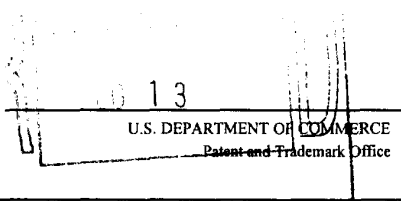


08-17-1998



100794846

mpnl 8/10/98



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

<p>1. Name of Party(ies) conveying an interest:</p> <p>Sax Arts & Crafts, Inc. 2405 S. Calhoun Road P.O. Box 510710 New Berlin, WI 53151</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation <u>Delaware</u> <input type="checkbox"/> Other</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and Address of Party(ies) receiving an interest:</p> <p>Name: <u>NationsBank, N.A., As Agent</u> Street Address: <u>101 North Tryon Street</u> Internal Address: <u>Independence Center, 15th Floor</u> City: <u>Charlotte</u> State: <u>North Carolina</u> Zip: <u>28255</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____</p> <p><input type="checkbox"/> Limited Partnership _____ <input type="checkbox"/> Corporation _____ <input checked="" type="checkbox"/> Other <u>national banking association</u></p> <p>Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
---	--

<p>3. Nature of Conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other <u>Notice of Grant of Security Interest In Trademarks</u></p> <p>Effective Date: <u>June 9, 1998</u></p>	<p>Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
---	---


<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s): <u>N/A</u></p>	<p>B. Trademark Registration No.(s): <u>1,746,677 1,262,365 1,271,755</u></p> <p>Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
---	---

<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: <u>Mark H. Webbink, Esq.</u> Internal Address: <u>Moore & Van Allen, PLLC</u> Street Address: <u>2200 West Main Street, Suite 800</u> City: <u>Durham</u> State: <u>NC</u> ZIP: <u>27705</u></p>	<p>6. Total number of applications and registrations involved: <u>3</u></p> <p>7. Total fee (37 CFR 3.4): \$ <u>90.00</u> <input checked="" type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account (Any Deficiency)</p> <p>8. Deposit account number: <u>13-4365</u> (Attach duplicate copy of this form if paying by deposit account):</p>
---	--

DO NOT USE THIS SPACE

9. Statement and signature.

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

Mark H. Webbink, Esq.  8/10/98
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments and document: 4

<p>Mail documents to be recorded with required cover sheet information to:</p> <p>Commissioner of Patents and Trademarks Box Assignments Washington, D.C. 20231</p>	<p>CERTIFICATE OF MAILING</p> <p>I hereby certify that this paper is being deposited with the United States Postal Service as first class mail in an envelope addressed to the Commissioner Of Patent And Trademarks, Washington, DC 20231, BOX ASSIGNMENTS.</p> <p><u>Kim Oakley</u> (Typed or printed name of person signing the certificate)</p> <p><u>K Oakley</u> (Signature of the person signing the certificate)</p> <p><u>8-10-98</u> (Date of Signature)</p>
---	---

08/17/1998 DNGUYEN 00000018 1271755
01 FC:481 40.00 DP
02 FC:482 50.00 DP

NOTICE
OF
GRANT OF SECURITY INTEREST
IN
TRADEMARKS

United States Patent and Trademark Office

Gentlemen:

Please be advised that pursuant to the Security Agreement dated as of June 9, 1998 (the "Security Agreement") by and among the Obligors party thereto (each an "Obligor" and collectively, the "Obligors") and NationsBank, N.A., as Administrative Agent (the "Agent") for the financial institutions referenced therein (the "Lenders"), the undersigned Obligor has granted a continuing security interest in and continuing lien upon, the trademarks and trademark applications shown below to the Agent for the ratable benefit of the Lenders:

TRADEMARKS

<u>Trademark No.</u>	Description of Trademark <u>Item</u>	Date of <u>Trademark</u>
----------------------	---	-----------------------------

See Schedule A attached hereto and incorporated by reference

TRADEMARK APPLICATIONS

<u>Trademark Applications No.</u>	Description of Trademark <u>Applied For</u>	Date of Trademark <u>Applications</u>
---------------------------------------	--	--

See Schedule A attached hereto and incorporated by reference

The Obligors and the Administrative Agent, on behalf of the Lenders, hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Security Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

SAX ARTS & CRAFTS, INC.

By: Marla Anderson
Name: MARLA ANDERSON
Title: ASSISTANT SECRETARY

Acknowledged and Accepted:

NATIONSBANK, N.A.
as Administrative Agent

By: Michael Heredia
Name: MICHAEL HEREDIA
Title: Senior Vice President

Schedule A

Sax Arts and Crafts, Inc.

U.S. Trademarks

Registered Marks

Mark	Registration No.	Registration Date
VERSA TEMP	1,746,677	1/19/93
WRITE ON and Design	1,262,365	12/27/83
TRUE-FLOW	1,271,755	3/27/84