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Expires 06/30/99  
OMB 0651-0027

11-09-1999  
U.S. Patent & TMO/TM Mail Rcpt Dt. #10

11-15-1999



Department of Commerce  
Trademark Office  
JEMARK

101200126

### 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  
Effective Date  
Month Day Year
- Merger
- Change of Name
- Other

#### Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date  
Month Day Year

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

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.)

Other

Citizenship/State of Incorporation/Organization

11/12/1999 DMGUYEN 00000342 1705043

FOR OFFICE USE ONLY

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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: 001988 FRAME: 0017

**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

(256) 539-6000

Name

Karen G. Biagi

Address (line 1)

Teo and Associates

Address (line 2)

200 Randolph Avenue

Address (line 3)

Huntsville, Alabama 35801

Address (line 4)

**Pages**

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

#

5

**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)

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1,705,043	<input type="text"/>	<input type="text"/>
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**Number of Properties**

Enter the total number of properties involved.

#

1

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

40.00 E

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.

Karen G. Biagi

*Karen G. Biagi*  
(Signature)

11-8-99

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

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State/Country

Zip Code

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## TRADEMARK LICENSE AGREEMENT

This License Agreement ("Agreement") entered into effective as of the 15<sup>th</sup> day of ~~October~~ 1999, by and between Stratford Upholstery Company, L.L.C., a limited liability company organized and existing under the laws of the State of Delaware and having a principal place of business at 1215 Glenn Drive, Amory, Mississippi, 38821, (hereinafter referred to as "Licensor"); and Vanguard Design, L.L.C., a limited liability company organized and existing under the laws of Delaware and having a principal place of business at 1215 Glenn Drive, Amory, Mississippi 38821 (hereinafter referred to as "Licensee").

### RECITALS

**WHEREAS** Licensor is a manufacturer of upholstered furniture, having designed and developed same and having established a market for the same using the trademark AVON® and for which trademark Licensor has obtained registration on the Principal Register of the United States (Reg. No. 1,705,043) (hereinafter sometimes referred to collectively as "Trademark"); and

**WHEREAS** Licensee desires to obtain license rights to market its upholstered furniture products under the Trademark and to use AVON as a tradename and L.L.C. name in connection with Licensee's upholstered furniture manufacturing business (the "Business");

**NOW, THEREFORE**, in consideration of the mutual promises made herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

1. **GRANT.** Subject to the terms and conditions specified in this agreement, Licensor hereby grants to Licensee the exclusive and perpetual (subject to Section 9 below), royalty-free (except for the Royalty described in Section 3 below) license and right to use the aforementioned Trademark in connection with Licensee's products and to use the Trademark as part of Licensee's tradename in connection with the Business. The License rights granted herein shall pertain throughout the world.

2. **QUALITY CONTROL.** Licensee shall at all times manufacture its products and operate its Business in accordance with all applicable laws, rules and regulations. Representatives of Licensor will have the unqualified right, at any and all reasonable times, and without prior notice, to inspect the materials and manufacturing processes employed by Licensee in the manufacture of product, as well as samples of the final product, for the purpose of protecting and maintaining the standards of quality

established by licensor for goods sold under the Trademark. If Licensor at any time finds the product as prepared and packaged by Licensee to be deficient in quality or packaged in a misleading or deceptive manner, or otherwise prepared, packaged, advertised or sold in a manner that is in violation of any law or the terms of this Agreement, then Licensor may at its sole option seek any of the remedies provided in Section 9 below. All Licensee's use of the Trademark and all goodwill associated therewith shall inure to the benefit of Licensor.

3. **ROYALTY FEE.** As consideration for the license granted hereunder, Licensee agrees to pay to Licensor the sum of Five Thousand Dollars (\$5,000.00) ("Royalty") payable in five (5) equal annual installments due each year on the anniversary date of the Agreement, with the first installment due at the signing of the Agreement. After the Royalty has been paid in full, the License granted herein shall be royalty-free.

4. **DISCLAIMER OF ASSIGNMENT OF TRADEMARK.** The rights granted to Licensee herein do not constitute an assignment of any or all rights in or to the Trademark. The parties expressly agree that Licensee shall not have any right, title, or interest in the Trademark and AVON tradename, except the right to use such Trademark and tradename in connection with the Business of Licensee as described in this Agreement. Nothing contained in this Agreement shall be construed to grant or assign to Licensee any right, title or interest in such Trademark or tradename other than those rights expressly granted herein.

5. **TRADEMARK REGISTRATION.** For the life of this Agreement and for so long as Licensee continues to use the Trademark on or in connection with its products, Licensor shall maintain, renew, protect, and defend the registration of the Trademark with the United States Patent and Trademark Office, and Licensor shall have no liability to Licensee for any actions taken or to be taken, or omitted in connection therewith, or for any failure of Licensor to so maintain, renew, protect or defend such registration. Licensee shall cooperate with and assist Licensor in such maintenance and defense of the Trademark, including providing specimens of use and affidavits of continued use. Licensee shall indemnify, and reimburse Licensor for all costs, expenses and liabilities incurred in connection with such maintenance, renewal, defense, and protection, including reasonable attorney's fees.

6. **TRADEMARK INFRINGEMENT.** Licensor shall not have any duty to protect the Trademark and the Licensee's rights hereunder from infringement by any person, but shall, at Licensee's expense, cooperate with Licensee in any action brought by Licensee to protect the Trademark and its license of the Trademark. Licensee may take such action and institute such proceedings as may be necessary to maintain, protect and defend such Trademark license and tradename license. Licensee shall pay Licensor

all costs and expenses, including reasonable attorney's fees, incurred by Licensor in connection with such action or proceeding.

7. **INDEPENDENT CONTRACTORS.** It is understood and agreed that no agency, employment or partnership is hereby created by the parties, and the business to be operated by Licensee is separate and apart from any that may be operated by Licensor. It is agreed that no representations will be made by either party that would create an agency, employment, or partnership, and neither party shall have authority to act for the other in any manner to create obligations or debts that would be binding on the other. The only relationship between the parties shall be that of independent contractors, and neither party shall be responsible for any act or omission of the other or any employee of the other.

8. **ASSIGNMENT OF LICENSE.** Licensee shall not sublicense or assign any of the License rights granted herein without the prior, express, written approval of Licensor, which may be withheld in Licensor's sole discretion.

9. **TERMINATION.** This agreement shall be perpetual unless terminated as follows:

(a) If Licensor is sold to another person or business entity and upon payment of all amounts due with respect to the Royalty, Licensor shall execute an Assignment to Licensee of the Trademark and all of Licensor's right, title and interest therein and this Agreement shall terminate upon the effective date of the assignment.

(b) In the event Licensee fails to comply with the terms and conditions of the Agreement, Licensor shall give Licensee written notice of such violation and Licensee shall then have thirty (30) days to cure the violation. If Licensee fails to timely cure such violation, Licensor, at its option, may terminate this Agreement. Upon termination, all rights, privileges and licenses herein granted to Licensee shall immediately cease. Upon such termination, all rights granted herein shall immediately revert to Licensor, who shall thereafter be free to license others to use such rights, and Licensee shall refrain from all further use of the Trademark and AVON tradename.

10. **REMEDIES.** Either party may take whatever action at law or in equity as may be in its sole judgment necessary or desirable to enforce performance and observance of any obligation, agreement or covenant under this Agreement. Each party shall be entitled to pursue any remedy permitted by law or in equity in the event either party breaches this Agreement.

11. **HOLD HARMLESS.** Licensee agrees that it will indemnify, defend and save harmless Licensor from all suits, proceedings, claims, demands, actions, damages, liabilities, costs, expenses (including reasonable attorney's fees) of any kind or nature, from anyone whomsoever, arising or growing out of or otherwise connected with Licensee's operations of the Business, its manufacture of any product and the unauthorized use of the Trademark.

12. **WAIVER.** A failure by Licensor to exercise any right hereunder, or otherwise waive any delay or failure by Licensee to comply with any of the terms or conditions of this Agreement, shall not constitute a waiver of any such requirement or provisions of Licensor's right to terminate, or any rights of Licensor hereunder. No provision of this Agreement and no obligation of either party under this Agreement may be waived except by an instrument in writing signed by the party for whose benefit the provision was created.

13. **GOVERNING LAW AND VENUE.** This Agreement shall be governed by the laws of the State of Mississippi. The venue for any court proceeding between the parties shall be Union County, Mississippi, United States of America.

14. **SEVERABILITY.** If any provision of this Agreement shall be construed to be illegal or invalid by a court of competent jurisdiction, such construction shall not affect the legality or validity of any of the other provisions hereof, and the illegal or invalid provisions shall be deemed stricken and deleted herefrom to the same extent and effect as if never incorporated herein, but all other provisions hereof shall continue.

15. **NOTICE.** All notices of every kind shall be personally delivered and acknowledged or sent by certified or registered mail to the Parties at the addresses appearing below, or at such other addresses as either party may designate in writing delivered or mailed in accordance with the terms of this Section 15. Any such notice shall be deemed received immediately upon personal delivery, or five (5) days after deposit in the United States mail, as the case may be.

**LICENSOR**            Stratford Upholstery Company, L.L.C.  
                              1215 Glenn Drive  
                              Amory, Mississippi 38821

**LICENSEE**            Vanguard Design, L.L.C.  
                              1215 Glenn Drive  
                              Amory, Mississippi 38821

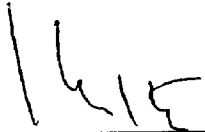
With a copy to:

Karl W. Leo  
Leo and Associates  
200 Randolph Avenue  
Huntsville, Alabama 35801

16. **ENTIRE AGREEMENT; AMENDMENT.** This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof, and shall be binding on and inure to the benefit of the parties hereto and the successors and permitted assigns of the parties. This Agreement supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof. This Agreement shall not be altered or amended except in writing executed by the parties.

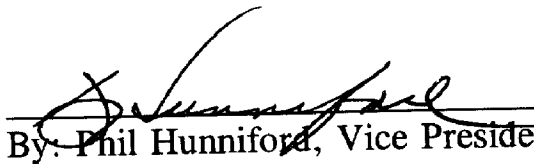
**IN WITNESS WHEREOF**, Licensor and Licensee have executed this Agreement on the day and year first above written.

**LICENSOR:**  
**STRATFORD UPHOLSTERY COMPANY, L.L.C.**



By: Herb Hester, President

**LICENSEE:**  
**VANGUARD DESIGN, L.L.C.**



By: Phil Hunniford, Vice President