

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

ETAS ID: TM301173

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
SAC ACQUISITION LLC		04/04/2014	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	ENHANCED CAPITAL CONNECTICUT FUND I, LLC
Street Address:	300 Main St.
Internal Address:	6th Floor
City:	Stamford
State/Country:	CONNECTICUT
Postal Code:	06901
Entity Type:	LIMITED LIABILITY COMPANY: CONNECTICUT
Name:	ENHANCED CAPITAL CONNECTICUT FUND II, LLC
Street Address:	300 Main Street
Internal Address:	6th Floor
City:	Stamford
State/Country:	CONNECTICUT
Postal Code:	06901
Entity Type:	LIMITED LIABILITY COMPANY: CONNECTICUT
Name:	ENHANCED CAPITAL CONNECTICUT FUND III, LLC IV
Street Address:	300 Main Street
Internal Address:	6th Floor
City:	Stamford
State/Country:	CONNECTICUT
Postal Code:	06901
Entity Type:	LIMITED LIABILITY COMPANY: CONNECTICUT

PROPERTY NUMBERS Total: 11

Property Type	Number	Word Mark
Registration Number:	2659121	LOVESAC
Registration Number:	3035784	LOVESAC
Registration Number:	3035785	LOVESAC
Registration Number:	3134349	SACTIONALS

OP \$290.00 2659121

Property Type	Number	Word Mark
Registration Number:	3234481	DURAFOAM
Registration Number:	3028008	SAC
Registration Number:	3244136	LOVESAC
Registration Number:	3168679	SQUATTOMAN
Registration Number:	3168632	SUPERSAC
Registration Number:	3168678	MOVIESAC
Registration Number:	3409071	

CORRESPONDENCE DATA

Fax Number: 612.335.16

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 612.335.1740

Email: carolyn.sandberg@stinsonleonard.com

Correspondent Name: Carolyn M. Sandberg

Address Line 1: 150 South Fifth Street

Address Line 2: Suite 2300

Address Line 4: Minneapolis, MINNESOTA 55402-4238

ATTORNEY DOCKET NUMBER: 2070834-0017

NAME OF SUBMITTER: Carolyn M. Sandberg

SIGNATURE: /Carolyn M. Sandberg//

DATE SIGNED: 04/11/2014

Total Attachments: 10

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THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT DATED AS OF APRIL 4, 2014 (AS AMENDED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "SUBORDINATION AGREEMENT"), AMONG ENHANCED CAPITAL CONNECTICUT FUND I, LLC, A CONNECTICUT LIMITED LIABILITY COMPANY, ENHANCED CAPITAL CONNECTICUT FUND II, LLC, A CONNECTICUT LIMITED LIABILITY COMPANY, ENHANCED CAPITAL CONNECTICUT FUND IV, LLC, A CONNECTICUT LIMITED LIABILITY COMPANY, AND SIENA LENDING GROUP LLC, A DELAWARE LIMITED LIABILITY COMPANY ("LENDER"), AND ACKNOWLEDGED AND AGREED TO BY SAC ACQUISITION LLC, A DELAWARE LIMITED LIABILITY COMPANY ("BORROWER") AND LOVESAC, LLC, A DELAWARE LIMITED LIABILITY COMPANY ("LOVESAC"; TOGETHER WITH BORROWER, THE "COMPANIES" AND EACH INDIVIDUALLY A "COMPANY"), TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY COMPANIES PURSUANT TO THAT CERTAIN LOAN AND SECURITY AGREEMENT DATED AS OF MAY 14, 2013 AMONG COMPANIES AND LENDER AND THE OTHER SENIOR DEBT DOCUMENTS (AS DEFINED IN THE SUBORDINATION AGREEMENT), AS SUCH LOAN AGREEMENT AND OTHER SENIOR DEBT DOCUMENTS HAVE BEEN AND HEREAFTER MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS UNDER THOSE AGREEMENTS AS CONTEMPLATED BY THE SUBORDINATION AGREEMENT; AND EACH HOLDER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") made this 4th day of April, 2014, by and among SAC ACQUISITION LLC, a Delaware limited liability company (the "Grantor"), and ENHANCED CAPITAL CONNECTICUT FUND I, LLC, a Connecticut limited liability company, ENHANCED CAPITAL CONNECTICUT FUND II, LLC, a Connecticut limited liability company, and ENHANCED CAPITAL CONNECTICUT FUND IV, LLC, a Connecticut limited liability company (collectively, the "Lender"), in connection with that certain Subordinated Loan and Security Agreement dated as of the date hereof by and among LoveSac, LLC, Grantor and the Lender (as amended and in effect from time to time, the "Loan Agreement").

Grantor and Lender hereby agree as follows:

SECTION 1. Definitions; Interpretation.

(a) Terms Defined in the Loan Agreement. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

(b) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“**Collateral**” has the meaning set forth in Section 2.

“**Commercial Tort Claims**” shall have the meaning provided in the UCC, except that so long as no Default or Event of Default exists, it shall refer only to such claims in an amount in excess of \$25,000 that have been asserted in judicial proceedings.

“**PTO**” means the United States Patent and Trademark Office.

(c) Terms Defined in UCC. Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) Construction. In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to “proceeds” in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Grantor; (ii) “includes” and “including” are not limiting; (iii) “or” is not exclusive; and (iv) “all” includes “any” and “any” includes “all.” To the extent not inconsistent with the foregoing, the rules of construction and interpretation applicable to the Loan Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2. Security Interest.

(a) Grant of Security Interest. As security for the payment and performance of the obligations of Grantor under its Guaranty in favor of Lender, Grantor hereby assigns, transfers, conveys and grants to Lender a security interest in and mortgage upon all of Grantor’s right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Grantor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the “**Collateral**”):

(i) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names (but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark), all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names and applications as described in Schedule A), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(ii) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(iii) all general intangibles and all intellectual or other intangible property of Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(iv) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Lender is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

Notwithstanding the foregoing in no event shall the Collateral include any application for registration of a trademark filed with the PTO on an intent-to-use basis until such time (if any) as a Statement of Use or Amendment to Allege Use is filed, at which time such trademark shall automatically become part of the Collateral and subject to the security interest pledged.

(b) Continuing Security Interest. Grantor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 11.

SECTION 3. Supplement to the Loan Agreement.

This Agreement has been entered into in conjunction with the security interests granted to Lender under the Loan Agreement or other security documents referred to therein. The rights and remedies of Lender with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Loan Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

SECTION 4. Representations and Warranties.

Grantor represents and warrants to Lender that a true and correct list of all of the existing Collateral consisting of U.S. trademark registrations or applications owned by Grantor, in whole or in part, is set forth in Schedule A attached hereto and made a part hereof.

SECTION 5. Further Acts.

On a continuing basis, Grantor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or may be reasonably requested by Lender to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Grantor's compliance with this Agreement or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any such necessary or reasonably requested documents for filing with the PTO or any applicable state office. Lender may record this Agreement, an abstract thereof, or any other document describing Lender's interest in the Collateral with the PTO, at the sole cost and expense of Grantor. In addition, Grantor authorizes Lender to file financing statements describing the Collateral in any UCC filing office deemed reasonably appropriate by Lender. If Grantor shall at any time hold or acquire a Commercial Tort Claim arising with respect to the Collateral, Grantor shall immediately notify Lender in a writing

signed by Grantor of the brief details thereof and grant to Lender in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Lender.

SECTION 6. Authorization to Supplement.

If Grantor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to Lender with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting Grantor's obligations under this Section 6, Grantor authorizes Lender unilaterally to modify this Agreement by amending Schedule A to include any such new trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from Lender's continuing security interest in all Collateral, whether or not listed on Schedule A.

SECTION 7. Binding Effect.

This Agreement shall be binding upon, inure to the benefit of and be enforceable by Grantor, Lender and their respective successors and assigns. Grantor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder, except as specifically permitted by the Loan Documents.

SECTION 8. Governing Law.

This Agreement shall be governed by, and construed in accordance with, the law of the State of Delaware, except as required by mandatory provisions of law or to the extent the validity, perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than Delaware.

SECTION 9. Entire Agreement; Amendment.

This Agreement and the Loan Agreement, together with the Schedules hereto and thereto, contain the entire agreement of the parties with respect to the subject matter hereof and supersede all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Loan Agreement. Notwithstanding the foregoing, Lender unilaterally may re-execute this Agreement or modify, amend or supplement the Schedule hereto as provided in Section 6 hereof. In the event of any direct conflict between the express terms and provisions of this Agreement and of the Loan Agreement, the terms and provisions of the Loan Agreement shall control.

SECTION 10. Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall be equally as effective as delivery of a manually executed counterpart. Any

party hereto delivering a counterpart of this Agreement by facsimile or other electronic method of transmission shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability or binding effect hereof.

SECTION 11. Termination.

Upon the indefeasible payment and performance in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted), the security interests created by this Agreement shall terminate and Lender (at Grantor's expense) shall promptly execute and deliver to Grantor such documents and instruments reasonably requested by Grantor as shall be necessary to evidence termination of all such security interests given by Grantor to Lender hereunder, including cancellation of this Agreement by written notice from Lender to the PTO.

SECTION 12. No Inconsistent Requirements.

Grantor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Grantor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 13. Severability.

If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party or any other provisions of this Agreement.

SECTION 14. Notices.


All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

THE NEXT PAGE IS THE SIGNATURE PAGE

IN WITNESS. WHEREOF, the parties hereto have duly executed this Trademark Security Agreement, as of the date first above written,

GRANTOR:

SAC ACQUISITION LLC

By: 
Name: Ryan D Johns
Title: Secretary & COO

LENDERS:

**ENHANCED CAPITAL CONNECTICUT
FUND I, LLC**

By: _____
Name: Elizabeth H. Karter
Title: Managing Director

**ENHANCED CAPITAL CONNECTICUT
FUND II, LLC**

By: _____
Name: Elizabeth H. Karter
Title: Managing Director

**ENHANCED CAPITAL CONNECTICUT
FUND IV, LLC**

By: _____
Name: Elizabeth H. Karter
Title: Managing Director

IN WITNESS. WHEREOF, the parties hereto have duly executed this Trademark Security Agreement, as of the date first above written,

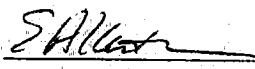
GRANTOR:

SAC ACQUISITION LLC

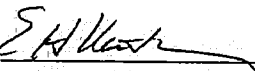
By: _____
Name: _____
Title: _____

LENDERS:

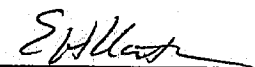
**ENHANCED CAPITAL CONNECTICUT
FUND I, LLC**

By:  _____
Name: Elizabeth H. Karter
Title: Managing Director

**ENHANCED CAPITAL CONNECTICUT
FUND II, LLC**

By:  _____
Name: Elizabeth H. Karter
Title: Managing Director

**ENHANCED CAPITAL CONNECTICUT
FUND IV, LLC**

By:  _____
Name: Elizabeth H. Karter
Title: Managing Director

SCHEDULE A
to
Trademark Security Agreement

Number	Case Ref	Title	Official No.	Country	Case Status	Class	Filing Date	Registration Date
1.	15605.6	LoveSac TM (filed by S. Nelson – furniture)	2659121	United States of America	Registered	20	22-Jan-2002	10-Dec-2002
2.	15605.13A	LoveSac (furniture – class 20)	1033613	Australia	Registered	20	08-Dec-2004	25-Jul-2005
3.	15605.17	LoveSac (furniture, clothing, retail stores)	3035784	United States of America	Registered	20, 25, 35	13-Jan-2005	27-Dec-2005
4.	15605.18	Lovesac & Design – trademark (furniture, clothing, retail stores)	3035785	United States of America	Registered	20, 25, 35	13-Jan-2005	27-Dec-2005
5.	15605.26	Sactionals (furniture)	3134349	United States of America	Registered	20	06-Apr-2005	22-Aug-2006
6.	15605.26a	Sactionals (furniture, furniture parts, fitted fabric furniture covers, cushions, pillows)	010412369	EPO	Registered	11, 20, 24	14-Nov-2011	24-Apr-2012
7.	15605.26b	Sactionals (furniture, furniture parts, fitted fabric furniture covers, cushions, pillows)	1551373	Canada	Registered	20	09-Nov-2011	31-May-2013
8.	15605.26c	Sactionals (furniture, furniture parts, fitted fabric furniture covers, cushions, pillows)	100057821	Taiwan	Registered	20, 24	11-Nov-2011	01-Jun-2013
9.	15605.26d	Sactionals (furniture, furniture parts, fitted fabric furniture covers, cushions, pillows)	10175883	China	Registered	20	11-Nov-2011	04-Jan-2013

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REEL: 005259 FRAME: 0818

10.	15605.28	DURAFOAM	3234481	United States of America	Registered	17	29-Oct-2004	24-Apr-2007
Number	Case Ref	Title	Official No.	Country	Case Status	Class	Filing Date	Registration Date
11.	15605.30	SAC (Furniture)	3028008	United States of America	Registered	20	29-Sep-2004	13-Dec-2005
12.	15605.40	LoveSac (Furniture)	935449	Mexico	Registered	20	26-Aug-2005	29-May-2006
13.	15605.46	LoveSac (pillows, bedding, blankets and throws)	3244136	United States of America	Registered	20,24	06-Jan-2006	22-May-2007
14.	15605.49	Squattoman (furniture)	3168679	United States of America	Registered	20	06-Jan-2006	07-Nov-2006
15.	15605.50	SuperSac (furniture, pillows)	3168632	United States of America	Registered	20	28-Dec-2005	07-Nov-2006
16.	15605.51	MovieSac (furniture, pillows)	3168678	United States of America	Registered	20	06-Jan-2006	07-Nov-2006
17.	15605.54	3-Bar Design	3409071	United States of America	Registered	20	06-Jan-2006	08-Apr-2008
18.	15605.56	LoveSac	TMA698659	Canada	Registered		18-Nov-2005	16-Oct-2007
19.	15605.61	LoveSac (furniture)	3252558	European Community	Registered	20	07-Sep-2003	20-Apr-2005
20.	15605.63	LoveSac (furniture, beanbags)	1031342	Australia	Registered	20	23-Nov-2004	23-Nov-2004
21.	15605.98	LoveSac (items including furniture)	45-0023943	Republic of Korea	Registered	20, 24, 25, 35	28-May-2007	18-Jul-2008
22.	15605.119	LOVESAC (furniture)	162679	Saudi Arabia	Registered	20	13-Dec-2010	25-Aug-2012
23.	15605.119.1	LOVESAC (advertising, business management, business administration, mail order catalogues etc)	162680	Saudi Arabia	Registered	35	13-Dec-2010	25-Aug-2012

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REEL: 005259 FRAME: 0819

24.	15605.131.1 (Michael Zheng)	LOVESAC	8465792	China	Registered	20	27-Oct-2010	21-Jul-2011
Number	Case Ref	Title	Official No.	Country	Case Status	Class	Filing Date	Registration Date
25.	15605.136	LOVESAC (Handbags)	85404064	United States of America	Pending	18	22-Aug-2011	
26.	15605.137	LOVESAC (furniture, furniture parts, fitted fabric covers, chairs, pillows, tables, mattress toppers, cushions)	100057820	Taiwan	Registered	20	11-Nov-2011	01-Jul-2012
27.	15605.138	LOVESAC (furniture, furniture parts, fitted fabric covers, chairs, pillows, tables, mattress toppers, cushions)	302082744	Hong Kong	Registered	20	11-Nov-2011	09-Oct-2012
28.	15605.148	LOVESAC (furniture, furniture parts, fitted fabric covers, chairs, pillows, tables, mattress toppers, cushions, on-line retail store services featuring furniture and clothing)	958852	New Zealand	Registered	20, 35	15-May-2012	06-Nov-2012
29.	TBD	GUARANTEED FOR LIFE. AND LIVING.	TBD		TBD	20, 35	PENDING	TBD
30.	TBD	LOVE IN FURNITURE FORM	TBD		TBD	20, 35	PENDING	TBD

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