

07-07-2005



103035428

To the Honorable Commissioner of Pa

original documents or copy thereof.

1. Name of conveying party(ies): Garden Ridge Finance Corporation

2. Name and address of receiving party(ies):

Name: Allied Capital Corporation

Internal Address:

Street Address:

1919 Pennsylvania Avenue, N.W.

City: Washington

State: DC

Zip: 20006-3434

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

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

Individual(s) citizenship:

Association:

General Partnership:

Limited Partnership:

Corporation-State: Maryland

Other:

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

Additional name(s) & address(es) attached? Yes No

3. Nature of Conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

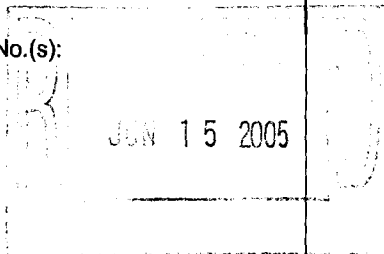
Execution Date: May 12, 2005

4. Application Number(s) or Registration Number(s):

A. Trademark Application No.(s):

B. Trademark Registration No.(s):

- 1,634,497, 1,641,031, 1,934,665, 2,215,576, 2,557,813, 2,533,151



Additional numbers attached? Yes No

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

Name: Donald A. Gregory DICKSTEIN SHAPIRO MORIN & OSHINSKY LLP

Internal Address: Atty. Dkt.: A4043.0611

Street Address: 2101 L Street NW

City: Washington State: DC Zip: 20037-1526

6. Total Number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41) \$ 165.00

- Enclosed, Authorized to be charged to Deposit Account, Authorized to be charged to credit card

8. Deposit account number: 04-1073 (Attach duplicate copy of this page if paying by deposit account)

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.

Elizabeth Parsons Name of Person Signing

Signature

June 15, 2005 Date

Total number of pages including cover sheet, attachments, and document: 8

07/06/2005 T3ALLAH2 00000017 1634497

01 FC:0521 40.00 DP 02 FC:0522 125.00 DP

TRADEMARK SECURITY AGREEMENT
(Garden Ridge Finance Corporation)

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is between GARDEN RIDGE FINANCE CORPORATION, a Delaware corporation (the "Debtor"), and ALLIED CAPITAL CORPORATION, a Maryland corporation (the "Secured Party").

R E C I T A L S:

A. Pursuant to the terms of the Security Agreement dated the date hereof among Secured Party, Debtor and the remaining grantors party thereto (the "Security Agreement"), the Debtor has granted to the Secured Party a lien and security interest in all General Intangibles of the Debtor, including, without limitation, all of the Debtor's right, title, and interest in, to, and under all now owned and hereafter acquired Trademarks (as defined below), together with the goodwill of the business symbolized by the Debtor's Trademarks (as defined below), and Trademark Licenses (as defined below), and all products and proceeds thereof, to secure the payment of the Secured Obligations (as defined in the Security Agreement).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor hereby grants to the Secured Party a lien and continuing security interest in all of the Debtor'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 created or acquired:

(1) (a) any written agreement now or hereafter in existence granting to the Debtor any right to use any Trademark ("Trademark License"); (b) all (i) trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings, and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof, or any other country or any political subdivision thereof, (ii) reissues, extensions, and renewals thereof, (iii) income, royalties, damages, and payments now or hereafter relating to or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (iv) right to sue for past, present, and future infringements of any of the foregoing; (v) rights corresponding to any of the foregoing throughout the world, and (vi) goodwill associated with and symbolized by any of the foregoing, in each case, whether now owned or hereafter acquired by the Debtor (all of such items in this clause (b) being referred to herein collectively as the "Trademarks"); (c) each trademark registration ("Trademark Registration"); and (d) each trademark application ("Trademark Application") (including, without limitation, each Trademark, Trademark Registration, and Trademark Application referred to in Schedule 1 annexed hereto, together with the goodwill of the business symbolized thereby); and

(2) each Trademark License, to the extent allowable under the applicable license agreement (including, without limitation, each Trademark License listed in Schedule 1 annexed hereto); and

(3) all products and proceeds of the foregoing, including, without limitation, any claim by the Debtor against third parties for past, present, or future (a) infringement, dilution, or breach of any Trademark, Trademark Registration, Trademark Application, or Trademark License (including, without limitation, any Trademark, Trademark Registration, or Trademark License referred to in Schedule 1 annexed hereto, and any Trademark Registration issued pursuant to a Trademark Application referred to in Schedule 1 annexed hereto) or (b) injury to the goodwill associated with any Trademark, Trademark Registration, and Trademark Application.

The lien and security interest contained in this Agreement is granted in conjunction with the liens and security interests granted to the Secured Party pursuant to the Security Agreement, and is subject in all respect to the terms and conditions of the Intercreditor Agreement (as defined in the Security Agreement).

The Debtor hereby (a) acknowledges and affirms that the rights and remedies of the Secured Party with respect to the Liens in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein and (b) acknowledges and consents to the Lien granted pursuant to the Security Agreement to the Secured Party by Garden Ridge, L.P. in the certain Trademark and Servicemark License Agreement dated as of January 29, 1996 between the Debtor and Garden Ridge, L.P.

IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed by its duly authorized officer as of the 12th day of May, 2005.

DEBTOR:

GARDEN RIDGE FINANCE CORPORATION

By: [Signature]
Name: [Signature]
Title: PRES.

SECURED PARTY:

ALLIED CAPITAL CORPORATION

By: _____
Name: _____
Title: _____

CONSENT

The undersigned, consents to the foregoing Trademark Security Agreement.

GARDEN RIDGE, L.P.

By: Garden Ridge Management, Inc.
General Partner

By: [Signature]
Name: [Signature]
Title: U.P. Sec.

[Signature page to Trademark Security Agreement]

IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed by its duly authorized officer as of the 12th day of May, 2005.

DEBTOR:

GARDEN RIDGE FINANCE CORPORATION

By: _____
Name: _____
Title: _____

SECURED PARTY:

ALLIED CAPITAL CORPORATION

By: N. John Fontana
Name: N. John Fontana
Title: Managing Director

CONSENT

The undersigned, consents to the foregoing Trademark Security Agreement.

GARDEN RIDGE, L.P.

By: Garden Ridge Management, Inc.
General Partner

By: _____
Name: _____
Title: _____

[Signature page to Trademark Security Agreement]

Schedule 1
to
Trademark Security Agreement

Registered Owner: Garden Ridge Finance Corporation

Licensed to Garden Ridge, L.P. pursuant to Trademark and Servicemark License Agreement dated January 29, 1996 between Garden Ridge Finance Corporation and Garden Ridge, L.P.

MARK	REGISTRATION NUMBER	GOOD OR SERVICES
Garden Ridge	1,634,497	Retail and wholesale store services offering home decorating and entertainment merchandise, namely, straw baskets, wicker, bamboo items, silk and dried floral items, bulk ribbons, home accent pieces, housewares, pottery, candles, linens, lightweight furniture, arts and crafts items, and general variety, arts and crafts, and home decorating items, in International Class 42
Garden Ridge	1,641,031	Brass screws and hooks, in International Class 6; baskets made from wicker and straw, in International Class 20; pottery containers, kitchen utensils, decorative plates, serving plates, kitchen containers and kitchen canisters, in International Class 21; table coverings and linens, in International Class 24; and artificial flowers, in International Class 26

MARK	REGISTRATION NUMBER	GOOD OR SERVICES
Garden Ridge	1,934,665	Retail and wholesale sale services offering home decorating and entertainment merchandise, namely, straw and wicker baskets; bamboo items; silk, dried and artificial flowers; living plants, bushes and trees; cut and artificial Christmas trees; cut and artificial Christmas wreaths; Christmas tree stands, skirts, ornaments and electric lights; bulk ribbons; houseware; pottery; beverage glassware; dinnerware; ceramic plates; plastic plates; kitchen knives, forks and spoons; cookware; bakeware, kitchen containers; kitchen canisters; glass jars for jams and jellies; decorative refrigerator magnets; tablecloths; tablemats; table linen; candles; candlesticks not of precious metal; bed sheets, pads and linens; bedspreads; comforters; pillows; pillow cases; bath towels; bath linens; bath rugs; bath and shower curtains; furniture; home accent pieces; rugs; lamps; vases; pots; picture frames; art prints; art pictures; graphic and printed art reproductions; posters; decorative plates; brass screws and hooks; arts and crafts paint kits, stitchery kits, and glues; paper party bags, hats and decorations; party favors in the nature of small toys; greeting and occasion cards; gift wrapping paper; stationery, smocks; candy; and general variety, arts and crafts, and home decorating items, in International Class 42
The Home Decor Marketplace	2,215,576	Retail shop services featuring home furnishings and craft items, in International Class 35
The Home Decor Marketplace	2,557,813	Retail shop services featuring home furnishings and craft items, in International Class 35.

MARK	REGISTRATION NUMBER	GOOD OR SERVICES
The Home Decor & Craft Marketplace	2,533,151	Retail and wholesale store services featuring – home furnishings, wicker baskets and furniture; house wares; candles; decorative plates; decorative refrigerator magnets; candlesticks not made of precious metal; bath towels and rugs; lamps; vases; living and artificial Christmas tree stands, skirts, ornaments, and electric lights; home accent pieces; kitchenware and utensils; cookware; baskets and pottery; bedding; linens; table cloths and table mats; bath and shower curtains; rugs; brass screws and hooks; stationery; gift wrapping paper and greeting and occasion cards; paper party and gift bags; party hats and decorations; party favors; silk, dried and artificial flowers; bamboo items; living plants; bushes and trees; candy; artwork and framing supplies, bulk ribbons; and a general variety of craft, hobby and art supplies in International Class 35.