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05-23-2003

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U.S. DEPARTMENT OF Patent and Trademark



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To the Honorable Commissioner of Patents and Trademarks

d original documents or copy thereof.

1. Name of conveying party(ies): HOME FRAGRANCE HOLDINGS, INC.

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State DE, Other

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

3. Nature of conveyance:

- Assignment, Security Agreement, Merger, Change of Name, Other

December 31, 2002

Execution Date:

2. Name and address of receiving party(ies)

Name: FIRST DOMINION CAPITAL, L.L.C., AS AGENT

Internal Address:

Street Address: 2850 West Golf Road, Fifth Floor

City: Rolling Meadows State: IL Zip: 60008

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation State, Other Delaware limited liability company

If assignee is not domiciled in the United States, a designation is attached: Yes No

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or trademark

A. Trademark Application No.(s) - SEE THE ATTACHED -

B. Trademark Registration - SEE THE ATTACHED -

Additional numbers attached? YES

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

Name:

Internal / Federal Research Company, LLC 1030 15th Street, NW, Suite 920 Washington, DC 20005

Street Ad:

City Stat ZIP

6. Total number of applications and registrations

14

7. Total fee (37 CFR 3.41) \$ 365.00

- Enclosed, Authorized to be charged to deposit

8. Deposit account number:

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

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01 FC:852 40.00 DP 02 FC:852 325.00 DP

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.

Rebecca L. Foley Name of Person

Signature

05/20/03

Date

7

Total number of pages including cover sheet, attachments, and

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments, Washington, D.C. 20231

ATTACHMENT 1 to Agreement (Trademark)

Item A. Trademarks

Registered Trademarks

<u>¹ Country</u>	<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
USA	NO ONE CAN HOLD A CANDLE TO US	2549586	03/19/02
USA	CANDLE WAREHOUSE	2584773	06/25/02
USA	CANDLE WAREHOUSE	2575636	06/04/02
USA	CANDLE WAREHOUSE	2644752	10/29/02
USA	CANDLE WAREHOUSE	2644751	10/29/02
USA	CANDLE WAREHOUSE	2469822	07/17/01
USA	S SURROUNDINGS	2086707	08/12/97
USA	SURROUNDINGS	1843433	07/05/94
USA	SURROUNDINGS	1843417	12/24/92

Pending Trademark Applications

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Filing Date</u>
USA	DISTINCTIONS	76117627	08/28/00
USA	LONE STAR CANDLE COMPANY	75935761	03/03/00
USA	FAROY	75883245	12/29/99
USA	STYLIZED LETTER "F" [Design Only]	75882903	12/29/99
USA	SURROUNDINGS	75815751	10/05/99

Trademark Applications in Preparation

<u>Country</u>	<u>Trademark</u>	<u>Docket No.</u>	<u>Expected Filing Date</u>	<u>Products/ Services</u>
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Item B. Trademark Licenses

<u>Country or Territory</u>	<u>Trademark</u>	<u>Licensors</u>	<u>Effective Licensee</u>	<u>Expiration Date</u>	<u>Date</u>
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¹ For all items on this Attachment 1, list items related to the United States first for ease of recordation. List items related to other countries next, grouped by country and in alphabetical order by country name.

**AGREEMENT
(Trademark)**

THIS AGREEMENT (TRADEMARK), dated as of December 31, 2002 (this "**Agreement**"), between **HOME FRAGRANCE HOLDINGS, INC.**, a Delaware corporation, ("**Grantor**"), and **FIRST DOMINION CAPITAL, L.L.C.**, a Delaware limited liability company, in its capacity as "**Agent**" under the Credit Agreement referred to below (together with any successor Agent under the Credit Agreement referred to below, the "**Secured Party**").

W I T N E S S E T H:

WHEREAS, pursuant to a Credit Agreement dated as of October 14, 1998 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "**Credit Agreement**"), between Grantor, Secured Party and the Banks party thereto, the Banks have made loans and other financial accommodations to Grantor;

WHEREAS, in connection with the Credit Agreement, Grantor has executed and delivered to Secured Party a Security Agreement, dated as of October 14, 1998 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "**Security Agreement**");

WHEREAS, as a condition to the making of loans under the Credit Agreement and providing other financial accommodations to Grantor thereunder, Grantor is required to execute and deliver this Agreement and to grant to Secured Party a continuing security interest in all of the Trademark Collateral (as defined below) to secure all Obligations; and

WHEREAS, Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce Secured Party and Banks to continue making loans and other extensions of credit pursuant to the Credit Agreement, Grantor agrees, for the benefit of Secured Party and Banks, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the respective meanings provided in the Credit Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure the prompt and complete payment, performance and observance of all of the Obligations, Grantor does hereby pledge and grant to Secured Party a security interest in, in each case, for the benefit of Secured Party and Banks, all of the following property of Grantor, whether now or hereafter owned, acquired, licensed, existing or arising (the "**Trademark Collateral**");

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, certification marks, collective marks, logos, other sources of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (each of the foregoing items in this clause (a) being called a “**Trademark**”), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in Item A of Attachment 1 hereto;

(b) all Trademark licenses, including each Trademark license referred to in Item B of Attachment 1 hereto;

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration, or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A and Item B of Attachment 1 hereto, or for any injury to the goodwill associated with the use of any Trademark or for breach or enforcement of any Trademark license.

SECTION 3. Security Agreement This Agreement has been executed and delivered by Grantor for the purpose of registering the security interest of Secured Party in the Trademark Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to Secured Party under the Security Agreement. The Security Agreement (and all rights and remedies of Secured Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest Upon payment and satisfaction in full of all Obligations and the termination of all commitments to make loans under the Credit Agreement, Secured Party shall, at Grantor’s expense, execute and deliver to Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Collateral which has been granted hereunder.

SECTION 5. Acknowledgment Grantor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the

terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.


SECTION 6. Security Document, etc. This Agreement is a Security 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 of the Credit Agreement.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

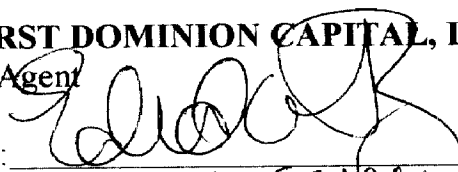
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

HOME FRAGRANCE HOLDINGS, INC., a
Delaware corporation

By: 
Name: William H. Schoner
Title: EXVP/CEO

FIRST DOMINION CAPITAL, L.L.C.,
as Agent

By: 
Name: EDWARD SZWED
Title: MANAGING DIRECTOR

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