FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/9)
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ER SHEET
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U.S. DEPARTMENT OF
Patent and Trademark

To the Honorable Commissioner o... attached original documents or copy thereof.

1. Name of conveying party(ies):
John M. Smyth Company

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State IL
☐ Other

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

2. Name and address of receiving party(ies)

Name: Heller Financial, Inc.

Internal Address:

Street Address : 500 West Monroe

City: Chicago State: IL Zip: 60661

☐ Individual(s) citzenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation State DE
☐ Other

If assignee is not domiciled in the United States, a 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: February 26, 2001

4. Application number(s) or trademark

A. Trademark Application No.(s)
NONE

B. Trademark Registration
1922052 1922051

Additional numbers attached? NO 1922052

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

Name:

Internal Address:

RETURN TO:
FEDERAL RESEARCH CORP.
400 SEVENTH STREET NW
SUITE 101
WASHINGTON DC 20004

Street Address:

City: Stat ZIP

6. Total number of applications and registrations 2

7. Total fee (37 CFR $ 65.00

☒ Enclosed

☐ Authorized to be charged to deposit

8. Deposit account number:

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

DO NOT USE THIS SPACE

03/20/2001 GTUN11 00000148 1922052
01 FC:481 40.00 OP
02 FC:482 25.00 OP

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 of the original document.

Rebecca L. Foley
Name of Person

Rebecca L. Foley
Signature

3/02/01
Date

Total number of pages including cover sheet, attachments, and 8

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

Doc #:CH02 (38238-00126) 1234117v1;3/2/2001/Time:11:23

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Agreement") made as of this 26th day of February, 2001 by John M. Smyth Company, an Illinois corporation ("Grantor") in favor of Heller Financial, Inc., a Delaware corporation, in its capacity as Agent for the Lenders party to the Loan and Security Agreement (defined below) ("Grantee"):

W I T N E S S E T H

WHEREAS, Seaman Furniture Company, Inc., a Delaware corporation ("Seamans"), Levitz Furniture, LLC, a Delaware limited liability company ("Levitz"; Seamans and Levitz are hereinafter referred to each individually as a "Borrower"; collectively as the "Borrowers") and Grantee are parties to a certain Amended and Restated Loan and Security Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Loan and Security Agreement") providing for the extensions of credit to be made to the Borrowers by Lenders;

WHEREAS, Grantor is an Affiliate of Levitz and a direct subsidiary of Levitz Furniture Corporation and as such, Grantor acknowledges that it will receive substantial direct and indirect benefits by reason of the making of loans and other financial accommodations to the Borrowers as provided in the Loan and Security Agreement; and

WHEREAS, as a condition to the extension of credit under the Loan and Security Agreement, Grantor is required to and has granted pursuant to the Guaranty and Security Agreement to Grantee, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right title and interest of Grantor in, to and under all now owned and hereafter acquired or arising (a) trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith (other than "intent to use" applications until a verified statement of use or an amendment to alleged use is filed with respect to such applications); (b) all renewals thereof; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing (collectively, "Trademarks") and all products and proceeds thereof, to secure the payment of all amounts owing by the Borrowers under the Loan and Security Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Incorporation of Loan and Security Agreement. The Loan and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan and Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Grantor hereby grants to Grantee, and hereby reaffirms its prior grant pursuant to the Guaranty and Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether now owned or existing or hereafter created or acquired:

(i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark, or (b) injury to the goodwill associated with any Trademark.

3. Warranties and Representations. Grantor warrants and represents to Grantee that:

(i) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation licenses and covenants by Grantor not to sue third persons (except for Permitted Encumbrances or as indicated on Schedule 1);

(ii) Grantor has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iii) Grantor has the unqualified right to execute and deliver this Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until the Borrowers' Obligations shall have been satisfied in full and the Loan and Security Agreement shall have been terminated, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under (other than to any Loan Party or for fair market consideration in the ordinary course of business), any Trademark or enter into any other agreement with respect to any Trademark, and Grantor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement.

5. Product Quality. Grantor agrees (i) (except in circumstances where in the reasonable opinion of the Grantor it would be commercially imprudent to do so) to maintain the quality of any and all material products in connection with which the Trademarks are used, consistent with commercially reasonable business practices, and (ii) to provide Grantee, upon Grantee's reasonable request from time to time, with a certificate of an officer of Grantor certifying Grantor's compliance with the foregoing. Upon the occurrence and during the continuation of an Event of Default, Grantor agrees that Grantee, or a conservator appointed by Grantee, shall have the right to establish such additional product quality controls as Grantee, or

said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks.

6. New Trademarks. If, before Borrowers' Obligations shall have been satisfied in full or before the Loan and Security Agreement has been terminated, Grantor shall (i) become aware of any existing Trademarks of which Grantor has not previously informed Grantee, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Agreement above shall automatically apply thereto and Grantor shall give to Grantee prompt written notice thereof. Grantor hereby authorizes Grantee to modify this Agreement by amending Schedule 1 to include any such Trademarks.

7. Duties of Grantor. Grantor shall (i) file and pursue diligently any material trademark applications pending as of the date hereof or hereafter, (ii) preserve and maintain all rights in the material Trademarks, as reasonably deemed appropriate by Grantor (iii) ensure that the material Trademarks are and remain enforceable.

8. Grantee's Right to Sue. After the occurrence and during the continuation of an Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents required by Grantee in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Grantee for all costs and expenses (including reasonable attorney's fees) incurred by Grantee in the exercise of its rights under this Section 8.

9. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Trademarks, whether established hereby or by the Guaranty and Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Grantee upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Grantee as Grantee may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Grantee in the use of the Trademarks or (ii) (save to the extent prohibited by law or equity) take any other actions with respect to the Trademarks as Grantee deems to be in the best interest of Grantee, or (iii) (save to the extent prohibited by law or equity) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone (other than Ableco pursuant to the Ableco Debt Documents, or to Resurgence Partners III, LP pursuant to the Resurgence III Loan Documents or to Resurgence I pursuant to the Resurgence I Subdebt Documents). Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Borrowers' Obligations shall have been paid in full and the Loan and Security Agreement has been terminated. Grantor hereby further acknowledges and agrees that the use by Grantee of the Trademarks shall be worldwide, except as limited by their terms, and without any liability for royalties or related charges from Grantee to Grantor.

10. 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 and delivered, will be deemed an original and all of which shall together constitute one and the same instrument.

11. Termination of Security Interests; Release of Collateral. Upon payment in full of all Obligations (other than contingent indemnification obligations to the extent no unsatisfied claim giving rise thereto has been asserted) and the termination of all Commitments under the Loan Agreement, this Agreement shall terminate. Upon such termination of the Security Interests or release of any Collateral, Agent will, at the expense of the Grantor, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the termination of the Security Interests or the release of such Collateral, as the case may be.

12. **APPLICABLE LAW. THIS TRADEMARK SECURITY AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.**

[remainder of page intentionally left blank;
signature page follows]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

John M. Smyth Company, an Illinois corporation

By: _____

Its: President

Agreed and Accepted
As of the Date First Written Above

HELLER FINANCIAL, INC., a Delaware corporation, as Agent

By: _____

Its: Vice President

SCHEDULE 1

TRADEMARK REGISTRATIONS

See attached.

SCHEDULE 1
TO
TRADEMARK SECURITY AGREEMENT

TRADEMARK REGISTRATIONS

Registered Owner	U.S. Service Mark/Trademark Description	Registration Number (Serial No.)	Registration Date (Date Filed)	Status
John M. Smyth Company	"John M. Smyth's Homemakers"*	1922052	09/26/95	Registered
John M. Smyth Company	"John M. Smyth"*	1922051	09/26/95	Registered
John M. Smyth Company	"Not Low Priced Furniture, But Good Furniture at Low Prices"	Illinois – 42799	N/A	Renewed
John M. Smyth Company	"Homemakers"	Illinois – 42797	N/A	Renewed
John M. Smyth Company	"H"	Illinois – 42798	N/A	Renewed
John M. Smyth Company	"John M. Smyth"	Illinois – 74,244	03/18/94	Registered
John M. Smyth Company	"John M. Smyth's Homemakers"	Illinois – 74,243	03/18/94	Registered

* License granted to Heilig - Meyers Furniture Company on January 9, 1998 and assigned to Rhodes Furniture Company on June 23, 2000.

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