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

04-03-2000

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



101303624

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
 01312000

Name Garden Ridge Finance Corporation

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization Delaware

Receiving Party

Mark if additional names of receiving parties attached

Name Allied Capital Corporation

DBA/AKA/TA

Composed of

Address (line 1) 1919 Pennsylvania Avenue

Address (line 2) Third Floor

Address (line 3) Washington DC 20006-3434
City State/Country Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization Maryland

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

03/31/2000 DNGUYEN 00000049 2116821

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 25.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002042 FRAME: 0373

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2116821"/>	<input type="text" value="2215576"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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.

Monica Petraglia McCabe, Esq.

February 25, 2000

Name of Person Signing

Signature

Date Signed

THIS TRADEMARK SECURITY AGREEMENT IS SUBJECT TO THE SUBORDINATION PROVISIONS SET FORTH IN THE SUBORDINATION AGREEMENT, DATED AS OF JANUARY 31, 2000 (THE "SUBORDINATION AGREEMENT"), BY AND AMONG GARDEN RIDGE CORPORATION, GARDEN HOLDINGS, INC., GARDEN RIDGE FINANCE CORPORATION, GARDEN RIDGE INVESTMENTS, INC., GARDEN RIDGE MANAGEMENT, INC. AND GARDEN RIDGE, L.P., ALLIED CAPITAL CORPORATION AND BANK OF AMERICA, N.A., AS AGENT UNDER THE LOAN AND SECURITY AGREEMENT, DATED AS OF JANUARY 31, 2000, BY AND AMONG THE LENDERS NAMED THEREIN, BANK OF AMERICA, N.A., AS AGENT FOR THE LENDERS, GARDEN RIDGE, L.P., AS THE BORROWER, AND GARDEN RIDGE CORPORATION, GARDEN RIDGE FINANCE CORPORATION, GARDEN RIDGE INVESTMENTS, INC. AND GARDEN RIDGE MANAGEMENT, INC., AS THE GUARANTORS (AND EACH PARTY'S SUCCESSORS AND ASSIGNS).

TRADEMARK SECURITY AGREEMENT

(Garden Ridge Finance Corporation)

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is between GARDEN RIDGE FINANCE CORPORATION, a Delaware corporation ("Debtor"), and ALLIED CAPITAL CORPORATION, a Maryland corporation ("Secured Party"), pursuant to that certain Investment Agreement dated as of January 31, 2000 (as amended, restated, or otherwise modified, the "Investment Agreement") among Garden Ridge Corporation (formerly known as GR Acquisition Corporation), a Delaware corporation, and Secured Party (all terms defined in the Investment Agreement, wherever used herein, shall have the same meanings herein as are prescribed by the Investment Agreement).

R E C I T A L S:

A. Pursuant to the terms of that certain Security Agreement, dated as of January 31, 2000, by and among the Secured Party, the Debtor, Garden Ridge Corporation, Garden Ridge, L.P., Garden Ridge Management, Inc., and Garden Ridge Investments, Inc. (the "Security Agreement"), Debtor has granted to Secured Party a lien and security interest in all General Intangibles of Debtor, including, without limitation, all of Debtor's right, title, and interest in, to, and under all now owned and hereafter acquired Trademarks, together with the goodwill of the business symbolized by Debtor's Trademarks and Trademark Licenses (as such terms are defined below), and all products and Proceeds thereof, to secure the payment of the Obligations.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby grants to Secured Party a lien and continuing security interest in all of Debtor's right, title, and interest in, to, and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter created or acquired:

(1) (a) any written agreement now or hereafter in existence granting to Debtor any right to use any Trademark ("Trademark License"); (b) all (i) trademarks, trade names, corporate names, company names, business names, fictitious business

names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, 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 thereof, or any other country or any political subdivision thereof, (ii) reissues, extensions, and renewals thereof, (iii) income, royalties, damages, and payments now or hereafter relating to or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (iv) right to sue for past, present, and future infringements of any of the foregoing; (v) all rights corresponding to any of the foregoing throughout the world, and (vi) goodwill associated with and symbolized by any of the foregoing; in each case, whether now owned or hereafter acquired by Debtor (all of such items in this clause (b) being referred to herein collectively as the "Trademarks"); (c) each trademark registration ("Trademark Registration"); and (d) each trademark application ("Trademark Application") (including, without limitation, each Trademark, Trademark Registration, and Trademark Application referred to in Schedule 1 annexed hereto, together with the goodwill of the business symbolized thereby); and

(2) each Trademark License, to the extent allowable under the applicable license agreement (including, without limitation, each Trademark License listed in Schedule 1 annexed hereto); and

(3) all products and proceeds of the foregoing, including, without limitation, any claim by Debtor against third parties for past, present, or future (a) infringement, dilution, or breach of any Trademark, Trademark Registration, Trademark Application, or Trademark License (including, without limitation, any Trademark, Trademark Registration, or Trademark License referred to in Schedule 1 annexed hereto, and any Trademark Registration issued pursuant to a Trademark Application referred to in Schedule 1 annexed hereto), or (b) injury to the goodwill associated with any Trademark, Trademark Registration, and Trademark Application.


The lien and security interest contained in this Agreement is granted in conjunction with the liens and security interests granted to Secured Party pursuant to the Security Agreement.

Debtor hereby (a) acknowledges and affirms that the rights and remedies of Secured Party with respect to the Liens 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 and (b) acknowledges and consents to the Lien granted pursuant to the Security Agreement to Secured Party by Garden Ridge, L.P. in the certain Trademark and Servicemark License Agreement dated as of January 29, 1996 between Debtor and Garden Ridge, L.P.

IN WITNESS WHEREOF, Debtor has caused this Agreement to be duly executed by its duly authorized officer as of the 31st day of January, 2000.

DEBTOR:

GARDEN RIDGE FINANCE CORPORATION

By: 
Jan George
Assistant Secretary

SECURED PARTY:

ALLIED CAPITAL CORPORATION

By: Mary Ellen Hennessy-Jones
Name: Mary Ellen Hennessy-Jones
Title: Senior Vice President

CONSENT:

The undersigned, consents to the foregoing Trademark Security Agreement.

GARDEN RIDGE, L.P.

By: Garden Ridge Management, Inc.,
Its General Partner

By: _____
Jane Arbuthnot
Chief Financial Officer

SECURED PARTY:

ALLIED CAPITAL CORPORATION

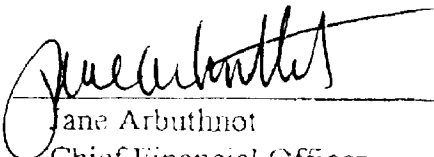
By: _____
Name: Mary Ellen Hennessy-Jones
Title:

CONSENT:

The undersigned, consents to the foregoing Trademark Security Agreement.

GARDEN RIDGE, L.P.

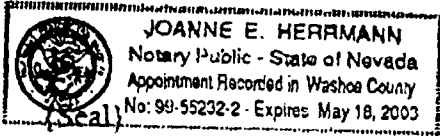
By: Garden Ridge Management, Inc.,
Its General Partner

By:  _____
Jane Arbuthnot
Chief Financial Officer

ACKNOWLEDGMENT

STATE OF Nevada)
)
COUNTY OF Washoe)

This instrument was acknowledged before me this 31st day of January, 2000, by Jan George, as Assistant Secretary of Garden Ridge Finance Corporation, a Delaware corporation, on behalf of such corporation.



Joanne E. Herrmann
Notary Public in and for the State of _____

My commission expires: 5-18-2003

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this 31st day of January, 2000, by Mary Ellen Hennessy Jones, as _____ of Allied Capital Corporation, a Maryland corporation, on behalf of such banking association.

{Seal} _____
Notary Public in and for the State of _____

My commission expires: _____

STATE OF TEXAS)
)
COUNTY OF DALLAS)

This instrument was acknowledged before me this 31st day of January, 2000, by Jane Arbuthnot, Chief Financial Officer of Garden Ridge Management, Inc., General Partner of Garden Ridge, L.P., a Texas limited partnership, on behalf of said limited partnership.

{Seal} _____
Notary Public in and for the State of Texas

My commission expires: _____

ACKNOWLEDGMENT

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this 31st day of January, 2000, by Jan George, as Assistant Secretary of Garden Ridge Finance Corporation, a Delaware corporation, on behalf of such corporation.

{Seal} _____
Notary Public in and for the State of _____
My commission expires: _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this 31st day of January, 2000, by Mary Ellen Hennessy Jones, as Senior Vice President of Allied Capital Corporation, a Maryland corporation, on behalf of such banking association.

{Seal} _____
Notary Public in and for the State of New York
My commission expires: _____

PAUL POLLOCK
Notary Public, State of New York
No. 4936213
Qualified in New York County
Commission Expires September 29, 2000

STATE OF TEXAS)
)
COUNTY OF DALLAS)

This instrument was acknowledged before me this 31st day of January, 2000, by Jane Arbuthnot, Chief Financial Officer of Garden Ridge Management, Inc., General Partner of Garden Ridge, L.P., a Texas limited partnership, on behalf of said limited partnership.

{Seal} _____
Notary Public in and for the State of Texas
My commission expires: _____

ACKNOWLEDGMENT

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this 31st day of January, 2000, by Jan George, as Assistant Secretary of Garden Ridge Finance Corporation, a Delaware corporation, on behalf of such corporation.

{Seal} _____
Notary Public in and for the State of _____

My commission expires: _____

STATE OF _____)
)
COUNTY OF _____)

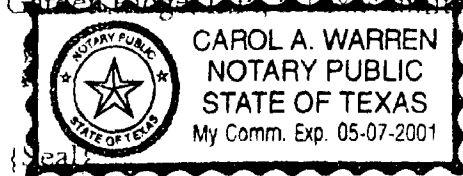
This instrument was acknowledged before me this 31st day of January, 2000, by Mary Ellen Hennessy Jones, as _____ of Allied Capital Corporation, a Maryland corporation, on behalf of such banking association.

{Seal} _____
Notary Public in and for the State of _____

My commission expires: _____

STATE OF TEXAS)
)
COUNTY OF DALLAS)

This instrument was acknowledged before me this 31st day of January, 2000, by Jane Arbuthnot, Chief Financial Officer of Garden Ridge Management, Inc., General Partner of Garden Ridge L.P., a Delaware limited partnership, on behalf of said limited partnership.



Carol A. Warren

Notary Public in and for the State of Texas

My commission expires: 5/7/2001

Schedule 1
to
Trademark Security Agreement

Registered Owner: Garden Ridge Finance Corporation

Licensed to Garden Ridge, L.P. pursuant to Trademark and Servicemark License Agreement dated January 29, 1996 between Garden Ridge Finance Corporation and Garden Ridge, L.P.

MARK	REGISTRATION NUMBER	GOOD OR SERVICES
Garden Ridge	1,634,497	Retail and wholesale store services offering home decorating and entertainment merchandise, namely, straw baskets, wicker, bamboo items, silk and dried floral items, bulk ribbons, home accent pieces, housewares, pottery, candles, linens, lightweight furniture, arts and crafts items, and general variety, arts and crafts, and home decorating items, in International Class 42
Garden Ridge	1,641,031	Brass screws and hooks, in International Class 6; baskets made from wicker and straw, in International Class 20; pottery containers, kitchen utensils, decorative plates, serving plates, kitchen containers and kitchen canisters, in International Class 21; table coverings and linens, in International Class 24; and artificial flowers, in International Class 26

<p>Shopping Fun in the Giant Economy Size!</p>	<p>1,835,001</p>	<p>Retail and wholesale sale services offering home decorating and entertainment merchandise, namely, straw and wicker baskets; bamboo items; silk, dried and artificial flowers; living plants, bushes and trees; live and artificial Christmas trees; live and artificial Christmas wreaths; Christmas tree stands, skirts, ornaments and electric lights; bulk ribbons; houseware; pottery; beverage glassware; dinnerware; ceramic plates; plastic plates; kitchen knives, forks and spoons; cookware; bakeware, kitchen containers; kitchen canisters; glass jars for jams and jellies; decorative refrigerator magnets; tablecloths; tablemats; table linen; candles; candlesticks not of precious metal; bed sheets, pads and linens; bedspreads; comforters; pillows; pillow cases; bath towels; bath linens; bath rugs; bath and shower curtains; furniture; home accent pieces; rugs; lamps; vases; pots; picture frames; art prints; art pictures; graphic and printed art reproductions; posters; decorative plates; brass screws and hooks; arts and crafts paint kits, stitchery kits, and glues; paper party bags, hats and decorations; party favors in the nature of small toys; greeting and occasion cards; gift wrapping paper; stationery, smocks; candy; and general variety, arts and crafts, and home decorating items, in International Class 42</p>
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Garden Ridge	1,934,665	Retail and wholesale sale services offering home decorating and entertainment merchandise, namely, straw and wicker baskets; bamboo items; silk, dried and artificial flowers; living plants, bushes and trees; cut and artificial Christmas trees; cut and artificial Christmas wreaths; Christmas tree stands, skirts, ornaments and electric lights; bulk ribbons; houseware; pottery; beverage glassware; dinnerware; ceramic plates; plastic plates; kitchen knives, forks and spoons; cookware; bakeware, kitchen containers; kitchen canisters; glass jars for jams and jellies; decorative refrigerator magnets; tablecloths; tablemats; table linen; candles; candlesticks not of precious metal; bed sheets, pads and linens; bedspreads; comforters; pillows; pillow cases; bath towels; bath linens; bath rugs; bath and shower curtains; furniture; home accent pieces; rugs; lamps; vases; pots; picture frames; art prints; art pictures; graphic and printed art reproductions; posters; decorative plates; brass screws and hooks; arts and crafts paint kits, stitchery kits, and glues; paper party bags, hats and decorations; party favors in the nature of small toys; greeting and occasion cards; gift wrapping paper; stationery, smocks; candy; and general variety, arts and crafts, and home decorating items, in International Class 42
Do It Up Big	2,116,821	Retail shop services featuring home décor and crafts , in International Class 42
The Home Decor Marketplace	2,215,576	Retail shop services featuring home décor and crafts , in International Class 42
Discover Shopping That's Fun (applied for)	75/522652	Advertising services relating to home furnishings and crafts