

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
Home Closets, 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: 1		
Property Type	Number	Word Mark
Serial Number:	78395384	HOME CLOSETS

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@goldbergekohn.com
Correspondent Name:	Ian Hathaway
Address Line 1:	55 East Monroe Street
Address Line 2:	Suite 3700
Address Line 4:	Chicago, ILLINOIS 60606

ATTORNEY DOCKET NUMBER:	4975.047
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NAME OF SUBMITTER:	Ian Hathaway
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Total Attachments: 5
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TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of June 30, 2004, by HOME CLOSETS 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]

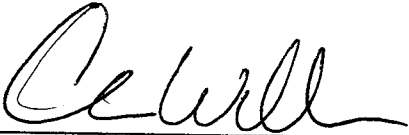
IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

HOME CLOSETS INC.

By _____
Name _____
Title _____

ACCEPTED AND ACKNOWLEDGED BY:

**MADISON CAPITAL FUNDING LLC, as
Agent**

By 
Name Christopher G. Williams
Title: Managing Director

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.

HOME CLOSETS INC.

By _____
Name Greg Buschen
Title CEO

ACCEPTED AND ACKNOWLEDGED BY:

MADISON CAPITAL FUNDING LLC,
as Agent

By _____
Name _____
Title _____

ACKNOWLEDGMENT OF GRANTOR

STATE OF California)
) SS
COUNTY OF Los Angeles)

On this 30 day of JUNE, 2004 before me personally appeared GREG BUSCHEN, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Home Closets Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.



Fred Rivero

Notary Public

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

Mark	Application Serial No. or Common Law Mark	Date of filing	Registration No.	Services and International Class
HOME CLOSETS	78/395384	4/2/2004	N/A	IC 042, designing, building, custom manufacture and installation of closets, cabinets, closet organizers, garage organizers, wall units and furnishings

23135140.DOC

RECORDED: 07/07/2004

TRADEMARK
REEL: 002886 FRAME: 0870