

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

02-28-2000

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK



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OPR/FINANCE

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID #
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☐ Assignment ☐ License
- ☒ Security Agreement ☐ Nunc Pro Tunc Assignment
- ☐ Merger
- ☐ Change of Name
- ☐ Other

Effective Date
Month Day Year
1 31 00

Conveying Party

☐ Mark if additional names of conveying parties attached

Name GCO, Inc.

Execution Date
Month Day Year
1 28 00

Formerly

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☐ Corporation ☐ Association
- ☐ Other

☒ Citizenship/State of Incorporation/Organization Nevada

Receiving Party

☐ Mark if additional names of receiving parties attached

Name Foothill Capital Corporation, as Agent

DBA/AKA/TA

Composed of

Address (line 1) 11111 Santa Monica Blvd.

Address (line 2) Suite 1500

Address (line 3) Los Angeles

City

☐ Individual ☐ General Partnership ☐ Limited Partnership

☒ Corporation ☐ Association

☐ Other

☒ Citizenship/State of Incorporation/Organization California

#6
90025-5333
Zip Code

ent to be recorded is an
ent and the receiving party is
ciled in the United States, an
ent of a domestic

representative should be attached.
(Designation must be a separate
document from Assignment.)

02/25/2000 DWGUYEN 00000196 74025415

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

40.00 OP
175.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002026 FRAME: 0769

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

(404) 815-2215

Name

Gretchen E. von Dwingelo, Esq.

Address (line 1)

Paul, Hastings, Janofsky & Walker, LLP

Address (line 2)

600 Peachtree Street, N.E.

Address (line 3)

Suite 2400

Address (line 4)

Atlanta, Georgia 30308-2222

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

28

Trademark Application Number(s) or Registration Number(s)

☐ Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

74/025415

2171706

1770673

74/074813

2162577

1805597

2011361

1779888

Number of Properties

Enter the total number of properties involved.

8

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 215.00

Method of Payment:

Enclosed ☒

Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

16-0752

Authorization to charge additional fees:

Yes

☒

No

☐

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. Charges to deposit account are authorized, as indicated herein.

Gretchen E. von Dwingelo, Esq.

Name of Person Signing

Signature

Date Signed

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement") is made as of January 28, 2000, by and among each of the parties listed on the signature pages hereof as pledgors (collectively, the "Pledgors" and individually, a "Pledgor") and Foothill Capital Corporation, a California corporation (the "Agent"), as agent for the Lender Group (as defined below).

W I T N E S S E T H:

WHEREAS, Flooring America, Inc., a Delaware corporation, 4 Floors, Inc., an Ohio corporation, Advance Floor Decorators, Inc., a Michigan corporation, Bailey & Roberts Carpetmax of Tennessee, Inc., a Tennessee corporation, CarpetMAX of Utah, Inc., a Utah corporation, Flooring America Franchising, L.P., a Georgia limited partnership, CarpetMAX Retail Stores, Inc., a Delaware corporation, Manasota Carpet, Inc., a Florida corporation, Wadsworth & Owens Decorating Center, Inc., a Florida corporation, CarpetsPlus of America, Inc., a Georgia corporation, GCO Carpet Outlet, Inc., an Alabama corporation, GCO, Inc., a Nevada corporation, Karen's Inc., a Michigan corporation, Maxim Retail Group, Inc., a Georgia corporation, Maxim Retail Stores, Inc., a Georgia corporation, C&S Textiles, Inc., an Idaho corporation, Colorado Carpet & Rugs, Inc., a Colorado corporation, and Tri-R of Orlando, Inc., a Georgia corporation, as borrowers (each a "Borrower", collectively, the "Borrowers"), the financial institutions party thereto as lenders (such financial institutions, together with their respective successors and assigns, being hereinafter each referred to as a "Lender" and collectively as the "Lenders") and FOOTHILL CAPITAL CORPORATION, as arranger and administrative agent, are parties to that certain Loan and Security Agreement of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "Loan Agreement"). pursuant to which the Lenders have agreed to extend credit to the Borrowers from time to time and the Borrowers have granted a security interest in all of their assets to the Agent for the benefit of the Lender Group (as defined in the Loan Agreement); and

WHEREAS, Everythingdecor, Inc., a Georgia corporation is a direct or indirect Subsidiary of one or more of the Borrowers, and Everythingdecor, Inc. has determined that its execution, delivery and performance of this Agreement directly or indirectly benefits, and is within the business purposes and in the best interests of, Everythingdecor, Inc.; and

WHEREAS, the Lender Group has required that the Pledgors execute and deliver this Agreement (i) in order to secure the prompt and complete payment, observance and performance of all of the Obligations (as defined in the Loan Agreement) of the Borrowers under the Loan Agreement (including, without limitation, any interest, fees and other charges in respect of the Loan Agreement and the other Loan Documents that would accrue but for the filing of a bankruptcy action with respect to the Borrowers, whether or not such claim is allowed in such bankruptcy action), (ii) the obligations of Everythingdecor, Inc. arising from this Agreement and that certain Subsidiary Guaranty of even date herewith ((i) and (ii) being hereinafter together referred to as the "Secured Obligations") and (iii) as a condition precedent to any extension of credit to the Borrowers under the Loan Agreement;

NOW, THEREFORE, for and in consideration of the premises set forth above and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, each Pledgor agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Loan Agreement shall have the meaning specified for such term in the Loan Agreement.

(b) The words "hereof", "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and paragraph references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Incorporation of the Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Secured Obligations, each Pledgor hereby grants to the Agent for the benefit of the Lender Group a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of each Pledgor's now owned or existing and hereafter acquired or arising: (i) trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule 1 attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) the goodwill of each Pledgor's business symbolized by the foregoing and connected therewith and (e) all of each Pledgor's rights corresponding thereto throughout the world, however, limited, (all of the foregoing trademarks, trade names, registered trademarks and trademark applications, service marks, registered service marks and service mark applications, together with the items described in clauses (a)-(e) in this paragraph 4(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and (ii) the goodwill of each Pledgor's business connected with and symbolized by the Trademarks.

5. Restrictions on Future Agreements. Each Pledgor agrees that it will not, without the Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and each Pledgor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including, without limitation, licensees, or fail to take

any action, which would in any respect affect the validity or enforcement of the rights transferred to the Agent under this Agreement or the rights associated with the Trademarks.

6. New Trademarks. Each Pledgor represents and warrants that, from and after the Agreement Date, (a) the Trademarks listed on Schedule 1 include all of the trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications now owned or held by such Pledgor, and (b) no liens, claims or security interests in such Trademarks have been granted by such Pledgor to any Person other than the Agent and except as disclosed in the Loan Agreement. If, prior to the termination of this Agreement, any Pledgor shall (i) obtain rights to any new trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks or service mark applications or (ii) become entitled to the benefit of any trademarks, trade names, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals or license agreements whether as licensee or licensor, the provisions of paragraph 4 above shall automatically apply thereto (to the extent permitted by licensors under agreements in connection with the granting of such licenses). Each Pledgor shall give to the Agent written notice of events described in clauses (i) and (ii) of the preceding sentence promptly after the occurrence thereof. Each Pledgor hereby authorizes the Agent to modify this Agreement unilaterally (i) by amending Schedule 1 to include any future trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, which are Trademarks under paragraph 4 above or under this paragraph 6 and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule 1 thereto, as the case may be, such future trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications.

7. Royalties. Each Pledgor hereby agrees that the use by the Agent of the Trademarks as authorized hereunder in connection with the Agent's exercise of its rights and remedies under paragraph 15 or pursuant to any Loan Document shall be coextensive with such Pledgor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent and the Lenders to such Pledgor.

8. Right to Inspect; Further Assignments and Security Interest. The Agent may from time to time hereafter, have access to, examine, audit, make copies (at the Pledgors' expense) and extracts from and inspect each Pledgor's premises and examine each Pledgor's books, records and operations relating to the Trademarks. Each Pledgor agrees not to sell or assign its respective interests in, or grant any license under, the Trademarks without the prior and express written consent of the Agent.

9. Nature and Continuation of the Agent's Security Interest; Termination of the Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and shall terminate only when the Secured Obligations have been paid in full and the Loan Agreement has been terminated. When this Agreement has terminated, the Agent shall promptly execute and deliver to the Pledgors, at the Pledgors' expense, all termination statements and other instruments as may be necessary or proper to terminate and release the Agent's security interest in the Trademarks, subject to any disposition thereof which may have been made by the Agent pursuant to this Agreement or the Loan Agreement.

10. Duties of the Pledgors. Each Pledgor shall have the duty, to the extent desirable in the normal conduct of such Pledgor's business, to use their best efforts to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement. Each Pledgor further agrees (i) not to abandon any Trademark without the prior written consent of the Agent, and (ii) to use its best efforts to maintain in full force and effect the Trademarks that are or shall be necessary or economically desirable in the operation of such Pledgor's business. The determination of which Trademarks are or shall be necessary or economically desirable in the operation of such Pledgor's business shall be made at the reasonable discretion of such Pledgor. Any expenses incurred in connection with the foregoing shall be borne by the Pledgors. The Agent shall not have any duty with respect to the Trademarks. Without limiting the generality of the foregoing, neither the Agent nor any of the Lenders shall be under any obligation to take any steps necessary to preserve rights in the Trademarks against any other parties, but the Agent may do so at its option from and after the occurrence of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of the Pledgors and shall be added to the Secured Obligations secured hereby.

11. The Agent's Right to Sue. From and after the occurrence of an Event of Default, the Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and, if the Agent shall commence any such suit, each Pledgor shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents reasonably required by the Agent in aid of such enforcement. Each Pledgor shall, upon demand, promptly reimburse the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this paragraph 11 (including, without limitation, fees and expenses of attorneys and paralegals for the Agent).

12. Waivers. The Agent's failure, at any time or times hereafter, to require strict performance by any Pledgor of any provision of this Agreement shall not waive, affect or diminish any right of the Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between any Pledgor and the Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of any Pledgor contained in this Agreement shall be deemed to have been suspended or waived by the Agent unless such suspension or waiver is in writing signed by an officer of the Agent and directed to such Pledgor specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraph 6 hereof or by a writing signed by the parties hereto.

15. Power of Attorney; Cumulative Remedies. (a) Each Pledgor hereby irrevocably designates, constitutes and appoints the Agent (and all officers and agents of the Agent designated by the Agent in its sole and absolute discretion) as such Pledgor's true and lawful attorney-in-fact, and authorizes the Agent and any of the Agent's designees, in such Pledgor's or the Agent's name, upon the occurrence and during the continuation of an Event of Default to take any action and execute any instrument necessary or reasonably advisable to accomplish the purposes of this Agreement, including, without limitation, to (i) endorse such Pledgor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Agent in the use of the Trademarks, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone (iii) grant or issue any exclusive or nonexclusive license under the Trademarks to anyone and (iv) take any other actions with respect to the Trademarks as the Agent reasonably deems in the best interest of the Lender Group. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated. Each Pledgor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent under the Loan Agreement or any other Loan Document, but rather is intended to facilitate the exercise of such rights and remedies.

(b) The Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located or deemed located. Upon the occurrence of an Event of Default and the election by the Agent to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code as in effect in the State of Georgia with respect to the Trademarks, each Pledgor agrees to assign, convey and otherwise transfer title in and to the Trademarks to the Agent or any transferee of the Agent and to execute and deliver to the Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Agent's sole discretion, to effect such assignment, conveyance and transfer. All of the Agent's rights and remedies with respect to the Trademarks, whether established hereby, by the Loan Agreement or by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of an Event of Default, the Agent may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement or any of the other Loan Documents. Each Pledgor agrees that any notification of intended disposition of any of the Trademarks required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; provided, however, that the Agent may give any shorter notice that is commercially reasonable under the circumstances.

16. Successors and Assigns. This Agreement shall be binding upon each Pledgor and its successors and assigns, and shall inure to the benefit of each of the Agent and the Lenders and their respective nominees, successors and assigns. The Pledgors' successors and assigns shall include, without limitation, a receiver or a trustee of such Pledgor; provided, however, that the Pledgor shall not voluntarily assign or transfer its rights or obligations hereunder without the Agent's prior written consent.

17. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the laws

and decisions of the State of Georgia without reference to the conflicts or choice of law principles thereof.

18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

19. Paragraph Titles. The paragraph titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

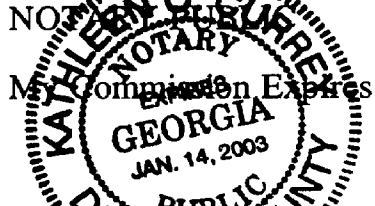
21. Merger. This Agreement represents the final agreement of the Pledgors, the Lenders and the Agent with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between any Pledgor and the Agent or any Lender.

22. Effectiveness. This Agreement shall become effective on the Closing Date.

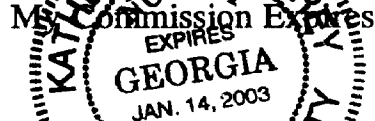
(remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

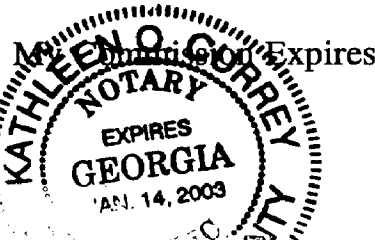
Sworn to and subscribed
before me this 28th day of
January, 2000.



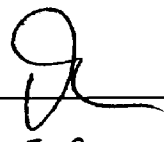
Sworn to and subscribed
before me this 28th day of
January, 2000.



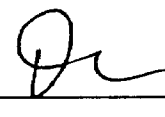
Sworn to and subscribed
before me this 28th day of
January, 2000.



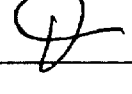
FLOORING AMERICA, INC.,
a Delaware corporation

By: 
Its: EVP

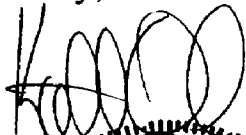
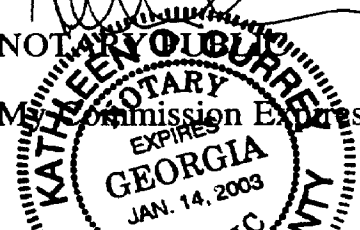
4 FLOORS, INC., an Ohio corporation

By: 
Its: VP


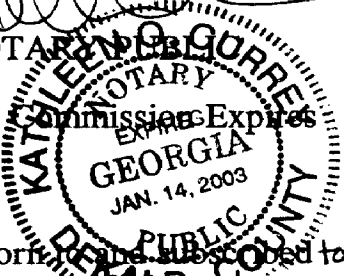
ADVANCE FLOOR DECORATORS, INC.,
a Michigan corporation

By: 
Its: VP


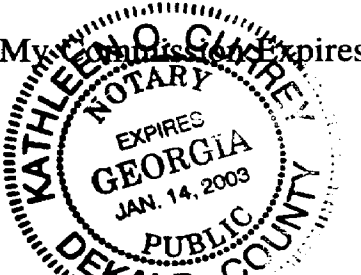
Sworn to and subscribed
before me this 28th day of
January, 2000.


NOTARY PUBLIC
My Commission Expires


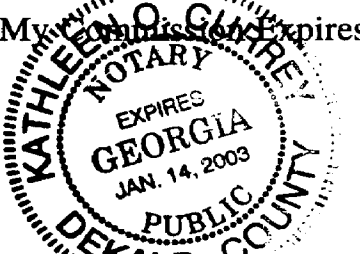
Sworn to and subscribed
before me this 16th day of
January, 2000.


NOTARY PUBLIC
My Commission Expires


Sworn to and subscribed to me this 28th day of
January, 2000

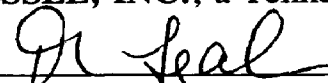

NOTARY PUBLIC
My Commission Expires


NOTARY PUBLIC
My Commission Expires



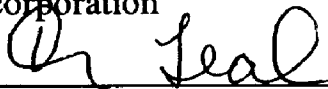
TRADEMARK SECURITY AGREEMENT

**BAILEY & ROBERTS CARPETMAX OF
TENNESSEE, INC.,** a Tennessee corporation

By: 

Its: VP


CARPETMAX OF UTAH, INC.,
a Utah corporation

By: 

Its: VP

**FLOORING AMERICA FRANCHISING,
L.P.,** a Georgia limited partnership

By: Flooring America, Inc., as general
partner

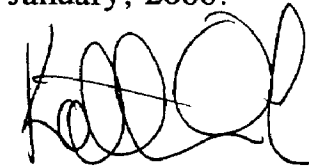
By: 

Its: VP

Signature Page 2

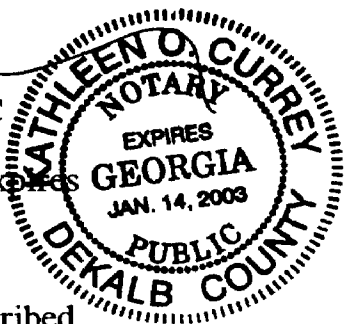
TRADEMARK
REEL: 002026 FRAME: 0778

Sworn to and subscribed
before me this 2nd day of
January, 2000.

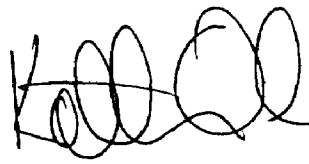


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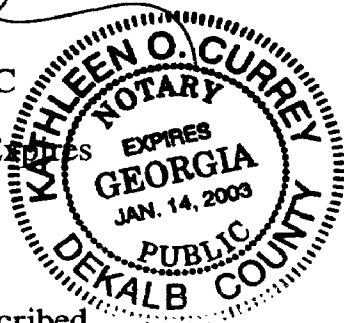


Sworn to and subscribed
before me this 2nd day of
January, 2000.

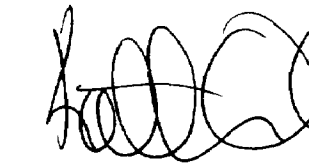


NOTARY PUBLIC

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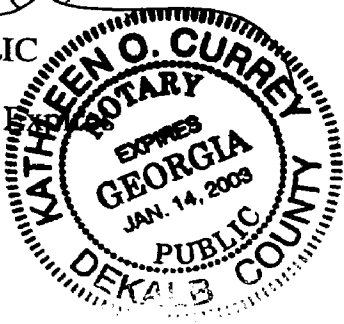


Sworn to and subscribed
before me this 2nd day of
January, 2000.

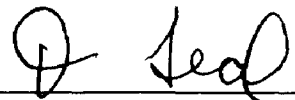


NOTARY PUBLIC

My Commission Expires

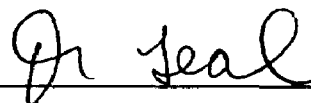


CARPETMAX RETAIL STORES, INC.,
a Delaware corporation

By: 

Its: VP

MANASOTA CARPET, INC.,
a Florida corporation

By: 

Its: VP

**WADSWORTH & OWENS DECORATING
CENTER, INC.,** a Florida corporation

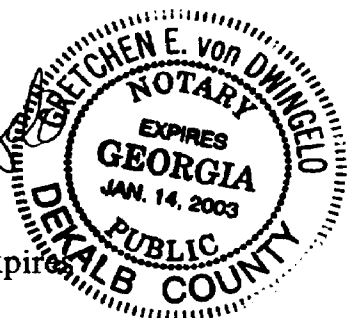
By: 

Its: VP

Sworn to and subscribed
before me this 28 day of
January, 2000.


NOTARY PUBLIC

My Commission Expires



CARPETSPLUS OF AMERICA, INC.,
a Georgia corporation

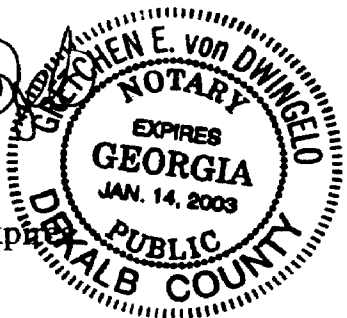
By:  _____

Its: VP _____


Sworn to and subscribed
before me this 28 day of
January, 2000.


NOTARY PUBLIC

My Commission Expires



GCO CARPET OUTLET, INC.,
an Alabama corporation

By:  _____

Its: VP _____

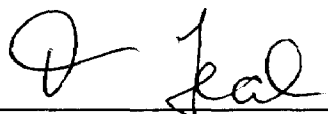
Sworn to and subscribed
before me this 28 day of
January, 2000.


NOTARY PUBLIC

My Commission Expires

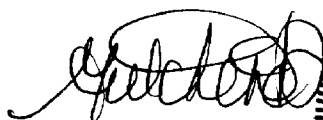


KAREN'S INC., a Michigan corporation

By:  _____

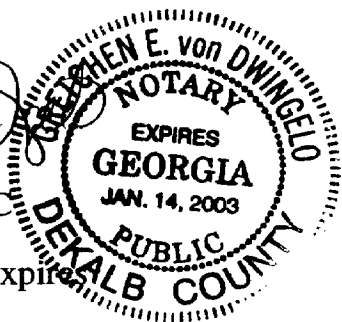
Its: VP _____

Sworn to and subscribed
before me this 28 day of
January, 2000.



NOTARY PUBLIC

My Commission Expires



MAXIM RETAIL GROUP, INC.,
a Georgia corporation

By: Dr Seal

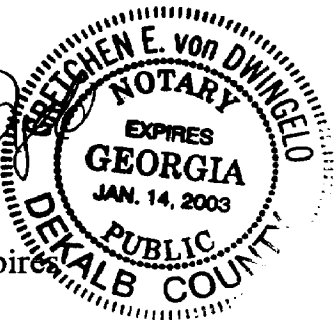
Its: VP

Sworn to and subscribed
before me this 28 day of
January, 2000.



NOTARY PUBLIC

My Commission Expires



MAXIM RETAIL STORES, INC.,
a Georgia corporation

By: Dr Seal

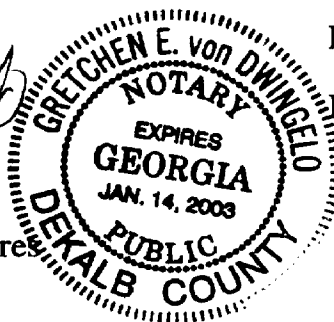
Its: VP

Sworn to and subscribed
before me this 28 day of
January, 2000.



NOTARY PUBLIC

My Commission Expires



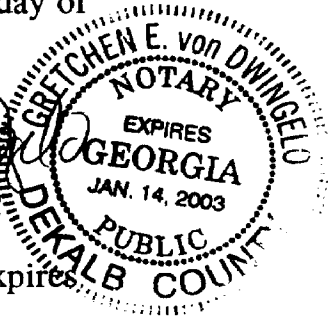
C&S TEXTILES, INC.,
an Idaho corporation

By: Dr Seal

Its: VP

Sworn to and subscribed
before me this 28 day of
January, 2000.

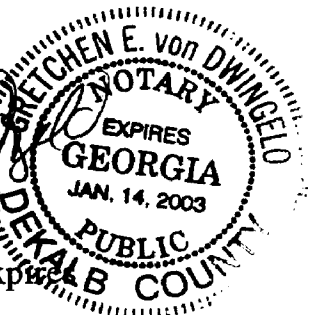

NOTARY PUBLIC



My Commission Expires

Sworn to and subscribed
before me this 28 day of
January, 2000.

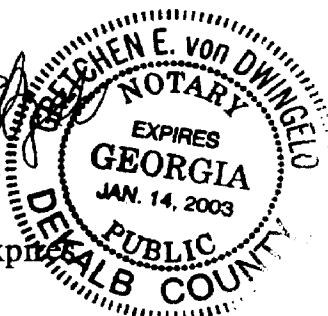

NOTARY PUBLIC



My Commission Expires

Sworn to and subscribed
before me this 28 day of
January, 2000.

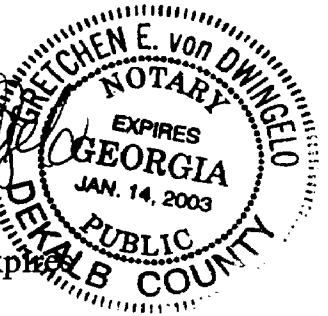

NOTARY PUBLIC



My Commission Expires

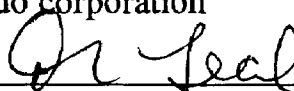
Sworn to and subscribed
before me this 28 day of
January, 2000.


NOTARY PUBLIC




My Commission Expires

COLORADO CARPET & RUGS, INC.
a Colorado corporation

By: 

Its: VP

TRI-R OF ORLANDO, INC.,
a Georgia corporation

By: 

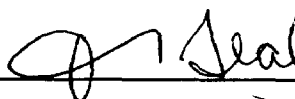
Its: VP

GCO, INC., a Nevada corporation

By: 

Its: VP

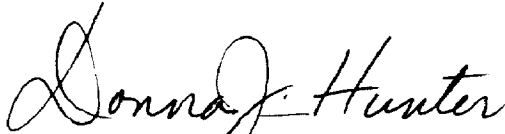
EVERYTHINGDECOR, INC., a Georgia
corporation

By: 

Its: CEO

Accepted and agreed to as of the day and
year first above written.

Sworn to and subscribed
before me this 21st day of
January, 2000.


NOTARY PUBLIC

Notary Public, Gwinnett County, Georgia
My Commission Expires April 7, 2001
My Commission Expires

FOOTHILL CAPITAL CORPORATION,
as Agent

By: 

Its: _____

Schedule 1
to
Trademark Security Agreement
Dated as of January 28, 2000

Current Trademarks

See Attached

Trade Names

See Attached

Trademarks Not Currently In Use

See Attached

Trademark Applications

See Attached

CARPETMAX, L.P. (N/K/A FLOORING AMERICA FRANCHISING, L.P.)

U.S. TRADEMARKS

<u>Trademark</u>	<u>Registration/ Serial No.¹</u>	<u>Registration/ Application Date²</u>
CARPETMAX MAKING A WORLD OF DIFFERENCE and Design	1873957	January 17, 1995
CARPETMAX MAKING A WORLD OF DIFFERENCE and Design	1862102	November 8, 1994
Making a World of Difference	1843344	July 5, 1994
CARPETMAX	1859007	October 18, 1994
CARPETMAX	1843048	July 5, 1994
MAKING A WORLD OF DIFFERENCE	1863792	November 22, 1994
CARPETMAX - THE NATIONAL CARPET EXCHANGE	1616209	October 2, 1990
CARPET MAX	1583764	February 20, 1990
CARPET MAX (stacked logo)	2123486	December 23, 1997
CARPETMAX FLOORING IDEA GALLERY and Design	2168454	June 23, 1998
CARPETMAX (horizontal logo)	2121428	December 16, 1997
MAXCARE PROFESSIONAL CLEANING SYSTEMS MAX & Design	2192827	September 29, 1998
MAXCARE	2192828	September 29, 1998
Carpetmax Satellite Network and Design	2198357	October 20, 1998

<u>Trademark</u>	<u>Registration/ Serial No.¹</u>	<u>Registration/ Application Date²</u>
Everything Decor.com (Stylized)	75/769527	August 8, 1999
Flooring America and Design	75/731927	June 18, 1999
Flooring America and Design (Horizontal Logo)	75/731928	June 18, 1999
E-Decor	75/699867	May 4, 1999
E-Decor.com	75/699868	May 4, 1999
Flooring America	75/693544	April 28, 1999
Cariselle By Rainy Lawrence & Design	2265736	February 12, 1998
Cariselle & Design	75/433434	February 12, 1998
Maxcare	75/477167	April 30, 1998
Maxcare Professional Cleaning Systems & Design	75/477166	April 30, 1998
CARPETIME ³	1903215	July 4, 1995
Cariselle and Design	75/585809	November 10, 1998
The Decor Exchange	75/666814	March 24, 1999

¹The "Application Number," which has a prefix separated from the remaining numbers by a slash, is the number assigned to a new trademark application. The "Registration Number," which is usually a seven-digit number, is the number assigned to a trademark which the Government has in fact granted.

²The "Application Date" is the date upon which an application sought trademark protection. The "Registration Date" is the date upon which the Government granted trademark protection.

³Documents transferring this mark from CarpetMAX of Utah, Inc. f/k/a Steve Peterson Interiors & Associates, Inc. to Carpetmax, L.P. (n/k/a Flooring America Franchising, L.P.) were recorded in the U.S. Patent and Trademark Office on December 14, 1998, but a recordation notice has not yet been received.

EVERYTHINGDECOR, INC.

U.S. TRADEMARKS

<u>Trademark</u>	<u>Registration/ Serial No.¹</u>	<u>Registration/ Application Date²</u>
Everythingdecor Network	75/833920	October 29, 1999

FOREIGN TRADEMARKS

<u>Trademark</u>	<u>Registration/ Serial No.</u>	<u>Registration/ Application Date</u>	<u>Country</u>	<u>Status</u>
MAX MAXCARE PROFESSIONAL CLEANING SYSTEMS & DESIGN	1016230	May 20, 1999	Canada	Pending
MAXCARE	1016230	May 20, 1999	Canada	Pending
MAX MAXCARE PROFESSIONAL CLEANING SYSTEMS & DESIGN	888289	August 25, 1998	Canada	Pending
MAXCARE	888290	August 25, 1998	Canada	Pending
MAX MAXCARE PROFESSIONAL CLEANING SYSTEMS & DESIGN	865706	January 5, 1998	Canada	Pending
MAXCARE	865707	January 5, 1998	Canada	Pending
Cariselle By Rainy Lawrence and Design	883940	July 10, 1998	Canada	Pending
Cariselle and Design	883941	July 10, 1998	Canada	Pending
CARPETMAX MAKING A WORLD OF DIFFERENCE and Design	475476	April 29, 1997	Canada	Registered
CARPETMAX	475474	April 29, 1997	Canada	Registered
CARPETMAX MAKING A WORLD OF DIFFERENCE and Design	466927	July 19, 1994	Mexico	Registered
CARPETMAX	465609	July 4, 1994	Mexico	Registered
CARPETMAX	465610	July 4, 1994	Mexico	Registered
CARPETMAX MAKING A WORLD OF DIFFERENCE and Design	466156	July 11, 1994	Mexico	Registered

**GCO, INC.,
(a Nevada corporation)**

U.S. TRADEMARKS

<u>Trademark</u>	<u>Registration/ Serial No.¹</u>	<u>Registration/ Application Date²</u>
GCO Credit Plus	2171706	June 7, 1996
GCO Carpet Outlets	2162577	June 2, 1998
GCO Your Georgia Carpet Outlet	2011361	October 29, 1996
GCO	1770673	May 11, 1993
GCO Carpet Outlets Bringing Beautiful Carpet Within Reach of Everyone and Design	1805597	November 16, 1993
GCO Carpet Outlets	1779888	June 29, 1993
Georgia Carpet Outlets	74/025415	February 5, 1990

¹The "Application Number," which has a prefix separated from the remaining numbers by a slash, is the number assigned to a new trademark application. The "Registration Number," which is usually a seven-digit number, is the number assigned to a trademark which the Government has in fact granted.

²The "Application Date" is the date upon which an application sought trademark protection. The "Registration Date" is the date upon which the Government granted trademark protection.

GCO, INC.
(a Nevada corporation)

STATE TRADEMARKS

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>State</u>
YOUR GEORGIA CARPET OUTLET		June 29, 1995	Nevada
GEORGIA CARPET OUTLETS and Design	53117	December 30, 1993	Texas
GEORGIA CARPET OUTLETS	940203	February 7, 1994	Rhode Island
GEORGIA CARPET OUTLETS and Design	48160	May 20, 1993	Massachusetts
GEORGIA CARPET OUTLETS (stylized)		June 1, 1994	South Dakota
GEORGIA CARPET OUTLETS		May 9, 1994	Kansas
GEORGIA CARPET OUTLETS and Design		May 11, 1994	South Carolina
GEORGIA CARPET OUTLETS		March 28, 1994	Louisiana
GEORGIA CARPET OUTLETS and Design	S12766	April 12, 1994	Missouri
GEORGIA CARPET OUTLETS (stylized)	10928	October 21, 1993	Kentucky
GEORGIA CARPET OUTLETS	105383	June 3, 1992	Alabama
GEORGIA CARPET OUTLETS and Design	104498	April 9, 1990	Alabama

GCO, INC.
(a Nevada corporation)

STATE TRADEMARKS

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>State</u>
GEORGIA CARPET OUTLETS (stylized)	S13127	November 5, 1993	Georgia
GEORGIA CARPET OUTLETS and Design	S13756	October 15, 1993	New York
GEORGIA CARPET OUTLETS and Design		September 13, 1994	West Virginia
GEORGIA CARPET OUTLETS and Design	TK94061003	June 10, 1994	New Mexico
GEORGIA CARPET OUTLETS and Design	T93321	March 15, 1993	Florida
GEORGIA CARPET OUTLETS	S28020	March 29, 1994	Oregon
GEORGIA CARPET OUTLETS and Design		October 11, 1993	Tennessee
GEORGIA CARPET OUTLETS (stylized)	931014	October 14, 1993	Mississippi

GCO, INC.
(a Nevada corporation)

FOREIGN TRADEMARKS

<u>Trademark</u>	<u>Application Serial No.</u>	<u>Country</u>	<u>Filing Date</u>
GCO CREDIT PLUS and Design	0828574	Canada	November 12, 1996
GCO CARPET OUTLET and Design	0821442	Canada	August 22, 1996

REGISTERED TRADEMARKS OF MAXIM RETAIL STORES, INC.

1. Federally Registered Trademarks

<u>MARK</u>	<u>REGISTRATION NO.</u>
✓CarpetSmart	2,173,871
Carpetland	972,069
✓Carpetland USA	972,070
Carpetland USA (and design)	852,938
✓Certified HCC Health Care Carpets	1,863,793
C USA (and Design)	1,076,686
New York Carpet World	1,210,903
New York Carpet World (and Design)	2,103,493
✓Reedy	1,874,378
Reedy Carpet & Tile	1,878,995
SmartChoice	1,871,709
✓SmartChoice Assurance	1,976,356
✓Walter	1,188,757

2. State Registered Trademarks

<u>MARK</u>	<u>STATE</u>	<u>REGISTRATION NO.</u>
Carpetland USA	KY	9,173
Carpetland	KY	9,174
Carpetland	IA	4759
Carpetland USA	IA	4760
Carpetland USA	IN	5,006-841
Carpetland	IL	38,315
Carpetland USA	IL	38,316
Carpetland	IN	5,006-840
Racine Carpetland USA, Inc.	WI	None

TRADENAMES OF BORROWER AND ITS SUBSIDIARIES

Owner	State	Tradename
Bailey & Roberts Carpetmax of Tennessee, Inc.	Tennessee	Bailey & Roberts Bailey & Roberts Flooring Carpetmax CarpetMAX Flooring Center
C & S Textiles, Inc.	Idaho Washington	Carpet Center Carpet Center
CarpetMAX Retail Stores, Inc.	North Carolina (Lincoln County)	CarpetMAX Flooring Center
	North Carolina (Mecklenburg County)	CarpetMAX Flooring Center
	Florida	CarpetMAX Flooring Center
		CarpetMAX Idea Gallery
		CARPETMAX
		Carpet World
		Carpet & Tile World
		Royal Carpet World
		Carpet World-Dalton, Georgia Factory Outlet
	Indiana	CarpetMAX Factory Direct Losantville Carpet Outlet
		CarpetMAX Factory Direct Losantville Carpet Outlet
	Indiana (Randolph County)	CarpetMAX Factory Direct Losantville Carpet Outlet
	Iowa	CarpetMAX Flooring Center CarpetMAX Idea Gallery
	Indiana (Bartholomew County)	CarpetMAX Flooring Center
	Indiana	CarpetMAX Flooring Center
	Indiana (Clark County)	CarpetMAX Flooring Center
	Indiana (Jefferson County)	CarpetMAX Flooring Center
	Kentucky	CarpetMAX Floor.ng Center CarpetMAX Idea Gallery CarpetMAX Factory Direct Steven's Flooring Depot Steven's Floorcovering Company The Workroom Kinnaird & Francke
		CarpetMAX Flooring Center CarpetMAX Factory Direct Kinnaird & Francke
	Kentucky (Boone County)	CarpetMAX Flooring Center CarpetMAX Factory Direct Kinnaird & Francke

Owner	State	Tradename
CarpetMAX Retail Stores, Inc.	Kentucky (Fayette County)	CarpetMAX Flooring Center CarpetMAX Idea Gallery CarpetMAX Factory Direct Kinnaird & Francke The Workroom
	Kentucky (Jefferson County)	CarpetMAX Flooring Center CarpetMAX Idea Gallery CarpetMAX Factory Direct Steven's Flooring Depot Steven's Floorcovering Company Kinnaird & Francke The Workroom
	North Carolina (Cumberland County)	CarpetMAX Flooring Center
	North Carolina (Moore County)	CarpetMAX Flooring Center
	North Carolina (New Hanover County)	CarpetMAX Flooring Center CarpetMAX Idea Gallery
	Texas (Bexar County)	CarpetMAX Idea Gallery CarpetMAX Factory Direct
	Texas	CarpetMAX Idea Gallery CarpetMAX Factory Depot
	Texas (Dallas County)	CarpetMAX Idea Gallery CarpetMAX Factory Direct
CarpetMAX of Utah, Inc.	Arizona (Maricopa County)	CarpetMAX Idea Gallery
	Utah	CarpetMAX Flooring Center CarpetMAX Idea Gallery Steve Peterson Interiors
	Arizona (Maricopa County)	CarpetMAX Flooring Center
	Arizona	CarpetMAX of Arizona
CarpetsPlus of America, Inc.	Georgia	CarpetsPlus CarpetsPlus of America
	Tennessee	CarpetsPlus CarpetsPlus of America
GCO, Inc.	Nevada (Clark County)	CarpetMAX Flooring Center CarpetMAX Idea Gallery
	Kansas (Johnson County)	GCO
	Missouri (Jackson County)	GCO

Owner	State	Tradename
	New York (Albany County)	GCO
Maxim Retail Stores, Inc. ^{1/}	Washington	Carpet Exchange Carpet Center
	Virginia	New York Carpet World
	Tennessee	New York Carpet World CarpetSmart
	South Carolina	New York Carpet World
	Rhode Island	New York Carpet World
	Oregon	Carpet Exchange
	Ohio	Clyde's New York Carpet World
	North Carolina	New York Carpet World
	New York	CarpetSmart Carpet World
	New Mexico	House of Carpets CarpetMAX
	New Jersey	Carpet Factory Outlet
	New Hampshire	New York Carpet World CarpetSmart
	Missouri	New York Carpet World CarpetSmart
	Michigan	Carpetland USA Clyde's New York Carpet World
	Massachusetts	New York Carpet World
	Louisiana	Walters Carpets & Interiors
	Kansas	CarpetSmart

^{1/}While these tradenames are owned by Maxim Retail Stores, Inc., the respective state records for each such trade name still indicate the owner of such as Shaw Carpet Showplace, Inc. Documents have been filed in order to correct the applicable records; however, the process has not yet been completed.

Owner	State	Tradename
	Iowa	Carpetland USA
Maxim Retail Stores, Inc. cont.	Illinois	Carpetland USA New York Carpet World
	Indiana	Carpetland USA New York Carpet World
	Florida	CarpetSmart Rug Decor New York Carpet World New York Carpet World Design Gallery
	Connecticut	New York Carpet World
	Colorado	Carpet Exchange
	California	Walters Walters Carpets & Interiors
	Wisconsin	Carpetland USA
	Wyoming	Carpet Exchange
	Arizona	Baker Brothers Idea Galleries Floors
The Maxim Group, Inc. (n/k/a Flooring America, Inc.)	Georgia (Henry County)	MAXCARE
	Georgia (Gwinnett County)	MAXCARE
	Georgia (Fulton County)	MAXCARE
	Georgia (Forsyth County)	MAXCARE
	Georgia (Fayette County)	MAXCARE
	Georgia (DeKalb County)	MAXCARE
	Georgia (Coweta County)	MAXCARE
	Georgia (Clayton County)	MAXCARE
	Georgia (Cherokee County)	MAXCARE
	Georgia (Cobb County)	CarpetMAX MAXCARE
Tri-R of Orlando, Inc.	Florida	CarpetMax Flooring Center

TRADEMARKS NOT CURRENTLY IN USE**CARPETMAX, L.P. (N/K/A FLOORING AMERICA FRANCHISING, L.P.)**

<u>Trademark</u>	<u>Registration/Application No.</u>	<u>Registration/Application Date</u>
Cariselle For That Special Room	75-433433	Filed 2/12/98 Abandoned 9/3/99
Cariselle For That Special Room	75-433434	Filed 2/12/98 Abandoned 7/2/99
Kariselle	75-414604	Filed 2/7/98 Abandoned 9/3/99
Kariselle	75-414610	Filed 2/7/98 Abandoned 9/3/99
MAX	75-269613	Filed 4/4/97 Abandoned 9/4/98

GCO, INC., (a Nevada corporation)

<u>Trademark</u>	<u>Registration/Application No.</u>	<u>Registration/Application Date</u>
Georgia Carpet Outlets	74-074813	Filed 7/2/90 Abandoned 2/21/92