

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM408076

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Trademark Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
PALCO MARKETING, INC.		11/23/2016	Corporation: MINNESOTA
RECEIVING PARTY DATA			
Name:	ENCINA BUSINESS CREDIT SPV, LLC		
Street Address:	111 W. Jackson Blvd., Suite 1700		
City:	Chicago		
State/Country:	ILLINOIS		
Postal Code:	60604		
Entity Type:	Limited Liability Company: DELAWARE		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	3239843	FIREPOWER	
Registration Number:	3217812	FIREPOWER	
Registration Number:	2338740	FLYING COLORS	
Registration Number:	2345551	SPLATMATIC	
CORRESPONDENCE DATA			
Fax Number:	3126095005		
<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>			
Email:	hmiller@vedderprice.com		
Correspondent Name:	Holly Miller		
Address Line 1:	222 North LaSalle Street - 24th Floor		
Address Line 4:	Chicago, ILLINOIS 60601		
NAME OF SUBMITTER:	Holly Miller		
SIGNATURE:	/Holly Miller/		
DATE SIGNED:	12/07/2016		
Total Attachments: 5			
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TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of November 23, 2016, by PALCO MARKETING, INC., a Minnesota corporation (“*Grantor*”), in favor of ENCINA BUSINESS CREDIT SPV, LLC (“*Lender*”).

WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of the date hereof by and among Grantor, Soft Air USA, Inc., a Texas corporation (“*Soft Air*”), and Spartan Imports, Inc., a California corporation (“*Spartan*”; and together with Grantor, and Soft Air, collectively, the “*Borrowers*”), and Lender (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the “*Loan Agreement*”), Lender has agreed to make certain Loans for the benefit of Borrowers and Grantor has granted to Lender a continuing security interest in certain Intellectual Property, including the Trademarks and Trademark Licenses, subject to the terms and conditions set forth therein; and

WHEREAS, pursuant to the Loan Agreement, Grantor is required to execute and deliver to Lender this Trademark Security Agreement for recording with the United States Patent and Trademark Office.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS.

(a) All capitalized terms used but not otherwise defined herein have the meanings given to them in the Loan Agreement.

(b) “Trademarks” means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, 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, including any of the foregoing referred to in Schedule I hereto, and (ii) the right to obtain all renewals thereof.

(c) “Trademark Licenses” means, collectively, each agreement, whether written or oral, providing for the grant by or to Grantor of any right to use any Trademark, including any of the foregoing referred to in Schedule I.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL.

Grantor hereby grants to Lender a continuing security interest in all of Grantor’s right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (exclusive of any “intent-to-use” Trademarks to the extent that the grant of a security interest

therein would impair the validity or enforceability of such intent-to-use Trademark under applicable federal law) (collectively, the “*Trademark Collateral*”):

(a) all of its Trademarks and Trademark Licenses to which it is a party, including those referred to on Schedule I hereto;

(b) all reissues, continuations or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each such Trademark or Trademark licensed under any Trademark License; and

(d) all proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any such Trademark or Trademark licensed under any Trademark License, or (ii) injury to the goodwill associated with any such Trademark.

3. LOAN AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Lender pursuant to the Loan Agreement and this Trademark Security Agreement has been executed and delivered by Grantor for the purpose of recording the grant of security interests herein with the United States Patent and Trademark Office. Grantor hereby acknowledges and affirms that the rights and remedies of Lender with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Loan 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 the terms of this Trademark Security Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement shall govern.

[signature pages follow]

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

GRANTOR:

PALCO MARKETING, INC., a Minnesota corporation

By: Russell J Meyer
Name: Russell J Meyer
Title: Secretary / Treasurer

ACCEPTED AND ACKNOWLEDGED

BY:

ENCINA BUSINESS CREDIT SPV, LLC

By: _____
Name: _____
Title: _____

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

GRANTOR:

PALCO MARKETING, INC., a Minnesota corporation

By: _____
Name: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED

BY:

ENCINA BUSINESS CREDIT SPV, LLC

By: Stephen B. Berry
Name: Stephen Berry
Title: Managing Director

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

A. Trademarks

App. No. Filing Date	Reg. No. Reg. Date	Trademark
78/936957 07/25/2006	3239843 05/08/2007	FIREPOWER
78/885640 05/17/2006	3217812 03/13/2007	FIREPOWER
75/743849 07/06/1999	2338740 04/04/2000	FLYING COLORS
75/743431 07/06/1999	2345551 04/25/2000	SPLATMATIC

B. Trademark Licenses

None.