

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
Midwest Folding Products Corp.		02/01/2006	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Leeds Equity Partners IV, L.P.		
Street Address:	350 Park Avenue, 23rd Floor		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10022		
Entity Type:	LIMITED PARTNERSHIP: DELAWARE		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	76435461	UPPER ZONE	
CORRESPONDENCE DATA			
Fax Number:	(415)693-2222		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	4156932440		
Email:	crhem@cooley.com		
Correspondent Name:	Chris Rhem		
Address Line 1:	101 California Street, 5th Floor		
Address Line 4:	San Francisco, CALIFORNIA 94111-5800		
ATTORNEY DOCKET NUMBER:	303502-107		
NAME OF SUBMITTER:	Chris Rhem		
Signature:	/CR/		
Date:	02/06/2006		

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Total Attachments: 4

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GRANT OF TRADEMARK SECURITY INTEREST

WHEREAS, MIDWEST FOLDING PRODUCTS CORP., a Delaware corporation (“**Grantor**”), owns and uses in its business, and will in the future adopt and so use, various intangible assets, including the Trademark Collateral (as defined below); and

WHEREAS, SCHOOLHOUSE FURNITURE, INC., a Delaware corporation (“**Company**”) and Sagus International, Inc., a Delaware corporation, have entered into a Note Purchase Agreement dated as of February 1, 2006 (said Note Purchase Agreement, as it may heretofore have been and as it may hereafter be amended, supplemented, restated or otherwise modified from time to time, being the “**Note Purchase Agreement**”) with the note purchasers party thereto (collectively, together with their respective successors and assigns, the “**Noteholders**”) and **Leeds Equity Partners IV, L.P.**, as Note Agent for the Noteholders (in such capacity, “**Secured Party**”), pursuant to which the initial Noteholders, subject to the terms and conditions set forth in the Note Purchase Agreement, purchased certain notes from the Company; and

WHEREAS, Grantor has executed and delivered that certain Subsidiary Guaranty dated as of February 1, 2006 (said Subsidiary Guaranty, as it may hereafter be amended, supplemented, restated or otherwise modified from time to time, being the “**Guaranty**”) in favor of Secured Party for the benefit of Noteholders, pursuant to which Grantor has guaranteed the prompt payment and performance when due of all obligations of Company under the Note Purchase Agreement and the other Note Documents (as defined in the Note Purchase Agreement); and

WHEREAS, pursuant to the terms of a Pledge and Security Agreement dated as of February 1, 2006 (as amended, supplemented, restated or otherwise modified from time to time, the “**Pledge and Security Agreement**”), among Grantor, Secured Party and the other grantors named therein, Grantor has agreed to create in favor of Secured Party a secured and protected interest in, and Secured Party has agreed to become a secured creditor with respect to, the Trademark Collateral (as defined herein);

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, subject to the terms and conditions of the Pledge and Security Agreement, and in order to secure the prompt payment and performance of the Secured Obligations (as defined in the Pledge and Security Agreement), Grantor hereby grants to Secured Party a security interest in all of Grantor’s right, title and interest in and to the following, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located (the “**Trademark Collateral**”):

- (i) all rights, title and interest (including rights acquired pursuant to a license or otherwise) in and to all trademarks, service marks, designs, logos, indicia, tradenames, trade dress, corporate names, company names, business names, fictitious

business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto, owned by Grantor, or hereafter adopted and used, in its business (including, without limitation, the trademarks set forth on Schedule A attached hereto, as the same may be amended pursuant hereto from time to time) (collectively, the “**Trademarks**”), all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof and in foreign countries (including, without limitation, the registrations and applications set forth on Schedule A attached hereto, as the same may be amended pursuant hereto from time to time) (collectively, the “**Trademark Registrations**”), all common law and other rights in and to the Trademarks in the United States and any state thereof and in foreign countries (collectively, the “**Trademark Rights**”), and all goodwill of Grantor’s business symbolized by the Trademarks and associated therewith (the “**Associated Goodwill**”); it being understood that the rights and interests included in the Intellectual Property Collateral hereby shall include, without limitation, all rights and interests pursuant to licensing or other contracts in favor of Grantor pertaining to Trademark applications and Trademarks presently or in the future owned or used by third parties but, in the case of third parties which are not Affiliates of Grantor, only to the extent permitted by such licensing or other contracts and, if not so permitted, only with the consent of such third parties; and

(ii) all proceeds, products, rents and profits of or from any and all of the foregoing Trademark Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Trademark Collateral. For purposes of this Grant of Trademark Security Interest, the term “**proceeds**” includes whatever is receivable or received when Trademark Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.


Grantor does hereby acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Grantor hereby further acknowledges and affirms that this Grant of Trademark Security Interest is subject to the terms of the Senior Lender Intercreditor Agreement (as defined in the Note Purchase Agreement) and the terms of that certain Grant of Trademark Security Interest from Grantor to BNP Paribas, as administrative agent for and representative of several financial institutions, with respect to the Trademark Collateral. In the event of any conflict between the terms of this Grant of Trademark Security Interest and the Senior Lender Intercreditor Agreement, the terms of the Senior Lender Intercreditor Agreement shall control.

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IN WITNESS WHEREOF, Grantor has caused this Grant of Trademark Security Interest to be duly executed and delivered by its officer thereunto duly authorized as of the 1st day of February, 2006.

MIDWEST FOLDING PRODUCTS CORP.

By: 
Name: RICHARD PRITZKER
Title: CEO

**SCHEDULE A TO
GRANT OF TRADEMARK SECURITY INTEREST**

<u>Registered Owner</u>	<u>Unites States Trademark Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Midwest Folding Products Corp.	Mark = Upper Zone Goods = Metal Storage Rack System	76-435461	Filed 07/31/02 Pending - Initialized