

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Great Clips, Inc.		09/30/2003	CORPORATION: MINNESOTA

RECEIVING PARTY DATA

Name:	Wells Fargo Bank, N.A.
Street Address:	Sixth and Marquette
Internal Address:	MAC N9305-051; Wells Fargo Center
City:	Minneapolis
State/Country:	MINNESOTA
Postal Code:	55479
Entity Type:	National Banking Association: UNITED STATES

PROPERTY NUMBERS Total: 10

Property Type	Number	Word Mark
Registration Number:	2013051	
Registration Number:	1778591	
Registration Number:	1341594	GREAT CLIPS
Registration Number:	1620738	GREAT CLIPS FOR HAIR
Registration Number:	1610866	GREAT CLIPS FOR HAIR
Registration Number:	2609857	GREAT NEEDS. GREAT DEEDS.
Registration Number:	2704096	RED ZONE/GREEN ZONE
Registration Number:	2185966	SEEZE
Serial Number:	76400695	DETOUR
Serial Number:	78237873	SOLUTIONS BY GREAT CLIPS

CORRESPONDENCE DATA

Fax Number: (612)766-1723
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 6127667000

OP \$265.00 2013051

Email: trademarkmpls@faegre.com
Correspondent Name: Faegre & Benson LLP
Address Line 1: 90 South Seventh Street
Address Line 2: 2200 Wells Fargo Center
Address Line 4: Minneapolis, MINNESOTA 55402-3901

ATTORNEY DOCKET NUMBER:

16056-239126

NAME OF SUBMITTER:

Kerry R. Thompson - Paralegal

Total Attachments: 10

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TRADEMARK SECURITY AGREEMENT

This Agreement, dated as of September 30, 2003, is made by and between GREAT CLIPS, INC., a Minnesota corporation (the "Debtor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, in its separate capacity as administrative agent for itself and all other Banks (defined below) (in such capacity, the "Secured Party").

The Secured Party, certain Banks from time to time party thereto, (the "Banks") and the Debtor are parties to a Credit Agreement of even date herewith (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Banks may from time to time make loans and extend other financial accommodations to the Debtor.

As a condition to any extending credit to the Debtor under the Credit Agreement, the Secured Party and the Banks have required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the recitals hereto that are not otherwise defined herein shall have the meanings given to them in the recitals. In addition, the following terms have the meanings set forth below:

"Additional Security Agreement" means the Debtor's Security Agreement of even date herewith in favor of the Secured Party, granting the Secured Party a security interest in the Debtor's personal property, as the same may be amended, supplemented or otherwise modified from time to time.

"Affiliate" or "Affiliates" means any Person controlled by, controlling or under common control with the Debtor, including (without limitation) any Subsidiary of the Debtor. For purposes of this definition, "control" means the power to direct the management and policies of the Debtor or such Person, as applicable, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, however, that the term "Affiliate" shall in no event include the Secured Party or any Bank.

"Lien" means any security interest, mortgage, deed of trust, pledge, lien, charge, or encumbrance of any kind whatsoever, including, but not limited to the interest of the lessor or titleholder under any capitalized lease, title retention contract or similar agreement and the interest of any bondsman under any payment or

performance bond, in, of or on any assets or properties of a person, whether now owned or hereafter acquired and whether arising by agreement or operation of law.

“Obligations” has the meaning specified in the Credit Agreement.

“Permitted Liens” means (i) the Security Interest, and (ii) Liens permitted under Section 6.1 of the Credit Agreement.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Security Interest” has the meaning given in Section 2.

“Subsidiary” of the Debtor means any corporation, partnership or limited liability company of which more than fifty percent (50%) of the outstanding equity or membership interests or shares of capital stock having general voting power under ordinary circumstances to elect a majority of the board of directors (or other governing body) of such entity (irrespective of whether or not at the time stock or membership interests of any other class or classes shall have or might have voting power by reason of the happening of any contingency), is at the time directly or indirectly owned by the Debtor, by the Debtor and one or more Subsidiaries of the Debtor, or by one or more other Subsidiaries of the Debtor.

“Trademarks” means all of the Debtor’s right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit A.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the “Security Interest”), with power of sale to the extent permitted by law, in the Trademarks to secure payment of the Obligations. As set forth in the Additional Security Agreement, the Security Interest is coupled with a security interest in substantially all of the Debtor’s personal property.

3. Representations, Warranties and Agreements. The Debtor represents, warrants and agrees as follows:

(a) ***Existence; Authority***. The Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Debtor.

(b) **Trademarks.** Exhibit A accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit A need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Debtor's or any Affiliate's business(es). If after the date hereof, the Debtor owns or controls any Trademarks not listed on Exhibit A (other than common law marks which are not material to the Debtor's or any Affiliate's business(es)), or if Exhibit A ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit A, which, upon acceptance by the Secured Party shall become part of this Agreement.

(c) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a trademark security agreement substantially in the form of this Agreement.

(d) **Title.** The Debtor has absolute title to each Trademark listed on Exhibit A, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time the Debtor acquires any rights in Trademarks hereafter arising, absolute title to each such Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Trademarks free and clear of all Liens except Permitted Liens.

(e) **No Sale.** Except as permitted in the Credit Agreement, the Debtor will not assign, transfer, encumber or otherwise dispose of the Trademarks, or any interest therein, (except non-exclusive licenses thereof entered into in the ordinary course of the Debtor's business) without the Secured Party's prior written consent.

(f) **Defense.** The Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Trademarks against all claims or demands of all Persons other than with respect to Permitted Liens.

(g) **Maintenance.** The Debtor will at its own expense maintain the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to trademark registrations and applications therefor. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least thirty (30) days, to allow the

Secured Party to timely pay any such maintenance fees or annuities which may become due on any Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) ***Secured Party's Right to Take Action.*** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of thirty (30) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) ***Costs and Expenses.*** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (h) or exercising its rights under Section 5, together with interest thereon from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Obligations.

(j) ***Power of Attorney.*** To facilitate the Secured Party's taking action under subsection (h) and exercising its rights under Section 5, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default (defined below), to enforce or use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement and the payment and performance of all Obligations.

4. Debtor's Use of the Trademarks. The Debtor shall be permitted to control and manage the Trademarks, including the right to exclude others from making, using or selling items covered by the Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured; provided, however, that, any licenses of any Trademarks granted by the Debtor shall be non-exclusive and granted in the ordinary course of the Debtor's business.

5. Remedies. Upon the occurrence of an Event of Default (as defined in the Credit Agreement) and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Trademarks.

(b) The Secured Party may enforce the Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

(c) The Secured Party may exercise or enforce any or all other rights or remedies available to the Secured Party by law or agreement against the Debtor or the Trademarks.

6. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party, and, in the case of an amendment, in a writing signed by the Debtor. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices and other communications hereunder shall be in writing and mailed or delivered (which delivery may be by telecopy) to the party to whom notice is being given at its address set forth next to its signature to this Agreement, or, as to each party, at such other address as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications when delivered, shall be effective upon actual delivery, and when mailed, shall be effective one Business Day (as defined in the Credit Agreement) after the date sent by nationally recognized overnight mail courier or delivery service, addressed as aforesaid. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Trademarks at all or in any particular manner or order, or to apply any cash proceeds of the Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured

Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. This Agreement shall be governed by and construed in accordance with the substantive law (other than conflict laws) of the State of Minnesota. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.


THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Trademark Security Agreement as of the date written above.

Suite 425
7700 France Avenue South
Minneapolis, MN 55435
Attn: Steven C. Overholser
Telecopy No. (952) 830-0778

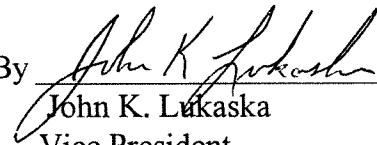
GREAT CLIPS, INC.

By 

Raymond L. Barton
Chief Executive Officer

MAC: N9305-051
Wells Fargo Center
Sixth Street and Marquette Avenue
Minneapolis, MN 55479
Attn: Leveraged Finance Division
Telecopy No. (612) 667-7266

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as Agent

By 

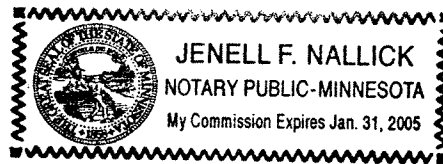
John K. Lukaska
Vice President

[Signature Page to Borrower Trademark Security Agreement]

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 30 day of September, 2003, by Raymond L. Barton, the Chief Executive Officer of Great Clips, Inc., a Minnesota corporation, on behalf of the corporation.

Jenell F. Nallick
Notary Public



STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 30 day of September, 2003, by John K. Lukaska, a Vice President of Wells Fargo Bank, National Association, a national banking association, in its capacity as administrative agent for the Banks, on behalf of such national banking association.

Jenell F. Nallick
Notary Public

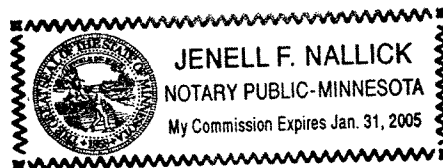


EXHIBIT A

UNITED STATES FEDERAL TRADEMARKS

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
DESIGN (SAIL)	2,013,051	November 5, 1996
DESIGN (SAILBOAT)	1,778,591	June 29, 1993
GREAT CLIPS	1,341,594	June 11, 1985
GREAT CLIPS FOR HAIR	1,620,738	November 6, 1990
GREAT CLIPS FOR HAIR	1,610,866	August 21, 1990
GREAT NEEDS. GREAT DEEDS.	2,609,857	August 20, 2002
RED ZONE/GREEN ZONE	2,704,096	April 8, 2003
SEEZE	2,185,966	September 1, 1998

APPLICATIONS

<u>Mark</u>	<u>Application Number</u>	<u>Application Date</u>
DETOUR	76/400,695	February 4, 2003
SOLUTIONS BY GREATCLIPS	78/237,873	April 22, 2003

UNITED STATES STATE TRADEMARKS

REGISTRATIONS

<u>Mark</u>	<u>State</u>	<u>Registration Number</u>	<u>Registration Date</u>
GREAT CLIPS	Arizona	25764	September 28, 1987
GREAT CLIPS	Florida	T09916	October 18, 1988
GREAT CLIPS	Georgia	S8056	December 14, 1987
GREAT CLIPS	Illinois	63914	February 15, 1989
GREAT CLIPS	Illinois	63913	February 15, 1989
GREAT CLIPS	Indiana	50099059	October 6, 1988
GREAT CLIPS	Kansas	N/A	December 4, 1987
GREAT CLIPS	Minnesota	13687	June 9, 1988
GREAT CLIPS	Missouri	S10133	August 11, 1988
GREAT CLIPS	Nebraska	0921561	September 28, 1987
GREAT CLIPS	Wisconsin	N/A	December 28, 1988

FOREIGN TRADEMARKS

REGISTRATIONS

TRADEMARK

REEL: 002727 FRAME: 0919

<u>Mark</u>	<u>Country</u>	<u>Registration Number</u>	<u>Registration Date</u>
DESIGN (SAIL)	Canada	TMA525791	March 27, 2000
DESIGN (SAILBOAT)	Canada	TMA432008	August 19, 1994
GREAT CLIPS	Canada	TMA429379	January 15, 1992
GREAT CLIPS FOR HAIR	Canada	TMA397505	April 24, 1992
OUR STYLISTS YOUR STYLE	Canada	TMA435716	November 18, 1994
SEEZE	Canada	TMA508955	March 9, 1999

APPLICATIONS

<u>Mark</u>	<u>Country</u>	<u>Application Number</u>	<u>Application Date</u>
DETOUR	Canada	1155320	October 9, 2002
GREAT NEEDS. GREAT DEEDS.	Canada	1145211	June 27, 2002
RED ZONE/GREEN ZONE	Canada	1147572	July 19, 2002

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