

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
Baum Textile Mills, Inc.		06/21/2011	CORPORATION: NEW JERSEY
RECEIVING PARTY DATA			
Name:	FCC, LLC		
Doing Business As:	DBA First Capital		
Street Address:	565 Fifth Avenue, 19th Floor		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10017		
Entity Type:	LIMITED LIABILITY COMPANY: FLORIDA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	85270050	AMAZING GRACE	
CORRESPONDENCE DATA			
Fax Number:	(914)288-0023		
Phone:	(914) 821-9078		
Email:	tmdocket@leasonellis.com		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Correspondent Name:	Maren C. Perry/Leason Ellis LLP		
Address Line 1:	One Barker Avenue, Fifth Floor		
Address Line 4:	White Plains, NEW YORK 10601		
ATTORNEY DOCKET NUMBER:	03503/809069-000		
NAME OF SUBMITTER:	Maren C. Perry		
Signature:	/mcp/		

OP \$40.00 85270050

Date:

02/08/2012

Total Attachments: 8

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PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (this "Agreement"), dated as of June 21, 2011, is made by and between BAUM TEXTILE MILLS, INC. a New Jersey corporation ("Client") and FCC, LLC, a Florida limited liability company, d/b/a First Capital (the "Factor").

Recitals

Factor and Client are parties to a Factoring and Inventory Advances and Security Agreement of even date herewith and other documents and instruments executed in connection therewith (as the same may hereafter be amended, supplemented or restated from time to time, collectively, the "Factoring Agreement") setting forth the terms on which Factor may now or hereafter extend credit to or for the account of Client.

As a condition to extending credit to or for the account of Client, Factor has required the execution and delivery of this Agreement by Client.

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

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

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with the Factoring Agreement or any other agreement entered into between Client and Factor which Client may now or at any time hereafter owe to Factor, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Obligations (as defined in the Factoring Agreement).

"Patents" means all of each Client'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 all of each Client'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, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on **Exhibit B**.

2. Security Interest. Client hereby irrevocably pledges and assigns to, and grants Factor 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 Obligations. As set forth in the Factoring Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of Client. 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. Client represents, warrants and agrees as follows:

(a) **Patents**. **Exhibit A** accurately lists all Patents owned or controlled by Client as of the date hereof, or to which Client has a right as of the date hereof to have assigned to it, 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, Client owns, controls or has a right to have assigned to it 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 Client shall within 30 days provide written notice to Factor with a replacement **Exhibit A**, which upon acceptance by Factor shall become part of this Agreement.

(b) **Trademarks**. **Exhibit B** accurately lists all Trademarks owned or controlled by Client 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; provided, however, that **Exhibit B** need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to any Client's or any Affiliate's business(es). If after the date hereof, Client owns or controls any Trademarks not listed on **Exhibit B** (other than common law marks which are not material to any Client's or any Affiliate's business(es)), or if **Exhibit B** ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then Client shall promptly provide written notice to Factor with a replacement **Exhibit B**, which upon acceptance by Factor shall become part of this Agreement.

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

(ii) notify Factor of such item(s) and cause such Affiliate to execute and deliver to Factor a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** Client, as the owner of each Patent and Trademark on **Exhibits A and B**, has absolute title to each Patent and each Trademark listed thereon, free and clear of all Liens except Permitted Liens. Client (i) will have, at the time Client acquires 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.** Client will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without Factor's prior written consent.

(g) **Defense.** Client will, at its 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.** Client will at its 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. Client covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing Factor: (i) sufficient written notice, of at least 30 days, to allow Factor 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) **Factor's Right to Take Action.** If Client fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Factor gives Client 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 Client notifies Factor that it intends to abandon a Patent or Trademark, Factor 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 Client (or, at Factor's option, in Factor's own name) and may (but need not) take any and all other actions which Factor 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, Client shall pay Factor on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and

disbursements) incurred by Factor in connection with or as a result of Factor's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Factor at the default rate of interest provided for in the Factoring Agreement.

(k) **Power of Attorney.** To facilitate Factor's taking action under subsection (i) and exercising its rights under Section 6, client hereby irrevocably appoints (which appointment is coupled with an interest) Factor, or its delegate, as the attorney-in-fact of Client 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 Client, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Client under this Section 3, or, necessary for Factor, after a 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. Client hereby ratifies 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 Factoring Agreement as provided therein and the payment and performance of all Obligations.

4. Client' Use of the Patents and Trademarks. Client 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 Default exists.

5. Defaults. Each of the following occurrences shall constitute an event of default under this Agreement (herein called a "Default"): (a) a Default, as defined in the Factoring Agreement, shall occur; or (b) Client 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. While a Default exists, Factor may, at its option, take any or all of the following actions:

(a) Factor may exercise any or all remedies available under the Factoring Agreement.

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

(c) Factor may enforce the Patents and Trademarks and any licenses thereunder, and if Factor shall commence any suit for such enforcement, Client shall, at the request of Factor, do any and all lawful acts and execute any and all proper documents required by Factor 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 Factor. A waiver signed by Factor 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 Factor's rights or remedies. All rights and remedies of Factor shall be cumulative and may be exercised singularly or concurrently, at Factor'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 Client under this Agreement shall be given in the manner and with the effect provided in the Factoring Agreement. Factor shall not be obligated to preserve any rights Client 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 Client and Factor and their respective participants, successors and assigns and shall take effect when signed by Client and delivered to Factor, and Client waives notice of Factor's acceptance hereof. Factor may execute this Agreement if appropriate for the purpose of filing, but the failure of Factor 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 authorized by Client 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 New York 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 Obligations.

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

EXHIBIT A

UNITED STATES ISSUED PATENTS

<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
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NONE

UNITED STATES PATENT APPLICATIONS

<u>Title</u>	<u>Serial Number</u>	<u>Filing Date</u>
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NONE

FOREIGN ISSUED PATENTS

<u>Title</u>	<u>Country</u>	<u>Patent Number</u>	<u>Issue Date</u>
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NONE

UNITED STATES PATENT APPLICATIONS

<u>Title</u>	<u>Serial Number</u>	<u>Filing Date</u>
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NONE

EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS
AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Application Number</u>	<u>Filing Date</u>
AMAZING GRACE	SN 85/270,050	March 17, 2011

PENDING APPLICATIONS

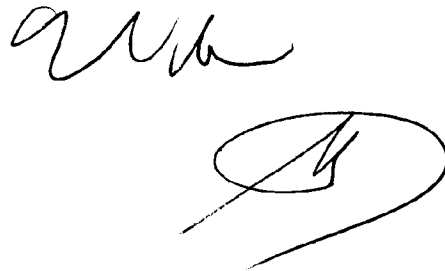
NONE

COLLECTIVE MEMBERSHIP MARKS

NONE

UNREGISTERED MARKS

NONE

Handwritten signature and initials in black ink, consisting of a cursive name and a large, stylized initial 'D'.

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