

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM520439

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	TRADEMARK SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
The Merit Distribution Group, LLC		04/02/2019	Limited Liability Company: ILLINOIS
MG-FS Distribution, LLC		04/02/2019	Limited Liability Company: ILLINOIS
Dynamic Paint Products Inc.		04/02/2019	Corporation: DELAWARE
Southland Flooring, LLC		04/02/2019	Limited Liability Company: DELAWARE
Southland Flooring Supplies, Inc.		04/02/2019	Corporation: INDIANA
E.J. Welch Co., Inc.		04/02/2019	Corporation: MISSOURI
Self's, LLC		04/02/2019	Limited Liability Company: DELAWARE
Merit CR Acquisition, Inc.		04/02/2019	Corporation: DELAWARE
Dynamic Paint Products Inc.		04/02/2019	Corporation: CANADA
Sundry Marketing Services LTD.		04/02/2019	Corporation: CANADA

RECEIVING PARTY DATA

Name:	SJC DLF III-N, LLC, as administrative agent
Street Address:	1700 East Putnam Avenue
Internal Address:	Suite 207
City:	Old Greenwich
State/Country:	CONNECTICUT
Postal Code:	06870
Entity Type:	Limited Liability Company: DELAWARE

PROPERTY NUMBERS Total: 17

Property Type	Number	Word Mark
Registration Number:	3432025	MERIT PRO
Registration Number:	4897260	MERIT DÉCOR GROUP
Registration Number:	3647081	L LANCASTER
Registration Number:	3032731	MERIT PRO
Registration Number:	3032730	MERIT MAX

TRADEMARK

Property Type	Number	Word Mark
Registration Number:	2268755	SOUTHLAND
Registration Number:	3372370	
Registration Number:	3775121	TOOLS 4 FLOORING
Registration Number:	3720693	ENVIRO-ROLLER
Registration Number:	3045073	STUBBY
Registration Number:	3386167	GET PAINTING
Registration Number:	2531101	DYNAMIC
Registration Number:	2800612	PAINT WIZARD
Registration Number:	3179197	PAINT PAL
Registration Number:	3762998	DYNAMIC
Registration Number:	3803822	ENVIRO-TRAY
Serial Number:	88270767	NOVUS

CORRESPONDENCE DATA

Fax Number: 2125935955

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.

Phone: 212-756-2132

Email: scott.kareff@srz.com

Correspondent Name: S. Kareff c/o Schulte Roth & Zabel LLP

Address Line 1: 919 Third Avenue

Address Line 2: 25th Floor

Address Line 4: New York, NEW YORK 10022

ATTORNEY DOCKET NUMBER: 016548-0005

NAME OF SUBMITTER: Scott Kareff (016548-0005)

SIGNATURE: /kc for sk/

DATE SIGNED: 04/23/2019

Total Attachments: 10

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TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement") is made on April 2, 2019, among **SJC DLF III-N, LLC**, a Delaware limited liability company, having an office at 1700 East Putnam Avenue, Suite 207, Old Greenwich, Connecticut 06870, in its capacity as administrative and collateral agent (together with its successors and assigns in such capacity, "Administrative Agent") for Lenders (as defined below), **THE MERIT DISTRIBUTION GROUP, LLC**, an Illinois limited liability company having its principal place of business at 1310 Union Street, Spartanburg, South Carolina 29302 ("Opc"), **MG-FS DISTRIBUTION, LLC**, an Illinois limited liability company having its principal place of business at 1500 Rahway Avenue, Rahway, New Jersey 07065 ("FS Co"), **DYNAMIC PAINT PRODUCTS INC.**, a Delaware corporation having its principal place of business at 7040 Financial Drive, Mississauga, Ontario L5N 7H5 ("DPP US"), **SOUTHLAND FLOORING, LLC**, a Delaware limited liability company having its principal place of business at 1310 Union Street, Spartanburg, South Carolina 29302 ("Flooring"), **SOUTHLAND FLOORING SUPPLIES, INC.**, an Indiana corporation having its principal place of business at 1010 Industrial Boulevard, Louisville, Kentucky 40219 ("Southland"), **E.J. WELCH CO., INC.**, a Missouri corporation having its principal place of business at 13735 Lakefront Drive, Earth City, Missouri 63045 ("Welch"), **SELF'S, LLC**, a Delaware limited liability company having its principal place of business at 721 E. Mt. Vernon Street, Wichita, Kansas 67211 ("Self's", together with Opc, FS Co, DPP US, Flooring, Southland and Welch, collectively, "Borrowers" and each, individually, a "Borrower"), **MERIT CR ACQUISITION, INC.**, a Delaware corporation having its principal place of business at 34900 Woodward Avenue, Bloomfield Hills, Michigan 48009 ("Parent"), **DYNAMIC PAINT PRODUCTS INC.**, a corporation organized under the laws of the Providence of Ontario, Canada having its principal place of business at 7040 Financial Drive, Mississauga, Ontario L5N 7H5 ("DPP Canada"), and **SUNDRY MARKETING SERVICES LTD.**, a corporation organized under the laws of the Providence of Ontario, Canada having its principal place of business at 7040 Financial Drive, Mississauga, Ontario L5N 7H5 ("Sundry", together with Parent and DPP Canada, collectively, "Guarantors"; Borrowers and Guarantors, collectively, "Companies" and each, individually, a "Company").

Recitals:

Borrowers desire to obtain loans and other financial accommodations from certain financial institutions (collectively, the "Lenders") that are parties from time to time to that certain Credit Agreement dated on or about the date hereof (as at any time amended, restated, supplemented or otherwise modified, the "Credit Agreement") by and among Companies, Administrative Agent, Lenders, and certain other parties designated as "Borrowers", "Guarantors" or "Credit Parties" thereunder from time to time.

Each Guarantor is a party to a certain Continuing Guaranty of even date herewith (as at any time amended, restated, supplemented or otherwise modified, the "Guaranties" and each, a "Guaranty"), pursuant to which such Guarantor has agreed to guaranty to Administrative Agent and Lenders the due and punctual payment and performance of all of the Obligations.

Administrative Agent and Lenders are willing to make loans and other financial accommodations to Borrowers from time to time pursuant to the terms of the Credit Agreement, provided that each Company executes this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Company hereby agrees with Administrative Agent as follows:

1. Capitalized terms used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meanings ascribed to them in the Credit Agreement.

2. To secure the prompt payment and performance of all of the Obligations, and the Guaranteed Obligations (as defined in each Guaranty), each Company hereby grants, assigns and pledges to Administrative Agent, for the benefit of itself, Lenders, and the other Secured Parties, a continuing security interest in and Lien upon all of the following property of such Company, whether now owned or existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all trademarks, trademark registrations, trade names and trademark applications, including, without limitation, the trademarks and applications listed on Exhibit A attached hereto and made a part hereof (as the same may be amended from time to time), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, trade names and applications, together with the items described in clauses (i)-(iv), are hereinafter collectively referred to as the "Trademarks"); provided, that Trademarks shall not include any United States "intent-to-use" trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law;

(b) the goodwill of such Company's business connected with and symbolized by the Trademarks; and

(c) all proceeds of the foregoing.

3. Each Company represents and warrants to Administrative Agent that:

(a) Each of the Trademarks is subsisting and has not been adjudged invalid or unenforceable;

(b) No claim has been made that the use of any of the Trademarks does or may violate the rights of any Person;

(c) Such Company has the unqualified right to enter into this Agreement and perform its terms; and

(d) Such Company is the sole and exclusive owner of the entire right, title and interest in and to all of the Trademark Collateral, free and clear of any Liens, charges and encumbrances (except licenses permitted pursuant to Section 5 below), including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by such Company not to sue third Persons, except Permitted Liens.

4. Each Company covenants and agrees with Administrative Agent that except for
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Trademarks abandoned by such Company in the ordinary course of business (provided such abandonment would not be reasonably expected to have a Material Adverse Effect), such Company has used and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the registered Trademarks, including, without limitation, filing an affidavit of use with the United States Patent and Trademark Office for each registered Trademark as required by Applicable Law to maintain the registration thereof without loss of protection therefor.

5. Until Payment in Full of all Obligations, no Company shall enter into any license agreement relating to any of the Trademarks with any Person except non-exclusive licenses to customers, vendors, suppliers, agents or other service providers of such Company in the regular and ordinary course of such Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with such Company's obligations under this Agreement.

6. If, before Payment in Full of all Obligations, any Company shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark or any renewal of any Trademark, the provisions of Section 2 hereof shall automatically apply thereto, and such Company shall give to Administrative Agent prompt notice thereof in writing.

7. Each Company irrevocably authorizes and empowers Administrative Agent to modify this Agreement by amending Exhibit A to include any future trademarks and trademark applications under Section 2 or Section 6 hereof.

8. At any time that an Event of Default exists, Administrative Agent shall have, in addition to all other rights and remedies given it by this Agreement and the other Loan Documents, all rights and remedies of a secured party under the UCC and all other rights and remedies under Applicable Law. Without limiting the generality of the foregoing and subject to the terms of the Intercreditor Agreement, Administrative Agent may immediately, without demand of performance and without notice (except as described in the next sentence, if required by Applicable Law), or demand whatsoever to any Company, each of which each Company hereby expressly waives, collect directly any payments due such Company in respect of the Trademark Collateral, or sell at public or private sale or otherwise realize upon all or from time to time, any of the Trademark Collateral. Each Company hereby agrees that ten (10) days written notice to such Company of any public or private sale or other disposition of any of the Trademark Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Administrative Agent may, to the extent permitted by law, purchase the whole or any part of the Trademark Collateral sold, free from any right of redemption on the part of any Company, which right each Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Trademark Collateral all reasonable costs and expenses incurred by Administrative Agent in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Administrative Agent shall apply the remainder of such proceeds to the payment of the Obligations in such order and manner as may be authorized or required by the Credit Agreement. Any remainder of the proceeds after Payment in Full of all Obligations shall be paid over to Companies. If any deficiency shall arise, each Borrower and each Guarantor of the Obligations shall remain jointly and severally liable therefor.

9. Each Company hereby makes, constitutes and appoints Administrative Agent and any officer or agent of Administrative Agent as Administrative Agent may select, as such Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall exist and subject to the terms of the Intercreditor Agreement: to endorse such Company's name on all

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applications, documents, papers and instruments necessary for Administrative Agent to continue the registration of or to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any other Person to facilitate the exercise of remedies by Administrative Agent under the Loan Documents, or to assign, pledge, convey or otherwise transfer title in or dispose of any Trademark Collateral to any other Person. Each Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until Payment in Full of all Obligations.

10. Any and all reasonable and out-of-pocket fees, costs and expenses, of whatever kind or nature (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Administrative Agent in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in any other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, Liens 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, jointly and severally, by Companies in accordance with the Credit Agreement (it being the intent of each Company and Administrative Agent that Companies shall be responsible for the payment of all reasonable sums, fees, out-of-pocket costs and expenses relating to the Trademark Collateral, including, without limitation, all renewal fees with respect to the Trademarks) or, if paid by Administrative Agent in its sole discretion, shall be reimbursed by Companies in accordance with the Credit Agreement.

11. Each Company shall notify Administrative Agent in writing of any material infringements of the Trademark Collateral. No Company shall abandon any right to file a trademark application, or any pending trademark application or trademark without the consent of Administrative Agent, unless such Company has determined that such trademark application or trademark is no longer necessary or material to the conduct of its business.

12. Notwithstanding anything to the contrary contained in Section 11 hereof, at any time that an Event of Default exists, Administrative Agent shall have the right, but shall in no way be obligated, to bring suit instead in its own name to enforce the Trademarks and any license hereunder, or to defend any suit or counterclaim in its own name to protect the Trademarks or any license hereunder, in either of which events each Company shall at the request of Administrative Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Administrative Agent to aid such enforcement, or defense, and Companies shall promptly, in accordance with the Credit Agreement, jointly and severally, reimburse and indemnify Administrative Agent for all reasonable costs and expenses incurred in the exercise of Administrative Agent's rights under this Section 12.

13. If any Company fails to comply with any of its obligations hereunder and at the time of such failure or as a result thereof an Event of Default exists, then to the extent permitted by Applicable Law, Administrative Agent may discharge such obligations in such Company's name or in Administrative Agent's name, in Administrative Agent's sole discretion, but at such Company's expense, and each Company agrees, in accordance with the Credit Agreement, jointly and severally, to reimburse Administrative Agent in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Administrative Agent in prosecuting, defending or maintaining the Trademarks or Administrative Agent's interest therein pursuant to this Agreement.

14. No course of dealing between any Company and Administrative Agent, nor any failure

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to exercise, nor any delay in exercising, on the part of Administrative Agent, any right, power or privilege hereunder or under any of the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. All of Administrative Agent's rights and remedies with respect to the Trademark Collateral, whether established hereby or by any of the other Loan Documents, or by any other agreements or by Applicable Law shall be cumulative and may be exercised singularly or concurrently.

16. 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. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements or conditions, whether expressed or implied, oral or written. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 7 hereof.

18. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Administrative Agent and upon the successors and permitted assigns of each Company. No Company shall assign its rights or delegate its duties hereunder without the prior written consent of Administrative Agent. Each Company hereby waives notice of Administrative Agent's acceptance hereof. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

19. To the fullest extent permitted by Applicable Law, each Company and Administrative Agent each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Trademark Collateral.

[Remainder of page intentionally left blank;
signatures appear on the following pages]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by its duly authorized representative on the day and year first above written.

COMPANIES:

THE MERIT DISTRIBUTION GROUP, LLC, an Illinois limited liability company

MG-FS DISTRIBUTION, LLC, an Illinois limited liability company

DYNAMIC PAINT PRODUCTS INC., a Delaware corporation

SOUTHLAND FLOORING, LLC, a Delaware limited liability company

E.J. WELCH CO., INC., a Missouri corporation

SELF'S, LLC, a Delaware limited liability company

MERIT CR ACQUISITION, INC., a Delaware corporation

DYNAMIC PAINT PRODUCTS INC., a corporation organized under the laws of the Province of Ontario, Canada

SUNDRY MARKETING SERVICES LTD., a corporation organized under the laws of the Province of Ontario, Canada

By: BDW
Name: **Brent Willson**
Title: Vice President, Assistant Secretary and Assistant Treasurer

[Signatures continue on the following page.]

SOUTHLAND FLOORING SUPPLIES, INC., an Indiana corporation

By: *BW*
Name: **Brent Willson**
Title: Vice President, Assistant Secretary and
Assistant Treasurer

[Signatures continue on the following page.]

ADMINISTRATIVE AGENT:

SJC DLF III-N, LLC, as Administrative Agent



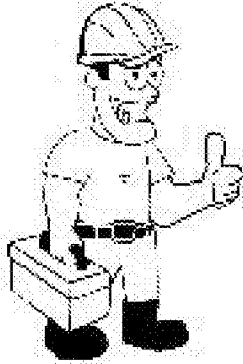

By: 
Name: Stephen J. Czech
Title: Authorized Signatory



EXHIBIT A

Trademarks


<u>Owner</u>	<u>Trade Mark</u>	<u>Registration Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
The Merit Distribution Group, LLC	Lancaster		Unregistered	
The Merit Distribution Group, LLC	Merit Trade Source		Unregistered	
The Merit Distribution Group, LLC	Merit Max		Unregistered	
The Merit Distribution Group, LLC	Merit Pro	United States	3,432,025	July 3, 2007
The Merit Distribution Group, LLC	Merit Décor Group	United States	4,897,260	February 9, 2016
The Merit Distribution Group, LLC		United States	3,647,081	June 30, 2009
The Merit Distribution Group, LLC	Merit Pro	United States	3,032,731	December 20, 2005
The Merit Distribution Group, LLC	Merit Max	United States	3,032,730	December 20, 2005

<u>Owner</u>	<u>Trade Mark</u>	<u>Registration Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
MG-FS Distribution, LLC	Right-way Dealer Warehouse		Unregistered	
MG-FS Distribution, LLC	Five Star (with the five stars logo)		Unregistered	

<u>Owner</u>	<u>Trade Mark</u>	<u>Registration Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
E.J. Welch Co., Inc.	<i>Southland</i>	United States	2,268,755	August 10, 1999
E.J. Welch Co., Inc.	 Mascot Design	United States	3,372,370	January 22, 2008
E.J. Welch Co., Inc.		United States	3,775,121	April 13, 2010

<u>Owner</u>	<u>Trade Mark</u>	<u>Registration Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
Dynamic Paint Products Inc. (Canada)	Enviro-roller	United States	3,720,693	December 8, 2009
Dynamic Paint Products Inc. (Canada)	Stubby	United States	3,045,073	January 17, 2006
Dynamic Paint Products Inc. (Canada)	Get Painting	United States	3,386,167	February 19, 2008
Dynamic Paint Products Inc. (Canada)		United States	2,531,101	January 22, 2002
Dynamic Paint Products Inc. (Canada)		United States	2,800,612	December 30, 2003
Dynamic Paint Products Inc. (Canada)	Paint Pal	United States	3,179,197	December 6, 2006
Dynamic Paint Products Inc. (Canada)	Dynamic	United States	3,762,998	March 23, 2010
Dynamic Paint Products Inc. (Canada)	Enviro-Tray	United States	3,803,822	June 15, 2010
Dynamic Paint Products Inc. (Canada)	DYNAMIC	Australia	1679460	March 6, 2015
Dynamic Paint Products Inc. (Canada)	DYNAMIC and design	Australia	1679457	March 6, 2015
Dynamic Paint Products Inc. (Canada)	DYNAMIC	Poland	219325	July 13, 2009

Trademark Applications

E.J. Welch Co., Inc.		United States	88,270,767	January 22, 2019
Dynamic Paint Products Inc. (Canada)	DYNAMIC	United Arab Emirates	242555 (app. number)	October 27, 2015 (app. date)

Licensed Marks

<u>Grantor</u>	<u>Mark</u>	<u>Name and Address of Licensor</u>
Southland Flooring Supplies, Inc.	CyberSource Payment Solutions Agreement	CyberSource Corporation P.O. Box 8999 San Francisco, California 94128-8999 Phone: 650-432-7350