFTS FRAMES FLORAL DECOR	2,073,120	6/24/97		Retail store services featuring arts, crafts, pottery, baskets, candles, candle holders and home decorator accessories
KOB, L.P.	U.S.	OLD AMERICA	1,986,911	7/16,96		Retail store services featuring arts, crafts, pottery, baskets, candles, candle holders and home decorator accessories
KOB, L.P.	U.S.	OLD AMERICA STORES and Design	1,562,781	10/24/89		Retail store services featuring arts, crafts, pottery, baskets, candles, candle holders and home decorator accessories
KOB, L.P.	U.S.	CRAFTS AMERICA	75/147,420	8/9/96		Retail store services featuring arts, crafts, pottery, baskets, candles, candle holders and home decorator accessories

TRADEMARK LICENSES		
Name of Agreement	Parties	Date of Agreement

TRADEMARK

RECORDED: 05/28/1999

REEL: 001904 FRAME: 0851