

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Closets By Design, Inc.		06/30/2004	CORPORATION: CALIFORNIA

RECEIVING PARTY DATA	
Name:	Madison Capital Funding LLC
Street Address:	30 South Wacker Drive
Internal Address:	Suite 3700
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60606
Entity Type:	Limited Liability Company:

PROPERTY NUMBERS Total: 8		
Property Type	Number	Word Mark
Registration Number:	1719212	CLOSETS BY DESIGN
Registration Number:	2445867	CLOSETS BY DESIGN FOR HOME, BUSINESS AND MOSTLY PLEASURE
Registration Number:	1863355	ALL AMERICAN GARAGE CABINETS
Registration Number:	1886736	EUROCONOMY
Registration Number:	1890697	EUROSTANDARD
Registration Number:	1886735	EURODELUXE
Serial Number:	78291355	CLOSETS BY DESIGN
Serial Number:	78395414	CD CLOSETBYDESIGN

CORRESPONDENCE DATA	
Fax Number:	(312)863-7809
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	312-863-7292
Email:	ian.hathaway@goldbergkohn.com
Correspondent Name:	Ian Hathaway

OP \$215.00 1719212

Address Line 1: 55 East Monroe Street
Address Line 2: Suite 3700
Address Line 4: Chicago, ILLINOIS 60603

ATTORNEY DOCKET NUMBER:	4975.047
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NAME OF SUBMITTER:	Ian Hathaway
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Total Attachments: 6
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TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of June 30, 2004, by CLOSETS BY DESIGN, INC., a California corporation ("Grantor"), in favor of MADISON CAPITAL FUNDING LLC, in its capacity as Agent for Lenders.

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof by and among Home Organizers Inc. ("Borrower"), Agent and the financial institutions signatory thereto from time to time as Lenders (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), Lenders have agreed to make the Loans and to issue Letters of Credit for the benefit of Borrower;

WHEREAS, Grantor is a Wholly-Owned Subsidiary of Borrower and has agreed to guaranty Borrower's obligations under the Credit Agreement pursuant to the Collateral Agreement described below;

WHEREAS, Agent and Lenders are willing to make the Loans and to issue Letters of Credit as provided for in the Credit Agreement, but only upon the condition, among others, that Borrower and Grantor, together with certain other Subsidiaries of Borrower, shall have executed and delivered to Agent, for itself and the ratable benefit of Lenders, that certain Guaranty and Collateral Agreement dated as of the date herewith (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Collateral Agreement"); and

WHEREAS, pursuant to the Collateral Agreement, Grantor is required to execute and deliver to Agent, for itself and the ratable benefit of Lenders, this Trademark Security Agreement;

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

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL. Grantor hereby grants to Agent, on behalf of itself and Lenders, a continuing first priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all of its Trademarks and Trademark Licenses to which it is a party including, but not limited to, those Trademark Licenses which are material to the conduct of the business and the United States federally registered Trademarks referred to on Schedule I hereto;

(b) all reissues, continuations or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and

(d) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

3. COLLATERAL AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Agent, on behalf of itself and Lenders, pursuant to the Collateral Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[signature page follows]


IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

CLOSETS BY DESIGN, INC.

By _____
Name _____
Title _____

ACCEPTED AND ACKNOWLEDGED BY:

MADISON CAPITAL FUNDING LLC, as
Agent

By 
Name Christopher G. Williams
Title: Managing Director

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

Trademarks/Service marks

Mark	Application Serial No. or Common Law Mark	Date of filing	Registration No.	Services and International Class
CLOSETS BY DESIGN	74/238,466	1/17/92	Registration No. 1,719,212 Registered 9/22/1992	Design of prefabricated closets, IC 42
CLOSETS BY DESIGN	78/291355	8/22/2003	N/A	Design services; namely, custom design of storage space, work space and entertainment space, IC 42
CLOSETS BY DESIGN FOR HOME, BUSINESS AND MOSTLY PLEASURE	75/813346	10/1/1999	Registration No. 2,445,867 Registered 4/24/2001	Installation of closets, cabinets, closet organizers, garage organizers, wall units and home furnishings, IC 37 & Custom design, manufacture and building of closets, cabinets, closet organizers, garage organizers, wall units and home furnishings, IC 40
CD CLOSETBYDESIGN	78/395414	4/2/2004	N/A	Design, building, custom manufacture and installation of closets, cabinets, closet organizers, garage organizers, wall units and home furnishings,

Mark	Application Serial No. or Common Law Mark	Date of filing	Registration No.	Services and International Class
				IC 42
ALL-AMERICAN GARAGE CABINETS	74/323272	10/19/1992	Registration No. 1,863,355 Registered 11/15/1994	Design of prefabricated closets, IC 42
EUROCONOMY	74/238320	1/17/1992	Registration No. 1,886,736 Registered 3/28/1995	Design of prefabricated closets, IC 42
EUROSTANDARD	74/238319	1/17/1992	Registration No. 1,890,697 Registered 4/18/1995	Design of prefabricated closets, IC 42
EURODELUXE	74/238318	1/17/1992	Registration No. 1,886,735 Registered 3/28/1995	Design of prefabricated closets, IC 42

Trademark Licenses

Licensor	Licensee	Licensed Property
Closets By Design, Inc.	CBD Franchising, Inc.	All Trademarks held by Closets By Design, Inc. as specified hereinabove