

01-16-2001



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MRO 1/2/01

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
- Merger
- Change of Name
- Other

Effective Date
Month Day Year
12 07 2000

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/AK/A/T/A

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

FOR OFFICE USE ONLY

01/16/2001 DNGUYEN 00000076 75550685

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

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: 002212 FRAME: 0192

1-2-01

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 **RETURN TO:**

Address (line 1) **FEDERAL RESEARCH CORP.**

Address (line 2) **400 SEVENTH STREET NW**

Address (line 3) **SUITE 101**

Address (line 4) **WASHINGTON DC 20004**

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" value="75550685"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2026307"/>	<input type="text" value="2036386"/>	<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.

JOYCE LAWRENCE Joyce Lawrence 12/7/2000

Name of Person Signing Signature Date Signed

**GRANT OF SECURITY INTEREST IN
PATENTS, TRADEMARKS AND LICENSES**

THIS GRANT OF SECURITY INTEREST IN PATENTS, TRADEMARKS AND LICENSES (herein the "Agreement") made as of this 7th day of December, 2000, by Sur La Table, Inc., a Washington corporation, with its principal place of business at 1765 Sixth Avenue South, Seattle Washington 98134 (herein the "Borrower"), and The CIT Group/Business Credit, Inc., a New York corporation, with offices at 300 South Grand Avenue, Third Floor, Los Angeles, California 90071 (herein "CIT").

W I T N E S E T H:

WHEREAS, the Borrower and CIT are parties to a certain Loan and Security Agreement of even date herewith, as the same may be amended from time to time (herein the "Loan Agreement"), which Loan Agreement provides (i) for CIT to make certain loans, advances and extensions of credit, all to or for the account of the Borrower and (ii) for the grant by the Borrower to CIT of a security interest in certain of the Borrower's assets, including, without limitation, its patents, patent applications and/or registrations, trademarks, trademark applications and/or registrations, tradenames, goodwill and licenses, all as more fully set forth therein;

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Borrower agrees as follows:

1. Definitions. Capitalized terms used herein and defined in the Loan Agreement shall have the meanings set forth therein unless otherwise specifically defined herein.
2. Grant of Security Interest. To secure the payment of the "Obligations" (as defined in the Loan Agreement), the Borrower hereby grants to CIT a security interest, effective immediately, in all of the Borrower's right, title and interest in and to all of the following described property, whether now owned or hereafter acquired (collectively herein the "Intellectual Property Collateral"):
 - (i) Patents and patent applications and/or registrations together with the inventions and improvements described and claimed therein including, without limitation, the patents and applications, if any, listed on Schedule A, attached hereto and made a part hereof, and any and all reissues and renewals thereof and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith

including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patent Collateral");

- (ii) Trademarks, trademark registrations and/or applications and tradenames including, without limitation, the trademarks and applications, if any, listed on Schedule B attached hereto and made a part hereof, and any and all reissues and/or renewals thereof, and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademark Collateral");
- (iii) Any license agreement in which the Borrower is or becomes licensed to use any patents and/or trademarks owned by a third party including, without limitation, the licenses, if any, listed on Schedule C attached hereto and made a part hereof (all of the foregoing are sometimes referred to herein individually and/or collectively as the "License Collateral");
- (iv) The goodwill of the Borrower's business connected with and symbolized by the Intellectual Property Collateral; and
- (v) All cash and non-cash proceeds of the foregoing.

3. CIT's Rights. Upon the occurrence of any Event of Default hereunder, CIT shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal laws. CIT will give the Borrower reasonable notice of the time and place of any public sale of the Intellectual Property Collateral or the time after which any private sale of the Intellectual Property Collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid to the address of the Borrower set forth above at least ten (10) days before the date of such sale or disposition. In addition to the foregoing and all other rights and remedies of CIT upon the occurrence of any Event of Default hereunder, CIT shall thereupon have the immediate right to transfer to itself or to sell, assign and transfer to any other person all right, title and interest in and to all or any part of the Intellectual Property Collateral. A formal irrevocable power of attorney (in the form annexed hereto) is being executed and delivered by the Borrower to CIT concurrently with this Agreement to enable such rights to be carried out. The Borrower agrees that, in the event CIT exercises its rights hereunder and/or pursuant to said power of attorney in accordance with its terms, after written notification of such exercise from CIT to the Borrower, the Borrower shall never thereafter, without the prior written authorization of the owner or owners of such Intellectual Property Collateral, use any of such Intellectual Property Collateral. The condition of the foregoing provision is such that unless and until there occurs an Event of Default under this Agreement, the Borrower shall continue to own and use the

Intellectual Property Collateral in the normal course of its business and to enjoy the benefits, royalties and profits therefrom provided, however, that from and after the occurrence of an Event of Default such right will, upon the exercise by CIT of the rights provided by this Agreement, be revoked and the right of the Borrower to enjoy the uses, benefits, royalties and profits of said Intellectual Property Collateral will wholly cease, whereupon CIT or its transferee(s) shall be entitled to all of the Borrower's right, title and interest in and to the Intellectual Property Collateral hereby so assigned. This Agreement will not operate to place upon CIT any duty or responsibility to maintain the Intellectual Property Collateral.

4. Fees. The Borrower will pay all filing fees with respect to the security interest created hereby which CIT may deem necessary or advisable in order to perfect and maintain the perfection of its security interest in the Intellectual Property Collateral.
5. Representations and Warranties. The Borrower represents and warrants: that the Borrower lawfully possesses and owns the Intellectual Property Collateral and that except for the security interest granted hereby), the Intellectual Property Collateral will be kept free from all liens, security interests, claims and encumbrances whatsoever; that the Borrower has not made or given any prior assignment, transfer or security interest in the Intellectual Property Collateral or any of the proceeds thereof; that the Intellectual Property Collateral is and will continue to be, in all respects, in full force and effect; and that there are no known infringements of the Intellectual Property Collateral.
6. Application of Proceeds. The proceeds of any sale, transfer or disposition of the Intellectual Property Collateral shall be applied first to all costs and expenses, including, but not limited to, reasonable attorneys' fees and expenses and court costs, incurred by CIT in connection with such sale and the exercise of CIT's rights and remedies hereunder and under the Loan Agreement; next, such proceeds shall be applied to the payment, in whole or in part, of the Obligations due CIT in such order as CIT may elect; and the balance, if any, shall be paid to the Borrower or as a court of competent jurisdiction may direct.
7. Defense of Claims. The Borrower will defend at its own cost and expense any action, claim or proceeding affecting the Intellectual Property Collateral or the interest of CIT therein. The Borrower agrees to reimburse CIT for all costs and expenses incurred by CIT in defending any such action, claim or proceeding.
8. Rights Cumulative. This Agreement shall be in addition to the Loan Agreement and shall not be deemed to affect, modify or limit the Loan Agreement or any rights that CIT has under the Loan Agreement. The Borrower agrees to execute and deliver to CIT (at the Borrower's expense) any further documentation or papers necessary to carry out the intent or purpose of this Agreement including, but not limited to, financing statements under the Uniform Commercial Code.

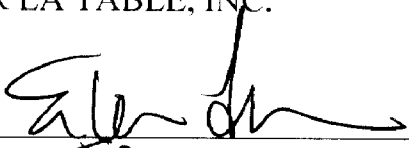
9. Construction and Invalidity. Any provisions hereof contrary to, prohibited by or invalid under any laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof.
10. **CHOICE OF LAW. THE BORROWER AGREES THAT THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS LOAN AGREEMENT AND ALL RIGHTS HEREUNDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. THIS AGREEMENT TOGETHER WITH THE LOAN AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE BORROWER AND CIT WITH RESPECT TO THE INTELLECTUAL PROPERTY COLLATERAL, CAN ONLY BE CHANGED OR MODIFIED IN WRITING AND SHALL BIND AND BENEFIT THE BORROWER, CIT AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS. THE BORROWER AND CIT EACH HEREBY EXPRESSLY WAIVES ANY RIGHT OF TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER.**
11. Events of Default. Any of the following constitutes an Event of Default under this Agreement:
- (i) The Borrower fails to perform or observe any agreement, covenant or condition required under this Agreement;
 - (ii) Any warranty or representation made by Borrower in this Agreement shall be or becomes false or misleading and not promptly corrected by Borrower in any material respect; or
 - (iii) The occurrence of any Event of Default under the Loan Agreement which is not waived in writing by CIT.
12. Notices. The Borrower covenants and agrees that, with respect to the Intellectual Property Collateral, it will give CIT written notice in the manner provided in the Loan Agreement of:
- (i) any claim by a third party that the Borrower has infringed on the rights of a third party;
 - (ii) any suspected infringement by a third party on the rights of the Borrower; or
 - (iii) any Intellectual Property Collateral created, arising or acquired by the Borrower after the date hereof.
13. Further Assurances. The Borrower will take any such action as CIT may reasonably require to further confirm or protect CIT's rights under this Agreement in the Intellectual Property

Collateral. In furtherance thereof, the Borrower hereby grants to CIT a power of attorney coupled with an interest which shall be irrevocable during the term of this Agreement to execute any documentation or take any action in the Borrower's behalf required to effectuate the terms, provisions and conditions of this Agreement.

14. Termination. This Agreement shall terminate upon termination of the Loan Agreement and full, final and indefeasible payment of all Obligations of the Borrower thereunder. Upon the Borrower's request, CIT shall within a reasonable time after any such termination execute and deliver to the Borrower (at the Borrower's expense) such documents and instruments as are reasonably necessary to evidence such termination and release of the security interest granted herein on any applicable public record.

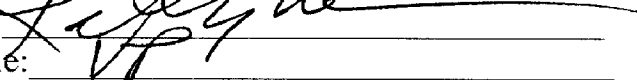
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the 7th day of December, 2000.

SUR LA TABLE, INC.

By: 
Title: Treasury

Agreed and Accepted this
7th day of December, 2000

THE CIT GROUP/BUSINESS CREDIT, INC.

By: 
Title: _____

IRREVOCABLE POWER OF ATTORNEY

Sur La Table, Inc., (hereinafter referred to as the "Borrower"), hereby grants to The CIT Group/Business Credit, Inc., a New York corporation, with offices at 300 South Grand Avenue, Third Floor, Los Angeles, California 90071 (hereinafter referred to as "CIT"), the exclusive Irrevocable Power of Attorney to transfer to CIT or to any designee of CIT all Intellectual Property Collateral listed on the Schedules attached to the Grant of Security Interest in Patents, Trademarks and Licenses (the "Agreement"), dated as of the date hereof, between the Borrower and CIT including, without limitation, all patents, patent applications and/or registrations, trademarks, trademark applications and/or registrations, and licenses together with the goodwill of the business connected with or symbolized by such Intellectual Property Collateral and the Borrower's entire inventory of labels and decals bearing any trademarks not affixed to its products, and the right to operate and control, sell, assign, and transfer the business under those trademarks under the following terms and conditions:

1. The Power of Attorney granted hereunder shall be effective as of the date hereof and shall last for as long as any now existing or hereafter arising indebtedness, liabilities or obligations of the Borrower to CIT are outstanding under the Loan Agreement, dated on or about the date hereof, between the Borrower and CIT.

2. The Power of Attorney granted herein shall be irrevocable throughout the duration of its life as specified in Paragraph 1 hereinabove;

3. The Power of Attorney granted herein shall only be exercisable by CIT after the occurrence of an Event of Default under the Loan Agreement between CIT and the Borrower; and

4. CIT shall give the Borrower ten (10) days prior written notice of the exercise of this power, and the waiver by CIT of any particular Event of Default as set forth in Paragraph 3 hereinabove shall have no force or effect unless in writing and signed by an authorized officer of CIT. Even then such waiver shall not constitute or be considered a waiver of any other Event of Default then existing or thereafter arising whether similar or not.

IN WITNESS WHEREOF, the Borrower has caused this Power of Attorney to be executed as of the 7th day of December, 2000.

SUR LA TABLE, INC.

By: 

Title: Treasurer

**SCHEDULE A TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

between

SUR LA TABLE, INC.

and

THE CIT GROUP/BUSINESS CREDIT, INC.

U.S. PATENTS

<u>Title</u>	<u>Patent No.</u>	<u>Issue Date</u>
NA	NA	NA

**SCHEDULE B TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

between

SUR LA TABLE, INC.

and

THE CIT GROUP/BUSINESS CREDIT, INC.

U.S. TRADEMARKS

<u>Title or Mark</u>	<u>Registration No.</u>	<u>Registration Date</u>
SOUS CHEF	2,026,307	12/31/96
SUR LA TABLE	2,036,386	02/11/97
Pending:		
THE POTRACK	75/550,685 (APP. NO.)	09/10/98 (APP. DATE)

**SCHEDULE C TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

between

SUR LA TABLE, INC.

and

THE CIT GROUP/BUSINESS CREDIT, INC.

U.S. LICENSES

<u>Name</u>	<u>Registration No.</u>	<u>Registration Date</u>
NA	NA	NA