

01-20-2004



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

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

102649053

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

1. Name of conveying party(ies): Petroleum Heat and Power Co., Inc. [] Individual(s) [] Association [] General Partnership [] Limited Partnership [x] Corporation-State of Minnesota [] Other

2. Name and address of receiving party(ies) Name: Wachovia Bank, National Association, as Trustee Internal Address: 6th Floor (Mark Weir) Street Address: 301 South College Street City: Charlotte State: NC Zip: 28288 [] Individual(s) citizenship [] Association [] General Partnership [] Limited Partnership [] Corporation-State [x] Other Banking Association

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

4. Application number(s) or registration number(s): A. Trademark Application No.(s) see attached schedule B. Trademark Registration No.(s) see attached schedule Additional number(s) attached [x] Yes [] No

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

6. Total number of applications and registrations involved: 16 7. Total fee (37 CFR 3.41) \$ 415 [x] Enclosed [] Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature. See attached signature page Name of Person Signing DBYRNE 0000098 2171734 Signature Date

01/16/2004 01 FC:0521 02 FC:0522

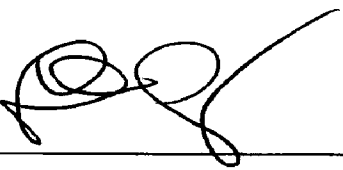
40.00 DP 375.00 DP

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

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

OFFICE OF PATENT PROCESSES

PETROLEUM HEAT AND POWER CO., INC.

By:  _____

Name: Richard F. Ambury

Title: Vice President and Treasurer

Date: January 5, 2004

<u>Description of Mark</u>	<u>Registration No.</u>	<u>Registration Date</u>
1. Stylized word "PETRO" between a roof and a hand.	2171734	07/07/98
2. A roof and a hand.	2423595	01/23/01
3. Stylized word "PETRO"	538181	02/20/01
4. "COME HOME TO COMFORT"*	2048995	04/01/97
5. Stylized word "ADVANTAGE" in rectangular box. Color is a feature of the mark. The letters in the word "ADVANTAGE" are featured in white and the rectangular box around the word "ADVANTAGE" is featured in red.	2473540	07/31/01
6. "PRESTIGE"	2564171	04/23/02
7. "OIL DIRECT GET THAT WARM FEELING FOR LESS."	2538481	02/12/02
8. "COOLGUARD"	2503081	10/30/01
9. "JUST WHAT YOU NEED"	2391472	10/03/00
10. "JUST WHAT YOU NEED"	2391466	10/03/00
11. "BASIC"	2391470	10/03/00
12. "BASIC"	2391467	10/03/00
13. Stylized words "OIL \$\$\$ DIRECT" with the drawing lined for the colors red and green.	2363100	06/27/00
14. "PETRO 2000"	2300478	12/14/99
15. Stylized word "CARE"	2449407	05/08/01
16. Stylized word "HEAT-TRAC"	2151480	04/14/98

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

THIS TRADEMARK SECURITY AGREEMENT is made as of December 22, 2003 between **PETROLEUM HEAT AND POWER CO., INC.**, a Minnesota corporation (the "**Grantor**") and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as trustee (the "**Trustee**"),

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

“Agent”) and the Issuers (as defined in the Credit Agreement), will provide certain credit facilities to the Grantor in the initial aggregate principal amount of up to \$235,000,000, (e) the Amended and Restated Pledge and Security Agreement, dated of even date herewith, among the Grantor, the Subsidiaries signatory thereto and the Trustee (the **“Grantor Security Agreement”**), and (e) the Amended and Restated Pledge and Security Agreement, dated as of March 25, 1999, between Petro Holdings and the Trustee (the **“Holdings Security Agreement”** the Holdings Security Agreement and the Grantor Security Agreement are collectively referred to as the **“Security Agreements”**). The obligations of the Lenders and Issuers to extend credit under the Credit Agreement and the obligations of the Note Holders, are secured by, among other things, the execution and delivery of this Trademark Security Agreement;

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

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

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

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

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

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

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

THIS TRADEMARK SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

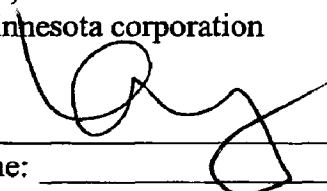
At any time and from time to time, as may be required by applicable law or upon the written request of the Trustee, and at the sole expense of the Grantor, the Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as may be required by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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

**PETROLEUM HEAT AND POWER CO.,
INC.,**
a Minnesota corporation

By: 
Name: _____
Title: _____

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

By: _____
Name: _____
Title: _____

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

TRADEMARK
REEL: 002898 FRAME: 0454

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

**PETROLEUM HEAT AND POWER CO.,
INC.,**
a Minnesota corporation

By: _____
Name: _____
Title: _____

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

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

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

TRADEMARK
REEL: 002898 FRAME: 0455

Petroleum Heat and Power Co., Inc.
Trademarks

<u>Registered Trademark</u>	<u>Registration Reg. No.</u>	<u>Date</u>
Stylized word "PETRO" between a roof and a hand.	2171734	07/07/98
A roof and a hand.	2423595	01/23/01
Stylized word "PETRO"	538181	02/20/01
"COME HOME TO COMFORT"*	2048995	04/01/97
"FUEL OIL"*	937913	07/18/72
Stylized word" ADVANTAGE" in rectangular box. Color is a feature of the mark. The letters in the word "ADVANTAGE" are featured in white and the rectangular box around the word "ADVANTAGE" is featured in red.	2473540	07/31/01
"PRESTIGE"	2564171	04/23/02
"OIL DIRECT GET THAT WARM FEELING FOR LESS."	2538481	02/12/02
"COOLGUARD"	2503081	10/30/01
"JUST WHAT YOU NEED"	2391472	10/03/00
"JUST WHAT YOU NEED"	2391466	10/03/00
"BASIC"	2391470	10/03/00
"BASIC"	2391467	10/03/00
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"PETRO 2000"	2300478	12/14/99
Stylized word "CARE"	2449407	05/08/01
Stylized word "HEAT-TRAC"*	2151480	04/14/98

* Registration to be abandoned.

Pending U.S.
Trademark Application

Registration
Reg. No.

Date

None

Trademark Licenses

None.