

# TRADEMARK ASSIGNMENT

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT																																						
NATURE OF CONVEYANCE:	SECURITY INTEREST																																						
CONVEYING PARTY DATA																																							
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 REEL: 004125 FRAME: 0780

Serial Number:	77228976	
Serial Number:	77228982	BLUEPRINT STUDIO
Serial Number:	77228995	FRAMES & MOORE
Serial Number:	77228998	DREAM CREATE SHARE
Serial Number:	77229002	MOORE VALUES
Serial Number:	77445839	A.C. MOORE ARTS & CRAFTS
Serial Number:	77469609	MY STUDIO

#### CORRESPONDENCE DATA

Fax Number: (703)415-1557  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: 703-415-1555  
 Email: mail@specializedpatent.com  
 Correspondent Name: Christopher E. Kondracki  
 Address Line 1: 1501 Wilson Boulevard  
 Address Line 2: Suite 510  
 Address Line 4: Arlington, VIRGINIA 22209

ATTORNEY DOCKET NUMBER:	9010801
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NAME OF SUBMITTER:	Christopher E. Kondracki
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Signature:	/Christopher E. Kondracki/
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Date:	01/06/2010
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#### Total Attachments: 22

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), dated as of January 15, 2009, by and among (a) each of the Persons listed on Schedule I hereto (each such Person, individually, a "Borrower" and, collectively, the "Borrowers"), (b) each of the Persons listed on Schedule II hereto (each such Person, individually, a "Guarantor" and, collectively, the "Guarantors") (the Borrowers and the Guarantors are hereinafter referred to, individually, as a "Grantor" and, collectively with any other Person now or hereafter party hereto, as the "Grantors"), and (c) WELLS FARGO RETAIL FINANCE, LLC, a Delaware limited liability company, as collateral agent (in such capacity, the "Collateral Agent") for its own benefit and the benefit of the other Credit Parties (as defined in the Credit Agreement referred to below), in consideration of the mutual covenants contained herein and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to that certain Credit Agreement, dated as of January 15, 2009 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) the Grantors, (ii) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (iii) Wells Fargo Retail Finance, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender, pursuant to which the Lenders have agreed to make Loans to the Borrowers upon the terms and subject to the conditions specified in the Credit Agreement; and

WHEREAS, reference is also made to that certain Guaranty, dated as of January 15, 2009 (as amended, modified, supplemented or restated and in effect from time to time, the "Guaranty"), executed by the Guarantors in favor of the Administrative Agent, the Collateral Agent and the other Credit Parties, pursuant to which each Guarantor guarantees the payment and performance of the Guaranteed Obligations (as defined in the Guaranty); and

WHEREAS, the obligations of the Lenders to make Loans is conditioned upon, among other things, the execution and delivery by the Grantors of (i) that certain Security Agreement, dated as of January 15, 2009 (as amended, modified, supplemented or restated and in effect from time to time, the "Security Agreement"), by and among the Grantors and the Collateral Agent, pursuant to which each Grantor grants to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) a security interest in and to the Collateral (as defined herein), and (ii) an agreement in the form hereof, pursuant to which each Grantor grants to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) a security interest in and to the IP Collateral (as defined herein), in order to secure the Secured Obligations (as defined herein).

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in this Agreement, and for good and valuable consideration, the receipt of which is hereby

acknowledged, the Grantors and the Collateral Agent, on its own behalf and on behalf of the other Credit Parties (and each of their respective successors or permitted assigns), hereby agree as follows:

SECTION 1. Definitions.

1.1 Generally. All references herein to the UCC shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that if a term is defined in Article 9 of the UCC differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of the security interest in any IP Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “UCC” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

1.2 Definition of Certain Terms Used Herein. Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement. In addition, as used herein, the following terms shall have the following meanings:

“Borrower” and “Borrowers” shall have the meaning assigned to such terms in the preamble of this Agreement.

“Collateral” shall have the meaning assigned to such term in the Security Agreement.

“Collateral Agent” shall have the meaning assigned to such term in the preamble of this Agreement.

“Copyrights” shall mean all copyrights and like protections in each work of authorship or derivative work thereof of any Grantor, whether registered or unregistered and whether published or unpublished, including, without limitation, the United States copyright registrations and copyright applications listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill of the business connected with, and symbolized by, any of the foregoing.

“Copyright Licenses” shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right under any Copyright, including, without limitation, the agreements listed on **EXHIBIT A** annexed hereto and made a part hereof.

“Copyright Office” shall mean the United States Copyright Office or any other federal governmental agency which may hereafter perform its functions.

“Credit Agreement” shall have the meaning assigned to such term in the preliminary statement of this Agreement.

“Grantor” and “Grantors” shall have the meaning assigned to such terms in the preamble of this Agreement.

“Guarantor” and “Guarantors” shall have the meaning assigned to such terms in the preamble of this Agreement.

“Guaranty” shall have the meaning assigned to such term in the preliminary statement of this Agreement.

“Intellectual Property” shall have the meaning assigned to such term in Section 3 of this Agreement.

“IP Collateral” shall have the meaning assigned to such term in Section 2 of this Agreement.

“Lender” and “Lenders” shall have the meaning assigned to such terms in the preliminary statement of this Agreement.

“Licenses” shall mean, collectively, the Copyright Licenses, Patent Licenses, Trademark Licenses, and any other license providing for the grant by or to any Grantor of any right under any Intellectual Property.

“Patents” shall mean all patents and applications for patents of any Grantor, and the inventions and improvements therein disclosed, and any and all divisions, revisions, reissues and continuations, continuations-in-part, extensions, and reexaminations of said patents including, without limitation, the United States patent registrations and patent applications listed on **EXHIBIT B** annexed hereto and made a part hereof.

“Patent Licenses” shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right under any Patent, including, without limitation, the agreements listed on **EXHIBIT B** annexed hereto and made a part hereof.

“PTO” shall mean the United States Patent and Trademark Office or any other federal governmental agency which may hereafter perform its functions.

“Secured Obligations” shall mean, collectively, the Obligations (as defined in the Credit Agreement) and the Guaranteed Obligations (as defined in the Guaranty).

“Security Agreement” shall have the meaning assigned to such term in the preliminary statement of this Agreement.

“Trademarks” shall mean all trademarks, trade names, corporate names, company names, domain names, business names, fictitious business names, trade dress, trade styles, service marks, designs, logos and other source or business identifiers of any Grantor, whether registered or unregistered, including, without limitation, the United States trademark registrations and

trademark applications listed on **EXHIBIT C** annexed hereto and made a part hereof, together with any goodwill of the business connected with, and symbolized by, any of the foregoing.

“Trademark Licenses” shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right under any Trademark, including, without limitation, the agreements listed on **EXHIBIT C** annexed hereto and made a part hereof.

1.3 Rules of Interpretation. The rules of interpretation specified in Sections 1.02 through 1.05 of the Credit Agreement shall be applicable to this Agreement.

SECTION 2. Grant of Security Interest. In furtherance and as confirmation of the Security Interest (as defined in the Security Agreement) granted by each of the Grantors to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) under the Security Agreement, and as further security for the payment or performance, as the case may be, in full of the Secured Obligations, each of the Grantors hereby ratifies such Security Interest and grants to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) a continuing security interest, with a power of sale (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default), in all of the present and future right, title and interest of such Grantor in and to the following property, and each item thereof, whether now owned or existing or hereafter acquired or arising, together with all products, proceeds, substitutions, and accessions of or to any of the following property (collectively, the “IP Collateral”):

- (a) All Copyrights and Copyright Licenses;
- (b) All Patents and Patent Licenses;
- (c) All Trademarks and Trademark Licenses;
- (d) All other Licenses;
- (e) All renewals of any of the foregoing;
- (f) All trade secrets, know-how and other proprietary information; works of authorship and other copyright works (including copyrights for computer programs), and all tangible and intangible property embodying the foregoing; inventions (whether or not patentable) and all improvements thereto; industrial design applications and registered industrial designs; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases, and other physical manifestations, embodiments or incorporations of any of the foregoing, and any Licenses in any of the foregoing, and all other Intellectual Property and proprietary rights;
- (g) All General Intangibles connected with the use of, or related to, any and all Intellectual Property (including, without limitation, all goodwill of each Grantor and

its business, products and services appurtenant to, associated with, or symbolized by, any and all Intellectual Property and the use thereof);

(h) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all Licenses entered into in connection therewith and damages and payments for past or future infringements, misappropriations or dilutions thereof;

(i) The right to sue for past, present and future infringements, misappropriations, and dilutions of any of the foregoing; and

(j) All of the Grantors' rights corresponding to any of the foregoing throughout the world.

Notwithstanding anything to the contrary contained herein, neither the IP Collateral nor the Intellectual Property shall include, and the Collateral Agent's security interest shall not attach to, any Excluded Assets (as defined in the Security Agreement).

SECTION 3. Protection of Intellectual Property By Grantors. Except as set forth below in this Section 3, each of the Grantors shall undertake the following with respect to each of the items respectively described in Sections 2(a), (b), (c), (d), (e), (f) and (g) (collectively, the "Intellectual Property"):

(a) Pay all renewal fees and other fees and costs associated with maintaining the Intellectual Property and with the processing and prosecution of the Intellectual Property and take all other steps reasonably necessary to maintain each registration of the Intellectual Property, except, in each case, to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Take all actions reasonably necessary to prevent any of the Intellectual Property from becoming forfeited, abandoned, dedicated to the public, invalidated or impaired in any way, except, in each case, to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) At the Grantors' sole cost, expense, and risk, pursue the processing and prosecution of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts, except, in each case, to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(d) At the Grantors' sole cost, expense, and risk, take any and all action which the Grantors reasonably deem necessary or desirable under the circumstances to protect the Intellectual Property from infringement, misappropriation or dilution, including, without limitation, the prosecution and defense of infringement actions, except, in each



case, to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 4. Grantors' Representations and Warranties. In addition to any representations and warranties contained in any of the other Loan Documents, each Grantor represents and warrants that:

(a) **EXHIBIT A** is a true, correct and complete list as of the Closing Date of all registered United States Copyrights owned by such Grantor, applications of such Grantor for registered United States Copyrights and all Copyright Licenses to which such Grantor is a party as of the date hereof (other than commercially available off the shelf computer programs, products or applications).

(b) **EXHIBIT B** is a true, correct and complete list as of the Closing Date of all registered United States Patents owned by such Grantor, applications of such Grantor for registered United States Patents and all Patent Licenses to which such Grantor is a party as of the date hereof.

(c) **EXHIBIT C** is a true, correct and complete list as of the Closing Date of all registered United States Trademarks owned by such Grantor, applications of such Grantor for registered United States Trademarks and all Trademark Licenses to which such Grantor is a party as of the date hereof.

(d) Except as set forth in **EXHIBITS A, B and C**, as of the Closing Date none of the Intellectual Property owned by such Grantor is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor as of the date hereof.

(e) All IP Collateral owned by such Grantor is, and shall remain, free and clear of all Liens, encumbrances, or security interests in favor of any Person, other than Permitted Encumbrances.

(f) Such Grantor owns, or is licensed to use, all Intellectual Property reasonably necessary for the conduct of its business as currently conducted. No claim has been asserted and is pending by any Person challenging or questioning the use by such Grantor of any of its Intellectual Property, or the validity or effectiveness of any of its Intellectual Property, that could reasonably be expected to have a Material Adverse Effect. The use by such Grantor of the Intellectual Property does not infringe the rights of any Person in any respect that could reasonably be expected to have a Material Adverse Effect. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect.

(g) Such Grantor shall give the Collateral Agent prompt written notice, with reasonable detail, following the occurrence of any of the following:

(i) Such Grantor's obtaining rights to, or acquiring ownership of, any new Intellectual Property or filing applications for registration of any new Intellectual Property (other than the acquisition by such Grantor of the right to sell products containing the trademarks of others in the ordinary course of such Grantor's business).

(ii) Such Grantor's becoming entitled to the benefit of any registered Intellectual Property whether as licensee or licensor (other than commercially available off the shelf computer programs, products or applications and such Grantor's right to sell products containing the trademarks of others in the ordinary course of such Grantor's business).

(iii) Such Grantor's entering into any new Licenses with respect to the Intellectual Property (other than commercially available off the shelf computer programs, products or applications and such Grantor's right to sell products containing the trademarks of others in the ordinary course of such Grantor's business).

(iv) Such Grantor's knowing, or having reason to know, that any application or registration relating to any Intellectual Property may, other than as provided in Section 3 above, become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal) regarding such Grantor's ownership of, or the validity or enforceability of, any Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

#### SECTION 5. Agreement Applies to Future Intellectual Property.

(a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in subsections (i), (ii), (iii) and (iv) of Section 4(g), above, all of which shall be deemed to be and treated as "Intellectual Property" within the meaning of this Agreement. Upon the acquisition by any Grantor of any additional Intellectual Property, such Grantor shall promptly deliver to the Collateral Agent an updated **EXHIBIT A, B, and/or C** (as applicable) to this Agreement and hereby authorizes the Collateral Agent to file, at such Grantor's expense, such updated Exhibit as set forth in Section 5(b).

(b) Each of the Grantors shall execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's security interest in any Intellectual

Property (including, without limitation, filings with the PTO, the Copyright Office or any similar office), and each of the Grantors hereby constitutes the Collateral Agent as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all such acts of such attorney being hereby ratified and confirmed; provided, however, that the Collateral Agent's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

SECTION 6. Grantors' Rights To Enforce Intellectual Property. So long as no Event of Default exists, the Grantors shall have the exclusive right, in their commercially reasonable business judgement, to sue for past, present and future infringement of the Intellectual Property, including the right to seek injunctions and/or money damages in an effort by the Grantors to protect the Intellectual Property against encroachment by third parties, provided, however, that:

(a) The Grantors provide the Collateral Agent with written notice of the Grantors' institution of any legal proceedings for enforcement of any Intellectual Property, the infringement of which could reasonably be expected to have a Material Adverse Effect.

(b) Any money damages awarded or received by the Grantors on account of such suit (or the threat of such suit) shall constitute IP Collateral.

(c) Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent, by notice to the Grantors, may terminate or limit the Grantor's rights under this Section 6.

SECTION 7. Collateral Agent's Actions To Protect Intellectual Property. In the event of

(a) any Grantor's failure to perform or observe any of such Grantor's covenants, agreements or other obligations hereunder, and such failure continues for thirty (30) days following written notice thereof; and/or

(b) the occurrence and continuance of any other Event of Default,

the Collateral Agent, acting in its own name or in that of any Grantor, may (but shall not be required to) act in any Grantor's place and stead and/or in the Collateral Agent's own right in connection therewith.

SECTION 8. Rights Upon Default. Upon the occurrence and during the continuance of an Event of Default, in addition to all other rights and remedies under this Agreement and the other Loan Documents, the Collateral Agent may exercise all rights and remedies of a secured party under the Uniform Commercial Code as adopted in the State of New York, with respect to the Intellectual Property, in addition to which the Collateral Agent may sell, license, assign, transfer, or otherwise dispose of the Intellectual Property, subject to those restrictions to which such Grantor is subject under applicable Law and by contract. Any person may conclusively rely

upon an affidavit of an officer of the Collateral Agent that an Event of Default has occurred and that the Collateral Agent is authorized to exercise such rights and remedies. Upon the occurrence and during the continuance of an Event of Default, the use by the Collateral Agent of all Patents, Trademarks, Copyrights, Licenses and other Intellectual Property shall be worldwide and without any liability for royalties or other related charges from the Collateral Agent to the Grantors.

**SECTION 9. Collateral Agent As Attorney-In-Fact.**

(a) Each of the Grantors hereby irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as and for such Grantor's true and lawful agent and attorney-in-fact, and in such capacity the Collateral Agent shall have the right, with power of substitution for each Grantor and in each Grantor's name or otherwise, for the use and benefit of the Collateral Agent and the other Credit Parties:

(i) To supplement and amend from time to time **EXHIBITS A, B and C** of this Agreement to include any newly developed, applied for, registered, or acquired Intellectual Property of such Grantor and any intent-to-use Trademark applications for which a statement of use or an amendment to allege use has been filed and accepted by the PTO.

(ii) Following the occurrence and during the continuance of an Event of Default, to exercise any of the rights and powers referenced herein.

(iii) Following the occurrence and during the continuance of an Event of Default, to execute all such instruments, documents, and papers as the Collateral Agent reasonably determines to be necessary or desirable in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Intellectual Property, subject to those restrictions to which such Grantor is subject under applicable Law and by contract.

(b) The power of attorney granted herein, being coupled with an interest, shall be irrevocable until this Agreement is terminated in writing by a duly authorized officer of the Collateral Agent.

(c) The Collateral Agent shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a), but if the Collateral Agent elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to any Grantor for any act or omission to act, except where a court of competent jurisdiction determines by final and nonappealable judgment that the subject act or omission to act has resulted from the gross negligence or willful misconduct of the Collateral Agent.

SECTION 10. Collateral Agent's Rights. Any use by the Collateral Agent of the Intellectual Property, as authorized hereunder in connection with the exercise of the Collateral Agent's rights and remedies under this Agreement, the Credit Agreement and the Security Agreement, shall be coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

SECTION 11. Intent. This Agreement is being executed and delivered by the Grantors for the purpose of registering and confirming the grant of the security interest of the Collateral Agent in the IP Collateral with the PTO and the Copyright Office. It is intended that the security interest granted pursuant to this Agreement is granted as a supplement to, and not in limitation of, the Security Interest (as defined in the Security Agreement) granted to the Collateral Agent, for its own benefit and the benefit of the other Credit Parties, under the Security Agreement. All provisions of the Security Agreement (including, without limitation, the rights, remedies, powers, privileges and discretions of the Collateral Agent thereunder) shall apply to the IP Collateral. In the event of a conflict between this Agreement and the Security Agreement, the terms of this Agreement shall control with respect to the IP Collateral and the terms of the Security Agreement shall control with respect to all other Collateral.

SECTION 12. Further Assurances. Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further documents, financing statements, agreements and instruments and take all such further actions as the Collateral Agent may from time to time reasonably request to better assure, preserve, protect and perfect the security interest in the IP Collateral granted pursuant to this Agreement and the rights and remedies created hereby or the validity or priority of such security interest, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the security interest and the filing of any financing statements or other documents in connection herewith or therewith.

SECTION 13. Termination; Release of IP Collateral. Except for those provisions which expressly survive the termination thereof, this Agreement and the security interest granted herein shall terminate when (i) the Aggregate Commitments have expired or been terminated, (ii) all of the Secured Obligations (other than contingent indemnification obligations for which no claim has been asserted and any Other Liabilities which are not by their terms then due and payable provided that the Agents shall have received such indemnities and collateral security as they shall have required in accordance with the terms of Section 10.11 of the Credit Agreement) have been indefeasibly paid in full in cash, (iii) all L/C Obligations have been reduced to zero (or fully Cash Collateralized or supported by another letter of credit in a manner reasonably satisfactory to the L/C Issuer and the Administrative Agent), and (iv) the Administrative Agent has no further obligation to endeavor to cause the L/C Issuer to issue Letters of Credit under the Credit Agreement, at which time the Collateral Agent shall execute and deliver to the Grantors, at the Grantors' expense, all UCC termination statements, releases and similar documents that the Grantors shall reasonably request to evidence such termination; provided, however, that the Credit Agreement, this Agreement, and the security interest granted herein shall be reinstated if at any time payment, or any part thereof, of any Secured Obligation is rescinded or must

otherwise be restored by any Credit Party upon the bankruptcy or reorganization of any Grantor. Any execution and delivery of termination statements, releases or other documents pursuant to this Section 13 shall be without recourse to, or warranty by, the Collateral Agent or any other Credit Party.

SECTION 14. Choice of Laws. It is intended that all rights and obligations under this Agreement, including matters of construction, validity, and performance, shall be governed by the laws of the State of New York.

SECTION 15. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or e-mail shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 16. Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

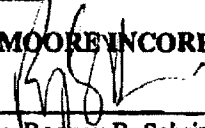
**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Grantors and the Collateral Agent have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

**GRANTORS:**

Borrower:

**A.C. MOORE INCORPORATED**

By:   
Name: Rodney B. Schriver  
Title: Vice President

Guarantors:

**A.C. MOORE ARTS & CRAFTS, INC.**

By:   
Name: Rodney B. Schriver  
Title: Vice President

**MOORESTOWN FINANCE, INC.**

By:   
Name: Rodney B. Schriver  
Title: Vice President

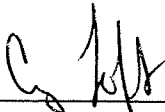
**BLACKWOOD ASSETS, INC.**

By:   
Name: Rodney B. Schriver  
Title: Vice President

[Signature Page to the Intellectual Property Security Agreement]

**COLLATERAL  
AGENT:**

**WELLS FARGO RETAIL FINANCE, LLC**

By:  \_\_\_\_\_  
Name: Cory Loftus  
Title: Vice President

[Signature Page to the Intellectual Property Security Agreement]

**TRADEMARK  
REEL: 004125 FRAME: 0795**



## **SCHEDULE I**

### **Borrowers**

1. A.C. Moore Incorporated, a Virginia corporation

Schedule I

## **SCHEDULE II**

### **Guarantors**

1. A.C. Moore Arts & Crafts Inc., a Pennsylvania corporation
2. Moorestown Finance, Inc., a Delaware corporation
3. Blackwood Assets, Inc., a Delaware corporation

Schedule II

## **EXHIBIT A**

### **List of Copyrights and Copyright Licenses**

#### **Copyright Registrations**

<u>Title</u>	<u>Serial No.</u>	<u>Registration No.</u>	<u>Registration Date</u>
		None	

#### **Copyright Licenses**

1. Licenses for commercially available off the shelf computer programs.
2. Software license for Oracle Retek between Oracle USA Inc. and A.C. Moore Incorporated dated May 2, 2007.

#### **Copyright Registration Applications**

None

Exhibits to Intellectual Property Security Agreement

102532.01000/21750525v.1

**EXHIBIT B**

**List of Patents and Patent Licenses**

**Patent Registrations**

<u>Applicant</u>	<u>Title</u>	<u>Serial No.</u>	<u>Patent No.</u>	<u>Date of Filing</u>
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None

**Patent Licenses**



None

**Patent Registration Applications**

None



**EXHIBIT C**

**List of Trademarks and Trademark Licenses**

<b>Application No./ Registration No.</b>	<b>Trademark</b>	<b>Goods and/or Services Covered under Trademark Registration or Pending Trademark Application</b>	<b>Status</b>
2210537	<b>A.C. MOORE</b> 	<b>International class 35:</b> retail stores for arts and crafts and florals supplies	<b>REGISTERED</b> December 15, 1998
2775533	CREATIONS FOR ALL GENERATIONS	<b>International Class 35:</b> retail store services in the field of arts and crafts	<b>REGISTERED</b> October 21, 2003
2883303	SPLENDOR OF SPRING	<b>International Class 16:</b> ornamental ribbons made of paper <b>International Class 26:</b> ornamental ribbons made of fabric	<b>REGISTERED</b> September 7, 2004
2915222		<b>International Class 16:</b> ornamental paper ribbons and wrapping paper <b>International Class 26:</b> ornamental ribbons made of textiles	<b>REGISTERED</b> December 28, 2004
3018457	SHADES OF THE SEASONS	<b>International Class 16:</b> ornamental paper ribbons and wrapping paper <b>International Class 26:</b> ornamental ribbons made of textiles	<b>REGISTERED</b> November 22, 2005



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Application No./ Registration No.	Trademark	Goods and/or Services Covered under Trademark Registration or Pending Trademark Application	Status
3093818		<b>International Class 26:</b> ornamental ribbons made of textiles	<b>REGISTERED</b> May 16, 2006
3094128		<b>International Class 35:</b> retail store services in the field of arts and crafts and floral supplies	<b>REGISTERED</b> May 16, 2006
77/094856	FRAMES AND MOORE	<b>International Class 6:</b> metal picture frame hanging hooks and wall mounts <b>International Class 20:</b> ready made picture or art frames, mats and pre-cut glass for picture or art frames, non-metal picture frame hanging hooks and wall mounts <b>International Class 40:</b> custom framing services for works of art and pictures	<b>PENDING</b> Filed January 30, 2007
77/094863	FRAMES N' MOORE	<b>International Class 6:</b> metal picture frame hanging hooks and wall mounts <b>International Class 20:</b> ready made picture or art frames, mats and pre-cut glass for picture or art frames, non-metal picture frame hanging hooks and wall mounts	<b>PENDING</b> Filed January 30, 2007

Exhibits to Intellectual Property Security Agreement

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Application No./ Registration No.	Trademark	Goods and/or Services Covered under Trademark Registration or Pending Trademark Application	Status
77/095564 	FRAMES	<b>International Class 40:</b> custom framing services  <b>International Class 6:</b> metal picture frame hanging hooks and wall mounts  <b>International Class 20:</b> ready made picture or art frames, mats and pre-cut glass for picture or art frames, non-metal picture frame hanging hooks and wall mounts  <b>International Class 40:</b> custom framing services	<b>PENDING</b> <b>Filed January 31, 2007</b>
77/228968	DREAM IT. CREATE IT. SHARE IT.	<b>International Class 35:</b> retail store services in the field of arts and crafts, scrapbooking supplies, floral supplies, and picture frames  <b>International Class 40:</b> custom framing services	<b>PENDING</b> <b>Filed July 13, 2007</b>
77/228976 		<b>International Class 35:</b> retail store services in the field of arts and crafts, scrapbooking supplies, floral supplies, and picture frames  <b>International Class 40:</b> custom framing services	<b>PENDING</b> <b>Filed July 13, 2007</b>
77/228982	BLUEPRINT STUDIO	<b>International Class 16:</b> scrapbook materials and supplies, namely, paper and craft paper, stickers, scrap booking tools, namely, scrap book albums, scrap book pages, and scrap books, stamps, namely, ink stamps, marking stamps, rubber stamps and stamp pads, cards, namely, blank cards, index cards, social note cards, and greeting cards, storage	<b>PENDING</b> <b>Filed July 13, 2007</b>

Exhibits to Intellectual Property Security Agreement

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Application No./ Registration No.	Trademark	Goods and/or Services Covered under Trademark Registration or Pending Trademark Application	Status
		containers made of paper, photo albums, stamp albums, sticker albums, photo storage boxes and stationery  <b>International Class 21:</b> scrapbook materials and supplies, namely, plastic storage containers for household or domestic use	
77/228995	FRAMES & MOORE	<b>International Class 6:</b> metal picture hanging hooks and wall mounts <b>International Class 12:</b> photo mats and picture and art framing mats <b>International Class 20:</b> ready made picture and art frames; pre-cut glass for picture and art frames; non-metal picture hanging hooks and wall mounts <b>International Class 40:</b> custom framing services	<b>PENDING</b> Filed July 13, 2007
77/228998	DREAM CREATE SHARE	<b>International Class 35:</b> retail store services in the field of arts and crafts, scrapbooking supplies, floral supplies, and picture frames <b>International Class 40:</b> custom framing services	<b>PENDING</b> Filed July 13, 2007
77/229002	MOORE VALUES	<b>International Class 35:</b> retail store services in the field of arts and crafts, scrapbooking supplies, floral supplies, and picture frames <b>International Class 40:</b> custom framing services	<b>PENDING</b> Filed July 13, 2007

Exhibits to Intellectual Property Security Agreement

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Application No./ Registration No.	Trademark	Goods and/or Services Covered under Trademark Registration or Pending Trademark Application	Status
77/445839	A.C. MOORE ARTS & CRAFTS	<b>International Class 35:</b> retail store services in the field of arts, crafts, floral arranging and scrap booking	<b>PENDING</b> <b>Filed April 11, 2008</b>
77/469609	MY STUDIO	<b>International Class 2:</b> art supplies, namely finger paints and paints for arts and crafts <b>International Class 8:</b> art supplies, namely scissors <b>International Class 16:</b> art supplies, namely paint brushes, markers, crayons, canvas for painting, art paper, stickers, glue and glue sticks for stationery or household use <b>International Class 20:</b> decorative glitter	<b>PENDING</b> <b>Filed May 5, 2008</b>

Exhibits to Intellectual Property Security Agreement

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