

02-11-2002



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Form PTO-1594 (Rev. 03/01) 101979144 2 SHEET U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

TRADEMARKS ONLY

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Closet World, Inc.
(for itself and as agent for the entities listed on the attached)

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
 Name: **LaSalle Bank National Association**
 Internal
 Address: _____
 Street Address: **135 South LaSalle Street**
 City: **Chicago** State: **IL** Zip: **60603**

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other **National Association**

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: **April 10, 2001**

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 B. Trademark Registration No.(s)

Additional number(s) attached Yes No

76245068

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: **Inna Tsinerman**
 Internal Address: **SEYFARTH SHAW**

 Street Address: **55 East Monroe**
Suite 4200
 City: **Chicago** State: **IL** Zip: **60603**

6. Total number of applications and registrations involved: **7**

7. Total fee (37 CFR 3.41).....\$ **50**
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

JOHN M. D'CONNOR *[Signature]* **12.14.01**
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: **10**

02/08/2002 JJALLAH2 00000008 191351 76245068

01 FC:481 40.00 DP
 02 FC:482 130.00 CH 20.00 DP

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patent & Trademarks, Box Assignments
 Washington, D.C. 20231

TRADEMARK
 REEL: 002440 FRAME: 0627

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY
(Continued)

1. Name of conveying party(ies):

Closet World Holdings, Inc.
CBD Franchising, Inc.
CBD Acquisitions, Inc.
Closet Dimensions, Inc.
CBD Las Vegas LLC

4. Application number(s) or registration number(s):

A. Trademark Application No.(s):

76-245,068
76-245,069
76-245,070
76-245,067
76-245,066
76-245,065

B. Trademark Registration No.(s):

2,314,268

10304907

TRADEMARK SECURITY AGREEMENT

(CLOSET WORLD, INC.)

THIS TRADEMARK SECURITY AGREEMENT dated as of April 12, 2001, is by Closet World, Inc., a Delaware corporation ("Grantor"), in favor of LaSalle Bank National Association, as Agent for the Banks party to the Credit Agreement referred to below (the "Agent").

WITNESSETH:

WHEREAS, pursuant to that certain Amended and Restated Credit Agreement dated as of April 12, 2001 by and among Grantor, Closet World Holdings, Inc., a Delaware corporation ("Holdings"), CBD Franchising, Inc., a California corporation ("CBDF"), CBD Acquisitions, Inc., a California corporation ("CBD"), Closet Dimensions, Inc., a California corporation formerly known as Penates, Inc. ("Dimensions"), CBD Las Vegas LLC, a Nevada limited liability company ("CBDLV") (Grantor, Holdings, CBDF, CBD, Dimensions and CBDLV being, collectively, the "Borrowers" and each being, individually, a "Borrower"), various financial institutions (collectively, the "Banks"), and the Agent on behalf of the Banks (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), the Banks have agreed to make loans to the Grantor from time to time; and

WHEREAS, as a condition to making the loans under the Credit Agreement, the Agent, on behalf of the Banks, requires that Grantor execute and deliver to the Agent, for itself and the ratable benefit of the Banks, that certain Amended and Restated Security Agreement of even date herewith by and among the Borrowers, the Banks and the Agent (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, as a further condition to making loans under the Credit Agreement, Grantor is required to execute and deliver to the Agent, for itself and the ratable benefit of the Banks, this Trademark Security Agreement;

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. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement.

"Trademark License" shall mean rights under any written agreement now owned or hereafter acquired by Grantor granting any right to use any Trademark.

"Trademarks" shall mean all of the following now owned or hereafter acquired by Grantor: (a) all trademarks, trade names, corporate names, business names, trade styles, service

marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), now owned or existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL.

Grantor hereby grants to the Agent, on behalf of itself and the Banks, a continuing first priority 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 (collectively, the "Trademark Collateral"):

- (a) all of its Trademarks and Trademark Licenses to which it is a party including, but not limited to, 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 Trademark and each Trademark License; and
- (d) all products and 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 Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

3. SECURITY AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to the Agent, on behalf of itself and the Banks, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[SIGNATURE PAGE FOLLOWS]

SCHEDULE I

TO

TRADEMARK SECURITY AGREEMENT

SCHEDULE OF U.S. SERVICE MARKS, TRADEMARKS AND TRADE NAMES FOR CLOSET WORLD, INC.

MARK	APPL. SERIAL NO. OR COMMON LAW MARK	DATE OF FILING	DATE OF FIRST USE	STATUS	SERVICES & INTERNATIONAL CLASS ("IC")
1. CLOSET WORLD	75/627641	JAN. 26, 1999	March 4, 1989 March 4, 1989 (in commerce)	Registration No. 2,134,468 Registration Date February 1, 2000	INSTALLATION OF PREFABRICATED CLOSETS, IC 37 & DESIGN OF PREFABRICATED CLOSETS, IC 42
2. DOUBLE AND ORGANIZE YOUR CLOSET OR GARAGE SPACE!	COMMON LAW		TBD		INSTALLATION OF PREFABRICATED CUSTOM CLOSETS AND CABINETS, IC 37
3. DOUBLE AND ORGANIZE YOUR CLOSET OR GARAGE SPACE!	COMMON LAW		TBD		MANUFACTURING OF CUSTOM CLOSETS AND CABINETS, IC 40

TRADEMARK

REEL: 002440 FRAME: 0633

SCHEDULE OF U.S. SERVICE MARKS, TRADEMARKS AND TRADE NAMES FOR CLOSET WORLD, INC.

MARK	APPL. SERIAL NO. OR COMMON LAW MARK	DATE OF FILING	DATE OF FIRST USE	STATUS	SERVICES & INTERNATIONAL CLASS ("IC")
4. DOUBLE AND ORGANIZE YOUR CLOSET OR GARAGE SPACE!	COMMON LAW		TBD		CUSTOM DESIGN OF PREFABRICATED CLOSETS AND CABINETS, IC 42
5. ORGANIZE YOUR HOME!	COMMON LAW		TBD		INSTALLATION OF PREFABRICATED CUSTOM CLOSETS AND CABINETS, IC 37
6. ORGANIZE YOUR HOME!	COMMON LAW		TBD		MANUFACTURING OF CUSTOM CLOSETS AND CABINETS, IC 40
7. ORGANIZE YOUR HOME!	COMMON LAW		TBD		CUSTOM DESIGN OF PREFABRICATED CLOSETS AND CABINETS, IC 42
8. HOMESTYLE CUSTOM CLOSETS	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED CLOSETS AND CABINETS

SCHEDULE OF U.S. SERVICE MARKS, TRADEMARKS AND TRADE NAMES FOR CLOSET WORLD, INC.

MARK	APPL. SERIAL NO. OR COMMON LAW MARK	DATE OF FILING	DATE OF FIRST USE	STATUS	SERVICES & INTERNATIONAL CLASS ("IC")
9. KIDS CLOSETS	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED CLOSETS AND CABINETS
10. PREMIER COLLECTION	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED CLOSETS AND CABINETS
11. CREATE-A-CLOSET	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED CLOSETS AND CABINETS
12. READY CLOSET	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED CLOSETS AND CABINETS
13. CONTOUR FINISH	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED CLOSETS AND CABINETS

SCHEDULE OF U.S. SERVICE MARKS, TRADEMARKS AND TRADE NAMES FOR CLOSET WORLD, INC.

MARK	APPL. SERIAL NO. OR COMMON LAW MARK	DATE OF FILING	DATE OF FIRST USE	STATUS	SERVICES & INTERNATIONAL CLASS ("IC")
14. VERSATILITY OFFICE SYSTEMS	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED OFFICE SYSTEMS
15. PRESTIGE OFFICE SYSTEMS	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED OFFICE SYSTEMS
16. ACCENT ACCESSORIES	COMMON LAW		TBD		CUSTOM DESIGN, MANUFACTURE AND INSTALLATION OF PREFABRICATED ACCESSORIES FOR CLOSETS AND CABINETS