

01-20-2004



102649034

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

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): Petro Holdings, Inc. 1-14-04
Individual(s) Association
General Partnership Limited Partnership
[checked] Corporation-State of Minnesota
Other
Additional name(s) of conveying party(ies) attached? [] Yes [checked] No

2. Name and address of receiving party(ies)
Name: Wachovia Bank, National Association, as Trustee
Internal Address: 6th Floor (Mark Weir)
Street Address: 301 South College Street
City: Charlotte State: NC Zip: 28288
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State
[checked] Other Banking Association
If assignee is not domiciled in the United States, a domestic representative designation is attached: [] Yes [checked] No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? [] Yes [checked] No

3. Nature of conveyance:
Assignment Merger
[checked] Security Agreement Change of Name
Other
Execution Date:

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) 76/510117, 76/510071
B. Trademark Registration No.(s)
Additional number(s) attached [] Yes [checked] No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Theodore C. George, Esq.
Internal Address: Parker Poe Adams & Bernstein, L.L.P.
Three Wachovia Center, Suite 3000
Street Address: 401 South Tryon Street
City: Charlotte State: NC Zip: 28202

6. Total number of applications and registrations involved: 2
7. Total fee (37 CFR 3.41) \$ 65
[checked] Enclosed
[] Authorized to be charged to deposit account
8. Deposit account number:

DO NOT USE THIS SPACE

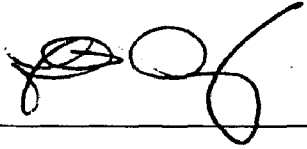
9. Signature.
See attached signature page
Signature Date
Total number of pages including cover sheet, attachments, and document: 40-00-00
25-00-00

OFFICE OF PUBLIC RECORDS
2004 JAN 14 PM 10:52
FINANCE SECTION

01/16/2004 DBYRNE
01 FC:8521
02 FC:8522

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

PETRO HOLDINGS, INC.

By:  _____

Name: Richard F. Ambury

Title: Vice President and Treasurer

Date: January 5, 2004

TRADEMARK SECURITY AGREEMENT
(TRADEMARKS, TRADEMARK APPLICATIONS AND TRADEMARK LICENSES)

THIS TRADEMARK SECURITY AGREEMENT is made as of December ~~22~~, 2003 between **PETRO HOLDINGS, INC.**, a Minnesota corporation (the "**Grantor**") and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as trustee (the "**Trustee**"),

WHEREAS, reference is made to (a) the separate and several Note Purchase Agreements, each dated as of March 25, 1999 (collectively, the "**Initial Note Agreements**"), among Star Gas Partners, L.P. ("**Star Partners**"), the Grantor, Petroleum Heat and Power Co., Inc. ("**Petro**") and each of the institutional investors set forth on Schedule A thereto (such institutional investors and their respective successors and assigns are hereinafter referred to as the "**Initial Note Holders**"), providing for the issue and sale by Petro of its aggregate principal amount of 7.61% Senior Secured Notes due April 1, 2004 in the aggregate principal amount of \$8,000,000, 7.71% Senior Secured Notes due April 1, 2005 in the aggregate principal amount of \$10,000,000, 7.97% Senior Secured Notes due April 1, 2007 in the aggregate principal amount of \$38,000,000 and 8.27% Senior Secured Notes due April 1, 2014 in the aggregate principal amount of \$20,000,000 (such notes, including all notes and other securities issued in substitution therefor or replacement thereof under the Initial Note Agreements, being referred to herein collectively as the "**Initial Notes**"), (b) the separate and several Note Purchase Agreements, each dated as of October 1, 2000 (collectively, the "**2000 Note Agreements**"), among Star Partners, the Grantor, Petro and the institutional investors named on Schedule A thereto (such institutional investors and their respective successors and assigns are hereinafter referred to as the "**2000 Note Holders**"), executed counterparts of which are being delivered to the Trustee herewith, providing for the issue and sale by Petro of its 8.88% Series B Senior Secured Notes due November 1, 2005 in the aggregate principal amount of \$10,000,000 and the issue and sale by Petro of its 9.07% Series C Senior Secured Notes due November 1, 2010 in the aggregate principal amount of \$20,000,000 (such notes, including all notes and other securities issued in substitution therefor or replacement thereof under the 2000 Note Agreements, being referred to herein collectively as the "**2000 Notes**"), (c) the separate and several Note Purchase Agreements, each dated as of July 30, 2001 (collectively, the "**2001 Note Agreements**"; the 2001 Note Agreements, 2000 Note Agreements and Initial Note Agreements are collectively referred to as the "**Note Agreements**"), among Star Partners, the Grantor, Petro and the institutional investors named on Schedule A thereto (such institutional investors and their respective successors and assigns are hereinafter referred to as the "**2001 Note Holders**"; the 2001 Note Holders, 2000 Note Holders and Initial Note Holders are collectively referred to as the "**Note Holders**"), executed counterparts of which are being delivered to the Trustee herewith, providing for the issue and sale by Petro of its 8.05% Series A Senior Secured Notes due August 1, 2006 in the aggregate principal amount of \$73,000,000 and the issue and sale by Petro of its 8.73% Series B Senior Secured Notes due August 1, 2013 in the aggregate principal amount of \$30,000,000 (such notes, including all notes and other securities issued in substitution therefor or replacement thereof under the 2001 Note Agreements, being referred to herein collectively as the "**2001 Notes**"; the 2001 Notes, 2000 Notes and Initial Notes are collectively referred to as the "**Notes**") and (d) that certain Credit Agreement, dated as of even date herewith (the "**Credit Agreement**"), among Petro, the financial institutions a party thereto as lenders (the "**Lenders**"), the Wachovia Bank, National Association, as administrative agent (the "**Agent**") and the Issuers (as defined in the Credit Agreement), will provide certain credit facilities to Petro in the initial aggregate principal amount of up to \$235,000,000, (e) the

Amended and Restated Pledge and Security Agreement, dated of even date herewith, among Petro, the Subsidiaries signatory thereto and the Trustee (the "*Petro Security Agreement*"), and (e) the Amended and Restated Pledge and Security Agreement, dated as of March 25, 1999, between the Grantor and the Trustee (the "*Holdings Security Agreement*" the Holdings Security Agreement and the Petro Security Agreement are collectively referred to as the "*Security Agreements*"). The obligations of the Lenders and Issuers to extend credit under the Credit Agreement and the obligations of the Note Holders, are secured by, among other things, the execution and delivery of this Trademark Security Agreement;

WHEREAS, Grantor owns the Trademarks listed on Schedule I annexed hereto, and is a party to the Trademark Licenses listed on Schedule I annexed hereto; and

WHEREAS, all capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Security Agreements.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Trustee a continuing security interest in and acknowledges that the Trustee has and shall continue to have a continuing security interest in, any and all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "*Trademark Collateral*"), whether presently existing or hereafter arising or acquired:

(i) each Trademark and Trademark application, including each Trademark and Trademark application referred to in Schedule I annexed hereto; and

(ii) each Trademark License including each Trademark License listed on Schedule I annexed hereto; and

(iii) All proceeds and products of the foregoing and all insurance on the foregoing and proceeds thereof, whether now existing or hereafter arising, including without limitation (A) any claim by the Grantor against third parties for damages by reason of past, present or future infringement or dilution of any Trademark or of any Trademark licensed under any Trademark License, or for injury to the goodwill of the business connected with the use of, or symbolized by, any Trademark or of any Trademark licensed under any Trademark License and (B) any claim by the Grantor against third parties for damages by reason of past, present or future misappropriation or wrongful use or disclosure of any Trademark or of any Trademark licensed under any Trademark License, together with the right to sue for and collect the damages described in the immediately preceding clause (A).

This security interest is granted in conjunction with the security interests granted to the Trustee pursuant to the Security Agreements. Grantor does hereby further acknowledge and affirm that rights and remedies of Trustee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreements, the Credit Agreement and the Note Agreements, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

THIS TRADEMARK SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF

THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

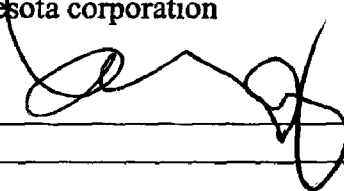
At any time and from time to time, as may be required by applicable law or upon the written request of the Trustee, and at the sole expense of the Grantor, the Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as may be required by applicable law or as the Trustee may reasonably request for the purpose of obtaining or preserving the full benefits of this Trademark Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens created hereby or any document (including this Trademark Security Agreement) with the U.S. Patent and Trademark Office or elsewhere.

This agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 22 day of December, 2003.

PETRO HOLDINGS, INC.,
a Minnesota corporation

By: 
Name: _____
Title: _____

**WACHOVIA BANK, NATIONAL
ASSOCIATION,**
as Trustee

By: _____
Name: _____
Title: _____


Signature Page
to
Holdings Trademark Security Agreement
(Petroleum Heat and Power Co., Inc.)

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 22 day of December, 2003.

PETRO HOLDINGS, INC.,
a Minnesota corporation

By: _____
Name: _____
Title: _____

**WACHOVIA BANK, NATIONAL
ASSOCIATION,**
as Trustee

By:  _____
Name: Mark D. Weir
Title: Vice President

Signature Page
to
Holdings Trademark Security Agreement
(Petroleum Heat and Power Co., Inc.)

TRADEMARK
REEL: 002898 FRAME: 0653

Petro Holdings, Inc.
Trademarks

<u>Registered Trademark</u>	<u>Registration Reg. No.</u>	<u>Date</u>
None		

<u>Pending U.S. Trademark Application</u>	<u>Registration Reg. No.</u>	<u>Date</u>
“DEBLOIS”	76/510,117	4/28/03
DB logo*	76/510,071	4/28/03

* Application to be abandoned.

Trademark Licenses

None