

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM416865

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Craft Groups, LLC		02/21/2017	Limited Liability Company: DELAWARE
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Madison Capital Funding, LLC		
<b>Street Address:</b>	30 South Wacker Drive		
<b>Internal Address:</b>	Suite 3700		
<b>City:</b>	Chicago		
<b>State/Country:</b>	ILLINOIS		
<b>Postal Code:</b>	60606		
<b>Entity Type:</b>	Limited Liability Company: UNITED STATES		
<b>PROPERTY NUMBERS Total: 11</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	85505118	CRAFTS AMERICA	
<b>Serial Number:</b>	78558826	KNIT PICKS	
<b>Serial Number:</b>	78558823	KNIT PICKS	
<b>Serial Number:</b>	78233084	KNIT PICKS	
<b>Serial Number:</b>	77828736		
<b>Serial Number:</b>	77783068		
<b>Serial Number:</b>	75544458	CRAFTS AMERICANA	
<b>Serial Number:</b>	75537065	CONNECTING THREADS	
<b>Serial Number:</b>	75537050	ARTIST'S CLUB	
<b>Serial Number:</b>	74655127	ARTIST'S CLUB	
<b>Serial Number:</b>	74471784	CONNECTING THREADS	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	2149695100		
<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>			
<b>Phone:</b>	2149694804		
<b>Email:</b>	aaaugustine@jonesday.com		
<b>Correspondent Name:</b>	Jones Day		

CH \$290.00 85505118

**Address Line 1:** 2727 North Harwood  
**Address Line 4:** Dallas, TEXAS 75201

**ATTORNEY DOCKET NUMBER:** 108344-600037

**NAME OF SUBMITTER:** Ryan Taylor

**SIGNATURE:** /Ryan Taylor/

**DATE SIGNED:** 02/21/2017

**Total Attachments: 5**

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source=NAI\_1502489447\_1\_EXECUTED - Handi Q - Trademark Security Agreement (Crafts Group)#page2.tif  
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source=NAI\_1502489447\_1\_EXECUTED - Handi Q - Trademark Security Agreement (Crafts Group)#page4.tif  
source=NAI\_1502489447\_1\_EXECUTED - Handi Q - Trademark Security Agreement (Crafts Group)#page5.tif

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of February 21, 2017, is made by Crafts Group, LLC, a Delaware limited liability company ("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.

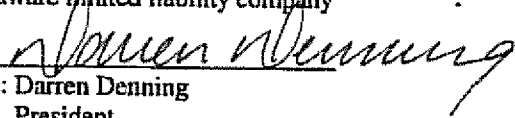
Grantor hereby irrevocably constitutes and appoints Grantee and any officer or agent of Grantee, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of Grantor, from time to time, in Grantee's discretion, so long as any Event of Default (as 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.

CRAFTS GROUP, LLC,  
a Delaware limited liability company

By:   
Name: Darren Denning  
Title: President

*Signature Page to Trademark Security Agreement*

**TRADEMARK**  
**REEL: 005994 FRAME: 0230**

ACKNOWLEDGED:

MADISON CAPITAL FUNDING LLC,  
as Agent

By: \_\_\_\_\_



  
Name: Craig Dugan  
Title: Vice President

*Signature Page to Trademark Security Agreement*

**TRADEMARK**  
**REEL: 005994 FRAME: 0231**

**SCHEDULE 1**  
to  
**Trademark Security Agreement**

**U.S. Trademarks and Applications**

Mark	Serial No.	Reg. No.	Reg. Date	Owner
CRAFTS AMERICA	85505118	4181081	July 24, 2012	Crafts Americana Group, Inc.*
KNIT PICKS	78558826	3189997	Dec. 26, 2006	Crafts Americana Group, Inc.*
KNIT PICKS	78558823	3105219	June 13, 2006	Crafts Americana Group, Inc.*
KNIT PICKS	78233084	2883262	Sept. 7, 2004	Crafts Americana Group, Inc.*
Color purple for cables for knitting supplies 	77828736	3830755	Aug. 10, 2010	Crafts Americana Group, Inc.*
Rainbow color mark (purple, orange, blue, yellow, and green) for rainbow needles 	77783068	4499871	Mar. 25, 2014	Crafts Americana Group, Inc.*
CRAFTS AMERICANA	75544458	2500677	Oct. 23, 2001	Crafts Americana Group, Inc.*
CONNECTING THREADS	75537065	2457821	June 5, 2001	Crafts Americana Group, Inc.*
ARTIST'S CLUB	75537050	2457820	June 5, 2001	Crafts Americana Group, Inc.*
ARTIST'S CLUB	74655127	1956409	Feb. 13, 1996	Crafts Americana Group, Inc.*
CONNECTING THREADS	74471784	1909504	Aug. 1, 1995	Crafts Americana Group, Inc.*

\* Being acquired by Crafts Group, LLC.