

04-29-1999



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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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
- Corporation – State of Minnesota
- Other _____

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

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

Name: HSBC Bank USA

Street Address: 140 Broadway
City: New York State: New York
Country: USA ZIP: 10005

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporate – State New York
- Other _____

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

3. Nature of conveyance:

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

Execution Date: April 19, 1999

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

4. Application number(s) or registration number(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Trademark Application No.(s) see attached schedule B. Trademark Registration No.(s) see attached schedule

Additional numbers attached? Yes No

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

Name: Bradford Breen

Internal Address: Orrick, Herrington & Sutcliffe LLP

Street Address: 666 Fifth Avenue

City: New York State: New York ZIP: 10103

6. Total number of applications and applications and registrations involved: [9]

7. Total fee (37 CFR 3.41).....\$ 240.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: 15-0665

(Attach duplicate copy of this page if paying by deposit account)

04/28/1999 DNGUYEN, 00000183 150665 2048995

01 FC:481 (40.00 CH)
02 FC:482 (200.00 CH)

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.

Bradford Breen
Name of Person Signing

Bradford Breen
Signature

April 19, 1999
Date

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

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

Petroleum Heat and Power Co., Inc.
Trademarks

<u>Registered Trademark</u>	<u>Registration Reg. No.</u>	<u>Date</u>
Come Home to comfort Service Mark	2,048,995	April 1, 1997
Heat-Trac Service Mark	2,151,480	April 14, 1998
Petro and design Trademark Service Mark	2,171,734	July 7, 1998
<u>Pending U.S. Trademark Application</u>	<u>Registra- tion Reg. No.</u>	<u>Date</u>
CARE and design	75-241,164	May 19, 1998
Homeserve	75-126,236	August 17, 1995
Miscellaneous Design Extension of time Statement of Use	75-129,949	December 15, 1998
Petro 2000	75-342,900	June 23, 1998
White Glove Service and design	75-129,949	July 3, 1996
Oil \$\$\$\$ Direct Service Mark	75-514815	July 7, 1998
Oil Direct Get That Warm Feeling For Less Service Mark	75-525853	July 27, 1998

Trademark Licenses

None

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

THIS TRADEMARK SECURITY AGREEMENT is made as of April 19, 1999 between PETROLEUM HEAT AND POWER CO., INC., a Minnesota corporation (the "Grantor") and HSBC Bank USA (formerly known as Marine Midland Bank), a New York banking corporation, as trustee (the "Trustee"),

WHEREAS, reference is made to (a) the Credit Agreement dated as of March 25, 1999 (as amended, modified or supplemented from time to time, the "Credit Agreement"), among the Grantor, the financial institutions party thereto as lenders (the "Lenders"), Bank of America National Trust and Savings Association, as administrative agent (the "Agent") for the Lenders and as Issuer of certain Letters of Credit and The Chase Manhattan Bank, as issuer of the Existing Letters of Credit (in such capacity, "Chase"), (b) the \$62,697,000 9% Senior Secured Notes due October 1, 2002 (the "2002 Senior Notes"), the \$2,140,000 10.25% Senior Secured Notes due January 15, 2001 (the "2001 Senior Notes"; the 2001 Senior Notes and the 2002 Senior Notes together with all other securities issued in substitution therefor or replacement thereof under the hereafter defined Note Exchange Agreements, being referred to herein collectively as the "Senior Notes") and the \$2,140,000 10.25% Subordinated Notes due January 15, 2001 issued to certain institutional investors (the "Exchanged Note Purchasers") under the separate and several Note Exchange Agreements, each dated as of March 25, 1999 (as amended, modified or supplemented from time to time collectively, the "Note Exchange Agreements"), among Star Gas Partners, L.P., a Delaware limited partnership ("Star Partners"), Petro Holdings, Inc., a Minnesota corporation ("Petro Holdings"), the Grantor and the Exchanged Note Purchasers, (c) the \$11,000,000 7.56% Senior Secured Notes due April 1, 2003, the \$8,000,000 7.61% Senior Secured Notes due April 1, 2004, \$10,000,000 7.71% Senior Secured Notes due April 1, 2005, the \$3,000,000 7.82% Senior Secured Notes due April 1, 2006, the \$38,000,000 7.97% Senior Secured Notes due April 1, 2007 and the \$20,000,000 8.27% Senior Secured Notes due April 1, 2014 (together with all other securities issued in substitution therefor or replacement thereof under the hereinafter defined New Note Agreements, being referred to herein collectively as the "New Notes"; the New Notes together with the Senior Notes being hereinafter referred to collectively as the "Notes") issued to certain institutional investors (the "New Note Purchasers"; the New Note Purchasers together with the Exchanged Note Purchasers purchasing the Senior Notes being hereinafter referred to collectively as the "Purchasers") under the separate and several Note Purchase Agreements, each dated as of March 25, 1999 (as amended, modified or supplemented from time to time collectively, the "New Note Agreements"), among Star Partners, Petro Holdings, the Grantor and each of the New Note Purchasers, (d) the Pledge and Security Agreement, dated as of March 25, 1999, among the Grantor, the Subsidiaries signatory thereto and the Trustee (the "Company Security Agreement"), and (e) the Pledge and Security Agreement, dated as of March 25, 1999, between Petro Holdings, Inc. and the Trustee (the "Holdings Security Agreement"; the Holdings Security Agreement and the Company Security Agreement are collectively referred to as the "Security Agreements"). The Lenders, the Issuer and Chase have respectively agreed to extend credit to the Grantor pursuant to, and subject to the

terms and conditions specified in, the Credit Agreement; the Purchasers have respectively agreed to purchase the Notes pursuant to, and subject to the terms and conditions specified in, the Note Exchange Agreements or the New Note Agreements, as the case may be. The obligations of the Lenders, the Issuer and Chase to extend credit under the Credit Agreement and the obligations of the Purchasers to purchase the Notes under the Note Exchange Agreements or the New Note Agreements, as the case may be, are conditioned upon, 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, the Note Exchange Agreements and the New Note Agreements, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

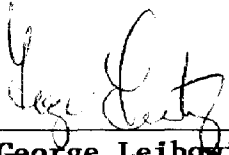
THIS TRADEMARK SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

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.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 1st day of April, 1999.

PETROLEUM HEAT AND POWER CO., INC.

By: 
Name: **George Leibowitz**
Title: **Treasurer**

Acknowledged:

HSBC BANK USA (formerly known as
Marine Midland Bank), as Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 19th day of April, 1999.

PETROLEUM HEAT AND POWER CO., INC.

By: _____

Name:

Title:

Acknowledged:

HSBC BANK USA (formerly known as
Marine Midland Bank), as Trustee

By: 

Name:

Title: ANTHONY R. BUFINSKY
CORPORATE TRUST OFFICER

DOCSNY1:558832.1
7433-2 MWB

RECORDED: 04/19/1999

TRADEMARK
REEL: 1889 FRAME: 0052