

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
Standard Furniture Manufacturing Company, Inc.		07/16/2010	CORPORATION: ALABAMA
International Furniture Marketing, Inc.		07/16/2010	CORPORATION: ALABAMA
International Furniture Marketing Asia, Inc.		07/16/2010	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Wells Fargo Bank
Street Address:	171 17th Street
Internal Address:	4th Floor
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30363
Entity Type:	National Association: UNITED STATES

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	2807623	STANDARD FURNITURE
Registration Number:	2524133	GRAND DESIGNS
Registration Number:	3310336	CITY STYLE BY GRAND DESIGNS
Registration Number:	3310335	ESTATE CLASSICS BY GRAND DESIGNS
Registration Number:	3310334	RETREATS BY GRAND DESIGNS
Serial Number:	85063506	STANDARD FURNITURE AND DESIGN

CORRESPONDENCE DATA

Fax Number: (678)553-2693
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

900167344

**TRADEMARK
 REEL: 004245 FRAME: 0277**

CH \$165.00 2807623

Phone: 6785532692
Email: withersS@gtlaw.com
Correspondent Name: Greenberg Traurig, LLP c/o Sarah Withers
Address Line 1: 3290 Northside Parkway
Address Line 2: Suite 400
Address Line 4: Atlanta, GEORGIA 30327

ATTORNEY DOCKET NUMBER:	068975.016800 (WITHERS)
NAME OF SUBMITTER:	Sarah Withers
Signature:	/S. Withers/
Date:	07/20/2010

Total Attachments: 9
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PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (the "Agreement"), dated as of July 16, 2010, is made by among STANDARD FURNITURE MANUFACTURING COMPANY, INC., an Alabama corporation ("Standard Furniture"), INTERNATIONAL FURNITURE MARKETING, INC., an Alabama corporation ("International Furniture"), and INTERNATIONAL FURNITURE MARKETING ASIA, INC., a Delaware corporation ("IFM Asia"; Standard Furniture, International Furniture and IFM Asia are referred to herein collectively as the "Companies"), each having a business location at 801 South Highway 31, Bay Minette, Alabama 36507, and Wells Fargo Bank, National Association ("Wells Fargo"), having a business location at 171 17th Street, 4th Floor, Atlanta, Georgia 30363.

Recitals

A. The Companies and Wells Fargo are parties to a Credit and Security Agreement (as amended, supplemented or restated from time to time, the "Credit Agreement") dated the same date as this Agreement, setting forth the terms on which Wells Fargo may now or hereafter extend credit to or for the account of the Companies.

B. As a condition to extending credit to or for the account of the Companies, Wells Fargo has required the execution and delivery of this Agreement by the Companies.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means each Company's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on **Exhibit A**.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means each Company's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, and (iv) licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on **Exhibit B**.

2. Security Interest. Each Company hereby irrevocably pledges and assigns to, and grants Wells Fargo a security interest (the “Security Interest”) with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Indebtedness. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Companies. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. The Companies represent, warrant and agree as follows:

(a) **Existence; Authority.** The Companies are corporations duly organized, validly existing and in good standing under the laws of their state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Companies.

(b) **Patents. Exhibit A** accurately lists all Patents owned or controlled by the Companies as of the date hereof, or to which the Companies have a right as of the date hereof to have assigned to them, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, any Company owns, controls or has a right to have assignments of any Patents not listed on **Exhibit A**, or if **Exhibit A** ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Companies shall within 60 days provide written notice to Wells Fargo with a replacement **Exhibit A**, which upon acceptance by Wells Fargo shall become part of this Agreement.

(c) **Trademarks. Exhibit B** accurately lists all Trademarks owned or controlled by the Companies which are registered or have applications pending as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; it is understood, however, that **Exhibit B** does not list common law marks (i.e., Trademarks for which there are no applications or registrations). If after the date hereof, any Company owns or controls any Trademarks not listed on **Exhibit B** as to which application is made for registration, or if **Exhibit B** ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Companies shall promptly provide written notice to Wells Fargo with a replacement **Exhibit B**, which upon acceptance by Wells Fargo shall become part of this Agreement.

(d) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Companies, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Companies shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Companies; or (ii) notify Wells Fargo of such item(s) and cause such Affiliate to execute

and deliver to Wells Fargo a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** The applicable Company has absolute title to each Patent and each Trademark listed on **Exhibits A and B**, free and clear of all Liens except Permitted Liens. The Companies (i) will have, at the time the Companies acquire any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Credit Agreement, the Companies will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without Wells Fargo's prior written consent.

(g) **Defense.** The Companies will, at their own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** The Companies will at their own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Companies covenant that they will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark registration, nor fail to file any required affidavit or renewal in support thereof, without first providing Wells Fargo: (i) sufficient written notice, of at least 30 days, to allow Wells Fargo to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Wells Fargo's Right to Take Action.** If the Companies fail to perform or observe any of the covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Wells Fargo gives the Companies written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Companies notify Wells Fargo that they intend to abandon a Patent or Trademark, Wells Fargo may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Companies (or, at Wells Fargo's option, in Wells Fargo's own name) and may (but need not) take any and all other actions which Wells Fargo may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Companies shall pay Wells Fargo on demand the amount of all

moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Wells Fargo in connection with or as a result of Wells Fargo's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Wells Fargo at the Default Rate.

(k) **Power of Attorney.** To facilitate Wells Fargo's taking action under subsection (i) and exercising its rights under Section 6, the Companies hereby irrevocably appoint (which appointment is coupled with an interest) Wells Fargo, or its delegate, as the attorney-in-fact of the Companies with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Companies, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Companies under this Section 3, or, necessary for Wells Fargo, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Companies hereby ratify all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Indebtedness.

4. The Companies' Use of the Patents and Trademarks. The Companies shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) any Company shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, Wells Fargo may, at its option, take any or all of the following actions:

(a) Wells Fargo may exercise any or all remedies available under the Credit Agreement.

(b) Wells Fargo may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) Wells Fargo may enforce the Patents and Trademarks and any licenses thereunder, and if Wells Fargo shall commence any suit for such enforcement, the

Companies shall, at the request of Wells Fargo, do any and all lawful acts and execute any and all proper documents required by Wells Fargo in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Wells Fargo. A waiver signed by Wells Fargo shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Wells Fargo's rights or remedies. All rights and remedies of Wells Fargo shall be cumulative and may be exercised singularly or concurrently, at Wells Fargo's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to the Companies under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. Wells Fargo shall not be obligated to preserve any rights the Companies may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Companies and Wells Fargo and their respective participants, successors and assigns and shall take effect when signed by the Companies and delivered to Wells Fargo, and the Companies waive notice of Wells Fargo's acceptance hereof. Wells Fargo may execute this Agreement if appropriate for the purpose of filing, but the failure of Wells Fargo to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Companies shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of Georgia without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Indebtedness.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

**STANDARD FURNITURE
MANUFACTURING COMPANY, INC.**

By: William M. Peters
William M. Peters, President

**INTERNATIONAL FURNITURE
MARKETING, INC.**

By: William M. Peters
William M. Peters, President

**INTERNATIONAL FURNITURE
MARKETING ASIA, INC.**

By: William M. Peters
William M. Peters, President

STATE OF ALABAMA)
COUNTY OF BALDWIN)

The foregoing instrument was acknowledged before me this 16 day of July, 2010 by William M. Peters, the President of Standard Furniture Manufacturing Company, Inc., an Alabama corporation, on behalf of such corporation.

Debra S. Nichols
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Apr 13, 2013
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA)
COUNTY OF BALDWIN)

The foregoing instrument was acknowledged before me this 16 day of July, 2010 by William M. Peters, the President of International Furniture Marketing, Inc., an Alabama corporation, on behalf of such corporation.

Debra S. Nichols
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Apr 13, 2013
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA)
COUNTY OF BALDWIN)

The foregoing instrument was acknowledged before me this 16 day of July, 2010 by William M. Peters, the President of International Furniture Marketing Asia, Inc., a Delaware corporation, on behalf of such corporation.

Debra S. Nichols
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Apr 13, 2013
BONDED THRU NOTARY PUBLIC UNDERWRITERS

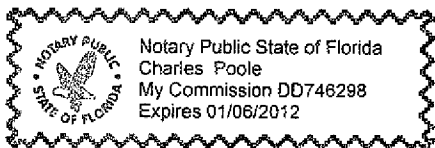
[Signature page to Patent and Trademark Security Agreement]

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: *B. Maitland*
Kevin Maitland, Authorized Signatory

STATE OF Florida)
COUNTY OF Broward)

The foregoing instrument was acknowledged before me this 13 day of July, 2010 by Kevin Maitland, Authorized Signatory of Wells Fargo Bank, National Association, on behalf of such national association.



Charles Poole
Notary Public *Charles Poole*

[Signature page to Patent and Trademark Security Agreement]

EXHIBIT A

UNITED STATES ISSUED PATENTS

None.

UNITED STATES PATENT APPLICATIONS

Owner	Name	Registration/Application No.
Standard Furniture Manufacturing Company, Inc.	Bed in a Box and Method	12/427,816

FOREIGN ISSUED PATENTS

None.

UNITED STATES PATENT APPLICATIONS

None.

EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS

AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Owner</u>	<u>Mark</u>	<u>Registration Number</u>
Standard Furniture Manufacturing Company, Inc.	Standard Furniture	2,807,623
Standard Furniture Manufacturing Company, Inc.	Grand Designs	2,524,133
Standard Furniture Manufacturing Company, Inc.	City Style by Grand Designs	3,310,336
Standard Furniture Manufacturing Company, Inc.	Estate Classics by Grand Designs	3,310,335
Standard Furniture Manufacturing Company, Inc.	Retreats by Grand Designs	3,310,334

APPLICATIONS

<u>Owner</u>	<u>Mark</u>	<u>Serial Number</u>
Standard Furniture Manufacturing Company, Inc.	STANDARD FURNITURE	85063506