

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Trademark Collateral Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Kraus Inc.		08/18/2008	CORPORATION: CANADA
RECEIVING PARTY DATA			
Name:	National Bank of Canada		
Street Address:	The Exchange Tower, 130 King Street West		
Internal Address:	Suite 820, P.O. Box 428		
City:	Toronto		
State/Country:	CANADA		
Postal Code:	M5X 1E3		
Entity Type:	CORPORATION: CANADA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3049197	KRAUS	
Registration Number:	3133792	ZIPPERLOCK	
CORRESPONDENCE DATA			
Fax Number:	(519)822-1583		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	519.780.4650		
Email:	lgraham@millerthomson.com		
Correspondent Name:	Lorelei G. Graham		
Address Line 1:	Ontario AgriCentre, 100 Stone Stone West		
Address Line 2:	Suite 301		
Address Line 4:	Guelph, CANADA N1G 5L3		
ATTORNEY DOCKET NUMBER:	058581.0023		
DOMESTIC REPRESENTATIVE			

OP \$65.00 3049197

Name:
Address Line 1:
Address Line 2:
Address Line 3:
Address Line 4:

NAME OF SUBMITTER:

Lorelei G. Graham

Signature:

/Lorelei G. Graham/

Date:

08/22/2008

Total Attachments: 3

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TRADEMARK COLLATERAL AGREEMENT

This 18th day of August, 2008, Kraus Inc., an Ontario corporation ("*Debtor*") being the successor corporation to Kraus Carpet Mills Limited by way of amalgamation of Kraus Carpet Mills Limited, 1029011 Ontario Inc., and Kraus of Canada Limited dated January 1, 2008 with its principal place of business and mailing address at 65 Northfield Drive West, Waterloo, Ontario, N2J 4J4, in consideration of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, assigns, mortgages and pledges to National Bank of Canada, a Canadian chartered bank ("*National*"), with its mailing address at The Exchange Tower, 130 King Street West, Suite 820, P.O. Box 428, Toronto, Ontario, M5X 1E3, in its capacity as Canadian administrative agent pursuant to the Credit Agreement as defined below, and its successors and assigns (National acting as such administrative agent and any successor(s) or assign(s) to National acting in such capacity being hereinafter referred to as the "*Agent*"), and grants to the Agent for the benefit of the Agent and Lenders as defined in the Credit Agreement a continuing security interest in, the following property:

(i) Each trademark, trademark registration, and trademark application listed on Schedule A hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each such trademark, trademark registration, and trademark application; and

(ii) All proceeds of the foregoing, including without limitation any claim by Debtor against third parties for damages by reason of past, present or future infringement of any trademark, trademark registration, or trademark application listed on Schedule A hereto or by reason of injury to the goodwill associated with any such trademark, trademark registration, or trademark application, in each case together with the right to sue for and collect said damages;

as general and continuing collateral security for the due payment of all present and future indebtedness and liability of the Debtor to the Agent and the Lenders ("*Obligation*") under that certain credit and guarantee agreement dated as of June 28, 2007, between Debtor, Lenders, Agent, as amended by amending agreement no. 1 dated as of August 30, 2007 and others as the same may be further amended, modified, or restated from time to time together with all Schedules attached thereto (the "*Credit Agreement*").

Notwithstanding anything herein to the contrary, this Trademark Collateral Agreement shall not operate as a sale, transfer, conveyance or other assignment to Agent of any applications by Debtor for a trademark based on an intent to use the same if and so long as such application is pending without a Statement of Use having been filed and accepted (such pending applications which are based on intent to use being hereinafter referred to collectively as "*Intent-To-Use Applications*"), but rather, if and so long as Debtor's Intent-To-Use Application is pending without a Statement of Use having been filed and accepted, then this Trademark Collateral Agreement shall operate only to create a security interest for collateral purposes in favor of Agent on such Intent-To-Use Application as collateral security for the Obligations. When a Statement

of Use is filed and accepted by the Trademark Office, then that application shall cease to be partly exempted from this Agreement.

IN WITNESS WHEREOF, Debtor has caused this Trademark Collateral Agreement to be duly executed as of the date and year last above written.

KRAUS INC.

By:



Name: Harold Eckhardt
Title: Chairman

Accepted and agreed to as of the date and year last above written.

NATIONAL BANK OF CANADA,
as Canadian Administrative Agent

By:



Name: JEAN GOSSELIN
Title: SENIOR MANAGER

SCHEDULE A

TO TRADEMARK COLLATERAL AGREEMENT

**REGISTERED TRADEMARKS
AND TRADEMARK APPLICATIONS**

FEDERAL TRADEMARK REGISTRATIONS

TRADEMARKS:

Registrations:

<u>OWNER</u>	<u>REGISTRATION NUMBER</u>	<u>REGISTRATION DATE</u>	<u>COUNTRY</u>	<u>DESCRIPTION</u>
Kraus Inc.	219,716	Mar. 25, 1977	Canada	Omega
[Formerly Kraus Carpet Mills Limited]	224,617	Dec. 2, 1977	Canada	Tapis Omega Carpets & Design
	290,598	May 4, 1984	Canada	Omni Graph
	290,597	May 4, 1984	Canada	Omni Point
	629,346	Jan. 5, 2005	Canada	Zipperlock
	647,821	Sept. 13, 2005	Canada	@work
	686,562	Apr. 25, 2007	Canada	Kraus
	3,049,197	Jan. 24, 2006	United States	Kraus
	3,133,792	Aug. 22, 2006	United States	Zipperlock

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