

7-22-03

07-28-2003

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Kitchen Etc., Inc.

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

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

2. Name and address of receiving party(ies)

Name: Wells Fargo Retail Finance, L.L.C

Internal

Address: _____

Street Address: One Boston Place, 18th Fl.

City: Boston State: MA Zip: 02108

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

Other Limited Liability Company (DE)

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: 7/2/2003

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

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) _____

See Schedule A Attached

Additional number(s) attached Yes No

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

Name: Mary Ellen Welch Rogers, Esq.

Internal Address: Ruberto, Israel & Weiner PC

Street Address: 100 No. Washington St.

City: Boston State: MA Zip: 02114

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41).....\$ 115.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

501715

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FINANCE SECTION

DO NOT USE THIS SPACE

9. Signature.

Mary Ellen Welch Rogers
Name of Person Signing

Mary Ellen Welch Rogers
Signature

7.22.03
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

07/25/2003 LHMELLER 00000111 501715 1880161

01 FC:8521 40.00 BA
02 FC:8522 75.00 BA

TRADEMARK
REEL: 002787 FRAME: 0403

SCHEDULE A

TO AMENDED TRADEMARK SECURITY AGREEMENT

BETWEEN KITCHEN ETC., INC. (Borrower)

AND

WELLS FARGO RETAIL FINANCE II, LLC (Lender)

Dated: ~~June~~ 2, 2003

July

REGISTERED TRADEMARKS (USA)

| <u>Trademark</u> | <u>Registration No.</u> | <u>Issue Date</u> |
|--|-------------------------|-------------------------------------|
| KITCHEN ETC. (design) | 1,880,161 | February 21, 1995 |
| KITCHEN ETC. (typed) | 2718632 | May 27, 2003 |
| AMERICA'S COOKING & DINING SUPERSTORE | 2701576 | November 29, 2002 (Supplemental) |
| KITCHEN UNIVERSITY | 2697723 | March 18, 2003 |

AMENDED TRADEMARK SECURITY AGREEMENT

THIS AMENDED TRADEMARK SECURITY AGREEMENT is entered into as of July 2, 2003, by and between Kitchen Etc., Inc. a Delaware corporation with a principal place of business at 32 Industrial Drive, Exeter, NH 03833 (the "**Borrower**"), and Wells Fargo Retail Finance, L.L.C. (the "**Lender**"), a Delaware limited liability company with a principal place of business at One Boston Place, 18th Floor, Boston, Massachusetts 02108, (the "**Lender**").

NOW THEREFORE, in consideration of the premises, Borrower hereby agrees with Lender as follows:

1. **Grant of Security Interest.** Borrower hereby grants ratifies and confirms its prior grant to Lender of a first priority security interest in all of Borrower's right, title and interest in and to the following (collectively, the "**Collateral**") to secure payment and performance of all obligations of Borrower to Lender whether such obligations are direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including without limitation, those liabilities of Borrower to Lender pursuant to a Loan and Security Agreement dated December 27, 2001, as amended to date between Lender and Borrower (the "**Loan Agreement**") (collectively, the "**Liabilities**").

The Collateral shall consist of the following:

(a) Each of the trademarks, and rights and interests protectible as trademarks, which are presently, or in the future may be, owned, created, acquired or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(b) All of Borrower's right, title and interest, in and to the trademarks and trademark registrations listed on Schedule A attached hereto, as the same may be updated hereafter from time to time;

(c) All of Borrower's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country, and to apply for, renew and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Borrower or in the name of Lender for past, present and future infringements of the trademarks, registrations or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(d) All general intangibles relating to the Collateral; and

(e) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

2. Warranties and Representations. Borrower hereby warrants and represents to Lender the following:

(a) A true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Borrower or licensed to Borrower, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

(b) Each of the trademarks and trademark registrations is valid and enforceable, and Borrower is not presently aware of any past, present or prospective claim by any third party that any of the trademarks are invalid or unenforceable, or that the use of any trademarks violates the rights of any third person, or of any basis for any such claims;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the trademarks and trademark registrations free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, shop rights and covenants by Borrower not to sue third persons;

(d) Borrower has used and will continue to use proper statutory notice in connection with its use of each of the registered trademarks;

(e) Borrower has used and will continue to use consistent standards of high quality (which may be consistent with Borrower's past practices) in the sale and delivery of products and services sold or delivered under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks as are in its reasonable business judgment necessary or desirable;

(f) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Borrower of the security interest hereunder or for the execution, delivery or performance of this Agreement by Borrower or for the perfection of or the exercise by Lender of its rights hereunder to the Collateral in the United States, other than (i) filing with the appropriate UCC filing offices and (ii) recording with the United States Patent and Trademark Office.

3. After-Acquired Trademark Rights. If Borrower shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Borrower shall give prompt notice in writing to Lender with respect to any such new trademarks or renewal or extension of any trademark registration. Borrower shall bear any expenses incurred in connection with future applications for trademark registration.

4. Litigation and Proceedings. Borrower shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings or other actions for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Borrower shall provide to Lender any information with respect thereto reasonably requested by Lender. Lender shall provide at Borrower's expense all necessary cooperation in connection with any such suit, proceeding or action, including, without limitation, joining as a necessary party. Following Borrower's becoming aware thereof, Borrower shall notify Lender of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or

any United States, state or foreign court regarding Borrower's claim of ownership in any of such trademarks, its right to apply for the same, or its right to keep and maintain such trademark rights.

5. Power of Attorney. Borrower hereby grants Lender power of attorney, having the full authority, and in the place of Borrower and in the name of Borrower, from time to time in Lender's discretion during the existence of an Event of Default to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of the Loan Agreement:

(a) To endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use or maintain the Collateral;

(b) To ask, demand, collect, sue for, recover, impound, receive and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral;

(c) To file any claims or take any action or institute any proceedings that Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Lender's rights with respect to any of the Collateral and to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any person.

7. Right to Inspect. Borrower grants to Lender and its employees and agents the right to visit Borrower's plants and facilities which store products sold under any of the trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours and upon reasonable prior notice.

8. Events of Default. The occurrence of an Event of Default as that term is defined in the Loan Agreement shall be an Event of Default hereunder.

9. Specific Remedies. During the existence of any Event of Default, as described in the Loan Agreement, Lender shall have all of the remedies set forth in the Loan Agreement.

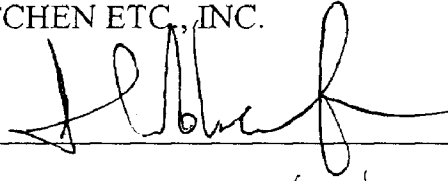
10. Governing Law. All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Massachusetts.

WELLS FARGO RETAIL FINANCE, L.L.C.

Jennifer Cann
By Jennifer Cann
AVP/ Associate Account Executive

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

KITCHEN ETC., INC.



By:

David E. Robertson
VP/CFO