

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM418312

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Paragon Furniture, Inc.		02/21/2017	Corporation:
RECEIVING PARTY DATA			
Name:	SOVEREIGN BANK		
Street Address:	17950 Preston Road, Suite 500		
City:	Dallas		
State/Country:	TEXAS		
Postal Code:	75252		
Entity Type:	a State Bank: TEXAS		
PROPERTY NUMBERS Total: 10			
Property Type	Number	Word Mark	
Registration Number:	4530440	A&D	
Serial Number:	86585983	A&D MAKER	
Serial Number:	86923041	A&D MOTION	
Serial Number:	85796278	BLENDER	
Registration Number:	3996089	INTUITIVE	
Serial Number:	87318295	INVENT	
Registration Number:	3988258	LEARNING BAY	
Serial Number:	86586001	MAKER	
Serial Number:	87064085	MAKER FARM	
Serial Number:	86922874	MOTION	
CORRESPONDENCE DATA			
Fax Number:	2145264145		
<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:	214 520-3300		
Email:	dbohac@settlepou.com		
Correspondent Name:	Denise Bohac		
Address Line 1:	3333 Lee Parkway, 8th Floor		
Address Line 2:	SettlePou		
Address Line 4:	Dallas, TEXAS 75219		

OP \$265.00 4530440

NAME OF SUBMITTER:	Denise Bohac
SIGNATURE:	/s/ Denise Bohac
DATE SIGNED:	03/03/2017
Total Attachments: 8 source=20170303154327127#page1.tif source=20170303154327127#page2.tif source=20170303154327127#page3.tif source=20170303154327127#page4.tif source=20170303154327127#page5.tif source=20170303154327127#page6.tif source=20170303154327127#page7.tif source=20170303154327127#page8.tif	

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (this "Agreement") is made this 21 day of February, 2017, by Paragon Furniture, Inc., a Texas corporation, with a principal place of business at 2224 East Randol Mill Road, Arlington, Texas 76011 (the "Debtor") in favor of Sovereign Bank, a State Bank, whose address is 17950 Preston Road, Suite 500, Dallas, Texas 75252 (the "Lender").

BACKGROUND. Pursuant to the terms and provisions of a promissory note executed by Debtor in favor of the Lender dated of even date herewith (the "Note") and documentation related thereto which evidences, secures and/or governs the Note (collectively, along with the Note and this Agreement, the "Loan Documents"), the Lender has extended a loan in the original principal amount of \$1,000,000.00 (the "Loan"). Part of the inducement for Lender to extend the Loan to Debtor is the execution by Debtor of this Agreement. Payment of the Loan and the payment or performance of any other obligations of Debtor to the Lender pursuant to the Loan Documents or any other obligations from Debtor to Lender whether now existing or hereafter arising (collectively, the "Obligations"), are to be secured by, among other things, the security interests created hereby.

NOW THEREFORE, in consideration of the premises, and as an inducement to the Lender to enter into the Loan Documents and to extend the Loan contemplated hereby, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby represents and agrees in favor of Lender as follows:

1. Grant of Security Interest. In order to secure payment of the Loan and other Obligations, Debtor hereby pledges, assigns and grants to the Lender a continuing security interest in and lien on all of Debtor's: (i) trademarks, service marks, trademark applications, service mark applications, related trade names and the Texas, United States and foreign country trademark and service mark registrations therefor (including, but not limited to, those listed in Schedule A attached hereto and made a part hereof) (individually, a "Trademark" and collectively, the "Collateral"); (ii) common law rights to any of the Collateral; (iii) right to sue in Lender's own name or joined with Debtor, for past, present or future infringements thereof; (iv) any continuations, divisions, substitutes, reissues, renewals and/or extensions thereof; (v) rights corresponding to any of the foregoing throughout the world, all whether now existing or hereafter arising; (vi) all rights to income, royalties, profits, awards, damages, or other rights relating to the Collateral; and (vii) proceeds of any of the foregoing. Without limiting the generality of the foregoing, Debtor hereby further grants, assigns and conveys to Lender an exclusive license under and to the Collateral for the purpose of enforcing all of Lender's rights and remedies under this Agreement and the other Loan Documents. Any right to sue shall be discretionary and not an obligation of Lender.

Neither this Agreement nor any of the other Loan Documents creates or is intended to create a present assignment of the Collateral. Subject to the security interest and other rights of Lender, Debtor shall continue to own the Collateral. Debtor agrees not to sell, assign or license any interest in the Collateral without the prior written consent of Lender.

2. Covenants and Warranties of Debtor. Debtor covenants and warrants that:

- (a) The Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;
- (b) Debtor is not a party to any license of the Collateral as licensor or as a licensee under any license agreements relating to its business;
- (c) The Collateral is valid and enforceable;
- (d) No claim has been asserted by any third party that any of the Collateral is invalid or unenforceable;
- (e) No claim has been made that the use of any of the Collateral does or may violate the rights of any third person;
- (f) Except for the security interest and conditional assignment created by this Agreement (and other security interest(s) in favor of Lender), Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Collateral, free and clear of any liens, charges, security interests, infringements, or interests of any nature whatsoever. No effective assignment or financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Lender relating to this Agreement or for which duly executed termination statements have been recorded or delivered to the Lender; and
- (g) Debtor has the unqualified right to enter into this Agreement and perform its terms.

Debtor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement which is inconsistent with Debtor's obligations, duties and liabilities under this Agreement.

Debtor further agrees that it has the obligation, at its own cost, unless otherwise consented to in writing by the Lender:

- (h) To take all actions necessary to properly maintain and renew all Collateral which are or may become subject hereto for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said Collateral which may be necessary or appropriate, as determined by Lender, under applicable law;
- (i) To prosecute diligently any trademark and/or service mark applications with respect to the Trademark pending as of the date of this Agreement or thereafter; and
- (j) To protect all Collateral from infringement, unfair competition, dilution, opposition, cancellation, or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for said infringement, to defend such Collateral

from claims of infringement, unfair competition or damage, including the defense or any legal actions making such claims, and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Collateral. In any such action, Lender may, if necessary, be joined as a nominal party to such suit if Lender shall have first satisfied itself that it is not thereby incurring any risk of liability because of such joinder. All expenses incurred in connection with the Collateral shall be borne by Debtor. Debtor shall promptly, upon demand, reimburse, and indemnify Lender for all damages, costs, and expenses, including attorney fees, incurred by Lender in the fulfillment of the provisions of this paragraph. Debtor shall not abandon any Collateral without the consent of the Lender, which consent shall not be unreasonably withheld.

3. Additional Service Marks or Trademarks. If, before the Obligations shall have been satisfied in full, Debtor shall obtain rights to any new service mark or trademark or become entitled to the benefit of any service mark or trademark application or any reissue, renewal and extension of any service mark or trademark, Debtor shall give to the Lender prompt notice thereof in writing and the grant of security interest and the other provisions of Paragraph 1 shall apply thereto.

4. Modifications. Debtor authorizes Lender to modify this Agreement, without further written approval from Debtor, by amending Schedule A to include any renewals, extensions or additions to any service mark or trademark utilized by Debtor or applied for or obtained hereafter and any renewals, extensions, or additions thereto and any improvements thereon. Otherwise, this Agreement may be modified only by a writing signed by the person against whom enforcement is sought.

5. No Other Liens. Debtor shall not permit or suffer to exist any lien or security interest upon any of the Collateral.

6. Events of Default. For the purpose of this Agreement, an Event of Default shall mean a "default" as set forth in any of the Loan Documents, which definition is incorporated herein by reference.

7. Remedies. Upon any Event of Default, Lender shall have, in addition to all other rights and remedies given to it by this Agreement, those rights and remedies allowed by law, and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Collateral may be located. Without limiting the generality of the foregoing, the Lender may immediately, without demand or other notice (except as may be otherwise required by this Agreement or the other Loan Documents), and without advertisement, sell at public or private sale or otherwise realize upon, at Debtor's place of business or elsewhere, all or from time to time any of the Collateral, or any interest which Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Collateral all expenses (including all reasonable attorney or broker's fees), shall apply the proceeds to payment of the Obligations in such order as Lender may determine. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to Debtor, except that, in the event that a third party makes a competing claim to such proceeds, Lender may deposit same with an independent escrow agent or into the registry of a court of law. All of Lender's costs, fees, and expenses (including attorney's fees and escrow fees) associated therewith (including but not limited to attorney's fees, escrow fees, and filing fees) shall be paid by Debtor. Notice of any sale

or other disposition of any of the Collateral disposed of pursuant to this Agreement shall be given to Debtor at least five (5) days before the time of any intended public or private sale or other disposition of the Collateral is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released.

8. Additional Rights of Lender.

- (a) After the occurrence of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce its rights in the Collateral and any license thereunder, in which event Debtor shall at the request of Lender do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Debtor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section.
- (b) Debtor hereby irrevocably authorizes and empowers Lender to make, constitute, and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, documents, papers and instruments necessary for Lender to use any or all of the Collateral, or to grant or issue any exclusive or nonexclusive license under any or all of the Collateral to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone else. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

9. No Waiver. No failure on the part of Lender to exercise, and no delay in exercising any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Lender of any right, remedy or power hereunder preclude any other or future exercise of any other right, remedy or power. Each and every right, remedy and power hereby granted to Lender or allowed it by law or other agreement, shall be cumulative and not exclusive of any other, and may be exercised by Lender from time-to-time.

10. Further Assurances; Filing. Debtor agrees to execute and deliver to Lender, Uniform Commercial Code financing statements and such other documents, instruments, supplemental security agreements and chattel mortgages as Lender may deem necessary, proper or desirable in obtaining the benefits of this Agreement, and Debtor hereby authorizes Lender to effect any filing or recording of any such financing statement or statements relating to the Collateral or amendments thereto without the signature of Debtor where lawful, and hereby appoints Lender as its attorney-in-fact to execute any such financing or other statement or statements in the name of Debtor, and to perform all other acts which Lender deems appropriate to perfect and continue the security interests in, and to protect and preserve, the Collateral. Debtor further agrees to assign to Lender its rights in or under any financing statements relating to the Collateral and filed in favor of Debtor.

11. Expenses. Debtor agrees that all costs and expenses (including attorneys' fees and

expenses for legal services of every kind) of, or incidental to, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, custody, care, management, sale or collection of, or realization upon, any of the Collateral or in any way relating to the enforcement or protection of the rights of Lender, or in defending or prosecuting any actions or proceedings arising or related to the Collateral, shall all be borne and paid by Debtor on demand by Lender and until paid shall become part of the Obligations secured hereby. Lender may at any time apply to the payment of all such costs and expenses all moneys of Debtor or other proceeds arising from the possession or disposition of all or any portion of the Collateral or other property securing the Loan.

12. Notices. All notices, requests, approvals, demands and other communications given or made in connection with the terms and provisions of this Agreement shall be deemed to have been given or made when sent by certified mail, in accordance with the provisions of the Loan Agreement executed by Debtor (and others) in connection with the Loan.

13. Successors. All the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of Debtor and Lender.

14. Termination. Upon the payment in full of all amounts due under the Loan and payment and performance of all other Obligations of Debtor to Lender, Lender shall, upon written request by Debtor, execute and deliver to Debtor, at Debtor's sole cost and expense, any deeds, assignments or other instruments as may be reasonably necessary to revest in Debtor full title to the Collateral and release the lien(s) created hereby.

15. Remedies Cumulative. All of Lender's rights and remedies with respect to the Collateral, whether established hereby or by the Loan Documents, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

16. 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.

17. Waivers. **DEBTOR HEREBY: (A) WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTIONS OF WHICH THIS AGREEMENT IS A PART AND/OR THE ENFORCEMENT OF ANY OF LENDER'S RIGHTS AND REMEDIES, INCLUDING WITHOUT LIMITATION, TORT CLAIMS; AND (B) ACKNOWLEDGES THAT THE LOAN SECURED HEREBY IS A COMMERCIAL TRANSACTION AND WAIVES ITS RIGHTS AS ALLOWED BY ANY STATE OR FEDERAL LAW TO (I) NOTICE AND PRIOR COURT HEARING OR COURT ORDER IN CONNECTION WITH ANY AND ALL PREJUDGMENT REMEDIES TO WHICH THE LENDER MAY BECOME ENTITLED BY VIRTUE OF ANY DEFAULT OR PROVISION OF THIS AGREEMENT, AND (II) REQUEST THAT THE LENDER POST A BOND, WITH OR WITHOUT SURETY, TO PROTECT SAID DEBTOR AGAINST DAMAGES THAT MAY BE**

CAUSED BY ANY PREJUDGMENT REMEDY SOUGHT OR OBTAINED BY THE LENDER BY VIRTUE OF ANY DEFAULT OR PROVISION OF THIS AGREEMENT, AND FURTHER WAIVES DILIGENCE, DEMAND, NOTICE OF NONPAYMENT, NOTICE OF INTENT TO ACCELERATE, NOTICE OF ACCELERATION, PROTEST AND NOTICE OF PROTEST, OR OTHER ACTION TAKEN IN RELIANCE HEREON AND ALL OTHER DEMANDS AND NOTICES OR ANY DESCRIPTION IN CONNECTION WITH THIS AGREEMENT, AND ALL RIGHTS UNDER ANY STATUTE OF LIMITATIONS. DEBTOR ACKNOWLEDGES THAT IT MAKES THE FOREGOING WAIVERS KNOWINGLY, VOLUNTARILY AND ONLY AFTER CONSIDERATION OF THE RAMIFICATIONS OF THE FOREGOING WAIVERS WITH ITS ATTORNEYS. DEBTOR FURTHER ACKNOWLEDGES THAT NO PARTY TO THIS AGREEMENT HAS AGREED WITH OR REPRESENTED TO DEBTOR OR ANY OTHER PARTY HERETO THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

18. Governing Law, Jurisdiction, Venue and Service. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to principles of conflicts of law. Debtor agrees that any state or federal court in the State of Texas shall have jurisdiction to hear and determine any claims or disputes pertaining to the financing transactions of which this Agreement is a part and/or the Loan Documents, or to any matter arising or in any way related to this Agreement and/or any of the Loan Documents, and expressly submits and consents in advance to such jurisdiction. Venue for any action hereunder shall be in Dallas County, Texas.

The Loan secured by this lien was made under a United States Small Business Administration nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA's regulations:

- (a) When SBA is the holder of the Note, this document and all documents evidencing or securing the Loan will be construed in accordance with federal law.
- (b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. Neither Debtor nor any obligor of the Obligations may claim or assert against SBA any local or state law to deny any obligation of Debtor or any obligor of the Obligations, or defeat any claim of SBA with respect to the Loan.

IN WITNESS WHEREOF, the Debtor has executed this Agreement as of the date set forth above.

DEBTOR:

Paragon Furniture, Inc., a Texas corporation

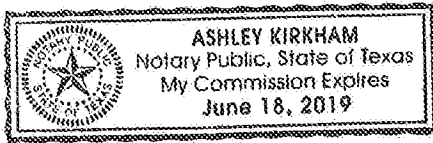
By: [Signature]
Richard L. Kassanoff, President

STATE OF TEXAS §
COUNTY OF Collin §
§

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared **Richard L. Kassanoff, President of Paragon Furniture, Inc., a Texas corporation**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in the capacity therein stated, as the act of the entity for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21 day of February, 2017.

[Signature]
NOTARY PUBLIC, State of Texas



SCHEDULE A

UNITED STATES TRADEMARK APPLICATIONS AND REGISTRATIONS				
App. Ser. No.	Reg. No.	Mark	Register	Status
	4,530,440	A&D	Principal	Registered
86/585,983		A&D MAKER	Principal	Pending
86/923,041		A&D MOTION	Principal	Pending
85/796,278		BLENDER	Principal	Registered
	3,996,089	INTUITIVE	Principal	Registered
87/318,295		INVENT	Principal	Pending
	3,988,258	LEARNING BAY	Principal	Registered
86/586,001		MAKER	Principal	Pending
87/064,085		MAKER FARM	Principal	Pending
86/922,874		MOTION	Principal	Pending