

Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

Tab settings

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

1. Name of conveying party(ies):

Homeessentials LP

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

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

2. Name and address of receiving party(ies)

Name: Commerce Bank, N.A.

Internal Address: 1 Commerce Square

Street Address: 2005 Market Street

City: Philadelphia State: PA Zip: 19103

- Individual(s) citizenship
- Association National 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
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: 12/23/03

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

A. Trademark Application No.(s) 78/337141

B. Trademark Registration No.(s) 2448986  
2514896

Additional number(s) attached  Yes  No

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

Name: Vito Petretti

Internal Address: Wolf, Block, Schorr and Solis-Cohen LLP

Street Address: 1650 Arch Street 22nd Floor

City: Philadelphia State: PA Zip: 19103

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 3.41).....\$ 90.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

232820

**DO NOT USE THIS SPACE**

9. Signature.

Vito Petretti  
Name of Person Signing

Vito Petretti  
Signature

2/03/04  
Date

Total number of pages including cover sheet, attachments, and document: 8

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

CH \$90.00 232820 78337141

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Security Agreement") is made effective as of the 23rd day of December, 2003 by and between HOMESSENTIALS LP, a Delaware limited partnership ("Grantor"), and COMMERCE BANK, N.A., in its capacity as Collateral Agent ("Agent").

### BACKGROUND

A. In accordance with the terms of that certain Loan Agreement of even date herewith among Grantor, FOX & ROACH/TRIDENT, a Pennsylvania general partnership, FOX & ROACH/TRIDENT LIMITED PARTNERSHIP, a Pennsylvania limited partnership, F&R/T LLC, a Delaware limited liability company, TLTC LLC, a Delaware limited liability company, TIAC LLC, a Delaware limited liability company, TRMC LLC, a Delaware limited liability company, FOX & ROACH LP, a Delaware limited partnership, TRIDENT LAND TRANSFER COMPANY LP, a Delaware limited partnership, TRIDENT INSURANCE AGENCY COMPANY LP, a Delaware limited partnership, TRIDENT MORTGAGE COMPANY LP, a Delaware limited partnership, TRIDENT LAND TRANSFER COMPANY (NJ) LP, a Delaware limited partnership, TRIDENT SECOND MORTGAGE COMPANY, INC., a Pennsylvania corporation, and TRIDENT MORTGAGE BROKERAGE COMPANY, a Pennsylvania general partnership, TRIDENT LAND TRANSFER COMPANY (PHILA) LP, a Delaware limited partnership, FOX & ROACH (PHILA) LP, a Delaware limited partnership, TRI-STATE REAL ESTATE SCHOOL LP, a Delaware limited partnership, and EMPLOYEE TRANSFER CORPORATION, a Delaware corporation, as the borrowers (collectively, jointly and severally, the "**Borrowers**"), GENERAL ELECTRIC CAPITAL CORPORATION, as a Lender and Co-Documentation Agent, GECC CAPITAL MARKETS GROUP, INC., as Syndication Agent and Co-Lead Arranger, COMMERCE BANK, N.A., as a Lender, Administrative Agent, Collateral Agent, Co-Documentation Agent and Co-Lead Arranger, and the other parties signatory thereto, Lenders agreed to extend certain credit facilities to Borrowers (as amended, amended, restated or otherwise modified from time to time, the "**Loan Agreement**").

B. Pursuant to that certain Security Agreement of even date herewith by and among Borrowers and Agent (as amended, amended, restated or otherwise modified from time to time, the "**Security Agreement**"), Grantor agreed to grant to Agent, for its benefit and for the benefit of Lenders, a security interest in certain of the Grantor's assets, including, without limitation, its trademarks and trademark applications.

C. The Loan Agreement, Security Agreement and other related loan documents, as each may be amended, restated or otherwise modified from time to time, are referred to collectively herein as the "**Financing Agreements**").

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

1. **Incorporation of Loan Agreement.** The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

2. **Security Interest in Trademarks.** To secure the complete and timely payment and satisfaction of all Obligations, Grantor hereby mortgages, pledges and grants to Agent, for its benefit and the benefit of Lenders, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of Grantor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed: servicemarks, trademarks, servicemark and trademark registrations, tradenames, trademark applications, and all goodwill attendant thereto, including, without limitation, the servicemarks, trademarks and applications listed on **Exhibit "A"**, attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing servicemarks, trademarks, servicemark and trademark registrations, tradenames, trademark applications, together with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**").

3. **Restrictions on Future Agreements.** Grantor agrees that until all Obligations shall have been satisfied in full and the Financing Agreements shall have been terminated, Grantor will not, without Agent's prior written consent (except as may be permitted pursuant to the terms and conditions of the Prudential Subordination Agreement), enter into any agreement (including, without limitation, any license or royalty agreement) which is inconsistent with Grantor's obligations under this Security Agreement or the Financing Agreements and Grantor further agrees that it will not take any action, or permit any action to be taken by others, subject to its control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights of Agent under this Security Agreement.

4. **Trademarks.** Grantor represents and warrants that the Trademarks listed on **Exhibit "A"**, respectively, constitute all of the Trademarks now owned by Grantor. If, before all Obligations shall have been satisfied in full and the Financing Agreements shall have been terminated, Grantor shall (a) obtain rights to any new servicemark, trademark, servicemark or trademark registration, tradename or trademark application, or (b) become entitled to the benefit of any new servicemark, trademark, servicemark or trademark registration, tradename or trademark application, the provisions of **Section 2** above shall automatically apply thereto and Grantor shall give to Agent prompt written notice thereof. Grantor hereby authorizes Agent to modify this Security Agreement by amending **Exhibit "A"** to include any future new servicemark, trademark, servicemark or trademark registration, tradename or trademark application, which is a Trademark. Grantor hereby agrees to provide to Agent such assignment or other documentation as Agent may request to record Agent's lien on such future Trademarks.

5. **Royalties; Term.** Grantor hereby agrees that the use by Agent of all Trademarks as described herein shall be worldwide and without any liability for royalties or other related charges from Agent to Grantor. The term of the security interest granted herein shall extend until the earlier of (a) the expiration of each of the Trademarks assigned hereunder, or (b) the date on which all Obligations have been paid in full and all Financing Agreements have been terminated.

6. **Agent's Right to Inspect.** Upon prior written notice if there exists no Default or Event of Default under the Loan Documents, and without any prior written notice required if there exists a Default or Event of Default under the Loan Documents, Agent shall have the right, from time to time, to inspect Grantor's premises and to examine Grantor's books, records and operations, including, without limitation, Grantor's quality control processes. Grantor agrees that Agent, or a conservator appointed by Agent, shall have the right to establish such additional reasonable product quality controls as Agent, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks. Grantor agrees (a) not to sell or assign its interest in, or grant any license under the Trademarks without the prior written consent of Agent (except as may be permitted pursuant to the terms and conditions of the Prudential Subordination Agreement); (b) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with quality of said products as of the date hereof; (c) not to adversely change the quality of said products without Agent's express written consent; and (d) to provide Agent, upon request, with a certificate of an officer of Grantor certifying Grantor's compliance with the foregoing.

7. **Termination.** This Security Agreement is made for collateral purposes only. Upon payment in full of all Obligations and termination of the Financing Agreements, Agent shall execute and deliver to Grantor a termination of Agent's security interest granted herein and all deeds, assignments and other instruments as may be necessary or proper to re-vest in Grantor full title to the Trademarks, subject to any disposition thereof which may have been made by Agent pursuant hereto.

8. **Duties of Grantor.** Grantor shall have the duty (a) to prosecute diligently any trademark application pending as of the date hereof or hereafter until all Obligations shall have been paid in full and the Financing Agreements are terminated, (b) to make application on trademarks, as appropriate, and (c) to preserve and maintain all rights in trademark applications, trademarks and trademark registrations of the Trademarks. Any expenses incurred in connection with such applications shall be borne by Grantor. Grantor will not abandon any Trademark, any right to file a trademark application or any pending trademark application without the prior consent of the Agent, which consent shall not be unreasonably withheld if such abandonment could not reasonably be expected to result in a Material Adverse Effect.

9. **Event of Default.** Upon the occurrence of an Event of Default, Agent may, without further notice to or consent of Grantor, and in addition to all other rights and remedies available to Agent, immediately record all assignments previously executed and delivered to Agent by Grantor and/or execute and record with all applicable offices (including, without limitation, the Patent and Trademark Office) an absolute assignment to Agent by Grantor of all rights, title and interest of Grantor, in and to the Collateral. Grantor hereby authorizes and agrees that Agent may, through the power of attorney granted in **Section 14** hereof, irrevocably execute and deliver in Grantor's name any and all such assignments and agreements and to take any and all other actions in Grantor's name as Agent shall deem reasonable or appropriate to transfer and convey all right, title and interest of Grantor in and to the Collateral to Agent or any other person or entity selected by Agent.

10. **Agent's Right to Sue.** Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks, and any licenses thereunder, and, if Agent shall commence any such suit, Grantor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Agent for all costs and expenses incurred by Agent in the exercise of its rights under this **Section 10**.

11. **Waivers.** No course of dealing between Grantor and Agent or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under any of the Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

13. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in **Section 4** hereof or by a writing signed by the parties hereto.

14. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Agent's rights and remedies with respect to the Trademarks, whether established hereby or by any Financing Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Agent to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (a) endorse Grantor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Agent to protect, evidence or perfect its security interest in the Trademarks, (b) upon the occurrence of an Event of Default, endorse Grantor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Agent to enforce its security interest in the Trademarks, (c) upon the occurrence of an Event of Default, take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Agent reasonably deems in the best interest of the Agent, (d) upon the occurrence of an Event of Default, grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, including Agent, and/or (e) upon the occurrence of an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone, including Agent. Agent may also act under such power of attorney to take the actions referenced in **Section 4**. Agent hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Obligations shall have been paid in full and the Financing Agreements shall have been terminated. Grantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located.

15. **Binding Effect; Benefits.** This Security Agreement shall be binding upon the Grantor and its successors and assigns, and shall inure to the benefit of Agent, each Lender and their respective nominees, successors and assigns.


16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

[SIGNATURES ON FOLLOWING PAGE]

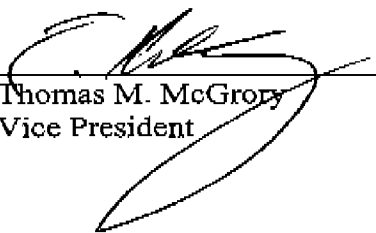
IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

**HOMESSENTIALS LP**

By: F&R/T LLC, its general partner

By:   
\_\_\_\_\_  
Lawrence F. Flick, IV  
Chief Executive Officer

**COMMERCE BANK, N.A.**, in its capacity  
as Collateral Agent

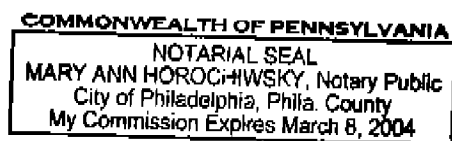
By:   
\_\_\_\_\_  
Thomas M. McGroarty  
Vice President

COMMONWEALTH OF PENNSYLVANIA :  
: SS.  
COUNTY OF PHILADELPHIA :

On this, the 23<sup>rd</sup> day of December, 2003, before me, a Notary Public, personally appeared **Lawrence F. Flick, IV**, who acknowledged himself to be Chief Executive Officer of the general partner of **HOMESSENTIALS LP** and that he as such officer of the general partner, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the entity by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

*Mary Ann Horochiwsky*  
Notary Public  
My commission expires

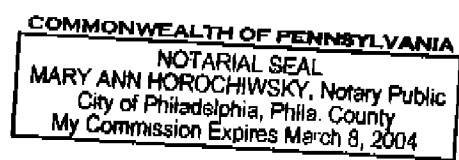


COMMONWEALTH OF PENNSYLVANIA :  
: SS.  
COUNTY OF PHILADELPHIA :

On this, the 23<sup>rd</sup> day of December, 2003, before me, a Notary Public, personally appeared **Thomas M. McGrory**, who acknowledged himself to be Vice President of **COMMERCE BANK N.A.** and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the entity by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

*Mary Ann Horochiwsky*  
Notary Public  
My commission expires



**EXHIBIT "A"**  
**TO**  
**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

TRADEMARK REGISTRATIONS

| <u>Trademark Description</u> | <u>U.S. Serial/Registration No.</u> | <u>Date Registered</u> |
|------------------------------|-------------------------------------|------------------------|
| HOMESSENTIALS                | Reg. No. 2,448,986                  | May 8, 2001            |
| LET US TURN YOU ON           | Reg. No. 2,514,896                  | December 4, 2001       |
| Fox & Roach                  | Reg. No. 78/337,141                 | Application pending    |