

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Acorn Products Co., Inc.		12/31/2004	CORPORATION: MAINE

RECEIVING PARTY DATA	
Name:	Keybank National Association
Street Address:	One Canal Plaza
City:	Portland
State/Country:	MAINE
Postal Code:	04101
Entity Type:	CORPORATION: OHIO

PROPERTY NUMBERS Total: 14

Property Type	Number	Word Mark
Registration Number:	2321826	CEDAR HOLLOW
Registration Number:	2321825	CEDAR HOLLOW
Serial Number:	75674201	CEDAR HOLLOW
Serial Number:	75674200	CEDAR HOLLOW
Registration Number:	2335576	COMFORT ON EARTH
Registration Number:	2763071	ACORN
Registration Number:	2763070	ACORN
Registration Number:	2272962	COMFORT ON EARTH
Registration Number:	1971187	ACORN
Registration Number:	1842557	SANDALSOX
Registration Number:	1848407	SANDALSOX
Registration Number:	1427541	OH EWE ACORN
Registration Number:	1421141	OH EWE
Registration Number:	1442169	ACORN

OP \$365.00 2321826

CORRESPONDENCE DATA

Fax Number: (207)774-1127
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: (207) 774-1200
Email: jkeenan@bssn.com
Correspondent Name: James F. Keenan, Jr.
Address Line 1: 100 Middle Street
Address Line 4: Portland, MAINE 04104

NAME OF SUBMITTER:	James F. Keenan, Jr.
Signature:	/James F. Keenan, Jr./
Date:	02/02/2005

Total Attachments: 6
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TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT ("Agreement") made as of this st 31 day of December 2004 by **ACORN PRODUCTS CO., INC.**, a Maine corporation with a place of business at 2 Cedar Street, Lewiston, Maine 04243 ("Debtor") in favor of **KEYBANK NATIONAL ASSOCIATION**, a national bank with a mailing address of One Canal Plaza, Portland, Maine 04101 ("Secured Party").

WITNESSETH:

WHEREAS, Debtor has executed and delivered a Revolving Financing Agreement and a Commercial Security Agreement to Key Corporate Capital Inc. ("KCCI") dated April 29, 2003 as amended to date, all as subsequently assigned to Secured Party (collectively as amended from time to time, the "Loan Agreement") with an accompanying Commercial Revolving Line of Credit Note dated April 29, 2003 as amended to date in the current ceiling amount of \$10,000,000 as subsequently assigned to Secured Party (as amended from time to time, the "Note");

WHEREAS, in order to secure Debtor's obligations under the Note and Loan Agreement (the "Obligations"), Debtor granted a security interest in and assigned and conveyed to KCCI Debtor's entire right, title and interest in and to the Trademarks (defined below) pursuant to a Trademark Collateral Assignment dated May 9, 2001 (the "Collateral Assignment");

WHEREAS, when recording the Collateral Assignment with the United States Patent and Trademark Office ("USPTO") KCCI designated the conveyance as an "assignment" and not as a "security interest";

WHEREAS, as a result of such designation the USPTO records incorrectly list KCCI as the record owner;

WHEREAS, in order to correct the USPTO records, KCCI has assigned any and all of its rights, title and interests in and to the Trademarks back to Debtor pursuant to a Trademark Assignment of even date herewith;

WHEREAS, KCCI has subsequently conveyed its interest in the Loan Agreement and the Note to Secured Party; and

WHEREAS, contemporaneously with the execution and recording of such Trademark Assignment, Debtor is executing and shall record this Agreement in order to evidence Secured Party's security interest in and to the Trademarks;

NOW, THEREFORE, in consideration of the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by Debtor, Debtor does hereby agree as follows:

1. Definitions; Interpretation.

(a) Terms Defined in Note. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

(b) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“Collateral” has the meaning set forth in Section 2.

“Event of Default” has the meaning set forth in the Loan Agreement.

“Trademarks” means those trademarks set forth on Exhibit A, attached hereto and incorporated herein by reference.

“UCC” means the Uniform Commercial Code as in effect in the State of Maine.

(c) Terms Defined in UCC. Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) Construction. In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to “proceeds” in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Debtor, except as specifically provided for in the Loan Agreement or herein; (ii) “includes” and “including” are not limiting; (iii) “or” is not exclusive; and (iv) “all” includes “any” and “any” includes “all.”

2. Security Interest. As security for the payment and performance of the Obligations, Debtor hereby grants to Secured Party a first priority security interest in, and a mortgage upon, all of Debtor’s right, title and interest in, to and under the Trademarks, including, without limitation, all proceeds thereof, all rights to sue for past, present and future infringements, and all rights and general intangibles corresponding thereto throughout the world, together with all goodwill associated therewith, and all registrations and applications for registration thereof (collectively, the “Collateral”). Debtor agrees that this Agreement shall create a continuing security interest in the Collateral, which shall remain in effect until terminated in accordance with Section 11.

3. Event of Default Costs. Should an Event of Default occur, Debtor will pay Secured Party all costs reasonably incurred by Secured Party in enforcing its rights hereunder.

4. Remedies Upon Event of Default.

(a) General. Upon the occurrence of any Event of Default, Secured Party may pursue any remedy available at law (including those available under the UCC), or in equity to collect, enforce or satisfy any Obligations then owing, whether by acceleration or otherwise.

(b) Additional Remedies. Upon occurrence of any Event of Default, Secured Party shall have the right to pursue any of the following remedies separately, successively or simultaneously:

- (i) File suit and obtain judgment and, in conjunction with any action, Secured Party may seek any ancillary remedies provided by law, including levy of attachment and garnishment.
- (ii) Sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC.
- (iii) Exercise any other remedies set forth in the Loan Agreement

5. Foreclosure Procedures.

(a) No Waiver. No failure to exercise and no delay in exercising, on the part of Secured Party, any right or remedy accruing upon any Event of Default shall: (i) impair any right or remedy, (ii) waive or operate as an acquiescence to any Event of Default, or (iii) affect any subsequent Event of Default of the same or of a different nature.

(b) Notices. Secured Party shall give Debtor such notice of any private or public sale as may be required by the UCC or as provided in the Loan Agreement.

(c) Condition of Collateral. Secured Party has no obligation to prepare the Collateral for sale.

(d) Compliance With Other Laws. Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(e) Sales on Credit. If Secured Party sells any of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by Secured Party and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral and Debtor shall be credited with the proceeds of the sale.

(f) Purchases by Secured Party. In the event Secured Party purchases any of the Collateral being sold, Secured Party may pay for the Collateral by crediting some or all of the Obligations of Debtor.

(g) No Marshaling. Secured Party has no obligation to marshal any assets in favor of Debtor, or against or in payment of (i) any of the Obligations, or (ii) any other obligation owed to Secured Party by Debtor or any other person.

6. Further Acts. On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be reasonably requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing

with the USPTO or any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the USPTO, at the expense of Debtor. In addition, Debtor authorizes Secured Party to file financing statements describing the Collateral in any UCC filing office deemed appropriate by Secured Party.

7. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, Secured Party and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Loan Agreement.

8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Maine, and to the extent applicable the laws of the United States of America.

9. Entire Agreement; Amendment. This Agreement and the Loan Agreement and the other Loan Documents identified in the Loan Agreement contain the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter, specifically including the Collateral Assignment. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties. To the extent that any provision of this Agreement conflicts with any provision of the Loan Agreement, the provision giving Secured Party greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Loan Agreement.

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 shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart.

11. Termination. Upon payment and performance in full of all Obligations with no further obligation on the part of Secured Party to make advances, the security interests created by this Agreement shall terminate and Secured Party (at Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to Secured Party hereunder, including cancellation of this Agreement by written notice from Secured Party to the USPTO.

12. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

13. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party

shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

14. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first written above.

WITNESS:

ACORN PRODUCTS CO., INC.

Name:

By: _____

Name:

Title:

KEYBANK NATIONAL ASSOCIATION



Name:

By: 

Name: Robert F. Pollis, Jr

Title: Senior Vice President

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Exhibit A

<u>Serial Number</u>	<u>Reg. Number</u>	<u>Trademark</u>
75/674,702	2321826	CEDAR HOLLOW
75/674,701	2321825	CEDAR HOLLOW
75/674,201		CEDAR HOLLOW
75/674,200		CEDAR HOLLOW
75/672,881	2335576	COMFORT ON EARTH
75/672,880	2763071	ACORN
75/672,879	2763070	ACORN
75/366,656	2272962	COMFORT ON EARTH
74/655,814	1971187	ACORN
74/344,770	1842557	SANDLESOX
74/344,769	1848407	SANDLESOX
73/476,250	1427541	OH EWE ACORN
73/476,176	1421141	OH EWE
73/476,110	1442169	ACORN

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