FORM PTO-1618A Expires 06/30/99 OMB 0651-0027

U.S. Department of Commerce Patent and Trademark Office **TRADEMARK**

12-22-1999



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Name	Excello Products, L.L.C. 11/16/99				
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Enter either the Trademark Application Number <u>or</u> the Registration Number (DO NOT ENTER BOTH numbers for the same property). Trademark Application Number(s) Registration Number(s)						
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Number of Properties Enter the total number of properties involved. # 5						
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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. Charges to deposit account are authorized, as indicated herein.						
LINDA	HEBAN C	Leir a jobr	11/20/99			
Name of P	erson Signing	Signature	Date Signed			

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT, dated as of November 16, 1999 (this "Agreement"), is made by EXCELLO PRODUCTS, L.L.C., a Delaware limited liability company (the "Company"), in favor of NATIONAL CITY BANK OF MICHIGAN/ILLINOIS, a national banking association (the "Lender").

PRELIMINARY STATEMENTS:

- (1) Excello Home Products Holdings, Inc., a Delaware corporation ("*Holdings*"), is the sole member of the Company.
- (2) The Company and Holdings, as borrower and guarantor, respectively, and the Lender, as lender, are parties to the Credit Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), under which the Lender has agreed, on certain terms and subject to certain conditions, to provide revolving and term credit facilities to Excello.
- (3) Under the Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), between the Company and Holdings, as grantors, and the Lender, the Company and Holdings have granted the Lender a security interest in substantially all of their assets.
- (4) It is a condition precedent to the credit advances under the Credit Agreement that the Company execute this Agreement in favor of the Lender.

NOW, THEREFORE, the parties to this Agreement agree as follows:

- 1. **Definitions.** Capitalized terms used in this Agreement and not otherwise defined have the meanings assigned to such terms in the Credit Agreement.
- 2. Grant of Security Interest. To secure its Obligations under the Credit Agreement and the other Credit Documents, the Company mortgages and pledges to the Lender and grants the Lender a security interest in all of the Company's right, title and interest in, to and under (i) each trademark, trademark application and trademark license and service mark license listed on the attached Schedules 1, 2 and 3, including, without limitation, all proceeds of such trademarks, trademark applications and trademark licenses and service mark licenses (including, without limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding to such trademarks, trademark applications and trademark licenses and service mark licenses throughout the world and all reissues, extensions and renewals of such trademarks, trademark applications and trademark licenses and service mark licenses (collectively, the "Trademarks") and (ii) the goodwill of the business connected with the use of, and symbolized by, each Trademark. Until an Event of Default occurs, the Company retains its rights in the Trademarks and may use and possess the Trademarks until such time.
- 3. Representations and Warranties. The Company represents and warrants that, as of the date of this Agreement, (i) the Trademarks listed on <u>Schedule 1</u> and <u>2</u> include all of the Trademarks now owned or held by the Company, (ii) the trademark licenses and service mark licenses listed on <u>Schedule 3</u> include all of the trademark license agreements and service mark licenses under which the Company is the licensee or licensor and (iii) no Liens, claims or encumbrances in such Trademarks have been granted by the Company to any Person or asserted by any Person against the Company other than the Lender, except for Liens permitted under Section 9.3 of the Credit Agreement.

- 4. New Trademarks. If, prior to the termination of this Agreement, the Company (i) obtains rights to any new Trademarks, (ii) becomes entitled to the benefit of any Trademarks, whether as licensee or licensor or (iii) enters into any new trademark license agreement or service mark license agreement, the provisions of Section 2 automatically apply thereto. The Company will give to the Lender written notice of events described in clauses (i)-(iii) above promptly after the occurrence thereof, but in any event not less frequently than on a quarterly basis. The Company authorizes the Lender to modify this Agreement unilaterally (a) by amending Schedule 1 or 2 to include any future Trademarks and by amending Schedule 3 to include any future trademark license agreements or service mark license agreements and (b) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule 1, 2 or 3 thereto, as the case may be, such future Trademarks.
- 5. Remedies. The Company and the Lender further acknowledge and affirm that the rights and remedies of the Lender after the occurrence of an Event of Default with respect to the assignment of and security interest in the Trademarks made and granted by this Agreement are more fully set forth in the Credit Agreement and the Security Agreement, the terms and provisions of which are incorporated in this Agreement by reference.
- 6. **Termination.** Following the termination of the Credit Agreement in accordance with its terms, upon the request (and at the expense) of the Company, the Trademarks and any and all financing statements filed on behalf of the Lender will be automatically reassigned to the Company or terminated, and the Lender will execute such instruments as may be reasonably requested to evidence such reassignment or termination in accordance with the terms set forth in the Credit Agreement.

* * * * *

SCHEDULE 1 Registered Trademarks

U.S. Trademark: Cook's Cottons Reg. Number 1478762

U.S. Trademark: Excello Reg. Number 722029

U.S. Trademark: Laundry Fresh Reg. Number 550,132

U.S. Trademark: Home Naturals Reg. Number 1882266

U.S. Trademark: Your Kitchen Pal Reg. Number 956562

Intellectual Property Security Agreements

SCHEDULE 2 Trademarks Pending

None.

erty Security Agreements

SCHEDULE 3 Trademark Licenses; Service Mark Licenses

License Agreements:

ADP Payroll

Company has non-exclusive licenses (as licensee) for Premenos Software (\$1,400 annually) and T.L. Ashford Software (\$295 annually).

To the extent assigned at Closing, Company has non-exclusive licenses in the following:

QuarkXPress and EFICOLOR Xtension programs Zephyr
Windows 3.1, 95, 98
DOS (various versions)
Microsoft Excel (various versions)
Microsoft Word (various versions)
Corel Draw and associated programs
Astro-Med Quick Label
Winzip
UPS On-Line

ntellectual Property Security Agreements

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

EXCELLO PRODUCTS, L.L.C.

By: Title:

NATIONAL CITY BANK OF MICHIGAN/ILLINOIS

Tettle:

STATE OF:	ILLINOIS)
COUNTY OF	: COOK)

The foregoing Trademark Security Agreement was acknowledged before me this 16th day of November, 1999, by Alchard C. Tuttle, the President of Excello Products, L.L.C., on behalf of such limited liability company.

OFFICIAL SEAL MARGARET A. BAJZEK NOTARY PUBLIC, STATE OF ILLINOIS MY COMMISSION EXPIRES 2-2-2001

My commission expires: 2-2-200/

RECORDED: 12/07/1999