

FORM PTO-1594 (Modified)
1-31-92U.S. DEPARTMENT OF COMMERCE
Patent and Trademark OfficeRECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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

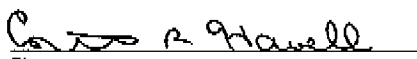
1. Name of conveying party(ies): American Pacific Enterprises, LLC	2. Name and address of receiving party(ies): CapitalSource Finance LLC 4445 Willard Avenue Chevy Chase, Md 20815
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other: Release of security interest Execution Date: <u>May 19, 2004</u> Effective Date: <u>May 19, 2004</u>	<input type="checkbox"/> Individual(s) citizenship: <input type="checkbox"/> Association: <input type="checkbox"/> General Partnership: <input type="checkbox"/> Limited Partnership: <input type="checkbox"/> Corporation-State: <input checked="" type="checkbox"/> Other: Delaware LLC If assignee is not domiciled in the U.S.A., a domestic representative designation is attached: <input type="checkbox"/> Yes: <input type="checkbox"/> No (Designations must be a separate document from Assignment)
4. Application number(s) or registration number(s): A. Trademark Application No.(s):	B. Trademark Registration No.(s): 2275758 2528089 1895109 2580245 2268458 2825191
5. Name and address of party to whom correspondence document should be mailed: Catherine R. Howell, Paralegal Attn: TMSU Morgan, Lewis & Bockius LLP 1111 Pennsylvania Avenue N.W. Washington, D.C. 20004 Telephone: 202-739-5652 Facsimile: 202-739-3001 E-Mail: chowell@morganlewis.com	6. Total number of applications and registrations involved: 6 7. Total fee (37 C.F.R. § 3.41) \$ <u>165.00</u> <input type="checkbox"/> Check enclosed. <input checked="" type="checkbox"/> Authorized to charge fee and any overpayments/deficiencies to deposit account. 8. Deposit account number: 13-4520

DO NOT USE THIS SPACE

9. Statement and signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Catherine R. Howell, Paralegal
Name of Person Signing


Signature

September 30, 2004
Date

Total number of pages including cover sheet, attachments and document: 12

OMB No. 0651-0011 (exp. 4/94)

CH \$165.00 134520 2275758

EXECUTION VERSION**ACKNOWLEDGEMENT OF
INTELLECTUAL PROPERTY COLLATERAL LIEN**

This Acknowledgement of Intellectual Property Collateral Lien (this "Acknowledgement") is dated as of May 19, 2004, by **AMERICAN PACIFIC ENTERPRISES, LLC**, a Delaware limited liability company, ("Grantor"), in favor of CapitalSource Finance LLC, a Delaware limited liability company, as administrative, payment and collateral agent for the Lenders under the Loan Agreement described below (in such capacities, "Secured Party").

WITNESSETH

WHEREAS, pursuant to that certain Revolving Credit, Term Loan and Security Agreement dated as of the date hereof among the Grantor, Designer Linens Direct, LLC and such other Persons that become a Credit Party (as defined in the Loan Agreement), Secured Party and the Lenders (as the same exists and may be amended, restated, supplemented, extended, renewed, replaced or otherwise modified from time to time, the "Loan Agreement"), the Lenders have agreed to provide Loans to the Borrower (as defined in the Loan Agreement) upon the terms and subject to the conditions set forth therein;

WHEREAS, Grantor has granted to Secured Party, for itself and the benefit of the Lenders, certain liens on the Collateral to secure its Obligations under the Loan Agreement; and

WHEREAS, pursuant to the terms of the Loan Agreement Grantor is required to execute and deliver this Acknowledgment in favor of Secured Party, for itself and the benefit of the Lenders;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Secured Party and Lenders to enter into the Loan Documents and to make Loans to the Borrower thereunder, Grantor hereby agrees with Secured Party as follows:

Section 1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Loan Agreement or, to the extent the same are used or defined therein, the meanings provided in Article 9 of the UCC in effect from time to time. Whenever the context so requires, each reference to gender includes the masculine and feminine, the singular number includes the plural and vice versa. This Acknowledgement shall mean such agreement as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, from time to time. References in this Acknowledgement to any Person shall include such Person and its successors and permitted assigns.

Section 2. Reaffirmation of Grant of Security Interest in Intellectual Property Collateral. Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the

Obligations, hereby reaffirms its grant to Secured Party, for itself and the benefit of the Lenders, of a first priority security interest in the Intellectual Property Collateral (as defined below), and further reaffirms its collateral assignment, conveyance, mortgage, pledge, hypothecation and transfer to Secured Party, for itself and the benefit of the Lenders, and its grant to Secured Party, for itself and the benefit of the Lenders, of a lien on and security interest in all of its right, title and interest in, to and under the following (herein referred to as "**Intellectual Property Collateral**"):

(a) all of its owned Trademarks and Trademark Licenses to which it is a party, including those referred to on Schedule I hereto; and

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

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

(iii) all Proceeds of the foregoing, including any claim by Grantor against third parties for past, present, future (a) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (b) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License;

(b) all of its Copyrights and Copyright Licenses to which it is a party, including those referred to on Schedule II hereto; and

(i) all renewals, reissues, continuations or extensions of the foregoing;
and

(ii) all Proceeds of the foregoing, including any claim by Grantor against third parties for past, present, future infringement or dilution of any Copyright or Copyright licensed under any Copyright License; and

(c) all of its Patents and Patent Licenses to which it is a party, including those referred to on Schedule III hereto; and

(i) all renewals, reissues, continuations or extensions of the foregoing;
and

(ii) all Proceeds of the foregoing, including any claim by Grantor against third parties for past, present or future infringement or dilution of any Patent or any Patent licensed under any Patent License.

Section 3. Acknowledgement. The security interests reaffirmed herein are granted in conjunction with the security interest granted to Secured Party, for itself and the benefit of the Lenders, pursuant to the Loan Agreement and Grantor hereby acknowledges and affirms that the rights and remedies of Secured Party and Lenders with respect to the security interest in the Intellectual Property Collateral reaffirmed herein are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent that there is any conflict or inconsistency between this Acknowledgement and the Loan Agreement, the terms and conditions of the Loan Agreement shall govern.

[Signatures appear on the following page]

IN WITNESS WHEREOF, Grantor has caused this Acknowledgment of Intellectual Property Collateral Lien to be executed and delivered by its duly authorized officer as of the date first set forth above.

AMERICAN PACIFIC ENTERPRISES, LLC

By: 
Name: Gregory Block
Title: Chief Executive Officer

Accepted and Agreed:

CAPITALSOURCE FINANCE LLC, as Secured Party

By: _____
Name:
Title:

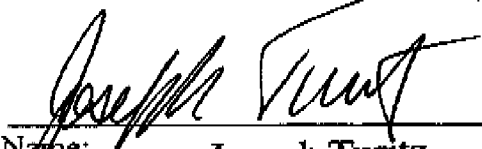
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AMERICAN PACIFIC ENTERPRISES, LLC

By: _____
Name: Gregory Block
Title: Chief Executive Officer

Accepted and Agreed:

CAPITALSOURCE FINANCE LLC, as Secured Party

By:  _____
Name: Joseph Turitz
Title: General Counsel

AMERICAN PACIFIC ENTERPRISES, LLC

STATE OF CaliforniaCOUNTY OF San Francisco

) ss.

On 5/12/04, before me, Christopher G. Viggilio, Notary Public

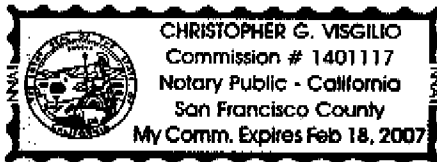
Date

Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Geg Block

Name of Signer(s)

- ☐ personally known to me - OR - ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY(IES) CLAIMED BY SIGNER(S)

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
☐ Attorney-In-Fact ☐ General
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is Representing:
 Name of Person(s) or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Acknowledge of IntellectualProperty Collateral Lien

Title or Type of Document

3

Number of Pages

5/12/04

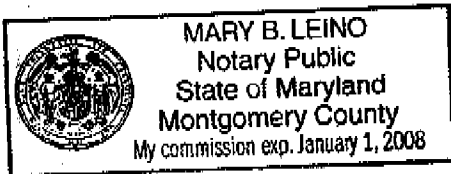
Date of Document

Signer(s) Other Than Named Above

CAPITALSOURCE FINANCE LLC

STATE OF Maryland)
COUNTY OF Montgomery) ss.
On May 18, 2004, before me, Mary B. Leino, Notary Public
Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")
personally appeared Joseph Tieritz
Name of Signer(s)

☒ personally known to me – OR – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Mary B. Leino
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY(IES) CLAIMED BY SIGNER(S)

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
☐ General
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is Representing:
Name of Person(s) or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

SCHEDULE I**Registered Trademarks, Trademark Applications, and Trademark Licenses****1. Registered Trademarks**

Trademark	Registration Number	Registration Date
American Pacific	1,895,109	May 23, 1995
Common Threads	2,275,758	September 7, 1999
Match (and design)	2,268,458	August 10, 1999
Match Living	2,528,089	January 8, 2002
Twice as Nice	2,580,245	June 11, 2002
Armoire Collection	2,825,191	March 23, 2004

2. Pending Trademarks and Status

- a. Cottage Laundry: A third party had filed an extension of time to oppose this mark. However, there has been no formal opposition and registration should issue in due course.
- b. Hawthorne Hill: This mark was published for opposition on March 16, 2004. The opposition period has expired and registration should issue in due course.
- c. Suite 109: This application is currently suspended pending the disposition of two earlier-filed blocking third party applications. A check on the blocking marks indicates that they are no longer active. Accordingly, APE will request that the mark be removed from the suspension and approved for registration.

3. Abandoned Trademarks

Baby Blocks
 Baby's Inheritance
 Cobble Creek
 Design Only (Carrying Case)
 Gentle Moon
 Hawthorne Hill (and design)
 Match!

4. Cancelled Trademarks

Country Classics
 Tucker Lane