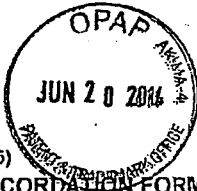


06-20-14



06/25/2014



103668027

Form TTO-1594 (Rev. 12-11)  
OMB Collection 0651-0027 (exp. 04/30/2015)

MERCE  
k Office

RECORDATION FORM CG  
TRADEMARKS

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

Capel, Incorporated

- Individual(s)
- Partnership
- Corporation- State: North Carolina, United States
- Other
- Association
- Limited Partnership

Citizenship (see guidelines) United States

Additional names of conveying parties attached?  Yes  No

3. Nature of conveyance/Execution Date(s):

Execution Date(s) June 12, 2014

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached?  Yes  No

Name: Capital Business Credit LLC

Street Address: 11121 Camel Commons Blvd., Suite 270

City: Charlotte

State: North Carolina

Country United States Zip: 28226

- Individual(s) Citizenship
- Association Citizenship
- Partnership Citizenship
- Limited Partnership Citizenship
- Corporation Citizenship
- Other LLC Citizenship Delaware

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) Text

B. Trademark Registration No.(s)

1023826; 1273541; 2085887; 1273542; 1081866; 3382129; 3536615; 3178073; 0734237; 1836920; 2016613;

Additional sheet(s) attached?  Yes  No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

American Legacy; Capel; Capel; Capel & Design; Capel and Design; Capel Braids-American Originals; Capel Care; Capel Kidz; Capel's; Carpet Grip; Rug Grip; Super Seam; Supergrip; U.S. Rug Co.

5. Name & address of party to whom correspondence concerning document should be mailed:

Name: John M. Flynn

Internal Address:

Street Address: 235 N. Edgeworth Street

City: Greensboro

State: North Carolina Zip: 27401

Phone Number: (336) 478-1146

Docket Number:

Email Address: jmf@cfaw.com

6. Total number of applications and registrations involved:

14

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$365.00

- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

Deposit Account Number

36/25/2014 KNGUYEN1 00000004 1023826

Authorized User Name

61 EP:2521

48.00 OP

02 FC:8522

June 19, 2014

325.00 OP

9. Signature:

Signature

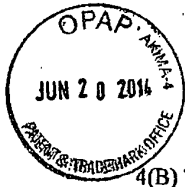
John M. Flynn

Date

Total number of pages including cover sheet, attachments, and document:

12

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Branch, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1460



4(B) Trademark Registration No. (continued)

1691703  
1713855  
3352325



AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT

THIS AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT (this "Agreement"), is made and entered into this 12th day of June, 2014, by and between CAPEL, INCORPORATED, a North Carolina corporation (the "Debtor"), and CAPITAL BUSINESS CREDIT LLC, a Delaware limited liability company (the "Secured Party").

WITNESSETH:

WHEREAS, Debtor and Secured Party are parties to that certain Factoring Agreement dated February 14, 2012 (such Factoring Agreement, as it has been heretofore amended, modified, supplemented, being herein called the "Factoring Agreement"), pursuant to which Secured Party has agreed to factor the accounts of Debtor and make loans and advances and extend credit to Debtor, all as more particularly described therein;

WHEREAS, pursuant to the Factoring Agreement, Debtor granted Secured Party a security interest in all of its general intangibles, whether now owned or hereafter acquired, including, without limitation, all trademarks registered in the United States Copyright or Trademark or Patent offices, together with the goodwill of the business in connection with which such trademarks may be used and the royalties and other fees which become due for the use of such trademarks;

WHEREAS, to better secure Secured Party in respect of the foregoing, Debtor and Secured Party executed and delivered a Trademark Security Agreement, dated February 14, 2012 (the "Original Agreement"), by which Debtor granted Secured Party a security interest in certain of its trademarks and related collateral, all as more particularly described therein, which was duly recorded in the United States Patent and Trademark Office as of March 1, 2012 in Reel 5198, at Frame 394;

WHEREAS, Debtor, Secured Party and others are parties to that certain Amended and Restated Loan and Security Agreement, dated of even date herewith (such Amended and Restated Loan and Security Agreement, as it has heretofore or may hereafter be amended, modified, supplemented or restated from time to time, being herein called the "Loan Agreement"), which amends and restates in its entirety the Factoring Agreement, and pursuant to which Secured Party has agreed to make loans and advances and extend credit to Debtor, all as more particularly described therein;

WHEREAS, pursuant to the Loan Agreement, Debtor has renewed and continued its granting to Secured Party of a security interest in all of its general intangibles, whether now owned or hereafter acquired, including, without limitation, all trademarks registered in the United States Copyright or Trademark or Patent offices, together with the goodwill of the business in connection with which such trademarks may be used and the royalties and other fees which become due for the use of such trademarks; and

WHEREAS, to better secure Secured Party in respect of the foregoing, Debtor has agreed to execute and deliver this Agreement, which amends and restates in its entirety the Original Agreement, for recordation in the United States Patent and Trademark Office.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Debtor agrees with Secured Party as follows:

1. Defined Terms; Amendment and Restatement.

(a) All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement.

(b) This Agreement amends and restates in its entirety the Original Agreement. This Agreement is not a novation or extinguishment of the Original Agreement, and shall in no way be construed to, nor shall it affect, modify, diminish or break the continuity of any lien or security interest granted by Debtor to Secured Party in any collateral granted to Secured Party in the Original Agreement. All of the liens and security interests granted to or held by Secured Party under the Original Agreement shall be held by Secured Party under this Agreement, all of which shall continue in full force and effect.

2. Grant of Security Interest. As security for the payment and performance of the Obligations, Debtor hereby assigns, grants, transfers and conveys to Secured Party, for security purposes, all of Debtor's right, title and interest in, to and under the following property, in each case whether now existing or hereafter acquired or arising and whether registered and unregistered and wherever the same may be located (the "Trademark Collateral"):

(a) all state (including common law), federal and foreign trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, domain names, designs and general intangibles of like natures, now existing or hereafter adopted or acquired, together with and including all licenses therefor held by Debtor (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of the termination or permitting termination of the license for breach and where the licensor has elected such termination remedy), and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the United States Patent and Trademark Office, any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation or any trademark law or regulation of any foreign country and to apply for, renew and extend any of the same, to sue or bring opposition or

cancellation proceedings in the name of Debtor or in the name of Secured Party for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(b) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(c) all general intangibles (as defined in the Uniform Commercial Code as enacted in the State of New York) related to or arising out of any of the Trademarks and all the goodwill of Debtor's business symbolized by the Trademarks or associated therewith; and

(d) all proceeds of any and all of the foregoing Trademark Collateral, including, without limitation, license royalties, rights to payment, accounts receivable, proceeds of infringement suits and all payments under insurance or any indemnity, warranty or guaranty payable by reason or loss or damage to or otherwise with respect to the foregoing Trademark Collateral.

3. Representations, Warranties and Covenants of Debtor. Debtor represents, warrants and covenants that:

(a) To the best of Debtor's knowledge, the Trademark Collateral is subsisting and has not been judged invalid or unenforceable, and Debtor is the sole and exclusive owner of the Trademark Collateral; and

(b) Debtor will maintain the quality of the products associated with the Trademark Collateral, generally at a level consistent in all material respects with the quality as of the effective date of this Agreement, subject to the introduction of new products from time to time, and product modifications in the ordinary course of business.

4. Visits and Inspections. Debtor hereby grants to Secured Party and its employees and agents the right on prior reasonable notice to Debtor to visit Debtor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. Debtor shall do any and all acts required by Secured Party to ensure Debtor's compliance with paragraph 2(d) of this Agreement.

5. Restrictions on Future Agreements. Debtor agrees that, until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated in writing, it will not, without Secured Party's prior written consent, enter into any agreement which would affect the validity and enforcement of the rights granted to Secured Party under this Agreement.

6. After-Acquired Trademark Rights. If, before the Obligations have been satisfied in full, Debtor shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark for any renewal of any Trademark, the provisions of paragraph 1 hereof shall automatically apply thereto, and, upon Secured Party's request, Debtor shall execute appropriate updates or supplements with respect thereto. Debtor authorizes Secured Party to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications which are Trademark Collateral under paragraph 1 hereof or this paragraph 6.

7. Debtor's Rights Prior to Event of Default. Unless and until there shall have occurred and be continuing an event of default under the terms of the Loan Agreement or any other agreement executed in connection therewith (an "Event of Default"), Debtor shall continue to own, and may use and enjoy the Trademark Collateral in connection with its business operations, but only in a manner consistent with the presentation of their current substance, validity and registration.

8. Remedies Upon Event of Default. If an Event of Default shall have occurred and be continuing, Secured Party shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and, specifically, those of a Secured Party under the Uniform Commercial Code as enacted in the State of New York. Notice of any sale or other disposition of the Trademark Collateral shall be deemed reasonable and sufficient if given the Debtor at least ten (10) days before the time of any intended public or private sale or other disposition of any of the Trademark Collateral is to be made.

9. Power of Attorney. Debtor hereby makes, constitutes and appoints Secured Party and any officer or agent of Secured Party as Secured Party may select as Debtor's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse Debtor's name on all applications, documents, papers and instruments necessary for Secured Party to use the Trademark Collateral, or to grant or issue any exclusive or nonexclusive license under the Trademark Collateral to anyone else as necessary for Secured Party to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral to anyone else. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated in writing.

10. Release of Security Interest. At such time as all of the Obligations shall have been satisfied and paid in full, Secured Party shall execute and deliver to Debtor all releases, termination statements, and other instruments as may be necessary or proper to release or reflect the release of Secured Party's security interest in the Trademark Collateral, including all documentation necessary to reflect such release in the United States Patent and Trademark Office.

11. Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Secured Party in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, or preserving the Trademark Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademark Collateral, shall be borne and paid by Debtor on demand by Secured Party and until so paid shall be added to the amount of the Obligations and shall bear interest at the rate prescribed in the Loan Agreement.

12. Litigation and Proceedings. Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name, as the holder of a security interest in the Trademark Collateral, to enforce the Trademarks, and any license thereunder, in which event Debtor shall at the request of Secured Party do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Secured Party in aid of such enforcement and Debtor shall promptly, upon demand, reimburse and indemnify the Secured Party for all costs and expenses incurred in the exercise of its rights under this paragraph 12. Nothing herein shall be deemed to prohibit Debtor from bringing any such suit in its own name at any time that an Event of Default does not exist, if Secured Party declines to institute suit.

13. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6 hereof.

15. Binding Effect; Benefits. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

16. Notices. All notices, requests and demands to or upon a party hereto, to be effective, shall be in writing and shall be sent by certified or registered mail, return receipt requested, by personal delivery against receipt, by overnight courier or by facsimile transmission and, unless expressly provided herein, shall be deemed to have been validly served, given or delivered immediately when delivered against receipt, three (3) Business Days after deposit in the mail, postage prepaid, or, in the case of facsimile transmission, when received (if on a Business Day and, if not received on a Business Day, then on the next Business Day after receipt), addressed as follows:

- (i) If to Secured Party, at: Capital Business Credit LLC  
15800 John J. Delaney Drive  
Suite 300  
Charlotte, North Carolina 28277  
Attention: Capel, Incorporated Account Manager
- (ii) If to Debtor, at: Capel, Incorporated  
831 North Main Street  
Troy, North Carolina 27371  
Attention: President

or to such other address as each party may designate for itself by notice given in accordance with this Section 16. Any written notice or demand that is not sent in conformity with the provisions hereof shall nevertheless be effective on the date that such notice is actually received by the noticed party.

17. Governing Law. THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NEW YORK. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

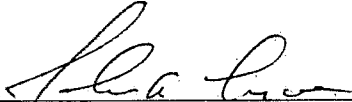
18. Waiver of Jury Trial. THE DEBTOR WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY (WHICH THE SECURED PARTY HEREBY ALSO WAIVES) IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE LOAN AGREEMENT, THE OBLIGATIONS OR ANY COLLATERAL SECURING THE OBLIGATIONS.

[Signatures Begin on the Next Page]

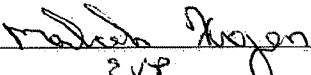


WITNESS the execution hereof on the day and year first above written.

CAPEL, INCORPORATED  
("Debtor")

By:   
Title: President & CEO

CAPITAL BUSINESS CREDIT LLC  
("Secured Party")

By:   
Title: CEO

STATE OF NORTH CAROLINA

COUNTY OF Montgomery

I, Susan Cagle, a Notary Public of the State and County aforesaid, certify that John Magee personally appeared before me this day and acknowledged that he is President of CAPEL, INCORPORATED, a North Carolina corporation, and that by authority duly given and as the act of the company, the foregoing instrument was signed by him in the company's name.

WITNESS my hand and official stamp or seal, this 29 day of April, 2014.

Susan Cagle  
Notary Public

My Commission Expires: Sept 11, 2018

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Mary E. Rushing, a Notary Public of the State and County aforesaid, certify that Malcolm Ferguson personally appeared before me this day and acknowledged that he is Vice-President of CAPITAL BUSINESS CREDIT LLC, a Delaware limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed by him in the company's name.

WITNESS my hand and official stamp or seal, this 29<sup>th</sup> day of April, 2014.

Mary E. Rushing  
Notary Public

My Commission Expires: 11/10/2018



SCHEDULE A TO  
TRADEMARK SECURITY AGREEMENT

US REGISTRATIONS

<u>Mark</u>	<u>Registration No.</u>	<u>Serial No.</u>	<u>Filing Date</u>
American Legacy	1023826	73001385	September 19, 1973
Capel	1273541	73385701	September 15, 1982
Capel	2085887	75155081	August 23, 1996
Capel & Design	1273542	73385702	September 15, 1982
Capel and Design	1081866	73116054	February 16, 1977
Capel Braids – American Originals	3362129	77177513	May 10, 2007
Capel Care	3536615	77444633	April 10, 2008
Capel Kidz	3176073	78523933	November 29, 2004
Capel's	0734237	72121801	June 12, 1961
Carpet Grip	1836920	74205035	September 19, 1991
Rug Grip	2016613	74205034	September 19, 1991
Super Seam	1691703	74159772	April 22, 1991
Supergrip	1713855	74205036	September 19, 1991
U.S. Rug Co.	3352325	78938572	July 27, 2006