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

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RSHEET LY U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

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

1. Name of conveying party(ies): ACORN PRODUCTS CO., INC. Individual(s) Association General Partnership Limited Partnership Corporation-State of Maine Other Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: KEY CORPORATE CAPITAL INC. Internal Address: One Canal Plaza 2001 Street Address: One Canal Plaza City: Portland State: ME ZIP: 04101

Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Michigan Other If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No Designations must be a separate document from assignment Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other Execution Date: May 9, 2001

4. Application number(s) or patent number(s): A. Trademark Application No.(s) 375674201 475674200 675672880 775672879 B. Trademark Registration No.(s) 2321826 1971187 1442169 2321825 1842557 2335576 1848407 2272962 1427541 1421141 Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Lawrence R. Clough Internal Address: P.O. Box 15060 Portland, ME 04112-5060 Street Address: Three Canal Plaza, 6th Floor City: Portland State: ME ZIP: 04101

6. Total number of applications and registrations involved: 14 7. Total fee (37 CFR 3.41): \$500.00 Enclosed Authorized to be charged to deposit account 8. Deposit account number: (Attach duplicate copy of this page if paying by deposit account)

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9. Statement and signature. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Name of Person Signing

Signature

Date: May 9, 2001

Total number of pages including cover sheet, attachments, and document: 6

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

TRADEMARK REEL: 002298 FRAME: 0430

TRADEMARK
COLLATERAL ASSIGNMENT

This Agreement is made between **ACORN PRODUCTS CO., INC.**, a Maine corporation with a principal place of business in Lewiston, Maine and a mailing address of Two Cedar Street, PO Box 7780, Lewiston, Maine 04243 ("Assignor") and **KEY CORPORATE CAPITAL INC.**, a Michigan corporation with a mailing address of One Canal Plaza, Portland, Maine 04101, its successors and assigns (herein called the "Lender").

Assignor has executed and delivered a Loan Agreement from Borrower dated July 9, 1996 as amended by a first Amendment dated July 22, 1997, by a second Amendment dated August 27, 1998, by Consent, Confirmation and Reaffirmations dated August 27, 1998 and July 9, 1999, by a Third Amendment dated July 21, 1999, and by a letter amendment dated June 29, 2000 and by a Fourth Amendment dated August 16, 2000, all as assigned to Lender (as amended from time to time, the "Loan Agreement") with an accompanying Demand Note and a Term Note (Equipment Note) in the original principal amount of \$850,000 dated July 9, 1996 (collectively as amended from time to time, the "Note"). In order to induce Lender to extend credit and other financial accommodations to or for the benefit of Assignor, Assignor has agreed to assign to Lender certain trademark, trademark and related rights.

1. To secure Assignor's obligations under the Notes and Loan Agreement and of the other "Obligations" as defined in the Loan Agreement (the "Obligations"), Assignor hereby grants a security interest in, assigns and conveys to Lender Assignor's entire right title and interest in and to the following Trademarks:

See Exhibit A attached hereto and made a part hereof.

including without limitation all proceeds thereof (such as by way of example, license, royalties and proceeds of infringement suits), right to sue for past present and future infringements, all rights and general intangibles corresponding thereto throughout the world, together with all of the goodwill of the business associated therewith, and all reissues, divisions, continuations, renewals, extensions and continuations in part hereof (collectively the "Marks").

2. Assignor covenants and warrants that as of this date:

- (a) The Marks are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;
- (b) To the best of Assignor's knowledge, each of the Marks (i) is valid and enforceable, and (ii) was validly issued;
- (c) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Marks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by Assignor not to sue third persons; and
- (d) Assignor has the unqualified right to enter into this Agreement and perform its

terms.

3. Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Assignor's obligations under this Agreement, without Lender's prior written consent.

4. If, before the Obligations shall have been satisfied in full, Assignor shall obtain rights to, or become entitled to the benefit of, any new trademark application, renewal or registration, the provisions of Paragraph 1 shall automatically apply thereto and Assignor shall give to Lender prompt notice thereof in writing.

5. Assignor authorizes Lender to modify this Agreement by amending Exhibit A to include any future trademark applications, renewals or registrations under Paragraph 1 or Paragraph 4 hereof.

6. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Loan Agreement) which has not been cured during any applicable cure period, Lender hereby grants to Assignor the exclusive, nontransferable right and license to exercise all rights to the Marks for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Assignor in this Paragraph 6, without the prior written consent of Lender.

7. If any Event of Default shall have occurred and be continuing beyond any applicable cure period, Assignor's license under the Marks as set forth in paragraph 6, shall terminate forthwith, and the Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Mark maybe located and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Portland, Maine, or elsewhere, the whole or from time to time any part of the Marks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Marks all reasonable out of pocket expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Liabilities. Any remainder of the proceeds after payment in full of the Liabilities shall be paid over to the Assignor. Notice of any sale or other disposition of the Marks shall be given to Assignor at least five (5) days before the time of any intended public or private sale or other disposition of the Marks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of any note or Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Marks sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.

8. If any Event of Default shall have occurred and be continuing beyond any applicable cure period, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender, as Lender may select in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the Power to endorse Assignor's name on all applications,

documents, papers and instruments necessary for Lender to use the Marks, or to grant or issue any exclusive or nonexclusive license under the Marks to any third person, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Marks to any third person Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof This power of attorney shall be irrevocable for the life of this Agreement.

9. At such time as Assignor shall completely satisfy all of the Obligations, this Agreement shall terminate and Lender shall execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or property to re-vest in Assignor full title to the Marks, subject to any disposition thereof which may have been made by Lender pursuant hereto.

10. Any and all out of pocket fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents related hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Marks, or in defending or prosecuting any actions or proceedings arising out of or related to the Marks, shall be borne and paid by Assignor on demand by amount of the Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Loan Agreement.

11. Assignor shall have the duty, through counsel acceptable to Lender, to prosecute diligently any trademark applications of the Marks pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, and to preserve and maintain all rights in trademark applications and trademarks of the Marks, including without limitation the payment of all maintenance fees. The reasonable expenses incurred in connection with such an applications shall be borne by Assignor.

12. Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Marks and any license thereunder, in which event Assignor shall, at the request of Lender, do any and all lawful acts and execute any and all documents required by Lender in aid of such enforcement. Assignor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Paragraph 12.

13. No course of dealing between Assignor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. All of Lender's rights and remedies with respect to the Marks, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.


15. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

16. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 5.

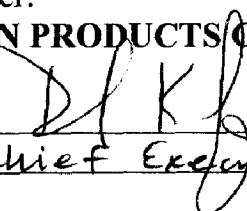
17. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

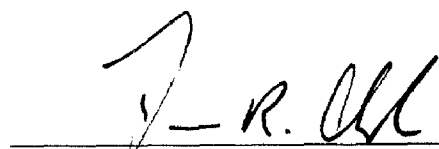
18. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of Maine, and to the extent applicable the laws of the United States of America.

WITNESS the execution hereof under seal as of May 9, 2001.

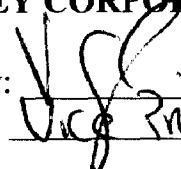


Witness

Borrower:
ACORN PRODUCTS CO., INC
by: 
its Chief Executive Officer




Witness

Lender:
KEY CORPORATE CAPITAL INC.
by: 
its Vice President

State of Maine
County of Cumberland, ss

May 9, 2001

Then personally appeared before me the above named David K. Quinn in his said capacity and acknowledged the foregoing to be his free act and deed and the free act and deed of said corporation.

Before me,


Notary Public/Attorney at Law
Name: John L. Carpenter

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Exhibit A

<u>Serial Number</u>	<u>Reg. Number</u>	<u>Word</u>	<u>MarkLive/Dead Indicator</u>
175674702	2321826	CEDAR HOLLOW	LIVE
275674701	2321825	CEDAR HOLLOW	LIVE
375674201		CEDAR HOLLOW	LIVE
475674200		CEDAR HOLLOW	LIVE
575672881	2335576	COMFORT ON EARTH	LIVE
675672880		ACORN	LIVE
775672879		ACORN	LIVE
875620659		GOT GRASS? WE'LL DO IT!	LIVE
975366656	2272962	COMFORT ON EARTH	LIVE
1074655814	1971187	ACORN	LIVE
1274344770	1842557	SANDALSOX	LIVE
1374344769	1848407	SANDALSOX	LIVE
1873476250	1427541	OH EWE ACORN	LIVE
2073476176	1421141	OH EWE	LIVE
2273476110	1442169	ACORN	LIVE
3171653802	0604378	GLU BIRD	LIVE
3271626197	0568971	WILHOLD	LIVE

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