FORM PTO-1594
1-31-92

01-09-2002

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings ⇒⇒⇒

To the Honorable Commissioner of Patents and Trademarks: Please ... the attached original documents or copy thereof.

1. Name of conveying party(ies):

10-29-01

Home Interiors & Gifts, Inc.

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
X Corporation-Texas
☐ Other _____

Additional name(s) of conveying party(ies) attached? ☐ Yes ☐ No

2. Name and address of receiving party(ies):

Name: Bank of America, N.A., as Administrative Agent

Internal Address: _____

Street Address: 901 Main Street, 67th Floor

City: Dallas State TX ZIP: 75202

☐ Individual(s) citizenship _____
X Association - national banking association
☐ General Partnership _____
☐ Limited Partnership _____
☐ Corporation-State _____
☐ Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No
(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? ☐ Yes ☐ No

3. Nature of conveyance:

☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
x Other Security Interest Assignment of Trademarks

Execution Date: _____

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 75/918300; See attached list

B. Trademark registration No.(s) 2372301; See attached list

Additional numbers attached? X Yes ☐ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: S. Roxanne Edwards, Esq.

Internal Address: _____

Street Address: Winstead Sechrest & Minick P.C.

5400 Renaissance Tower, 1201 Elm Street

City: Dallas State: TX ZIP: 75270-2199

6. Total number of applications and registrations involved: 19

7. Total fee (37 CFR 3.41): ..... $ 490.00

X Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

23-2426 (for excess/supplemental charges)

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

S. Roxanne Edwards
Name of Person Signing

S. Roxanne Edwards
Signature

10/23/01
Date

Total number of pages comprising cover sheet: 2

01/07/2002 DBYRNE 00000138 75918300
01 FC:481 40.00 OP
02 FC:482 450.00 OP

OMB No. 0651-0011 (exp. 4/94)

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Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

Continuation of Item 4

Application Numbers or registration numbers:

76/108138; 76/108139; 75/805765; 76/150513; 75/636133; 75/844794; 75/592829; 76/157601; 76/200003

Trademark Registration Numbers:

2391530; 2302846; 2311857; 2380597; 2404718; 2432707; 1417482; 2324115

AMENDED AND RESTATED
INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT

Among

THE GRANTORS NAMED HEREIN
as Grantors

and

BANK OF AMERICA, N.A.
Administrative Agent

As of June 30, 2001

TABLE OF CONTENTS

Page

ARTICLE 1 Grant of Security Interest 2
- Section 1.1 Assignment and Grant of Security Interest 2
- Section 1.2 Security for Obligations 2
- Section 1.3 Validity and Priority of Security Interest 2
- Section 1.4 Maintenance of Status of Security Interest, Collateral and Rights. 2
- Section 1.5 Grantor Remains Obligated; the Administrative Agent and Secured Parties Not Obligated 3
- Section 1.6 Termination. 4

ARTICLE 2 Representations and Warranties 4
- Section 2.1 Rights of the Grantor 4
- Section 2.2 Perfection 4
- Section 2.3 Registrations 4

ARTICLE 3 Covenants 5
- Section 3.1 Chief Executive Office 5
- Section 3.2 No Disposition of Collateral 5
- Section 3.3 Additional Property 5
- Section 3.4 Requested Information 5

ARTICLE 4 Event of Default 5
- Section 4.1 Application of Proceeds 5
- Section 4.2 Remedies. 6
- Section 4.3 Indemnity and Expenses 7

ARTICLE 5 Interpretation 7
- Section 5.1 Definitional Provision. 7
- Section 5.2 Power of Attorney 9

ARTICLE 6 Miscellaneous 9
- Section 6.1 Administrative Agent's Right to Perform on the Grantors' Behalf 9
- Section 6.2 Administrative Agent's Right to Use Agents 10
- Section 6.3 Limitation of the Administrative Agent's Obligations With Respect to Collateral 10
- Section 6.4 Rights of the Administrative Agent under UCC and Applicable Law 10
- Section 6.5 Waivers of Rights Inhibiting Enforcement 10
- Section 6.6 Notices and Deliveries. 10
- Section 6.7 GOVERNING LAW 11
- Section 6.8 WAIVER OF JURY TRIAL 11
- Section 6.9 Consent to Jurisdiction; Waiver of Immunities. 11

TRADEMARK
REEL: 002418 FRAME: 0194

Section 6.10 Severability 11
Section 6.11 Counterparts 11
Section 6.12 Successors and Assigns 11
Section 6.13 Loan Documents 11
Section 6.14 Obligations Not Affected 12
Section 6.15 ENTIRE AGREEMENT 12
Section 6.16 Conflicts 12
Section 6.17 Amendment and Restatement; Continuance of Security Interests and Liens 12

TRADEMARK
REEL: 002418 FRAME: 0195

ANNEXES

Annex A-1	Patents
Annex A-2	Patent Applications
Annex B-1	Trademarks
Annex B-2	Trademark Applications
Annex C-1	Copyrights
Annex C-2	Copyright Applications

TRADEMARK
REEL: 002418 FRAME: 0196

AMENDED AND RESTATED
INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT

AMENDED AND RESTATED INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT (this "Agreement"), dated as of June 30, 2001, made among each of the signatories party hereto (collectively, the "Grantors" and each a "Grantor"), and Bank of America, N.A. (successor by merger to NationsBank, N.A.), a national banking association, in its capacity as administrative agent (the "Administrative Agent"), for itself, and each lender a party to the Credit Agreement defined below (the "Lenders") and each Affiliate (as defined in the Credit Agreement) of each Lender that has entered into an Interest Hedge Agreement with an Obligor, provided that such Lender was a Lender at the time that such Interest Hedge Agreement was entered into (as defined in the Credit Agreement) (singularly, a "Secured Party" and collectively, "Secured Parties").

RECITALS

(1) Home Interiors & Gifts, Inc., a Texas corporation (the "Borrower"), the Administrative Agent, The Chase Manhattan Bank, as Syndication Agent, Citicorp USA, Inc., as a Co-Agent, Société Générale, as a Co-Agent, and the Lenders entered into that certain Amended and Restated Credit Agreement, dated as of June 30, 2001 (as the same may be amended, modified, supplemented or restated from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Credit Agreement or in Section 5.1.

(2) In connection with the Existing Credit Agreement, the Borrower, Dallas Woodcraft, Inc., GIA, Inc., Homes, Inc., Homco Puerto Rico, Inc. and Spring Valley Scents, Inc. (collectively, the "Existing Grantors") and the Administrative Agent executed and delivered that certain Intellectual Property Security Agreement and Assignment dated as of June 4, 1998 (as the same has been amended, modified or supplemented from time to time, the "Existing Security Agreement").

(2) It is the intention of the parties hereto that this Agreement create a first priority security interest in certain property of the Grantors securing the payment of the obligations set forth in Section 1.2 hereof, subject to only Permitted Liens.

(3) It is a condition precedent to the obligation of the Secured Parties to enter into the Loan Documents and to, among other things, make the Advances, and issue, or participate in the issuance of Letters of Credit under the Credit Agreement that the Grantors shall have executed and delivered to the Administrative Agent this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce Secured Parties to enter into the Loan Documents and to, among other things, make the Advances and issue, or participate in the issuance of, Letters of Credit under the Credit

Agreement, the Grantors hereby agree with the Administrative Agent for its benefit and the ratable benefit of the other Secured Parties, as hereinafter set forth.

ARTICLE 1

Grant of Security Interest

Section 1.1 Assignment and Grant of Security Interest. Each Grantor hereby assigns to, and pledges and grants to the Administrative Agent, for its benefit and the ratable benefit of the other Secured Parties, a security interest in, the entire right, title and interest of such Grantor, in and to the Collateral.

Section 1.2 Security for Obligations. This Agreement creates an enforceable security interest in the Collateral, subject only to Permitted Liens, securing the payment and performance of any and all obligations now or hereafter existing of the Grantors under the Credit Agreement and the other Loan Documents, including any extensions, modifications, substitutions, amendments and renewals thereof, whether for principal, interest, fees, expenses, indemnification or otherwise (all such obligations of the Grantors being the "Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by the Grantors to the Administrative Agent or any other Secured Party under any Loan Document, but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding under any Debtor Relief Law involving any Grantor (including all such amounts which would become due or would be secured but for the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding of any Grantor or any other Person under any Debtor Relief Law). With respect to each Grantor other than the Borrower, notwithstanding anything herein to the contrary, in any action or proceeding involving any state corporate law, or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally if the Security Interest granted by any Grantor herein shall be held void, invalid or unenforceable, or subordinated to the liens or claims of any other creditors, on account of the amount of the Obligations secured by such Security Interest then, the amount of the Obligations secured by such Security Interest shall, without any action by such Grantor, the Administrative Agent, any other Secured Party or any other Persons, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 1.3 Validity and Priority of Security Interest. Each Grantor agrees that the Security Interest shall at all times be valid, perfected, continuing and binding and enforceable against such Grantor, in accordance with the terms hereof, as security for the Obligations, and that the Collateral shall not at any time be subject to any other Lien, except Permitted Liens.

Section 1.4 Maintenance of Status of Security Interest, Collateral and Rights.

(a) Required Action. Each Grantor shall take all action that may be necessary and that the Administrative Agent may reasonably request, so as at all times (i) to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in

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conformity with the requirements of Section 1.3, and (ii) to protect and preserve, and to enable the exercise or enforcement of, the rights of the Administrative Agent hereunder, including (A) immediately discharging all Liens, except Permitted Liens, and (B) executing and delivering financing or continuation statements, instruments of pledge, notices and instructions in each case in form and substance reasonably satisfactory to the Administrative Agent.

(b) Protection of Collateral. Each Grantor shall protect, preserve, renew and maintain, in each case in a manner consistent with reasonably responsible business and legal practices, all rights of such Grantor in the Collateral, including (i) making any filings necessary to renew or maintain the Registrations, (ii) prosecuting such suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as such Grantor in its reasonable business judgment deems appropriate under the circumstances or (iii) appearing in and defending any action or proceeding that may materially adversely affect such Grantor's title to or the Administrative Agent's Security Interest in all or any part of the material Collateral, when such action is in such Grantor's reasonable business judgment necessary to protect the Collateral. Any expenses incurred by the Grantors in protecting, preserving, renewing and maintaining the Collateral shall be borne by the Grantors. To the maximum extent permitted by Laws, during the continuance of an Event of Default, the Administrative Agent shall have the right, without taking title to any Collateral, to bring suit to enforce its Security Interest in any or all of the Collateral, in which event each Grantor shall, at the reasonable request of the Administrative Agent, do any and all lawful acts and execute any and all proper documents reasonably required by the Administrative Agent in aid of such enforcement. All reasonable costs, reasonable expenses and other moneys reasonably advanced by the Administrative Agent in connection with the foregoing shall, whether or not there are then outstanding any amounts under the Credit Agreement, be treated as Obligations, but the making of any advances by the Administrative Agent or any other Secured Party shall not relieve the Grantors of any default hereunder.

(c) Authorized Action. The Administrative Agent is hereby authorized to file one or more continuation statements, and during the continuance of an Event of Default, financing statements, amendments thereto, notices and instructions without the signature of or in the name of the Grantor when permitted by Applicable Law. A photocopy or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by Applicable Law.

Section 1.5 Grantor Remains Obligated; the Administrative Agent and Secured Parties Not Obligated. The grant by the Grantors to the Administrative Agent of the Security Interest shall not (i) relieve the Grantors from the performance of any term, covenant, condition or agreement on its part to be performed or observed (including by virtue of the exercise by the Administrative Agent of any of its rights hereunder), (ii) relieve the Grantors from any liability to any Person, under or in respect of any of the Collateral, (iii) impose any obligation on the Administrative Agent or any Secured Party or (iv) impose any liability on the Administrative Agent or any other Secured Party for any act or omission on the part of the Grantors relative thereto; provided, however, nothing contained herein shall prohibit any Grantor from allowing any Registration with respect to the Collateral to lapse or otherwise terminate if such Registration is not material to such Grantor's business in Grantor's reasonable business judgment.

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Section 1.6 Termination.

(a) After the Release Date (except to the extent that the release of any Collateral is otherwise permitted pursuant to the terms of the Loan Documents), (i) this Agreement shall terminate and be of no further force and effect (except as provided in Section 1.6(b)) and all rights to the Collateral shall revert to the Grantors, and (ii) the Administrative Agent will, at the Grantors' expense, execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

(b) The Grantors agree that, to the extent permitted by Applicable Law, if at any time all or any part of any payment theretofore applied by the Administrative Agent and the other Secured Parties to any of the Obligations is or must be rescinded or returned by any Person for any reason whatsoever (including the insolvency, bankruptcy or reorganization of any Grantor or any other Person), such Obligations shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Administrative Agent or any other Secured Party, and the Security Interest granted hereunder shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by the Administrative Agent or any other Secured Party had not been made.

ARTICLE 2

Representations and Warranties

Each Grantor represents and warrants as follows:

Section 2.1 Rights of the Grantor. Each Grantor is the legal and beneficial owner of the Collateral owned by it free and clear of any Lien, except for the Security Interest and Permitted Liens. No effective financing statement or other instrument similar in effect naming any Grantor as "debtor" covering all or any part of the Collateral is on file in any recording office, except such as (a) may have been filed in favor of the Administrative Agent relating to this Agreement, and (b) may be filed in respect of other Permitted Liens.

Section 2.2 Perfection. This Agreement, together with the filings referred to in Section 2.1(a) above, will create in favor of the Administrative Agent a valid and perfected security interest in the Collateral and such security interests will be a first priority security interest on existing Registrations, subject only to Permitted Liens.

Section 2.3 Registrations. Annexes A-1, A-2, B-1, B-2, C-1 and C-2, as applicable, set forth a true and complete list of all material Registrations in the United States Patent and Trademark Office and related state filings owned by the Grantors as of the date hereof other than the intellectual property, trademarks and tradenames of Burwood Products acquired by GIA, Inc. in May, 1997.

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REEL: 002418 FRAME: 0200

ARTICLE 3

Covenants

Section 3.1 Chief Executive Office. Each Grantor shall maintain its chief executive office and the office where the books and records relating to the Collateral are kept only at the location specified on Schedule 1 to the Security Agreement.

Section 3.2 No Disposition of Collateral. Except to the extent permitted by the Credit Agreement, no Grantor shall sell, transfer or otherwise dispose of any of the Collateral or any interest therein that is material to such Grantor's business, or grant any license thereunder, except for licenses granted or other dispositions in the ordinary course of business.

Section 3.3 Additional Property. If after the date hereof, any Grantor uses or acquires any interest in any Registration which is within the definition of "Collateral" or modification, reformulation or other alteration to any Registration that is material to such Grantor's business, such Grantor shall execute and deliver to the Administrative Agent all documents and instruments the Administrative Agent may reasonably require to grant to the Administrative Agent a perfected first priority Lien therein (subject only to Permitted Liens) and to subject all of such interest to this Agreement, including but not limited to any new, supplementary or additional filings.

Section 3.4 Requested Information. In addition to such other Information as shall be specifically provided for herein, the Grantors shall furnish to the Administrative Agent such other Information with respect to the Collateral as the Administrative Agent may reasonably request from time to time in connection with the Collateral, or the protection, preservation, maintenance or enforcement of the Security Interest in the Collateral, including, without limitation, all documents in the Grantors' possession, or subject to its demand for possession, related to the production and sale by the Grantors, or any subsidiary, licensee or subcontractor thereof, of products or services sold by or under the authority of the Grantors in connection with the Collateral, including by way of example, without limiting the interest granted by this Agreement, all lists and ancillary documents which identify and describe any of the Grantors' licensees and all quality specifications related to the license, for products sold or services rendered under or in connection with the Collateral.

ARTICLE 4

Event of Default

Upon the occurrence and during the continuance of an Event of Default:

Section 4.1 Application of Proceeds. All cash proceeds received by the Administrative Agent upon any sale of, collection of, or other realization upon, all or any part of the Collateral shall be applied as follows:

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First: To the payment of all reasonable out-of-pocket costs and expenses incurred in connection with the sale of, collection of or other realization upon Collateral, including reasonable attorneys' fees and disbursements;

Second: To the payment of the Obligations to be distributed pro rata to each Secured Party based on the percentage that the Obligations owed to each Secured Party bears to the aggregate outstanding Obligations owed to all Secured Parties to be applied in such order consistent with the Credit Agreement and Applicable Laws (with the Grantors remaining liable for any deficiency); and

Third: To the extent of the balance (if any) of such proceeds, to the payment to the Grantors or other Person legally entitled thereto.

Section 4.2 Remedies.

(a) If an Event of Default has occurred and is continuing, the Administrative Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of Texas at that time (the "UCC"), and also may (i) require the Grantors to, and the Grantors hereby agree that they will at their expense and upon request of the Administrative Agent forthwith, assemble all or part of the Collateral (to the extent capable of being assembled) as directed by the Administrative Agent and make it available to the Administrative Agent at a place to be designated by the Administrative Agent, which is reasonably convenient to both parties or (ii) without notice, except as specified below, sell the Collateral or any portion thereof in one or more parcels at public or private sale, at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable. The Grantors agree that, to the extent notice of sale shall be required by Applicable Law, ten days' written notice to the Grantors of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, provided that ten days' written notice does not violate any Applicable Law. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Administrative Agent may be the purchaser at any sale of the Collateral and pay all or any part of the purchase price thereof by cancelling part or all of the Obligations.

(b) If an Event of Default has occurred and is continuing, the Administrative Agent may obtain the appointment of a receiver of the Collateral.

(c) If an Event of Default has occurred and is continuing, the Administrative Agent may without notice to the Grantors and at such time or times as the Administrative Agent in its reasonable discretion may determine, exercise any or all of the Grantors' rights in, to and under, or in any way connected with or related to, any or all of the Collateral, including (i) enforcing the performance of, and exercising any or all of the Grantors' rights with respect to the Collateral, in

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REEL: 002418 FRAME: 0202

each case by legal proceedings or otherwise and (ii) settling, adjusting, compromising, extending, renewing, discharging and releasing any or all legal proceedings brought with respect to any or all of the Grantors' rights with respect to the Collateral.

(d) Upon written demand of the Administrative Agent, the Grantors shall execute and deliver to the Administrative Agent an assignment or assignments of the Collateral and such other documents as are reasonably necessary to carry out the intent and purposes of this Agreement.

(e) For the purpose of enabling the Administrative Agent to exercise rights and remedies under this Section 4.2 at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Grantors hereby grant to the Administrative Agent, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation by the Administrative Agent to the Grantors) to use, assign, license or sublicense any of the Collateral now owned or hereafter acquired by any Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

Section 4.3 **Indemnity and Expenses. THE GRANTORS JOINTLY AND SEVERALLY AGREE TO INDEMNIFY (WHICH SHALL BE PAYABLE FROM TIME TO TIME ON DEMAND) THE ADMINISTRATIVE AGENT AND OTHER SECURED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES AND LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THIS AGREEMENT (INCLUDING ENFORCEMENT OF THIS AGREEMENT) TO THE EXTENT THAT THE BORROWER IS REQUIRED TO DO SO UNDER SECTION 5.9 OF THE CREDIT AGREEMENT.**

ARTICLE 5

Interpretation

Section 5.1 Definitional Provision.

(a) Certain Terms Defined by Reference. The terms "collateral", "inventory", "rights", and "security interest" shall have the meanings ascribed thereto in the UCC, or, when capitalized, the meanings specified in subsection (b) below.

(b) Other Defined Terms. For purposes of this Agreement:

"Agreement" means this Agreement, including all schedules, annexes and exhibits hereto, as amended, modified, supplemented or restated from time to time.

"Collateral" means each of the Grantor's rights, title and interests, (whatever they may be) in each of the following, in each case whether now or hereafter existing or now owned or hereafter acquired by each Grantor and whether or not the same is subject to Article 9 of the

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REEL: 002418 FRAME: 0203

UCC, and wherever the same may be located, but only to the extent such assets are not presently encumbered:

(i) the Trademarks and Goodwill;

(ii) the Patents;

(iii) the Copyrights;

(iv) all registrations or letters patent issued or applied for (now or hereafter) with respect to the Trademarks, Patents and Copyrights and renewals thereof in the United States and any state thereof (the "Registrations");

(v) any renewal, reissue, re-examination certificate, extension or the like with respect to the Trademarks, Patents and Copyrights;

(vi) all rights to use the Trademarks as trade names or assumed names in all aspects of its business;

(vii) all inventions, processes, production methods, proprietary information, know-how and trade secrets related to the Patents;

(viii) all licenses, sublicenses or user or other agreements granted in favor of or from each Grantor with respect to any of the foregoing to the extent assignable without violation thereof, together with any Goodwill connected with or symbolized by any such licenses and agreements; and

(ix) all proceeds and products of the foregoing. The inclusion of "proceeds" of Collateral in the definition of "Collateral" shall not be deemed a consent by the Administrative Agent to any sale or other disposition of any Collateral not otherwise specifically permitted by the terms hereof or by the Credit Agreement.

"Copyright" means any copyright, copyright registration and applications for such registration, including, but not limited to, the copyrights listed on Annex C-1 attached hereto, and all applications for copyrights, including those copyrights and applications listed on Annex C-2 attached hereto, together with all continuations, renewals, extensions, damages and payments now or hereafter due and payable under and with respect thereto, including, without limitation, damages for all past, present or future infringements thereof and the right to sue for past, present and future infringements thereof.

"Goodwill" means the goodwill of the businesses connected with the use of (or associated with) and symbolized by the Trademarks, but not any other goodwill.

"Information" means data, certificates, reports, statements (including financial statements), documents and other information in form (including electronic media) reasonably acceptable to the Administrative Agent.

TRADEMARK
REEL: 002418 FRAME: 0204

"Patents" means all patents in any and all forms, and applications for patents, including but not limited to the patents listed on Annex A-1 attached hereto, and all patent applications listed on Annex A-2 attached hereto, together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and payable under and with respect thereto, including, without limitation, damages for past, present or future infringements thereof and the right to sue for past, present and future infringements thereof.

"Registrations" has the meaning set forth in the definition of Collateral.

"Security Interest" means the continuing security interest of the Administrative Agent in the Collateral intended to be effected by the terms of this Agreement or any financing and continuation statements or other filings contemplated hereby.

"Trademarks" means all trade names, trademarks, and service marks, in any and all forms, including but not limited to the registered trade names, trademarks, and service marks listed on Annex B-1 attached hereto, and all applications for registration of trade names, trademarks, and service marks, including those applications listed on Annex B-2 attached hereto, all common law rights to such trade names, trademarks and service marks, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"UCC" means Article 9 of the Uniform Commercial Code as in effect from time to time in the State of Texas.

Section 5.2 Power of Attorney. Each power of attorney, license and other authorization in favor of the Administrative Agent or any other Person granted by or pursuant to this Agreement shall be deemed to be irrevocable and coupled with an interest provided, however, each such power of attorney, license or other authorization shall terminate automatically on the Release Date and shall only be exercisable during the occurrence or continuance of an Event of Default.

ARTICLE 6

Miscellaneous

Section 6.1 Administrative Agent's Right to Perform on the Grantors' Behalf. If any Grantor shall fail to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under this Agreement, the Administrative Agent may (but shall not be obligated to) do the same or cause it to be done or performed or observed, either in its name or in the name and on behalf of such Grantor, and in the event that such Grantor shall have failed to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under this Agreement, then such Grantor hereby authorizes the Administrative Agent to do so, and the Grantor hereby appoints the Administrative Agent, and any other Person the Administrative Agent may designate, as such Grantor's attorney-in-fact (exercisable during the continuance of an Event of Default) to do, or cause to be done, in the

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REEL: 002418 FRAME: 0205

name, place and stead of such Grantor in any way in which such Grantor itself could do, or cause to be done, any or all things necessary to observe or perform the terms, conditions, covenants and agreements to be observed or performed by such Grantor under this Agreement. In addition, each Grantor hereby irrevocably appoints the Administrative Agent as such Grantor's attorney-in-fact (exercisable during the continuance of an Event of Default) to execute and deliver in such Grantor's name and stead to any purchaser at any sale held under Section 4.2 hereof any and all documents and instruments of assignment, transfer and conveyance necessary or appropriate to transfer to such purchaser the Collateral sold at such sale. This appointment as attorney-in-fact shall terminate upon the Release Date.

Section 6.2 Administrative Agent's Right to Use Agents. The Administrative Agent may exercise its rights under this Agreement through an agent or other designee.

Section 6.3 Limitation of the Administrative Agent's Obligations With Respect to Collateral.

(a) The Administrative Agent shall not have any duty or liability to protect or preserve any Collateral or to preserve rights pertaining thereto, except to the extent of any gross negligence or willful misconduct of the Administrative Agent or other Secured Parties.

(b) Nothing contained in this Agreement shall be construed as requiring or obligating the Administrative Agent, and the Administrative Agent shall not be required or obligated, to (i) present or file any claim or notice or take any action, with respect to any Collateral or in connection therewith or (ii) notify any Grantor of any decline in the value of any Collateral.

Section 6.4 Rights of the Administrative Agent under UCC and Applicable Law. The Administrative Agent shall have, with respect to the Collateral, in addition to all of its rights under this Agreement, (a) the rights of a secured party under the UCC, whether or not the UCC would otherwise apply to the collateral in question, and (b) the rights of a secured party under all other Applicable Laws.

Section 6.5 Waivers of Rights Inhibiting Enforcement. To the extent not prohibited by Applicable Law, each Grantor waives all rights of redemption, appraisement, or marshalling of assets.

Section 6.6 Notices and Deliveries.

(a) Manner of Delivery. All notices and other communications provided for hereunder shall be effectuated in the manner provided for in Section 11.1 of the Credit Agreement and to the extent that a notice or communication is sent to a Grantor, other than the Borrower, said notice shall be addressed to such Grantor, in care of the Borrower.

Section 6.7 **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS) AND THE APPLICABLE FEDERAL LAWS OF THE UNITED**

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STATES OF AMERICA, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE REQUIRED TO BE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.

Section 6.8 **WAIVER OF JURY TRIAL. THE ADMINISTRATIVE AGENT, THE SECURED PARTIES AND THE GRANTOR HEREBY WAIVE, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL RIGHT TO TRIAL BY JURY IN ANY JUDICIAL PROCEEDINGS INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF OR RELATED TO, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

Section 6.9 Consent to Jurisdiction; Waiver of Immunities.

(a) Each Grantor and the Administrative Agent each hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Texas State courts sitting in Dallas, Texas, in any action or proceeding arising out of or relating to this Agreement, and each Grantor and the Administrative Agent hereby irrevocably waives any objection it may now or hereafter have as to the venue of any such suit, action or proceeding brought in such court or that such court is an inconvenient forum.

(b) Nothing in this section shall limit the right of any Grantor, the Administrative Agent or any other Secured Party to bring any action or proceeding against any other party or its property in the courts of any other jurisdictions.

Section 6.10 Severability. Any provision of this Agreement which is for any reason prohibited or found or held invalid or unenforceable by any court or governmental agency shall be ineffective to the extent of such prohibition or invalidity or unenforceability, without invalidating the remaining provisions hereof in such jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 6.11 Counterparts. This Agreement may be signed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute but one and the same instrument.

Section 6.12 Successors and Assigns. All of the provisions of this Agreement shall be binding and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, no Grantor may assign its liabilities and obligations under this Agreement without the prior written consent of all Secured Parties.

Section 6.13 Loan Documents. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

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Section 6.14 Obligations Not Affected. To the fullest extent permitted by Applicable Law, the obligations of the Grantors under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by:

(a) any amendment or modification or addition or supplement to any Loan Documents or any instrument delivered in connection therewith or any assignment or transfer thereof;

(b) any exercise, non-exercise, or waiver by the Administrative Agent or any other Secured Party of any right, remedy, power or privilege under or in respect of, or any release of any guaranty or the Collateral or any part thereof provided pursuant to, this Agreement or any other Loan Documents;

(c) any waiver, consent, extension, indulgence or other action or inaction in respect of this Agreement, any other Loan Documents or any assignment or transfer of any thereof; or

(d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Grantor or any other Person, whether or not any Grantor shall have notice or knowledge of any of the foregoing.

Section 6.15 **ENTIRE AGREEMENT. THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL ARGUMENTS BETWEEN THE PARTIES.**

Section 6.16 Conflicts. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Credit Agreement, the terms and conditions of the Credit Agreement shall control.

Section 6.17 Amendment and Restatement; Continuance of Security Interests and Liens. This Agreement is an amendment, restatement, modification and renewal (but not an extinguishment or novation) of the Existing Security Agreement. The security interests and Liens in the Collateral granted to the Administrative Agent for the benefit of the Secured Parties by the Existing Grantors hereunder are given in renewal, extension and modification of the security interests and Liens previously granted to the Administrative Agent for the benefit of the Secured Parties by the Existing Grantors in the Existing Security Agreement. Such prior security interests and Liens are not extinguished hereby, and the making, perfection and priority of such prior security interests shall continue in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

GRANTORS:

HOME INTERIORS & GIFTS, INC.

By: _____
Name: **Donald J. Carter, Jr.**
Title: **Chief Executive Officer**

DWC GP, INC.

By: _____
Name: **Donald J. Carter, Jr.**
Title: **Senior Vice President**

GIA, INC.

By: _____
Name: **Donald J. Carter, Jr.**
Title: **President**

HOMCO, INC.

By: _____
Name: **Donald J. Carter, Jr.**
Title: **President**

HOMCO PUERTO RICO, INC.

By: _____
Name: **Donald J. Carter, Jr.**
Title: **President**

SPRING VALLEY SCENTS, INC.

By: _____
Name: **Donald J. Carter, Jr.**
Title: **President**

HIG INVESTMENTS, INC.

By: _____
Name: _____
Title: _____

LAREDO CANDLE COMPANY, L.P.

By: Spring Valley Scents, Inc.,
as its general partner

By: _____
Name: **Donald J. Carter, Jr.**
Title: **President**

DALLAS WOODCRAFT COMPANY, LP

By: DWC GP, Inc.,
as its general partner

By: _____
Name: **Donald J. Carter, Jr.**
Title: **Senior Vice President**

SECURED PARTY:

BANK OF AMERICA, N.A., as the Administrative Agent

By: _____
Name: _____
Title: _____

SPRING VALLEY SCENTS, INC.

By: _____
Name: _____
Title: _____

HIG INVESTMENTS, INC.

By: _____
Name: Gordon W. Stewart
Title: President

LAREDO CANDLE COMPANY, L.P.

By: Spring Valley Scents, Inc.,
as its general partner

By: _____
Name: _____
Title: _____

DALLAS WOODCRAFT COMPANY, LP

By: DWC GP, Inc.,
as its general partner

By: _____
Name: _____
Title: _____

SECURED PARTY:

BANK OF AMERICA, N.A., as the Administrative Agent

By: _____
Name: _____
Title: _____

SPRING VALLEY SCENTS, INC.

By: _____
Name: _____
Title: _____

HIG INVESTMENTS, INC.

By: _____
Name: _____
Title: _____

LAREDO CANDLE COMPANY, L.P.

By: Spring Valley Scents, Inc.,
as its general partner

By: _____
Name: _____
Title: _____

DALLAS WOODCRAFT COMPANY, LP

By: DWC GP, Inc.,
as its general partner

By: _____
Name: _____
Title: _____

SECURED PARTY:

BANK OF AMERICA, N.A., as the Administrative Agent

By: Robert Klawinski
Name: Robert Klawinski
Title: Managing Director

Annex A-1

Patents

one.

Annex A-2

Patent Applications

None.

Annex B-1

Registered Trademarks

[See Attached.]

TRADEMARKS

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-1 HOME INTERIORS	73/694,159 11/09/87	1,495,137	20	Framed pictures	REGISTERED	Renewal due: 07/05/08	
Our File: 37817-4-2 HOME INTERIORS	73/697,187 11/23/87	1,531,380 03/21/89	42	Direct home selling services in the field of household products	REGISTERED	Renewal due: 03/21/09	
Our File: 37817-4-60 HOME INTERIORS & GIFTS	73/041,072 01/06/75	1,064,388 04/26/77	11 20 21	Lighting fixtures Plaques made of metal Wall decorations in the form of wall hung planters and trivets, made either of metal, ceramics, wood or glass; coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jar and vases made either of metal, ceramic or glass, sconces and candelabras	REGISTERED	Renewal due: 6 months prior to 04/26/2007 [by 10/25/06].	04/26/97: renewal granted for 10 years. [Original registration certificate stored in the vault.]

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-73 HOME INTERIORS & GIFTS	CANADA 720,122 01/07/93	TMA426,730 04/29/94	none	Light fixtures, plaques made of metal, wall decorations in the form of wall hung planters and trivets, made either of metal, ceramic, wood or glass; coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass, sconces and candelabras	REGISTERED	Renewal due: 04/29/09	
Our file: 37817-4-59 HOME INTERIORS & GIFTS, INC. and Design	73/560,463 09/27/85	1,390,778 04/22/86	16 21 25	Notepads, letterhead stationery paper, pencils, and stickers Wall hung decorations in the form of wall hung planters and trivets of metal, ceramics, wood and glass; and sconces Wearing apparel, namely jackets	REGISTERED	Renewal due: 04/22/06	Sec 2(f) as to the word HOME INTERIORS & GIFTS
Our File: 37817-4-74 HOME INTERIORS & GIFTS, INC. and Design	CANADA 720,113 01/07/93	TMA430,451 07/15/94	none	Notepads, letterhead stationery paper, pencils, and stickers; wall decorations in the form of wall hung planters and trivets of metal, ceramic, wood and glass; sconces; wearing apparel, namely jackets	REGISTERED	Proof of Use due: 07/05/97 Renewal due: 07/15/09	

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-50 HOME INTERIORS & GIFTS, INC. and Design	TEXAS STATE 09/24/85	46,176 02/13/96	16	Notepads, letterhead, pencils, advertising stickers	REGISTERED	Renewed. Now due 02/13/06	
Our File: 37817-4-51 HOME INTERIORS & GIFTS, INC. and Design	TEXAS STATE 09/24/85	46,175 02/13/96	20	Wall decorations and houseware items, namely mirrors, picture frames and sconces	REGISTERED	Renewed. Now due 02/13/06	
Our File: 37817-4-52 HOME INTERIORS & GIFTS, INC. and Design	TEXAS STATE 09/24/85	46,174 02/13/96	21	Glassware, namely plates	REGISTERED	Renewed. Now due 02/13/06	
Our File: 37817-4-53 HOME INTERIORS & GIFTS, INC. and Design	TEXAS STATE 09/24/85	46,173 02/13/96	25	Wearing apparel, namely jackets	REGISTERED	Renewed. Now due 02/13/06	
Our File: 37817-4-63 HI&G INC. and Design	73/570,461 09/27/85	1,390,777 04/22/96	16 21	Notepads, letterhead stationery paper, pencils, and stickers Glassware, namely drinking glasses	REGISTERED	Renewal due: 04/22/06	Disclaimer: INC.
Our File: 37817-4-57 HI&GI INC. and Design	TEXAS STATE 09/24/85	45,966 02/13/96	16	Notepads, letterhead, pencils, advertising stickers	REGISTERED	Renewed. Now due 02/13/06	
Our File: 37817-4-58 HI&GI INC. and Design	TEXAS STATE 09/24/85	45,965 02/13/96	21	Glassware, namely drinking glasses	REGISTERED	Renewed. Now due 12/13/06	

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-56 HOMCO	73/040,977 01/06/75	1,090,785 05/09/78	11 20 21	Lighting fixtures Plaques made of metal Wall decorations in the form of wall hung planters and trivets, made either of metal, ceramics, wood or glass; coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars, and vases, made either of metal, ceramics or glass; sconces; and candelabras	REGISTERED	Renewal due: 05/09/98	
Our File: 37817-4-69 HOMCO LAND	74/194,363 08/13/91	1,699,641 07/07/92	42	Distributorship services in the field of housewares	REGISTERED	Dec'l of use: 07/07/98 Renewal due: 07/07/02	
Our File: 37817-4-70 HOMCOLAND	74/194,362 08/13/91	1,701,755 07/21/92	16	Catalogues in the field of housewares and other home decorative items	REGISTERED	Dec'l of use: 07/21/98 Renewal due: 07/21/02	Original Certificate of Registration in our file
Our File: 37817-4-49 HOMCOLAND	TEXAS STATE 01/23/84	43,279 04/02/84	42	Retail sales services	REGISTERED	Renewal due: 04/02/04	

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-61 ROOFTOP DESIGN (with chimney flower)	72/282,465 10/13/67	903,355 12/01/70	21 35	Metal coffee and teapots, sugar bowls, creamers, cups, pitchers, covered bowls, and jars and vases Providing demonstrations of interior decorating items at home meetings	REGISTERED	Renewal due: 12/01/00	Original Certificate of Renewal in our file
Our File: 37817-4-71 ROOFTOP DESIGN (with chimney daisy)	74/194,364 08/13/91	1,710,088 08/25/92	21	Housewares; namely, ceramic and glass coffee and teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars, and vases, as well as candle holders, candelabras, and wall hung planters, plaques, and trivets	REGISTERED	Dec'l of use: 08/25/98 Renewal due: 08/25/02	Original Certificate of Registration in our file
Our File: 37817-4-62 ROOFTOP DESIGN (with chimney flower and smiling/blinking face)	72/282,464 10/13/67	902,870 11/24/70	21	Metal coffee and tea pots, sugar bowls, creamers, cups, pitchers, covered bowls, and jars and vases	REGISTERED	Renewal due: 11/24/00	Original Certificate of Renewal in our file
Our File: 37817-4-72 ROOFTOP DESIGN (with chimney flower and smiling/blinking face)	74/195,066 08/13/91	1,701,838 07/21/92	21 35	Housewares; namely, ceramic and glass coffee and tea pots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases, as well as candle holders, candelabras, wall hung planters, plaques and trivets Providing demonstrations of interior decorating items at home meetings	REGISTERED	Dec'l of Use: 07/21/98 Renewal due: 07/21/02	Original Certificate of Registration in our file

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-76 ACHIEVING CONFIDENCE IN DECORATING	74/419,489 07/28/93	1,847,049 07/26/94	41	Educational services; namely, conducting training sessions concerning retail home sales and marketing of home decorations and gifts	REGISTERED	Dec'l of use: 07/26/00 Renewal due: 07/26/04	
Our File: 37817-4-77 AN OPPORTUNITY THAT'S RIGHT AT HOME	74/419,490 07/28/93	1,872,761 01/10/95	35 42	Direct sales organization and planning, namely offering assistance in the establishment and/or operation of home parties Retail sale of decorations and gifts by means of home parties	REGISTERED	Dec'l of use: 01/10/01 Renewal due: 01/10/05	
Our File: 37817-4-115 CELEBRATE THE HOME	74/593,381 11/01/94	1,950,708 01/23/96	35 42	Direct sales organization and planning, namely offering assistance in the establishment and/or operation of home parties Retail sale of decorations and gifts by means of home parties	REGISTERED	Dec'l of use: 01/23/01 Renewal due: 01/23/06	Certificate of Reg. received
Our File: 37817-4-68 CIRCLE OF FRIENDS	74/191,183 08/05/91	1,865,819 12/06/94	21	Figurines and statuettes made of china, ceramic, and/or porcelain	REGISTERED	Dec'l of use: 12/06/00 Renewal due: 12/06/04	
Our File: 37817-4-67 DENIM DAYS	74/191,178 08/05/91	1,720,343 09/29/92	21	Figurines and statuettes made of ceramic	REGISTERED	Dec'l of use: 09/29/98 Renewal due: 09/29/02	Dec'l of use and incontestability mailed: 1/20/98

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-75 DOUBLE MERITS	74/410,209 07/07/93	1,828,536 03/29/94	35	Promoting the sale of home furnishings and household gift items through the administration of incentive award programs for independent distributors	REGISTERED	Dec'l of use: 03/29/00 Renewal due: 03/29/04	
Our File: 37817-4-82 GREATEST STORIES EVER TOLD	74/450,979 10/25/93	1,920,924 09/19/95	21	Porcelain figurines and statues	REGISTERED	Dec'l of use: 09/19/00 Renewal due: 09/19/05	Certificate of Reg. received
Our File: 37817-4-81 HOSTESS HAPPY MONEY	74/419,514 07/28/93	1,887,091 04/04/95	16 35	Printed award certificates used in sales incentive programs Conducting incentive aware programs to enhance sales productivity	REGISTERED	Dec'l of use: 04/04/01 Renewal due: 04/04/05	
Our File: 37817-4-80 THE NEWS FROM HOME	74/419,512 07/28/93	1,876,576 01/31/95	16	Newsletter, news bulletins, and information letters all containing sales and organizational information	REGISTERED	Dec'l of use: 01/31/01 Renewal due: 01/31/05	
Our File: 37817-4-78 RED ROSE SERVICE	74/419,511 07/28/93	1,875,503 01/24/95	35 42	Direct sales organization and planning establishment and/or operation of home parties Retail sale of home interior decorations and gifts by means of home parties	REGISTERED	Dec'l of use: 01/24/01 Renewal due: 01/24/05	Disclaimer: SERVICE

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-118 SPRING VALLEY SCENTS	74/682,521 05/31/95	2,044,817 03/11/97	4	Candles [Only]	REGISTERED	Dec'l of use: 03/11/03 Renewal due: 03/11/07	Potpourri was omitted from filing. Needs new filing for add'l class
Our File: 37817-4-79 TOTAL HOSTESS SERVICE PLAN	74/419,513 07/28/93	1,872,762 01/10/95	35 42	Direct sales organization and planning, namely offering assistance in the establishment and/or operation of home parties Retail sale of decorations and gifts by means of home parties	REGISTERED	Dec'l of use: 01/10/01 Renewal due: 01/10/05	Disclaimer: HOSTESS SERVICE PLAN
MEXICO							
Our File: 37817-4-87 HOME INTERIORS & GIFTS	199590 05/20/94	486819 04/07/95	11	Lighting fixtures	REGISTERED	Proof of use: 04/07/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-88 HOME INTERIORS & GIFTS	199593 05/20/94	483999 02/13/95	6	Plaques made of metal	REGISTERED	Proof of use: 02/13/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-89 HOME INTERIORS & GIFTS	199581 05/20/94	485583 03/22/95	21	Wall decorations in the form of wall hung planters and trivets made either of metal, ceramics, wood or glass; coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass; sconces and candelabras	REGISTERED	Proof of use: 03/22/98 Renew: 05/20/04	Certificate of Registration received

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-104 HOME INTERIORS & GIFTS, INC. and Rose Design	199585 05/20/94	481235 12/02/94	16	Notepads, letterhead stationery paper, pencils, and stickers	REGISTERED	Proof of use: 12/02/97 Renew: 05/20/04	12/19/97: G & W forwards Proof of Use Declaration filed by Mexican associate. Need official Certificate
Our File: 37817-4-105 HOME INTERIORS & GIFTS, INC. and Rose Design	199582 05/20/94	496772 07/06/95	21	Trivets made of metal	REGISTERED	Proof of use: 07/06/98 Renew: 05/20/04	
Our File: 37817-4-106 HOME INTERIORS & GIFTS, INC. and Rose Design	199598 05/20/94	485966 03/24/95	25	Wearing apparel, namely jackets	REGISTERED	Proof of use: 03/24/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-96 HOME INTERIORS	199595 05/20/94	485586 03/22/95	42	Direct home selling services in the field of household products	REGISTERED	Proof of use: 03/22/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-107 HI&G, INC. and Rose Design	199575 05/20/94	480419 11/24/94	16	Notepads, letterhead stationery paper, pencils and stickers	REGISTERED	Proof of use: 11/24/97 Renew: 05/20/04	12/19/97: G & W returns Proof of Use Declaration filed in Mexico. Need official Certificate
Our File: 37817-4-108 HI&G, INC. and Rose Design	199587 05/24/94	485137 03/16/95	21	Glassware, namely drinking glasses	REGISTERED	Proof of use: 03/16/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-90 HOMCO	199597 05/20/94	485587 03/22/95	11	Lighting fixtures	REGISTERED	Proof of use: 03/22/98 Renew: 05/20/04	Certificate of Registration received

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-91 HOMCO	199596 05/20/94	485801 03/23/95	6	Plaques made of metal	REGISTERED	Proof of use: 03/23/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-92 HOMCO	199573 05/20/94	485452 03/20/95	21	Wall decorations in the form of wall hung planters and trivets made either of metal, ceramics, wood or glass, coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass, sconces and candleabras	REGISTERED	Proof of Use: 03/20/98 Renew: 05/20/04	Certificate of Registration received
Our File 37818-4-119 HOMCO DE MEXICO (Stylized)	246611 10/26/95	512595 12/11/95	21	Wall decorations in the form of wall hung planters and trivets made either of metal, ceramics, wood or glass, coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass, sconces and candleabras	REGISTERED	Proof of Use: 12/11/98 Renew: 10/26/05	Certificate of Registration received

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37818-4-120 HOMCO DE MEXICO (Stylized) with Rooftop Design	246608 10/26/95	512592 12/11/95	21	Wall decorations in the form of wall hung planters and trivets made either of metal, ceramics, wood or glass, coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass, sconces and candleabras	REGISTERED	Proof of Use: 12/11/98 Renew: 10/26/05	Certificate of Registration received
Our File: 37818-4-122 HOMCO DE MEXICO, S.A.DE C.V. SUBSIDIARIA DE HOME INTERIORS & GIFTS, INC. (Stylized)	246610 10/26/95	512594 12/11/95	21	Wall decorations in the form of wall hung planters and trivets made either of metal, ceramics, wood or glass, coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass, sconces and candleabras	REGISTERED	Proof of Use: 12/11/98 Renew: 10/26/05	Certificate of Registration received
Our File: 37818-4-124 HOMCO DE MEXICO, S.A. DE C.V. SUBSIDIARIA DE HOME INTERIORS & GIFTS, INC. (Stylized) with Rooftop and Rose Design	246609 10/26/95	512593 12/11/95	21	Wall decorations in the form of wall hung planters and trivets made either of metal, ceramics, wood or glass, coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass, sconces and candleabras	REGISTERED	Proof of Use: 12/11/98 Renew: 10/26/05	Certificate of Registration received

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-100 ACHIEVING CONFIDENCE IN DECORATING	199574 05/20/94	485580 03/22/95	41	Educational services, namely conducting training sessions concerning retail home sales and marketing of home decorations and gifts	REGISTERED	Proof of Use: 03/22/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-98 CIRCLE OF FRIENDS	199594 05/20/94	485585 02/33/95	21	Figurines and statuettes	REGISTERED	Proof Of Use: 03/22/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-97 DENIM DAYS	199583 05/20/95	485800 03/23/95	21	Figurines and Statuettes made of ceramic	REGISTERED	Proof of Use: 03/23/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-99 DOUBLE MERITS	199577 05/20/94	485582 03/22/95	35	Promoting the sale of home furnishings and household gift items through the administration of incentive award programs for independent distributors	REGISTERED	Proof of Use: 03/22/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37187-4-103 GREATEST STORIES EVER TOLD	1999584 05/20/94	486292 03/28/95	21 (per reg cert.)	Porcelain figurines and statutes	REGISTERED	Proof of Use: 03/2/98 Renew: 05/20/04	Certificate of Registration received
Our File: 37817-4-84 ROOF WITH FACE DESIGN	199584 05/20/94	485584 03/22/95	21	Housewares, namely, ceramic and glass coffee and tea pots, sugar bowls, jars and bases, as well as candle holders, candleabras, wall hung planters, plaques and trivets	REGISTERED	Proof of Use: 03/22/98 Renew: 05/20/04	03/04/98: G & W forwards Proof of Use Declaration filed by Mexican associate. Need original certificate.

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-85 ROOF WITH FACE DESIGN	199578 05/20/94	480420 11/24/94	35	Providing demonstrations of interior decorating items at home meetings	REGISTERED	Proof of Use: 11/24/97 Renew: 05/20/04	12/19/97: G & W returns Proof of Use Declaration filed by Mexican associate. Need original Certificate.
Our File: 37187-4-86 MISCELLANEOUS DESIGN (Rooftop)	199592 05/20/94	481236 12/02/94	21	Housewares, namely, ceramic and glass coffee and tea pots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases, as well as candle holders, candleabras, wall hung planters, plaques and trivets	REGISTERED	Proof of Use: 12/02/97 Renew: 05/20/04	12/19/97: G & W returns Proof of Use Declaration filed in Mexico. Need original Certificate.
Our File: 37817-4-102 THE NEWS FROM HOME	199591 05/20/94	486820 04/07/95	16	Newsletters and periodicals	REGISTERED	Proof of Use: 04/07/98 Renew: 05/20/04	03/04/98: G & W returns Proof of Use Declaration filed in Mexico. Need original Certificate.
Our File: 37817-4-101 TOTAL HOSTESS SERVICE PLAN	199576 05/20/94	485581 03/22/95	35	Direct sales organization and planning; namely, offering assistance in the establishment and/or operation of home parties featuring retail sales and displays of decorations and gifts	REGISTERED	Proof of Use: 03/22/98 Renew: 05/20/04	Certificate of Registration received.

TRADEMARK APPLICATIONS

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-35-1 HOMCO DE MEXICO and Design			NOT YET FILED				
Filed by: HIGI HOSTESS PLUS	75/343143 08/19/97		16, 35, 42	Printed brochures, newsletter, membership forms, stationery, notepads, pencils, catalogues, stickers, advertising services, direct mail services, incentive sales services, retail shop-at-home party services, interior decoration consultation	Application for Intent-to-Use filed 8/19/97		Application filed: 08/19/97 01/07/98: Status Check - still a new application. Check status again: 03/15/98
Filed by: HIGI SPRING VALLEY SCENTS	75/352562 09/05/97		3	Potpourri and Home Fragrances	Application for Intent-to-Use filed 09/04/97		Application filed: 09/05/97 1/7/98: Status Check - still classified as a new application. Check status again: 4/15/97
Our File: 37817-4-95 HOME INTERIORS	199586 05/20/94		20	Plaques made of metal	PENDING		

MARK	SERIAL NO. FILING DATE	REG. NO. REG. DATE	INT'L CLASS	GOODS/SERVICES	STATUS	DUE DATE	COMMENTS
Our File: 37817-4-121 HOMCO DE MEXICO, S.A.DE C.V. (Stylized)	not yet received		21	Wall decorations in the form of wall hung planters and trivets made either of metal, ceramics, wood or glass, coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass, sconces and candleabras			
Our File: 37817-4-123 HOMCO DE MEXICO, S.A. DE C.V. SUBSIDIARIA DE HOME INTERIORS & GIFTS, INC. (Stylized) with Rooftop and Rose Design	not yet received		21	Wall decorations in the form of wall hung planters and trivets made either of metal, ceramics, wood or glass, coffee pots, teapots, sugar bowls, creamers, cups, pitchers, covered bowls, jars and vases made either of metal, ceramic or glass, sconces and candleabras			

Other

1. In May 1997, GIA, Inc. acquired all right, title, and interest in and to the intellectual property, trademarks, and trade names, designs, etc. of Burwood Products.

Marks As of June 11, 2001	United States	Canada	Mexico	Puerto Rico
ACCESSORY SPECIALIST	x	x		
ACHIEVING CONFIDENCE IN DECORATING	x	In process	x	
AN OPPORTUNITY THAT'S RIGHT AT HOME	x			
BAKED APPLE PIE	x	x	x	
CAREER BY DESIGN	x	x		
CELEBRATE THE HOME	x	In process		
CIRCLE OF FRIENDS	x	In process	x	
DECORATE WITH LIGHT	x	In process		
DECORATING LIVES	In process	In process	In process	
DENIM DAYS	x	In process	x	
DISPLAYER	x	x		
DOUBLE BLESSINGS	x			
DOUBLE MERITS	x		x	
GIFTS TO GO	x	In process		
GREATEST STORIES EVER TOLD	x	In process	x	
H I & G INC & Design (Fig. 1)	x		x	
HOMCO	x		x	
HOMCO DE MEXICO & Design			x	
HOMCOLAND	x			
HOME INTERIORS	x		x	
HOME INTERIORS & GIFTS	x	x	x	

Marks As of June 11, 2001	United States	Canada	Mexico	Puerto Rico
HOME INTERIORS & GIFTS, INC & Design (Fig. 2) (Rose with script lettering)	x	In process	x	
HOME INTERIORS & MORE	x			
HOME INTERIORS AND GIFTS & Design	x		x	
HOSTESS HAPPY MONEY	x			
KUDDLES KORNER	x	In process		
MASTERPIECE COLLECTION	In process	In process	In process	
Miscellaneous Design (Fig. 3)	X		X	
Miscellaneous Design (Fig. 4)	X		X	
NATURE'S ILLUMINATIONS FOR THE HOME	X	In process		
RED ROSE SERVICE	X	In process		
SPRING VALLEY SCENTS	X			
THE NEWS FROM HOME	X		X	
TOTAL HOSTESS SERVICE PLAN	X		X	
VALUE PLUS	In process	In process	In process	
VP	In process	In process	In process	
YOU'VE GOT CHOICES	X	In process		

Trademarks

Trademark	Application No.	Registration No.	Date of Application or Registration
ACCESSORY SPECIALIST		2372301	August 1, 2000
BAKED APPLE PIE	75/918300		February 14, 2000
CAREER BY DESIGN	76/108138		August 11, 2000
CAREER BY DESIGN	76/108139		August 11, 2000
DECORATE WITH LIGHT	75/805765		September 21, 1999
DECORATE WITH LIGHT		2391530	October 3, 2000
DISPLAYER	76/150513		October 18, 2000
DOUBLE BLESSINGS		2302846	December 21, 1999
GIFTS TO GO		2311857	January 25, 2000
HOMCOLAND		2380597	August 29, 2000
HOME INTERIORS & GIFTS		2404718	November 14, 2000
HOME INTERIORS & GIFTS		2432707	March 6, 2001
HOME INTERIORS & MORE	75/636133		February 8, 1999
HOME INTERIORS AND GIFTS & DESIGN	75/844794		November 9, 1999
KUDDLES KORNER	75/592829		November 20, 1998
NATURE'S ILLUMINATIONS FOR THE HOME	76/157601		October 31, 2000
RED ROSE SERVICE	76/200003		January 24, 2001
TIARA		1417482	November 18, 1986
YOU'VE GOT CHOICES		2324115	February 29, 2000

Annex B-2

Trademark Applications

Annex C-1

Copyrights

[See Attached.]

COPYRIGHTS

TITLE	REGISTRATION NO. REGISTRATION DATE	AUTHOR	TYPE OF WORK	COMMENTS
Our File: 37817-4-16 2122 Queen Ann Mirror	VAu 38-657 08/30/82	Homco, Inc.	Sculpture	
Our File: 37817-4-11 2122 Victorian Mirror	VAu 36-586 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-21 2126 Country Mirror/Print Frame	VAu 43-587 11/24/82	Homco, Inc.	Sculpture	
Our File: 37817-4-20 2127 Country Window Mirror	VAu 43-586 11/24/82	Homco, Inc.	Sculpture	
Our File: 37817-4-45 2143 Oval Traditional Mirror	VA 130-778 05/15/83	Homco, Inc.	Sculpture	
Our File: 37817-4-46 2144 Bamboo Mirror	VAu 52-499 10/11/83	Homco, Inc.	Sculpture	
Our File: 37817-4-31 2352 Antique Traditional Mirror/Sconce	VA 116-780 01/13/83	Homco, Inc.	Sculpture	
Our File: 37817-4-32 2356 Spanish Wall Mirror	VA 116-779 01/13/83	Homco, Inc.	Sculpture	
Our File: 37817-4-33 2391 Country Mirror	VA 116-778 01/13/83	Homco, Inc.	Sculpture	

TITLE	REGISTRATION NO. REGISTRATION DATE	AUTHOR	TYPE OF WORK	COMMENTS
Our File: 37817-4-34 2403 Oriental Mini Mirror/Sconce	VA 116-777 01/13/83	Homco, Inc.	Sculpture	
Our File: 37817-4-42 3064 Console	VA 140-601 03/25/85	Homco, Inc.	Sculpture	
Our File: 37817-4-22 3266 Traditional Rectangular Mirror/Print Frame	VAu 43-588 11/24/82	Homco, Inc.	Sculpture	
Our File: 37817-4-35 3267 Nostalgic Mirror/Print Frame	VAu 42/528 01/13/83	Homco, Inc.	Sculpture	
Our File: 37817-4-10 3270 Oval Mirror/Print Frame	VAu 36-585 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-17 3274 Mirror/Print Frame	VAu 38-760 05/10/82	Homco, Inc.	Sculpture	
Our File: 37817-4-9 3274 Traditional Mirror/Print Frame	VAu 36-584 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-29 3277 Rectangular Traditional Mirror/Print Frame	VA 125-914 05/14/82	Homco, Inc.	Sculpture	
Our File: 37817-4-19 3278 Rectangular Mirror/Print Frame	VAu 38-762 05/10/82	Homco, Inc.	Sculpture	
Our File: 37817-4-18 3279 Traditional Mirror/Print Frame	VAu 38-761 05/10/82	Homco, Inc.	Sculpture	
Our File: 37817-4-28 3280 Oval Mirror/Print Frame	VA 125-912 05/14/82	Homco, Inc.	Sculpture	
Our File: 37817-4-36 3281 Round Accent Mirror/Print Frame	VA 116-776 01/13/83	Homco, Inc.	Sculpture	

TITLE	REGISTRATION NO. REGISTRATION DATE	AUTHOR	TYPE OF WORK	COMMENTS
Our File: 37817-4-37 3288 Country Shelf	VA 116-774 01/13/83	Homco, Inc.	Sculpture	
Our File: 37817-4-38 3532 Wicker Shelf	VA 116-787 01/13/83	Homco, Inc.	Sculpture	
Our File: 37817-4-30 3533 Mini Country Shelf (Pair)	VA 125-917 05/14/82	Homco, Inc.	Sculpture	
Our File: 37817-4-23 3537 Granada Shelving Unit	VA 113-473 11/24/82	Homco, Inc.	Sculpture	
Our File: 37817-4-27 4226 Bentwood Single Arm Sconce (Pair)	VA 125-915 05/14/82	Homco, Inc.	Sculpture	
Our File: 37817-4-3 4229 Single Arm Bentwood Sconce	VAu 36-578 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-12 6060 Country Planter	VAu 36-587 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-13 6061 Victorian Planter	VAu 36-588 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-26 6552 Nativity Setting	VA 125-916 05/14/82	Homco, Inc.	Sculpture	
Our File: 37817-4-41 7402C Recorder Plaque	VA 130-017 01/13/83	Homco, Inc.	Sculpture	
Our File: 37817-4-40 7402D French Horn Plaque	VA 127-317 01/13/83	Homco, Inc.	Sculpture	
Our File: 37817-4-39 7537C Small Butterfly Plaque (Set of 3)	VA 116-790 01/13/83	Homco, Inc.	Sculpture	

TITLE	REGISTRATION NO. REGISTRATION DATE	AUTHOR	TYPE OF WORK	COMMENTS
Our File: 37817-4-25 7611 Country Plaque	VA 125-918 05/14/82	Homco, Inc.	Sculpture	
Our File: 37817-4-24 7619A & B Pair of Seagull Plaques	VA 125-913 05/14/82	Homco, Inc.	Sculpture	
Our File: 37817-4-8 7631 Cherub Plaque	VAu 36-583 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-14 7632A Set of Furniture Carving Plaques	VAu 36-589 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-15 7632B Set of Furniture Carving Plaques	VAu 36-590 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-4 7632C Set of Furniture Carving Plaques	VAu 36-579 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-6 7634A Set of 3 Vegetable Plaques (Radish)	VAu 36-581 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-7 7634B Set of 3 Vegetable Plaques (Mushroom)	VAu 36-582 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-5 7634C Set of 3 Vegetable Plaques (Carrot)	VAu 36-580 07/19/82	Homco, Inc.	Sculpture	
Our File: 37817-4-43 7647 Copper Mold Plaque	VA 140-602 03/25/83	Homco, Inc.	Sculpture	
Our File: 37817-4-44 7651 Last Supper Plaque	VAu 49-190 06/30/83	Homco, Inc.	Sculpture	
Our File: 37817-4-48 9436 Fan Shaped Print Frame	VA 171-362 11/07/84	Homco, Inc.	Sculpture	

TITLE	REGISTRATION NO. REGISTRATION DATE	AUTHOR	TYPE OF WORK	COMMENTS
Our File: 37817-4-47 9446 Bamboo Diamond Plaque	VAu 52-498 10/11/83	Homco, Inc.	Sculpture	

Annex C-2

Copyright Applications

None.

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