

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Wells Fargo Retail Finance, LLC		06/24/2008	LIMITED LIABILITY COMPANY: DELAWARE

**RECEIVING PARTY DATA**

<b>Name:</b>	Schurman Fine Papers
<b>Doing Business As:</b>	DBA Papyrus
<b>Street Address:</b>	500 Chadbourne Road, Caller Box 6030
<b>City:</b>	Fairfield
<b>State/Country:</b>	CALIFORNIA
<b>Postal Code:</b>	94533
<b>Entity Type:</b>	CORPORATION: CALIFORNIA

<b>Name:</b>	Papyrus Franchise Corporation
<b>Street Address:</b>	500 Chadbourne Road, Caller Box 6030
<b>City:</b>	Fairfield
<b>State/Country:</b>	CALIFORNIA
<b>Postal Code:</b>	94533
<b>Entity Type:</b>	CORPORATION: CALIFORNIA

**PROPERTY NUMBERS Total: 17**

Property Type	Number	Word Mark
Registration Number:	1159571	PAPYRUS
Registration Number:	1178636	FOR A CARD THAT'S A GIFT
Registration Number:	1514144	PAPYRUS FOR A CARD THAT'S A GIFT
Registration Number:	1514145	
Registration Number:	1955097	MARCEL SCHURMAN
Registration Number:	1972557	THE ART OF SOCIAL EXPRESSION
Registration Number:	2112408	LAFFS BY MARCEL

**CH \$440.00 1159571**

Registration Number:	2364138	PAPYRUS
Registration Number:	2555943	DO-JIGGIES
Registration Number:	2786437	CHELSEAPAPER.COM
Registration Number:	2875704	CHELSEA NOTES
Registration Number:	3199759	PAPYRUS
Registration Number:	3235089	THE JOY OF EVERYDAY
Registration Number:	3235090	
Registration Number:	3240635	
Registration Number:	3380270	PAPYRUSONLINE.COM
Registration Number:	3390782	PAPYRUS

**CORRESPONDENCE DATA**

Fax Number: (617)856-8201  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: 617-856-8145  
Email: ip@brownrudnick.com  
Correspondent Name: Mark S. Leonardo  
Address Line 1: One Financial Center  
Address Line 2: Brown Rudnick LLP  
Address Line 4: Boston, MASSACHUSETTS 02111

ATTORNEY DOCKET NUMBER:	23595/51
NAME OF SUBMITTER:	Mark S. Leonardo
Signature:	/s/Mark S. Leonardo/
Date:	06/25/2008

**Total Attachments: 9**  
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**TRADEMARK AND TRADEMARK  
APPLICATIONS SECURITY AGREEMENT**

This Trademark and Trademark Applications Security Agreement (the "TM Security Agreement") is made as of the 24th day of June, 2008, among Schurman Fine Papers, d/b/a Papyrus, a California corporation ("Lead Borrower"), Papyrus Franchise Corporation, a California corporation (together with Lead Borrower, each individually a "Borrower" and collectively, the "Borrowers"), and Wells Fargo Retail Finance, LLC, as Administrative Agent and Collateral Agent (collectively, the "Agent") for the benefit of the Lenders (defined hereinafter).

**RECITALS**

WHEREAS, pursuant to the Loan and Security Agreement of even date herewith (as the same may be amended, restated, supplemented and/or modified from time to time, the "Loan Agreement") by and among the Borrowers, the Revolving Credit Lenders and Issuing Lender named therein (the "Lenders") and the Agent, the Agent and Lenders have agreed to make certain loans and provide other financial accommodations to the Borrowers;

WHEREAS, pursuant to the Loan Agreement the Borrowers have granted to the Agent, for the benefit of itself and Lenders, a security interest in the Collateral to secure the Obligations of the Borrowers to the Agent and Lenders;

WHEREAS, as a condition, among others, to the establishment of the credit facilities contemplated by the Loan Agreement, and to further secure the Obligations of the Borrowers to the Agent and Lenders and to more fully vest the security interest granted in the Loan Agreement, the Borrowers have executed this TM Security Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Borrowers and the Agent agree as follows:

1. Capitalized terms used herein but not otherwise defined herein shall have the meanings given such terms in the Loan Agreement.
2. To secure the Obligations, each Borrower hereby grants a security interest in favor of the Agent, for the benefit of itself and the Lenders, with power of sale (which power of sale shall be exercisable only following the occurrence and continuation of an Event of Default), all of such Borrower's right, title and interest in and to the following and all products and proceeds thereof:
  - a. All of such Borrower's now owned or existing or hereafter acquired or arising trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, those listed on EXHIBIT A annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, and service mark applications.

- b. All renewals of any of the foregoing.
- c. All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.
- d. The right to sue for past, present and future infringements and dilutions of any of the foregoing.
- e. All of such Borrower's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications described in Subsection 2(a), together with the items respectively described in Subsections 2(b) through and including 2(e) are hereinafter individually and/or collectively referred to as the "Marks".

3. Until this TM Security Agreement is terminated, the Borrowers shall undertake (to the extent they deem it necessary or appropriate in their commercially reasonable business judgment consistent with past practice, so long as no material adverse effect on the business of the Borrower would result from any failure to so undertake) the following with respect to each Mark that is in use at the relevant time:

- a. Pay all renewal fees and other fees and costs associated with maintaining the Marks and with the processing of the Marks.
- b. At Borrowers' sole cost, expense, and risk, pursue the prompt, diligent, processing of each trademark application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts, unless the respective service mark or trademark is abandoned (provided, however, that the Borrowers shall notify the Agent and Lenders of any intent to abandon any service mark or trademark).
- c. At Borrowers' sole cost, expense, and risk, take any and all action that the Lead Borrower reasonably deems necessary or desirable to protect the Marks, including, without limitation, the prosecution and defense of infringement actions.

4. In the event of the occurrence and during the continuation of any Event of Default, the Agent acting in its own name or in any Borrower's name may (but shall not be required to) act in such Borrower's place and stead and/or in the Agent's own right in connection therewith.

5. The Borrowers each represent and warrant that:

- a. EXHIBIT A includes all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by such Borrower.
  - b. No liens, claims or security interests, other than Permitted Liens, have been granted in any Mark by such Borrower to any Person other than to the Agent.
6. In order to further secure the Obligations:
- a. Each Borrower shall give the Agent and Lenders written notice (with reasonable detail and in the manner provided for in Article 12 of the Loan Agreement) within ten (10) days following the occurrence of any of the following:
    - i. Such Borrower files applications for registration of, any new trademarks, or service marks, or otherwise acquires ownership of any newly registered trademarks, registered service marks, trademark applications, or service mark applications, (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).
    - ii. Such Borrower becomes entitled to the benefit of any registered trademarks, trademark applications, trademark licenses, trademark license renewals, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).
    - iii. Such Borrower enters into any new trademark license agreement or service mark license agreement material to the operations of the business, whether as licensor or licensee, except such license agreements entered into in the ordinary course of business.
  - b. The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in Section 6(a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.
  - c. Each Borrower hereby authorizes the Agent and Lenders to modify this agreement by amending EXHIBIT A to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided, however*, the modification of said EXHIBIT A shall not be a condition to the creation or perfection of the security interest created hereby.

7. Upon the occurrence and continuation of any Event of Default, the Agent may exercise all rights and remedies of a secured party under the Uniform Commercial Code as adopted and amended from time to time in the Commonwealth of Massachusetts with respect to the Marks, in

addition to which the Agent, to the extent provided in the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Agent that an Event of Default has occurred and is continuing and that the Agent is authorized to exercise such rights and remedies.

8. The Borrowers hereby irrevocably constitute and designate the Agent as and for each Borrower's attorney-in-fact, effective with and upon the Agent's first exercise (the "First Exercise") of such powers following the occurrence of an Event of Default and during continuation of any Event of Default solely for the purpose of exercising its remedies hereunder:

- a. To exercise any of the rights and powers referenced in Section 3.
- b. To execute all and singular such instruments, documents, and papers as the Agent determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Marks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the TM Security Agreement is terminated by a duly authorized officer of the Agent, but shall be exercisable only following the occurrence and during the continuation of an Event of Default solely for the purpose of exercising its remedies hereunder.

9. Any use by the Agent and/or Lenders of the Marks as authorized hereunder in connection with the exercise of the Agent's rights and remedies under the within TM Security Agreement and the Loan Agreement shall be coextensive with the applicable Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent and Lenders to the Borrowers. Such use by the Agent and Lenders shall be permitted only with and upon the First Exercise following the occurrence and during continuation of an Event of Default for the purpose of exercising its remedies hereunder.

10. Agent and Lenders hereby acknowledge that the Borrowers shall continue to have the exclusive right, prior to notice from the Agent and Lenders following the occurrence and continuation of an Event of Default, to sue for past, present and future infringement of the Marks including the right to seek injunctions and/or money damages.

11. Following the full and indefeasible payment in cash of all Obligations (other than inchoate Obligations which have not been asserted and are not otherwise known to Borrowers, Agent or Lenders) and termination of the Loan Agreement, this TM Security Agreement shall terminate and the Agent shall execute and deliver to the Borrowers all such instruments as the Lead Borrower reasonably may request to release any encumbrance in favor of the Agent created hereby or pursuant hereto, subject, however, to any disposition thereof which may have been made by Agent pursuant hereto or pursuant to the Loan Agreement.

12. The Borrowers shall, in accordance with the Loan Agreement, at the request of the Agent, do any and all acts and execute any and all documents reasonably required by the Agent

in connection with the protection, preservation, and enforcement of the Agent's and Lenders' rights hereunder.

13. The Borrowers shall, upon demand, reimburse the Agent and Lenders for all costs and expenses incurred by the Agent and Lenders in the exercise of any rights hereunder (including, without limitation, reasonable fees and expenses of counsel).

14. Neither anything contained in this TM Security Agreement or in the Loan Agreement nor any act, omission, or circumstance may be construed as (a) directly or indirectly conveying to the Agent and Lenders any rights in and to the Marks (other than the security interest granted herein), or (b) conveying to the Agent and Lenders any right of prior approval of, or right to prevent the granting of, or right to rescind any non-exclusive license of any of the Marks granted by the Borrowers, except as may be conveyed in (a) or (b) above following the occurrence and continuation of any Event of Default (and in such circumstances, only with and upon the First Exercise).

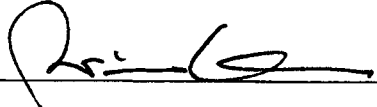
15. This TM Security Agreement is intended to be supplemental to the Loan Agreement. All provisions of the Loan Agreement shall apply to the Marks and the Agent and Lenders shall have the same rights with respect to any and all security interests in the Marks granted the Agent and Lenders to secure the Obligations hereunder as thereunder. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Marks and the Loan Agreement shall govern with respect to all other Collateral.

**16. THIS TM SECURITY AGREEMENT SHALL BE GOVERNED, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.**

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IN WITNESS WHEREOF, the Borrowers and the Agent respectively have caused this TM Security Agreement to be executed by officers duly authorized so to do on the date first above written.

WELLS FARGO RETAIL FINANCE, LLC  
("Agent")

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

Print Name: William Chan  
Title: Vice President

SCHURMAN FINE PAPERS, d/b/a POPYRUS  
("Borrower")

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

Print Name: Thomas A. Shaw  
Title: Chief Financial Officer

POPYRUS FRANCHISE CORPORATION  
("Borrower")

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

Print Name: Thomas A. Shaw  
Title: Chief Financial Officer



IN WITNESS WHEREOF, the Borrowers and the Agent respectively have caused this TM Security Agreement to be executed by officers duly authorized so to do on the date first above written.

WELLS FARGO RETAIL FINANCE, LLC  
("Agent")

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


Print Name:  
Title:

SCHURMAN FINE PAPERS, d/b/a POPYRUS  
("Borrower")

By: 

Print Name: Thomas A. Shaw  
Title: Chief Financial Officer

POPYRUS FRANCHISE CORPORATION  
("Borrower")

By: 

Print Name: Thomas A. Shaw  
Title: Chief Financial Officer

**EXHIBIT A**  
**U.S. Trademarks**

• **Schurman Fine Papers**

<b>Current Owner</b>	<b>Reg./App. No.</b>	<b>Registration Date</b>	<b>Word Mark</b>
Schurman Fine Papers	1,159,571	June 30, 1981	PAPYRUS
Schurman Fine Papers	1,178,636	November 17, 1981	FOR A CARD THAT'S A GIFT
Schurman Fine Papers	1,514,144	November 22, 1988	PAPYRUS FOR A CARD THAT'S A GIFT
Schurman Fine Papers	1,514,145	November 22, 1988	(DESIGN MARK)
Schurman Fine Papers	1,955,097	February 6, 1996	MARCEL SCHURMAN
Schurman Fine Papers	1,972,557	May 7, 1996	THE ART OF SOCIAL EXPRESSION
Schurman Fine Papers	2,112,408	November 11, 1997	LAFFS BY MARCEL
Schurman Fine Papers	2,364,138	July 4, 2000	PAPYRUS
Schurman Fine Papers	2,555,943	April 2, 2002	DO-JIGGIES
Schurman Fine Papers	2,786,437	November 25, 2003	CHELSEAPAPER.COM
Schurman Fine Papers	2,875,704	August 17, 2004	CHELSEA NOTES
Schurman Fine Papers	3,199,759	January 16, 2007	PAPYRUS
Schurman Fine Papers	3,235,089	April 24, 2007	THE JOY OF EVERYDAY
Schurman Fine Papers	3,235,090	April 24, 2007	(DESIGN MARK)
Schurman Fine Papers	3,240,635	May 8, 2007	(DESIGN MARK)
Schurman Fine Papers	3,380,270	February 12, 2008	PAPYRUSONLINE.COM
Schurman Fine Papers	3,390,782	March 4, 2008	PAPYRUS
Schurman Fine Papers	1,873,810 (ABANDONED)		
Schurman Fine Papers	1,942,921 (ABANDONED)		
Schurman Fine Papers	78/775,346 (ABANDONED)		
Schurman Fine Papers	75/425,177 (ABANDONED)		

Schurman Fine Papers	75/399,751 (ABANDONED)		
Schurman Fine Papers	75/233,750 (ABANDONED)		
Schurman Fine Papers	75/212,957 (ABANDONED)		
Schurman Fine Papers	75/006,035 (ABANDONED)		
Schurman Fine Papers	74/630,586 (ABANDONED)		
Schurman Fine Papers	74/455,745 (ABANDONED)		
Schurman Fine Papers	2,060,014 (ABANDONED)		

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