

OMB No. 0651-0027 (exp. 5/31/2002)



Tab settings

102006433

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

1. Name of conveying party(ies):

Michaels Stores, Inc.

NRD
2-12-02

- Individual(s)
- General Partnership
- Corporation - Delaware
- Other
- Association
- Limited Partnership

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

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

Name: Michaels GP, Inc.

Street Address: 8000 Bent Branch Drive

City: Irving State: TX ZIP: 75063

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation - State Delaware
- Other

FEB 12 2002

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
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: February 3, 2002

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

A. Trademark Application No.(s)

76/242,188 75/929,827 75/929,826 75/929,825

B. Trademark Registration No.(s)

2,408,397 2,408,396 2,433,148 2,428,568

Additional numbers attached? Yes No

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

Name: Betty E. Ungerman

Internal Address: Jones Day Reavis & Pogue

P.O. Address: P. O. Box 660623

City: Dallas State: TX ZIP: 75266-0623

6. Total Number of applications and registrations involved: 27

7. Total fee (37 CFR 3.41).....\$715.00

- Enclosed
- Authorized to be charged to deposit account
- Any deficiencies or overpayments are authorized to be charged or credited to the deposit account

8. Deposit account number:

50-0566

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

03/07/2002 LMUELLER 00000052 76242188

01 FC:481
02 FC:482

40.00 OP
650.00 OP

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.

Michelle McMullen

February 12, 2002

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments and document: 12

Reg. Ref: 03/07/2002 LMUELLER 0007555700
Name/Number: 76242188
FC: 704 \$25.00 CR

CERTIFICATE UNDER 37 CFR 1.10 BY "EXPRESS MAIL"

I hereby certify that this cover sheet, attachments, document, and fee are being deposited with United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated below and are addressed to the Commissioner of Patents and Trademarks, Box Assignment, Washington, D. C. 20231

Express Mail Label No. EL415079379US
Date of Deposit: February 12, 2002
DL: 1225359v1

Signature
Michelle McMullen
(type or print name of person certifying)

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

Name: Michaels LP, Inc.

Internal Address:

Street Address: 200 West 9th Street Plaza

City: Wilmington State: DE ZIP: 19801

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation - State Delaware
- 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

4. Additional application number(s) or registration number(s):

A. Trademark Application No.(s)

76/243,913 76/243,912 76/242,189 76/343,639

75/906,748

B. Trademark Registration No.(s)

1,222,952 1,697,669 1,802,039 1,311,589

1,699,119 1,759,792 2,486,259 2,232,360

1,614,413 2,007,774 2,029,624 2,029,625

2,307,155 2,527,196

Additional numbers attached? Yes No

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "Agreement") is entered into as of February 3, 2002, among Michaels Stores, Inc., a Delaware corporation ("Assignor"), Michaels GP, Inc., a Delaware corporation ("GP Assignee"), and Michaels LP, Inc., a Delaware corporation ("LP Assignee", and together with GP Assignee referred to collectively as "Assignees").

RECITALS:

A. Assignor is the sole shareholder of each of LP Assignee and GP Assignee and desires to further capitalize each of them by contributing to them, on the terms set forth in this Agreement, all assets of Assignor used or useful in the operation of Assignor's business at its facilities located at 8000 Bent Branch Drive, Irving, Texas, 2910 Bend Drive, Irving, Texas, 1221 South Belt Line, Suite 500, Coppell, Texas and 2302 113th Street, Grand Prairie, Texas (the "Facilities").

B. Assignor desires to transfer to Assignees, and Assignees desire to accept from Assignor, undivided interests in all of Assignor's right, title and interest in those assets.

NOW, THEREFORE, the parties hereto agree as follows:

1. Conveyance and Assignment.

a. Assignor hereby assigns, conveys and transfers to GP Assignee and LP Assignee and their respective successors and assigns as of the Effective Time an undivided 1% and 99% interest, respectively, in and to all of Assignor's right, title and interest in its assets that are used or useful in the operation of Assignor's business at the Facilities, which shall include without limitation all furniture, fixtures and equipment, contract rights, supplies, trademarks, trade names, service marks, trade secrets, technology, telephone numbers, licenses, software, logos, any goodwill associated or connected with the use of any trademarks or other intellectual property, any registrations or applications for registration of any trademarks or other intellectual property, licenses, permits, authorizations and customer and supplier records including, without limitation, the assets listed on Schedule A, the trademarks listed on Schedule B together with the goodwill of the business symbolized by the trademarks and registrations and applications therefor, Assignor's rights under the contracts listed on Schedule C, and Assignor's rights under the real estate leases listed on Schedule D (collectively, the "Transferred Assets"). Notwithstanding the foregoing, however, the Transferred Assets will not include any assets used or useful in the operation of Assignor's stores, distribution centers or manufacturing facilities, Artistree Division, Michaels.com Division, or the headquarters facility of its Aaron Brothers, Inc. subsidiary and records, cash or accounts receivable.

b. Each Assignee hereby accepts the assignment of the Transferred Assets from Assignor and each of GP Assignee and LP Assignee hereby expressly assumes as of the Effective Time, and agrees to perform, discharge and fulfill 1% and 99%, respectively, of the debts, liabilities and obligations arising out of, or accruing under, the Transferred Assets following the Effective Time ("Assumed Liabilities"). Other than as specifically provided in this Agreement, Assignees assume no debt, liability or obligation of Assignor

by this Agreement, and it is expressly understood and agreed that all debts, liabilities and obligations not assumed under this Agreement by Assignees will remain the sole obligation of Assignor and its successors and assigns.

2. Effective Date. The assignment of the Transferred Assets to, and assumption of Assumed Liabilities by, Assignees will be effective as of 12:01 a.m. on February 3, 2002 (the "Effective Time").

3. Amendments to Schedules. Assignor and Assignees may from time to time amend Schedules A, B, C or D to correct any inaccuracies or misstatements therein and to further clarify or confirm the assignment and conveyance of the Transferred Assets as of the Effective Time. Promptly following the request of any party, the parties will confirm that any of Schedules A, B, C or D, including all amendments made after the Effective Time, is accurate and complete and reflects the Transferred Assets assigned to Assignees under this Agreement. Any amendment made to Schedule A, B, C or D shall be effective as of the Effective Time. If any party discovers an asset that should have been a Transferred Asset or should have been excluded from the Transferred Assets, the parties will promptly execute such assignment or other documents necessary to give effect to the proper treatment of those assets.

4. Indemnification by Assignee. Assignees will indemnify, defend and hold harmless Assignor and its directors, officers, employees, agents, successors and assigns ("Indemnitees") from and against any and all actions, proceedings, damages, claims, liabilities, costs and expenses ("Losses") that may be asserted against or suffered by the Indemnitees arising out of, or relating to, the Assumed Liabilities. Assignor will give to Assignees notice of any claim for Losses which Assignees would be liable under this Agreement promptly after any claim is asserted against or becomes known to Assignor.

5. Further Assurances. Assignor and Assignees will from time to time upon the request of the other party hereto, take all actions and do all things (including without limitation executing, acknowledging and delivering any additional agreements, instruments, schedules and documents) as may be reasonably necessary to consummate the transactions contemplated by this Agreement or to effectuate the intentions and purposes of this Agreement.

6. Miscellaneous.

a. *Successors and Assigns.* This Agreement will be binding upon Assignor and each of Assignees and their respective successors and assigns and will inure to the benefit of Assignor and Assignees and their respective successors and assigns.

b. *No Third-Party Beneficiaries.* Nothing expressed or implied in this Agreement will be construed to give any person or entity other than Assignor and Assignees any legal or equitable rights under this Agreement.

c. *Entire Agreement.* This Agreement constitutes the entire agreement between Assignor and Assignees with respect to the subject matter of this Agreement.

d. *Amendment.* This Agreement may not be amended except by an instrument signed by Assignor and Assignees.

e. *Headings.* Section headings in this Agreement are included for convenience of reference only and will not constitute a part of this Agreement for any other purpose.

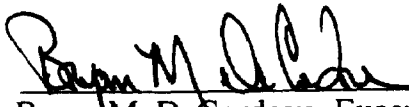
f. *Governing Law.* This Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws of the State of Delaware.

g. *Counterparts.* This Agreement may be executed in counterparts, each of which will be an original, but all of which together will constitute one instrument.

IN WITNESS WHEREOF, Assignor and Assignees have caused this Agreement to be executed as of the date first above written.

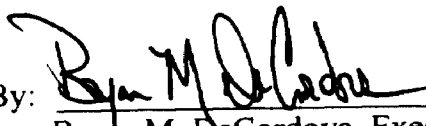
ASSIGNOR:

MICHAELS STORES, INC.

By: 
Bryan M. DeCordova, Executive Vice
President — Chief Financial Officer

ASSIGNEES:

MICHAELS GP, INC.

By: 
Bryan M. DeCordova, Executive Vice
President — Chief Financial Officer

MICHAELS LP, INC.

By: _____
Patricia F. Genzel, President

IN WITNESS WHEREOF, Assignor and Assignees have caused this Agreement to be executed as of the date first above written.

ASSIGNOR:

MICHAELS STORES, INC.

By: _____
Bryan M. DeCordova, Executive Vice
President — Chief Financial Officer

ASSIGNEES:

MICHAELS GP, INC.

By: _____
Bryan M. DeCordova, Executive Vice
President — Chief Financial Officer

MICHAELS LP, INC.

By: Patricia F. Genzel
Patricia F. Genzel, President

SCHEDULE B

Schedule B

Intellectual Property

I. Trademarks

A. Registered U.S. Trademarks

Mark	Class	Reg. No.	Registrant	Next Renewal Fee Due/ Deadline
Artistree Art Frame & Design (and Tree Design)(Vertical)	Cl. 16, 20	2,408,397	5931 Business Trust	11/28/2005-11/28/2006
Artistree Art Frame & Design (and Tree Design)(Horizontal)	Cl. 16, 20	2,408,396	5931 Business Trust	11/28/2005-11/28/2006
Carolina Art & Frame	Cl. 20	2,433,148	5931 Business Trust	03/06/2006-03/06/2007
Kids Club Summer Camp	Cl. 41	2,428,568	5931 Business Trust	02/13/2006-12/13/2007
Michaels	Cl. 42	1,222,952	5931 Business Trust	01/04/2003
Michaels	Cl. 20	1,697,669	5931 Business Trust	06/30/2002
Michaels	Cl. 16	1,802,039	5931 Business Trust	11/02/2005
Michaels (Stylized)	Cl. 42	1,311,589	5931 Business Trust	12/25/2004
Michaels (Stylized)	Cl. 20	1,699,119	5931 Business Trust	07/07/2002
Michaels (Stylized)	Cl. 16	1,759,792	5931 Business Trust	03/23/2003
Michaels.com	Cl. 35	2,486,259	5931 Business Trust	09/04/2006-09/04/2007
Michaels The Arts and Crafts Store	Cl. 35, 40	2,232,360	5931 Business Trust	03/16/2004 - 03/16/2005
Moskatel's	Cl. 42	1,614,413	Michaels Stores, Inc.	09/18/2010
DESIGN ONLY (featuring a boy, a girl and a dog smiling and waving from inside a diamond-shaped window)	Cl. 41	2,007,774	5931 Business Trust	Registration will lapse as of 12/15/2002, per client instructions
Kids Club	Cl. 41	2,029,624	5931 Business Trust	01/14/2002-01/14/2003

Mark	Class	Reg. No.	Registrant	Next Renewal Fee Due/ Deadline
Kids Club (Stylized)	Cl. 41	2,029,625	5931 Business Trust	01/14/2002-01/14/2003
Kids Club and Design (Vertical)	Cl. 41	2,307,155	5931 Business Trust	01/11/2005-01/11/2006
Star Decorators Wholesale Warehouse	Cl. 35	2,527,196	5931 Business Trust	01/08/2007-01/08/2008

B. Pending U.S. Trademark Applications

Mark	Class	Serial No.	Applicant	Status
Bright Tidings	Cl. 11	76/242,188	5931 Business Trust	Pending - Filed 04/12/2001
Michaels.com	Cl. 40	75/929,827	5931 Business Trust	Pending - Filed 02/28/2000
Michaels.com	Cl. 20	75/929,826	5931 Business Trust	Pending - Filed 02/28/2000
Michaels.com	Cl. 16	75/929,825	5931 Business Trust	Pending - Filed 02/28/2000
Michaels Manufacturing Group	Cl. 40	76/243,913	5931 Business Trust	Pending - Filed 04/06/2001
MMG	Cl. 40	76/243,912	5931 Business Trust	Pending - Filed 04/06/2001
Sparkling Creations	Cl. 28	76/242,189	5931 Business Trust	Pending - Filed 04/12/2001
Vendor Connect	Cl. 35	76/343,639	5931 Business Trust	Pending - Filed 11/28/2001
Where Originals Originate.	Cl. 42	75/906,748	5931 Business Trust	Pending - Filed 01/31/2000

C. State Trademark Registrations

Mark	Class	State	Reg. No.	Registrant	Next Deadline
Michaels	Cl. 16, 20, 28, 42	Texas	31076	5931 Business Trust	02/17/2004

D. Foreign Trademark Registrations

Mark	Class	Country	Reg. No.	Registrant	Next Deadline
Michaels (Stylized – New Logo)	n/a	Canada	515,320	5931 Business Trust	08/25/2014
Michaels of Canada, Inc. (Stylized)	n/a	Canada	448,805	5931 Business Trust	10/13/2010
Michaels the Arts and Crafts Store	n/a	Canada	539,862	5931 Business Trust	01/17/2016
Michaels the Arts and Crafts Store (Stylized)	n/a	Canada	539,861	5931 Business Trust	01/17/2016

E. Foreign Trademark Applications

Mark	Class	Country	Ser. No.	Applicant	Status
Artistree Art Frame and Design (and Tree Design)(Vertical)	n/a	Canada	1,045,450	5931 Business Trust	Pending - Filed 02/04/2000
Artistree Art Frame and Design (and Tree Design)(Horizontal)	n/a	Canada	1,045,455	5931 Business Trust	Pending - Filed 02/04/2000
Bright Tidings	n/a	Canada	1,104,713	5931 Business Trust	Pending - Filed 05/30/2001
Carolina Art & Frame	n/a	Canada	1,045,451	5931 Business Trust	Pending - Filed 02/04/2000
Kids Club	n/a	Canada	1,104,712	5931 Business Trust	Pending - Filed 05/30/2001
Kids Club and Design	n/a	Canada	1,104,711	5931 Business Trust	Pending - Filed 05/30/2001
Kids Club Spring Break Camp	n/a	Canada	1,045,453	5931 Business Trust	Pending - Filed 02/04/2000
Kids Club Summer Camp	n/a	Canada	1,045,454	5931 Business Trust	Pending - Filed 02/04/2000
Michaels	n/a	Canada	1,105,986	5931 Business Trust	Pending - Filed 06/08/2001

Michaels.com	n/a	Canada	1,045,452	5931 Business Trust	Pending - Filed 02/04/2000
Michaels Manufacturing Group	n/a	Canada	1,104,710	5931 Business Trust	Pending - Filed 05/30/2001
MMG	n/a	Canada	1,104,709	5931 Business Trust	Pending - Filed 05/30/2001
Sparkling Creations	n/a	Canada	1,104,714	5931 Business Trust	Pending - Filed 05/30/2001
Star Decorators' Wholesale Warehouse	n/a	Canada	1,104,715	5931 Business Trust	Pending - Filed 05/30/2001
Where Originals Originate	n/a	Canada	1,104,716	5931 Business Trust	Pending - Filed 05/30/2001

II. Concept

Retail craft store concept relating to the establishment and operation of specialty retail stores featuring arts and crafts and decorative products for the home.