

4-6-00

FORM PTO-1618A
Expires 03/30/99
OMB 0651-0027



05-02-2000



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

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

Merger Effective Date
Month Day Year

Change of Name

Other

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

Individual General Partnership Limited Partnership 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.)

Corporation Association

Other

Citizenship/State of Incorporation/Organization

05/01/2000 DCOATES 00000100 1332637

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 50.00 OP

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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: 002064 FRAME: 0060

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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1,332,637"/>	<input type="text" value="1,387,122"/>	<input type="text" value="1,797,401"/>
<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.

Christopher E. Kondracki

6 April 2000

Name of Person Signing

Signature

Date Signed

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3
4 **TRADEMARK AND TRADEMARK**
5 **APPLICATIONS SECURITY AGREEMENT**

BankBoston Retail Finance Inc.
AGENT

6
7
8
9
10 December 3, 1999

11
12
13 THIS AGREEMENT is made between

14
15 BankBoston Retail Finance Inc. (in such capacity, the "Agent"), a
16 Delaware corporation with offices at 40 Broad Street, Boston, Massachusetts
17 02109, as agent for a syndicate of revolving credit lenders (the "Revolving
18 Credit Lenders")

19
20 and

21
22 HomeBase, Inc. (hereinafter, the "Borrower"), formerly known as
23 "Waban, Inc.", a Delaware corporation with its principal executive offices at 3345
24 Michelson Drive, Irvine, California 92612

25
26 in consideration of the mutual covenants contained herein and benefits to be derived
27 herefrom,

28 **WITNESSETH:**

29
30 1. **BACKGROUND:** The Agent and HomeBase, Inc., as Lead Borrower on behalf of
31 itself, HomeClub, Inc. and HomeClub, Inc. of Texas (collectively, the "Borrower") have entered in a certain
32 Loan and Security Agreement of even date (as such agreement may be modified, supplemented,
33 amended or restated from time to time, hereinafter, the "Loan Agreement") pursuant to which a credit
34 facility has been established in favor of the Borrower. (Terms used herein which are defined in the Loan
35 Agreement are used as so defined).

36
37 2. **GRANT OF SECURITY INTEREST:** To secure the Liabilities, the Borrower hereby
38 creates a security interest in favor of the Agent (for the ratable benefit of the Agent and the Revolving
39 Credit Lenders), with power of sale (which power of sale shall be exercisable only if an Event of Default
40 has occurred and is continuing) in and to the following and all proceeds thereof (collectively, the "TM
41 Collateral"):

..December 2, 1999..

..1..

1 (a) All of the Borrower's now owned or existing or hereafter acquired or arising
2 trademarks, trademark applications, service marks, registered service marks and service mark
3 applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made a part
4 hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark
5 applications, service marks, registered service marks, and service mark applications.

6 (b) All renewals of any of the foregoing.

7 (c) All income, royalties, damages and payments now and hereafter due and/or
8 payable under and with respect to any of the foregoing, including, without limitation, payments under all
9 licenses entered into in connection therewith and damages and payments for past or future infringements
10 or dilutions thereof.

11 (d) The right to sue for past, present and future infringements and dilutions of any of
12 the foregoing.

13 (e) All of Borrower's rights corresponding to any of the foregoing throughout the
14 world.

15
16 3. **PROTECTION OF MARKS BY BORROWER:** The Borrower shall undertake
17 the following with respect to each items respectively described in Sections 2(a) and 2(b) (collectively, the
18 "**Marks**"), except for Marks that are no longer useful or valuable in the conduct of the Borrower's business:

19 (a) Pay all renewal fees and other fees and costs associated with maintaining the
20 Marks and with the processing of the Marks.

21 (b) At the Borrower's sole cost, expense, and risk, pursue the prompt, diligent,
22 processing of each Application for Registration which is the subject of the security interest created herein
23 and not abandon or delay any such efforts.

24 (c) At the Borrower's sole cost, expense, and risk, take any and all action which
25 Borrower deems desirable to protect the Marks, including, without limitation, but subject to Borrower's
26 discretion, the prosecution and defense of infringement actions.

27
28 4. **BORROWER'S REPRESENTATIONS AND WARRANTIES:** The Borrower
29 represents and warrants that:

30 (a) **EXHIBIT A** includes all of the registered trademarks, Federal trademark
31 applications, registered service marks and Federal service mark applications now owned by the Borrower.

32 (b) All TM Collateral is and shall remain, free and clear of all liens, Encumbrances, or
33 security interests to any Person other than to the Agent.

34 (c) The Borrower shall give the Agent written notice (with reasonable detail) within

1 Ten (10) days following the occurrence of any of the following:

2 (i) The Borrower's obtaining rights to, and filing applications for registration
3 of, any new trademarks, or service marks, or otherwise acquires ownership of any newly
4 registered trademarks, registered service marks, trademark applications, or service mark
5 applications, (other than the Borrower's right to sell products containing the trademarks of others
6 in the ordinary course of Borrower's business).

7 (ii) The Borrower's becoming entitled to the benefit of any registered
8 trademarks, trademark applications, trademark licenses, trademark license renewals, registered
9 service marks, service mark applications, service mark licenses or service mark license renewals
10 whether as licensee or licensor (other than Borrower's right to sell products containing the
11 trademarks of others in the ordinary course of Borrower's business).

12 (iii) The Borrower's entering into any new trademark license agreement or
13 service mark license agreement.
14

15 **5 AGREEMENT APPLIES TO FUTURE MARKS:**

16 (a) The provisions of this Security Agreement shall automatically apply to any such
17 additional property or rights described in 4(c), above, all of which shall be deemed to be and treated as
18 "Marks" within the meaning of this TM Security Agreement.

19 (b) The Borrower hereby authorizes the Agent to take all such action to protect the
20 Agent's interest in and concerning any future registered trademarks, trademark applications, registered
21 service marks and service mark applications, written notice of which is so given, *provided, however*, the
22 Agent's taking of such action shall not be a condition to the creation or perfection of the security interest
23 created hereby.
24

25 **6. BORROWER'S RIGHTS TO ENFORCE MARKS:** Prior to the Agent's giving of

26 notice to the Borrower following the occurrence of an Event of Default, the Borrower shall have the
27 exclusive right to sue for past, present and future infringement of the Marks including the right to seek
28 injunctions and/or money damages, in an effort by Borrower to protect the Marks against encroachment by
29 third parties, *provided, however*.

30 (a) Any money damages awarded or received by the Borrower on account of such
31 suit (or the threat of such suit) shall constitute TM Collateral.

32 (b) If an Event of Default has occurred and is continuing, the Agent, by notice to the
33 Borrower may terminate or limit the Borrower's rights under this Section 6.
34

..December 2, 1999..

..3..

1 7. **AGENT'S ACTIONS TO PROTECT MARKS:** If

2 (a) the Borrower fails, within Five (5) days of written notice from the Agent, to cure
3 any failure by the Borrower to perform any of the Borrower's obligations set forth in Section 3;
4 and/or

5 (b) an Event of Default occurs and is continuing,
6 the Agent, acting in its own name or in that of the Borrower, may (but shall not be required to) act in the
7 Borrower's place and stead and/or in the Agents' own right in connection therewith.
8

9 8. **RIGHTS UPON DEFAULT:** If an Event of Default occurs and is continuing, the Agent
10 may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code
11 as adopted in Massachusetts (Massachusetts General Laws, Chapter 106), with respect to the Marks, in
12 addition to which the Agent may sell, license, assign, transfer, or otherwise dispose of the Marks. Any
13 person may conclusively rely upon an affidavit of an officer of the Agent that an Event of Default has
14 occurred and is continuing and that the Agent is authorized to exercise such rights and remedies.
15

16 9. **AGENT AS ATTORNEY IN FACT:**

17 (a) The Borrower hereby irrevocably constitutes and designates the Agent as and for
18 the Borrower's attorney in fact, effective if an Event of Default has occurred and is continuing:

19 (i) To exercise any of the rights and powers referenced in Sections 3 and
20 5(b).

21 (ii) To execute all such instruments, documents, and papers as the Agent
22 determines to be appropriate in connection with the exercise of such rights and remedies and to
23 cause the sale, license, assignment, transfer, or other disposition of the Marks.

24 (b) The within grant of a power of attorney, being coupled with an interest, shall be
25 irrevocable until this Agreement is terminated by a duly authorized officer of the Agent.

26 (c) The Agent shall not be obligated to do any of the acts or to exercise any of the
27 powers authorized by Section 9(a) herein, but if the Agent elects to do any such act or to exercise any of
28 such powers, it shall not be accountable for more than it actually receives as a result of such exercise of
29 power, and shall not be responsible to the Borrower for any act or omission to act except for any act or
30 omission to act as to which there is a final determination made in a judicial proceeding (in which
31 proceeding the Agent has had an opportunity to be heard) which determination includes a specific finding
32 that the subject act or omission to act had been grossly negligent or in actual bad faith.
33

10. **AGENT'S RIGHTS:**

(a) Any use by the Agent of the Marks, as authorized hereunder in connection with the exercise of the Agent' rights and remedies under this Agreement and under the Loan Agreement shall be coextensive with the Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

(b) None of this Agreement, the Loan Agreement, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Agent any rights in and to the Marks, which rights are effective except following the occurrence of any Event of Default.

11. **CHOICE OF LAWS:** It is intended that this Agreement take effect as a sealed

instrument and that all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of The Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Borrower and the Agent respectively have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

HOMEbase, INC.
(The "Borrower")

BANKBOSTON RETAIL FINANCE INC.
(The " Agent")

By: *William Langsdorf*
Name: WILLIAM LANGSDORF
Title: EVP/CFO

By: *DM Murray*
Name: D M MURRAY
Title: MD

..December 2, 1999..

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..December 2, 1999..

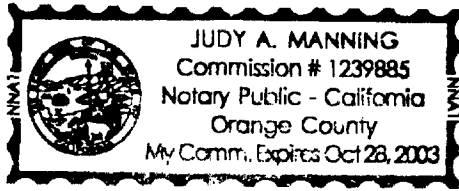
..6..

1 STATE OF CALIFORNIA ss.
2 COUNTY OF ~~LOS ANGELES~~
3 *Orange County*

4 On *12/2/*....., 1999, before me *Judy A. Manning* a notary public, personally
5 appeared *William Langsdorf* personally known to me, or proved to me on the basis of
6 satisfactory evidence, to be the person(s) whose name(s) is / are subscribed to the
7 within instrument and acknowledged to me that he/~~she/they~~ executed the same in
8 his/~~her/their~~ authorized capacity(ies), and that by his/~~her/~~signature(s) on the instrument
9 the person(s), or the entity on behalf of which the person(s) acted, executed the
10 instrument.

11
12 Witness my hand and official seal.

13
14 Signature: *Judy A. Manning*



15
16
17
18 (This area for official notarial seal)

19
20 Title of Document: *Trademark and Trademark Applications*
Security Agreement
21
22 Date of Document: _____ No. of Pages: *5*
23
24 Other Signatures Not Acknowledged _____
25

..December 2, 1999..

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THE *Comm.* OF *Massachusetts*
COUNTY OF *Suffolk*

Then personally appeared before me *D. Michael Murphy* who acknowledged that such person is the duly authorized *Man. Director* of BankBoston Retail Finance Inc. and that such person executed the foregoing instrument on its behalf.

Witness my hand and seal this *7th* day of *December*, 1999

Erin M. Orsini

, Notary Public
My Commission Expires:

10/15/2004

..December 2, 1999..

..8..

EXHIBIT A

Trademark/Service Mark Registrations of
HomeBase, Inc. fka Waban Inc.

HOMECLUB	1,332,637	04/23/85
WE BUY RIGHT . . . YOU CAN TOO . . . EVERYDAY!	1,387,122	03/18/86
AMERICA'S BEST HOME IMPROVEMENT WAREHOUSE	1,797,401	10/05/93

LC993340.074/5+