

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

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|--|--|-----------------|-------------------------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | Intellectual Property Security Agreement | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| SPI FLOORS LLC | | 12/30/2005 | LIMITED LIABILITY COMPANY: DELAWARE |
| RECEIVING PARTY DATA | | | |
| Name: | Wachovia Bank, National Association | | |
| Street Address: | One South Broad Street | | |
| Internal Address: | Third Floor | | |
| City: | Philadelphia | | |
| State/Country: | PENNSYLVANIA | | |
| Postal Code: | 19107 | | |
| Entity Type: | National Banking Association: | | |
| PROPERTY NUMBERS Total: 2 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 2036858 | GALLERIA FLOORS | |
| Registration Number: | 2764321 | STUDIO CERAMICA | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | (202)728-0744 | | |
| <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> | | | |
| Phone: | 2027216405 | | |
| Email: | christine.wilson@thomson.com | | |
| Correspondent Name: | Corporation Service Company | | |
| Address Line 1: | 80 State Street | | |
| Address Line 2: | 6th Floor | | |
| Address Line 4: | Albany, NEW YORK 12207 | | |
| NAME OF SUBMITTER: | Christine Wilson | | |
| Signature: | /CHRISTINE WILSON/ | | |

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TRADEMARK
REEL: 003224 FRAME: 0445

Date:

01/10/2006

Total Attachments: 14

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement ("Agreement") is made as of the 30th day of December, 2005, by SPI FLOORS LLC ("Company"), a Delaware limited liability company, with its chief executive office located at 70 Demarest Drive, Wayne, New Jersey 07470, and delivered to Wachovia Bank, National Association, in its capacity as administrative agent for Lenders, as defined below ("Administrative Agent"), having a mailing address of One South Broad Street, Third Floor, Philadelphia, Pennsylvania 19107.

BACKGROUND

A. This Agreement is being executed in connection with that certain Loan and Security Agreement dated as of May 26, 2005 by and among Hoboken Wood Flooring LLC, the other Borrowers, Administrative Agent, and such other financial institutions named therein and the financial institutions which hereafter become a party thereto, as lenders (collectively, the "Lenders") (as supplemented, restated, amended, superseded, replaced, or restated from time to time, most recently by that certain First Amendment and Joinder to Loan and Security Agreement among Company, the other Borrowers, Administrative Agent and Lenders dated as of even date herewith, the "Credit Agreement"), under which Company is granting Administrative Agent for the benefit of Lenders, a lien on and security interest in all of the assets of Company associated with or relating to products leased or sold or services provided under Company's patents, trademarks (and the goodwill associated therewith) and copyrights, and under which Administrative Agent and Lenders are entitled to foreclose or otherwise deal with such assets, patents, patent rights, patent applications, goodwill, trademarks, trademark applications, service marks, service mark applications, trade names, copyrights, and copyright applications under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Credit Agreement.

B. Company has owned and is using (or has filed applications and/or registrations of) the patents, patent rights, and patent applications (collectively, the "Patents"); trademarks, service marks, trade names, and service trade names, excluding "Intent to Use" trademark applications filed pursuant to 15 U.S.C. §1051(b) ("ITU") (collectively, "Trademarks"); copyrights, and copyright applications (collectively, the "Copyrights") listed on Schedule A attached hereto and made part hereof; and goodwill associated thereto ("Goodwill") (all such Patents, Trademarks, Copyrights or Goodwill hereinafter referred to as the "Assets").

C. Pursuant to the Credit Agreement, Administrative Agent is acquiring a lien on, and security interest in, the Assets and the registration thereof, for the benefit of Lenders, as security for all Obligations, and desires to have its security interest in such Assets confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office and United States Copyright Office, respectively.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Credit Agreement and all other Credit Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, Company grants a lien and security interest to

Administrative Agent, for the benefit of Lenders, in all of its present and future right, title and interest in and to the Assets, and any registrations thereof and the right (but not the obligation), during the occurrence and existence of an Event of Default, to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Company represents, warrants and covenants that:

(a) Company has the unqualified right, power and authority to enter into this Agreement and perform its terms; and

(b) Each of the Assets listed on Schedule A constitute all of the Assets, and all applications for any of the foregoing, now owned by Company. If, before all Obligations shall have been indefeasibly paid and satisfied in full and the Credit Agreement shall have been terminated, Company shall (i) obtain rights to any new Patent, Trademark (including any ITU in which a proof of use is filed by the Borrowers), or Copyright, or (ii) become entitled to the benefit of any new Patent, Trademark (including any ITU in which a proof of use is filed by the Borrowers), the provisions of this Agreement shall automatically apply thereto and such Patent, Trademark or Copyright shall be deemed part of the Assets. Each of the ITU's currently held by Borrowers is listed on Schedule B attached hereto. Company shall give Administrative Agent prompt written notice thereof along with an amended Schedule A and Schedule B.

3. Company further covenants that until all the Obligations (other than contingent indemnity obligations) have been paid and satisfied in full, all Letters of Credit have been terminated or cash collateralized and the Commitments have been terminated, it will not enter into any agreement, including without limitation, license agreements or options, which is inconsistent with Company's obligations under this Agreement, except for agreements entered into in the ordinary course of business.

4. So long as an Event of Default or Default has not occurred and is not continuing under the Credit Agreement, Company shall continue to have the exclusive right to use the Assets and Administrative Agent shall have no right to use the Assets or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Assets to anyone else.

5. During the occurrence and continuance of an Event of Default under the Credit Agreement, Company hereby covenants and agrees that Administrative Agent, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of New York, may take such action permitted under the Credit Documents or permitted by law, in its sole but reasonable discretion, to foreclose upon the Assets covered hereby. In such event, Company hereby authorizes and empowers Administrative Agent, its successors and assigns, and any officer or agent of Administrative Agent as Administrative Agent may select, in its sole but reasonable discretion, as Company's true and lawful attorney-in-fact, with the power to endorse Company's name on all applications, assignments, documents, papers and instruments necessary for Administrative Agent, to use the Assets or to grant or issue any exclusive or non-exclusive license under the Assets to anyone else, or necessary for Administrative Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Assets to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as Exhibit 1. Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence, bad faith or wilful misconduct of such attorney. Company also covenants and agrees, during the occurrence and continuance of an Event of Default under the Credit Agreement, to

perform all the actions reasonably requested by the Administrative Agent to cooperate with the assignment of ITU's to be assigned. Until such time as the Obligations (other than contingent indemnity obligations) shall have been paid in full, all Letters of Credit shall have been terminated or cash collateralized and the Commitments shall have been terminated, this power of attorney shall be irrevocable.

6. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Credit Agreement and may not be modified without the written consent of the Company and Administrative Agent.

7. All rights and remedies herein granted to Administrative Agent and Lenders shall be in addition to any rights and remedies granted under the Credit Documents. In the event of an inconsistency between this Agreement and the Credit Agreement, the language of the Credit Agreement shall control.

8. Upon Borrowers' full and unconditional satisfaction of all Obligations and the termination of the Credit Agreement, Administrative Agent shall execute and deliver to Company, at Company's sole cost and expense, all documents reasonably necessary to terminate Administrative Agent's security interest in the Assets.

9. Subject to the terms of the Credit Agreement, Company shall have the duty to use its commercially reasonable efforts to prosecute any trademark application with respect to the Assets pending as of the date of this Agreement or thereafter, until all Obligations (other than contingent indemnity obligations) shall have been paid and satisfied in full, all Letters of Credit shall have been terminated or cash collateralized and the Commitments shall have been terminated, to use its commercially reasonable efforts to preserve and maintain all rights in the Assets, and upon the reasonable request of Administrative Agent in its reasonable credit judgment, Company shall make federal application on registrable but unregistered patents, trademarks, copyrights or licenses belonging to Company. Any expenses incurred in connection with such applications shall be borne by Company.

10. Administrative Agent may, if Company reasonably deems it necessary, be joined as a nominal party to such suit if Administrative Agent shall have been satisfied, in its sole but reasonable discretion, that Administrative Agent and Lenders are not thereby incurring any risk of liability because of such joinder. Company shall promptly, upon demand, reimburse and indemnify Administrative Agent and Lenders for all damages, reasonable costs and out-of-pocket expenses, including reasonable attorneys' fees, incurred by Administrative Agent and Lenders in the fulfillment of the provisions of this paragraph.

11. During the occurrence and continuance of an Event of Default under the Credit Agreement, Administrative Agent may, without any obligation to do so, complete any obligation of Company hereunder, in Company's name or in Administrative Agent's name, but at Company's expense, and Company hereby agrees to reimburse Administrative Agent in full for all costs and out-of-pocket expenses, including reasonable attorneys' fees, incurred by Administrative Agent in protecting, defending and maintaining the Assets.

12. No course of dealing among Borrowers, and Administrative Agent and/or Lenders nor any failure to exercise, nor any delay in exercising, on the part of Administrative Agent or any Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Administrative

Agent's and Lenders' rights and remedies with respect to the Assets, whether established hereby or by the Credit Documents, or by any other future agreements between Borrowers and Administrative Agent and Lenders or by law, shall be cumulative and may be exercised singularly or concurrently.

13. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

14. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

15. This Agreement, the Credit Agreement and the other Credit Documents and the rights and obligations of the parties hereunder and thereunder, and all matters arising hereunder or related hereto or thereto, shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

16. Company irrevocably consents to the nonexclusive jurisdiction of the courts of the State of New York in Manhattan, New York County, New York or of the United States for the Southern District of New York in any legal action or proceeding with respect to this Agreement, the Credit Agreement or any other Credit Document and irrevocably agrees to service of process in the manner and under the procedures set forth in Section 15.3 of the Credit Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Dated the date and year first written above.

COMPANY:

SPI FLOORS LLC

By: Michael Creamer
Name: MICHAEL CREAMER
Title: VP & SECRETARY

Approved and Accepted:
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent for Lenders

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY AGREEMENT]

S-1

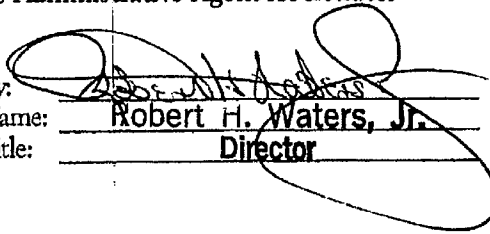
Dated the date and year first written above.

COMPANY:

SPI FLOORS LLC

By: _____
Name: _____
Title: _____

Approved and Accepted:
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent for Lenders

By: 
Name: Robert H. Waters, Jr.
Title: Director

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY AGREEMENT]

S-1

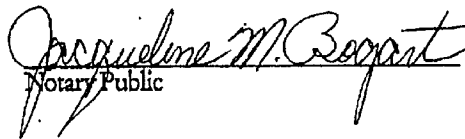
ACKNOWLEDGMENT

UNITED STATES OF AMERICA
STATE OF NJ
COUNTY OF PASSAIC

:
: SS
:

On this 29th of December, 2005, before me personally appeared MICHAEL CRENNER to me known and being duly sworn, deposes and says that s/he is the VPO SECRETARY of SPI Floors LLC, the Company described in the foregoing Agreement; that s/he signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such company, and s/he desires the same to be recorded as such.

JACQUELINE M. BOGART
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MAR 28, 2008

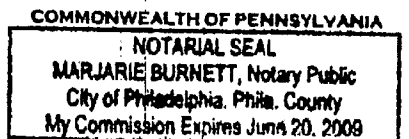

Notary Public

My Commission Expires:

ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF Pennsylvania : SS
COUNTY OF Philadelphia :

On this 30th of December, 2005, before me personally appeared Robert H. Waters to me known and being duly sworn, deposes and says that he is the Director of Wachovia Bank, National Association, the Administrative Agent described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such national association; and he desires the same to be recorded as such.



My Commission Expires:

Marjorie Burnett
Notary Public

SCHEDULE A

| <u>Mark</u> | <u>Serial No./ Filing Date</u> | <u>Reg. No./ Registered</u> | <u>Status</u> | <u>Current Owner</u> |
|-----------------|------------------------------------|---------------------------------|-----------------------|----------------------|
| GALLERIA FLOORS | 75/037,022 | 2,036,858 | Registered 12/11/2007 | SPI Floors LLC |
| STUDIO CERAMICA | 78/167,290 | 2,764,321 | Registered 09/16/2009 | SPI Floors LLC |
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SCHEDULE B

107337.01154/11496211v.2

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EXHIBIT 1

PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS ASSIGNMENT
(Trademarks)

WHEREAS, SPI Floors LLC, a Delaware limited liability company ("Grantor") is the registered owner of the United States trademarks, service marks, trade names, service mark applications and trademark applications listed on Schedule A attached hereto and made a part hereof ("Assets"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ ("Grantee"), having a place of business at _____, is desirous of acquiring said Assets;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, subject to the terms of the Intellectual Property Security Agreement, of even date herewith, between Grantor and Grantee, all of its present and future right, title and interest in and to the Assets and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patents, Trademarks, Licenses and Copyrights Assignment to be executed as of the ____ day of _____, 200__.

SPI FLOORS LLC

By: _____
Attorney-in-fact

Witness:

EXHIBIT 1

ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF : S.S.
COUNTY OF :

On this _____ day of _____, 200____, before me, a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of SPI Floors LLC and s/he acknowledged to me that s/he executed the foregoing Patents, Trademarks, Licenses, and Copyrights Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

ACKNOWLEDGMENT

UNITED STATES OF AMERICA
STATE OF NJ
COUNTY OF PASSAIC

:
: SS
:

On this 29th of December, 2005, before me personally appeared MICHAEL CERMER to me known and being duly sworn, deposes and says that s/he is the V.P. SECRETARY of SPI Floors LLC, the Grantor described in the foregoing Power of Attorney; that s/he signed the Power of Attorney thereto as such officer pursuant to the authority vested in him/her by law; that the within Power of Attorney is the voluntary act of such company; and s/he desires the same to be recorded as such.

JACQUELINE M. BOGART
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MAR 28, 2008

Jacqueline M. Bogart
Notary Public

My Commission Expires:

POWER OF ATTORNEY

SPI Floors LLC, a Delaware limited liability company ("Grantor"), hereby authorizes Wachovia Bank, National Association, as agent for various financial institutions, its successors and assigns, and any officer or agent thereof (collectively, the "Grantee") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Intellectual Property Security Agreement between Grantor and Grantee dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Agreement"), including, without limitation, the power to use the Assets (as defined in the Agreement) and listed on Schedule A attached hereto and made a part hereof, to grant or issue any exclusive or nonexclusive license under the Assets to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Assets, in each case subject to the terms of the Agreement.

This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of a certain Loan and Security Agreement dated as of May 26, 2005 among Grantor and certain other parties as borrowers and Grantee, as agent, and certain other financial institutions, as lenders, as such document may be supplemented, restated, superseded, amended or replaced.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms of the Agreement.

This Power of Attorney shall be irrevocable for the life of the Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, on this 29th day of December, 2005.

SPI FLOORS LLC

By:

Michael Creamer

Name:

MICHAEL CREAMER

Title:

VP & SECRETARY