

01-11-2002



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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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

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

1/11/02

1. Name of conveying party(ies): Meadowcraft, Inc. Individual(s) Association General Partnership Limited Partnership Corporation-State Delaware Other Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: LaSalle Business Credit, Inc. Internal Address: Street Address: 3060 Peachtree Road, Ste 890 City: Atlanta State: GA Zip: 30305 Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State DELAWARE 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: January 3, 2002

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 76/022,939 76/087,599 76/149,446 76/092,928 75/917,481 Additional number(s) attached Yes No

B. Trademark Registration No.(s) 1845619 2172998 2193504 2332000 2242465 2498054 2245432 2172999

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Deborah Corey Internal Address: King & Spalding Street Address: 191 Peachtree Street City: Atlanta State: GA Zip: 30303

6. Total number of applications and registrations involved: 13 7. Total fee (37 CFR 3.41): \$ 340.00 Expedite Fee 120.00 Enclosed Total \$ 460.00 Authorized to be charged to deposit account 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. Deborah Corey Signature January 9, 2002 Date

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

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

01/11/2002 6TOM11 00000175 76022939 01 FC:481 40.00 OP 02 FC:482 300.00 OP 03 FC:484 120.00 OP

TRADEMARK REEL: 002424 FRAME: 0644

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(Rev. 03/01)  
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RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE  
U.S. 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):

Meadowcraft, Inc.

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- Other

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

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other

Execution Date: January 3, 2002

2. Name and address of receiving party(ies)

Name: LaSalle Business Credit, Inc.

Internal

Address:

Street Address: 3060 Peachtree Road, Ste 890

City: Atlanta State: GA Zip: 30305

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State DELAWARE
- 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

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

A. Trademark Application No.(s)  
 76/022,939                      76/087,599  
 76/149,446                      76/092,928  
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Additional number(s) attached  Yes  No

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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.

Deborah Corey  
Name of Person Signing

Deborah Corey  
Signature

January 9, 2002  
Date

8

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

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

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Security Agreement") is made as of January 3, 2002, by Meadowcraft, Inc., a Delaware corporation ("Borrower"), in favor of LaSalle Business Credit, Inc., as Collateral Agent, with an office at One Buckhead Plaza, 3060 Peachtree Road, Suite 890, Atlanta, Georgia 30305 ("Collateral Agent").

Reference is made to that certain Loan and Security Agreement, dated as of January 3, 2002, made by and among Borrower; the "Lenders" party thereto; Congress Financial Corporation (Southern), as "Documentation Agent"; Standard Federal Bank, National Association (acting by and through LaSalle Business Credit, Inc., as its agent) as "Administrative Agent"; and Collateral Agent (as it may be amended or modified from time to time, the "Loan Agreement"). Capitalized terms used herein (including those terms set off by quotes above), but not expressly defined herein, shall have the meanings given to such terms in the Loan Agreement. The Loan Agreement provides (i) for Lenders, from time to time, to make Revolving Loans to Borrower, and (ii) for the grant by Borrower to Collateral Agent of a security interest in certain of Borrower's assets, including, without limitation, its trademarks and trademark applications as security therefor;

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

1. Incorporation of Financing Agreements. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Borrower hereby grants to Collateral Agent, and hereby reaffirms its prior grant to Collateral Agent pursuant to the Financing Agreements of, a continuing security interest in Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising 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 (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under 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 and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Borrower warrants and represents to Collateral Agent that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Borrower 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, shop rights and covenants by Borrower not to sue third persons, except for Permitted Encumbrances;

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

(iv) Borrower has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Borrower agrees that until Borrower's Obligations shall have been satisfied in full and the Financing Agreements shall have been terminated, Borrower shall not, without the prior written consent of Lender, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Collateral Agent under this Security Agreement.

5. New Trademarks. Borrower represents and warrants that, based on a diligent investigation by Borrower, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Borrower. If, before Borrower's Obligations shall have been satisfied in full or before the Financing Agreements have been terminated, Borrower shall (i) become aware of any existing Trademarks of which Borrower has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Borrower shall give to Collateral Agent prompt written notice thereof. Borrower hereby authorizes Collateral Agent to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of Borrower's Obligations and the termination of the Financing Agreements. Borrower agrees that upon the occurrence of an Event of Default, the use by Collateral Agent of all Trademarks shall be without any liability for royalties or other related charges from Collateral Agent to Borrower.

7. Product Quality. Borrower agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially

reasonable business practices. Upon the occurrence of an Event of Default, Borrower agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of Borrower's Obligations and termination of the Financing Agreements, Collateral Agent shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Collateral Agent in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Borrower and until paid shall constitute Obligations.

10. Duties of Borrower. Borrower shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until Borrower's Obligations shall have been paid in full and the Financing Agreements have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Borrower's Obligations under this Section 10 shall be borne by Borrower.

11. Lender's Right to Sue. After an Event of Default, Collateral Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Collateral Agent shall commence any such suit, Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Collateral Agent in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Collateral Agent for all costs and expenses incurred by Collateral Agent in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Borrower 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 Financing Agreements 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.

13. Severability. The provisions of this Security 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 other clause or provision of this Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Collateral Agent upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Collateral Agent as Collateral Agent may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Collateral Agent in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Collateral Agent deems to be in the best interest of Lender, or (iii) 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. Borrower 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 Borrower's Obligations shall have been paid in full and the Financing Agreements have been terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Collateral Agent under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Collateral Agent shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Borrower and its respective successors and assigns, and shall inure to the benefit of Lender and its permitted successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.


19. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Collateral Agent shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

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

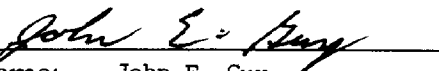
“Borrower”

MEADOWCRAFT, INC.

By:   
Name: Samuel R. Blount  
Title: Chairman and Chief Executive Officer

Agreed and Accepted  
As of the Date First Written Above

LASALLE BUSINESS CREDIT, INC.,  
as Collateral Agent

By:   
Name: John E. Guy  
Title: Sr. Vice President

**SCHEDULE A**

**TRADEMARK REGISTRATIONS**

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
Interior Images by Salterini	1845619	7/19/94
Salterini	2193504	10/6/98
Plantation Patterns	2242465	5/4/99
The Home Collection from Plantation Patterns	2245432	5/18/99
Arlington House	2172999	7/14/98
Meadowcraft	2172998	7/14/98
The Home Collection by Meadowcraft	2332000	3/21/00
Meadowcraft Logo	2498054	10/16/01

**TRADEMARK APPLICATIONS**

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
Classic Furniture for the Great Outdoors	76/022,939	4/12/00
Plantation Patterns House	76/087,599	7/13/00
Arlington House Logo	76/149,446	10/19/00
Home Collection Vine	76/092,928	7/21/00
Dogwood Flower	75/917,481	1/5/00



ACKNOWLEDGMENT

STATE OF GEORGIA        )  
                                  )  
COUNTY OF FULTON     )        SS

I, Diane White, a Notary Public in and for and residing in said County and State, do hereby certify that Samuel R. Blount, the Chairman and Chief Executive Officer of Meadowcraft, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he(she) signed and delivered said instrument as his(her) own free and voluntary act and as the free and voluntary act of said corporation, partnership or other entity described therein for the uses and purposes therein set forth.

Given under my hand and notarial seal on January 3, 2002.

Diane White  
Notary Public

My Commission Expires:

