

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM382485

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Quilting Threads, Inc.		04/29/2016	Corporation: DELAWARE
RECEIVING PARTY DATA			
Name:	Madison Capital Funding LLC		
Street Address:	30 South Wacker Dr., Suite 3700		
City:	Chicago		
State/Country:	ILLINOIS		
Postal Code:	60606		
Entity Type:	Limited Liability Company: ILLINOIS		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	4416763	SUPERIOR THREADS	
CORRESPONDENCE DATA			
Fax Number:			
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	212-326-7875		
Email:	rtaylor@jonesday.com		
Correspondent Name:	Ryan Taylor		
Address Line 1:	c/o Jones Day; 222 East 41st Street		
Address Line 4:	New York, NEW YORK 10017-6702		
ATTORNEY DOCKET NUMBER:	F162814		
NAME OF SUBMITTER:	Ryan D. Taylor		
SIGNATURE:	/Ryan D. Taylor/		
DATE SIGNED:	04/29/2016		
Total Attachments: 5			
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OP \$40.00 4416763

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of April 29, 2016, is made by Quilting Threads, Inc., a Delaware corporation ("Grantor"), in favor of Madison Capital Funding LLC, as agent (in such capacity, "Agent") for all Lenders party to the Credit Agreement referred to below.

WHEREAS, Grantor owns the trademarks and trademark applications listed on Schedule 1 annexed hereto;

WHEREAS, reference is made to that certain Credit Agreement dated as of December 19, 2014 (as amended, restated, supplemented or modified from time to time, the "Credit Agreement") among Handi Quilter, Inc., a Delaware corporation (the "Borrower"), the financial institutions from time to time party thereto (together with their respective successors and assigns, the "Lenders") and Agent;

WHEREAS, reference is made to that certain Guarantee and Collateral Agreement dated as of December 19, 2014 (as amended, restated, supplemented or modified from time to time, the "Collateral Agreement") among Borrower, the other grantors party thereto, and Agent, as agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity pursuant to the terms of such Collateral Agreement, "Grantee");

WHEREAS, pursuant to the terms of the Joinder to Guarantee and Collateral Agreement, dated as of the date hereof, executed by Grantor in favor Agent, Grantor will, among other things, assume all obligations of a Grantor and a Guarantor under the Collateral Agreement, including but not limited granting to Grantee for the ratable benefit of the Lenders a continuing security interest in all of Grantor's respective Collateral, including all right, title and interest of Grantor in, to and under the Trademark Collateral (as defined below), whether now owned or existing or hereafter acquired or arising, to secure the Secured Obligations (as defined in the Collateral Agreement); and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee, to secure the Secured Obligations, a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter arising or acquired:

(a) any and all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto owned by Grantor, including, without limitation, each trademark registration and application listed on Schedule 1 hereto (but excluding any "intent-to-use" trademark

applications filed under Section 1(b) of the Lanham Act, prior to the filing and acceptance of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto);

(b) all extensions and renewals of any of the foregoing;

(c) all of the goodwill of the business connected with the use of, or symbolized by, any of the foregoing; and

(d) all proceeds of and revenues from the foregoing, including, without limitation, all proceeds of and revenues from any claim by Grantor against third parties for past, present or future unfair competition with, violation of intellectual property rights in connection with, injury to, or infringement or dilution of any trademark owned by Grantor, including, without limitation, any trademark listed on Schedule 1 hereto, or injury to the goodwill associated with any of the foregoing.

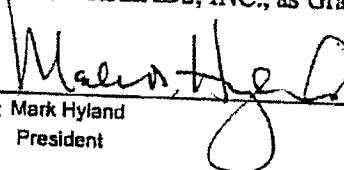
Grantor hereby irrevocably constitutes and appoints Grantee and any officer or agent of Grantee, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of Grantor, from time to time, in Grantee's discretion, so long as any Event of Default (as defined in the Credit Agreement) shall have occurred and be continuing, to take with respect to the Trademark Collateral any and all appropriate action which Grantor might take with respect to the Trademark Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Trademark Security Agreement and to accomplish the purposes hereof.

The foregoing security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Collateral Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to its security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event of any conflict between any provision of this Agreement and any provision of the Collateral Agreement, the Collateral Agreement will control.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

QUILTING THREADS, INC., as Grantor

By: 
Name: Mark Hyland
Title: President

[Signature Page to Trademark Security Agreement]

ACKNOWLEDGED:

MADISON CAPITAL FUNDING LLC, as
Agent and Grantee

By: 

Name: Michael Nativi
Title: Director

[Signature Page to Trademark Security Agreement]

TRADEMARK
REEL: 005781 FRAME: 0297

SCHEDULE 1
to
Trademark Security Agreement

U.S. Trademarks and Applications

Mark	Appl. No.	Filed	Reg. No.	Reg. Date	Owner
SUPERIOR THREADS	85/558,971	3/2/2012	4,416,763	10/15/2013	Hikari Management, LLC*

* Being acquired by Quilting Threads, Inc.