

09-01-2000



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### 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 8-4-00
- 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  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.)
- Corporation  Association
- Other

Citizenship/State of Incorporation/Organization

#### 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: 002128 FRAME: 0350

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

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

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

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

**Trademark Application Number(s)**

**Registration Number(s)**

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Christopher E. Kondracki

4 August 2000

Name of Person Signing

Signature

Date Signed

TRADEMARK AND TRADEMARK  
APPLICATION SECURITY AGREEMENT

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This Trademark and Trademark Application Security Agreement (the "TM Security Agreement") is made as of the 21<sup>st</sup> day of July, 2000 by Fine Furniture Direct, Inc., a Maryland corporation with its principal offices at 1444 Oak Lawn Avenue, Dallas, Texas 75207 (the "Borrower"), and Paragon Capital LLC, a Delaware limited liability company with its principal executive offices at Hillside Office Building, 75 Second Avenue, Suite 400, Needham, Massachusetts 02494 (the "Lender").

RECITALS

WHEREAS, pursuant to a certain loan arrangement between Borrower and Lender, evidenced by, among other documents, a certain Loan and Security Agreement dated as of July 21, 2000 (hereinafter, the "Loan Agreement"), made between the Borrower and the Lender, the Lender has agreed to make certain loans (hereinafter, the "Loans") available to the Borrower;

WHEREAS, under the Loan Agreement, the Borrower has granted a security interest in the Borrower's assets to secure the liabilities and obligations of the Borrower to the Lender (hereinafter, the "Liabilities");

WHEREAS, as a condition, among others, to the entering into of the credit facility contemplated by the Loan Agreement, and as to further secure the Liabilities, the parties hereto shall execute this TM Security Agreement.

NOW THEREFORE, For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Borrower and the Lender agree as follows:

1. To secure the Liabilities, the Borrower hereby grants a security interest in favor of the Lender, with power of sale, in and to the following and all proceeds thereof:

(a) All of the Borrower's now owned or existing or hereafter acquired or arising trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on *EXHIBIT A* annexed hereto and made a part hereof, together

with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks or service mark applications.

(b) All renewals of any of the foregoing.

(c) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

(d) The right to sue for past, present and future infringements and dilutions of any of the foregoing.

(e) All of Borrower's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 1.(a), together with the items respectively described in Subsections 1.(b) through and including 1.(e) are hereinafter individually and/or collectively referred to as the "**Trademarks**".

2. Until this TM Security Agreement is terminated, the Borrower shall undertake the following with respect to each Trademark:

(a) Pay all renewal fees and other fees and costs associated with maintaining the Trademarks and with the processing of the Trademarks.

(b) At Borrower's sole cost, expense, and risk, pursue the prompt, diligent, processing of each Application for Registration which is the subject of the foregoing assignment and not abandon or delay any such efforts if the Trademark which is the subject of the application has a material value or is material to the operation of the Borrower's business.

(c) At Borrower's sole cost, expense, and risk, take any and all action which Borrower deems desirable to protect the Trademarks, including, without limitation, but subject to Borrower's discretion, the prosecution and defense of infringement actions.

(d) At Borrower's sole cost, expense, and risk, register with the United States Trademark Office all unfiled trademarks created or purchased by the Borrower, as reasonably deemed appropriate by Borrower if the Trademark which is the subject of the application has a material value or is material to the operation of the Borrower's business.

3. In the event of
  - (a) any failure by the Borrower to perform any of its obligations set forth in Section 2, above; and/or
  - (b) the occurrence of any Event of Default (as defined in the Loan Agreement), the Lender acting in its own name or in that of the Borrower may (but shall not be required to) act in the Borrower's place and stead and/or in the Lender's own right in connection therewith.
  
4. The Borrower represents and warrants that:
  - (a) The Trademarks listed on *EXHIBIT A* include all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by the Borrower.
  - (b) No liens, claims or security interests have been granted by the Borrower to any person or entity in such Trademarks other than to the Lender or as otherwise permitted pursuant to the Loan Agreement.
  
5. In order to further secure the Liabilities:
  - (a) The Borrower shall give the Lender written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:
    - (i) The Borrower obtains rights to any new trademarks, registered service marks or service mark applications, service marks, registered service marks or service mark applications (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business)
    - (ii) The Borrower becomes entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).
    - (iii) The Borrower enters into any new trademark license agreement or service mark license agreement.
  - (b) The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in 5.(a), above, all of which shall be deemed to be and treated as "Trademarks" within the meaning of this TM Security Agreement.

(c) The Borrower hereby authorizes the Lender to modify this agreement by amending *EXHIBIT A* to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, written notice of which shall be given, provided, however, the modification of said *EXHIBIT* shall not be a condition to the creation or perfection of the security interest and TM Security Agreement created hereby.

6. Upon the occurrence of any Event of Default, the Lender may exercise all rights and remedies of a secured party under the Uniform Commercial Code as adopted in Massachusetts (Massachusetts General Laws, Chapter 106), with respect to the Trademarks, in addition to which the Lender, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Trademarks together with the goodwill with which it is associated. Any person may conclusively rely upon an affidavit of an officer of the Lender that an Event of Default has occurred and that the Lender is authorized to exercise such rights and remedies.

7. Effective upon the occurrence of any Event of Default, the Borrower hereby irrevocably constitutes and designates the Lender as and for the Borrower's attorney in fact:

(a) To exercise any of the rights exercisable and powers referenced in Section 2.

(b) To execute all and singular such instruments, documents, and papers as the Lender determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Trademarks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the within TM Security Agreement is terminated.

8. Any use by the Lender of the Trademarks as authorized hereunder in connection with the exercise of the Lender's right and remedies under the within TM Security Agreement and the Loan Agreement shall be coextensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Lender to the Borrower.

9. Lender hereby grants to Borrower the right, prior to notice from the Lender following the occurrence of an Event of Default (as defined in the Loan Agreement), to sue for past, present and future infringement of the Trademarks including the right to seek injunctions

and/or money damages, in an effort by Borrower to protect the Trademarks against encroachment by third parties; provided, however, that Borrower first notifies Lender in writing of its intention to sue for enforcement of the trademarks against a particular party. All reasonable costs arising in connection with any infringement shall be borne by Borrower.

10. Following the payment and satisfaction of all Liabilities, and the termination of any obligation of the Lender to provide loans or financial accommodations under the credit facility contemplated by the Loan Agreement, this Assignment shall terminate and the Lender shall execute and deliver to Borrower all such instruments as the Borrower reasonably may request to re-vest in Borrower full title to the Trademarks and the associated goodwill, subject to any disposition thereof which may have been made by Lender pursuant hereto or pursuant to the Loan Agreement.

11. The Borrower shall, at the request of the Lender, do any and all acts and execute any and all documents required by the Lender in connection with the protection, preservation, and enforcement of the Lender's rights hereunder.

12. The Borrower shall, upon demand, reimburse the Lender for all reasonable costs and expenses incurred by the Lender in the exercise of any rights hereunder (including, without limitation, reasonable fees and expenses of counsel).

13. This TM Security Agreement is intended to be supplemental of the Loan Agreement. All provisions of the Loan Agreement shall apply to the Trademarks and the Lender shall have the same rights with respect to any and all Trademarks granted the Lender to secure the Liabilities hereunder as thereunder. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Trademarks, and the Loan Agreement shall control with respect to all other collateral.

IN WITNESS WHEREOF, the Borrower and the Lender respectively have caused this  
TM Security Agreement to be executed by officers duly authorized so to do on the date first  
above written.

(The "Borrower")

FINE FURNITURE DIRECT, INC.

By: 

Name: George Wehlitz, Jr.

Title: Chief Financial Officer

(The "Lender")

PARAGON CAPITAL LLC

By: 

Name: Robert J. Shosterman

Title: EVF, Chief Credit Officer

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**EXHIBIT A**

**Trademark Applications**

<b><u>Applicant</u></b>	<b><u>Mark</u></b>	<b><u>Serial No.</u></b>	<b><u>International Class(es)</u></b>	<b><u>Publication Date</u></b>
Fine Furniture Direct, Inc.	THE HOME CO.	75/534,852	35	5/16/00

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