

04-27-2001



101690552

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

4.17.01

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
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name Fullerton Corporation

02 23 01

Formerly

75609942

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name Fleet Retail Finance Inc.

DBA/AKA/TA

Composed of

Address (line 1) 40 Broad Street

Address (line 2)

Address (line 3) Boston

City

MA

State/Country

02109

Zip Code

- Individual General Partnership Limited Partnership Association
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

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: 002282 FRAME: 0610

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

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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

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) | | |
|---|---|---|--|--|--|
| <input type="text" value="75/609,942"/> | <input type="text" value="76/011,436"/> | <input type="text" value="78/042,871"/> | <input type="text" value="1,483,968"/> | <input type="text" value="1,805,685"/> | <input type="text" value="1,926,034"/> |
| <input type="text" value="75/708,226"/> | <input type="text" value="76/148,363"/> | <input type="text" value="78/042,872"/> | <input type="text" value="1,704,393"/> | <input type="text" value="1,893,061"/> | <input type="text" value="2,017,509"/> |
| <input type="text" value="76/011,439"/> | <input type="text" value="78/042,869"/> | <input type="text"/> | <input type="text" value="1,747,755"/> | <input type="text" value="1,899,408"/> | <input type="text" value="2,021,742"/> |

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

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: #

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.

Christopher E. Kondracki

Name of Person Signing

Signature

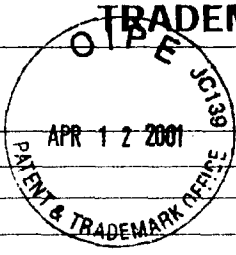
4/11/01

Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 08/30/99
OMB 0851 0027

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



Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

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

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

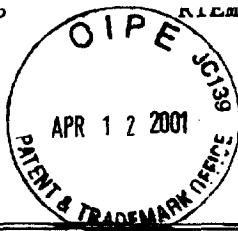
Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

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| 2,025,634 | 2,286,605 | |
| 2,072,732 | 2,302,777 | |
| 2,088,786 | 1,332,637 | |
| 2,156,599 | 1,387,122 | |
| 2,195,606 | | |
| 2,220,190 | | |
| 2,274,226 | | |



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**TRADEMARK AND TRADEMARK
APPLICATIONS SECURITY AGREEMENT**

**Fleet Retail Finance Inc.
AGENT**

February 23, 2001

THIS AGREEMENT is made between

Fleet Retail Finance Inc. (in such capacity, the "Agent"), a Delaware corporation with offices at 40 Broad Street, Boston, Massachusetts 02109, as agent for a syndicate of revolving credit lenders (the "Revolving Credit Lenders")

and

Fullerton Corporation (hereinafter, the "Subsidiary"), a Delaware corporation with its principal executive offices at 3345 Michelson Drive, Irvine, California 92612

in consideration of the mutual covenants contained herein and benefits to be derived herefrom,

WITNESSETH:

1. **BACKGROUND:** The Agent and HomeBase, Inc., as Lead Borrower on behalf of itself, HomeClub, Inc. and HomeClub, Inc. of Texas (collectively, the "Borrower") have entered in a certain Loan and Security Agreement of even date (as such agreement may be modified, supplemented, amended or restated from time to time, hereinafter, the "Loan Agreement") pursuant to which a credit facility has been established in favor of the Borrower. (Terms used herein which are defined in the Loan Agreement are used as so defined).

2. **GRANT OF SECURITY INTEREST:** To secure the Liabilities, the Subsidiary hereby creates a security interest in favor of the Agent (for the ratable benefit of the Agent and the Revolving Credit Lenders), with power of sale (which power of sale shall be exercisable only if an Event of Default has occurred and is continuing) in and to the following and all proceeds thereof (collectively, the "TM Collateral"):

(a) All of the Subsidiary's now owned or existing or hereafter acquired or arising

..February 23, 2001..

..1..

1 trademarks, trademark applications, service marks, registered service marks and service mark
2 applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made a part
3 hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark
4 applications, service marks, registered service marks, and service mark applications.

5 (b) All renewals of any of the foregoing.

6 (c) All income, royalties, damages and payments now and hereafter due and/or
7 payable under and with respect to any of the foregoing, including, without limitation, payments under all
8 licenses entered into in connection therewith and damages and payments for past or future
9 infringements or dilutions thereof.

10 (d) The right to sue for past, present and future infringements and dilutions of any of
11 the foregoing.

12 (e) All of Subsidiary's rights corresponding to any of the foregoing throughout the
13 world.

14
15 3. **PROTECTION OF MARKS BY SUBSIDIARY:** The Subsidiary shall undertake
16 the following with respect to each items respectively described in Sections 2(a) and 2(b) (collectively, the
17 "**Marks**"), except for Marks that are no longer useful or valuable in the conduct of the Subsidiary's
18 business:

19 (a) Pay all renewal fees and other fees and costs associated with maintaining the
20 Marks and with the processing of the Marks.

21 (b) At the Subsidiary's sole cost, expense, and risk, pursue the prompt, diligent,
22 processing of each Application for Registration which is the subject of the security interest created herein
23 and not abandon or delay any such efforts.

24 (c) At the Subsidiary's sole cost, expense, and risk, take any and all action which
25 Subsidiary deems desirable to protect the Marks, including, without limitation, but subject to Subsidiary's
26 discretion, the prosecution and defense of infringement actions.

27
28 4. **SUBSIDIARY'S REPRESENTATIONS AND WARRANTIES:** The Subsidiary
29 represents and warrants that:

30 (a) **EXHIBIT A** includes all of the registered trademarks, Federal trademark
31 applications, registered service marks and Federal service mark applications now owned by the
32 Subsidiary.

33 (b) All TM Collateral is and shall remain, free and clear of all liens, Encumbrances,
34 or security interests to any Person other than to the Agent.

35 (c) The Subsidiary shall give the Agent written notice (with reasonable detail) within

1 Ten (10) days following the occurrence of any of the following:

2 (i) The Subsidiary's obtaining rights to, and filing applications for
3 registration of, any new trademarks, or service marks, or otherwise acquires ownership of any
4 newly registered trademarks, registered service marks, trademark applications, or service mark
5 applications, (other than the Subsidiary's right to sell products containing the trademarks of
6 others in the ordinary course of Subsidiary's business).

7 (ii) The Subsidiary's becoming entitled to the benefit of any registered
8 trademarks, trademark applications, trademark licenses, trademark license renewals, registered
9 service marks, service mark applications, service mark licenses or service mark license
10 renewals whether as licensee or licensor (other than Subsidiary's right to sell products
11 containing the trademarks of others in the ordinary course of Subsidiary's business).

12 (iii) The Subsidiary's entering into any new trademark license agreement or
13 service mark license agreement.
14

15 **5 AGREEMENT APPLIES TO FUTURE MARKS:**

16 (a) The provisions of this Security Agreement shall automatically apply to any such
17 additional property or rights described in 4(c), above, all of which shall be deemed to be and treated as
18 "Marks" within the meaning of this TM Security Agreement.

19 (b) The Subsidiary hereby authorizes the Agent to take all such action to protect the
20 Agent's interest in and concerning any future registered trademarks, trademark applications, registered
21 service marks and service mark applications, written notice of which is so given, *provided, however*, the
22 Agent's taking of such action shall not be a condition to the creation or perfection of the security interest
23 created hereby.
24

25 **6. SUBSIDIARY'S RIGHTS TO ENFORCE MARKS:** Prior to the Agent's giving of
26 notice to the Subsidiary following the occurrence of an Event of Default, the Subsidiary shall have the
27 exclusive right to sue for past, present and future infringement of the Marks including the right to seek
28 injunctions and/or money damages, in an effort by Subsidiary to protect the Marks against encroachment
29 by third parties, *provided, however*.

30 (a) Any money damages awarded or received by the Subsidiary on account of such
31 suit (or the threat of such suit) shall constitute TM Collateral.

32 (b) If an Event of Default has occurred and is continuing, the Agent, by notice to the
33 Subsidiary may terminate or limit the Subsidiary's rights under this Section 6.
34

35 **7. AGENT'S ACTIONS TO PROTECT MARKS: If**

1 (a) the Subsidiary fails, within Five (5) days of written notice from the Agent, to cure
 2 any failure by the Subsidiary to perform any of the Subsidiary's obligations set forth in Section 3;
 3 and/or

4 (b) an Event of Default occurs and is continuing,
 5 the Agent, acting in its own name or in that of the Subsidiary, may (but shall not be required to) act in the
 6 Subsidiary's place and stead and/or in the Agents' own right in connection therewith.

7
 8 8. **RIGHTS UPON DEFAULT:** If an Event of Default occurs and is continuing, the
 9 Agent may exercise all rights and remedies of a secured party upon default under the Uniform
 10 Commercial Code as adopted in Massachusetts (Massachusetts General Laws, Chapter 106), with
 11 respect to the Marks, in addition to which the Agent may sell, license, assign, transfer, or otherwise
 12 dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Agent that
 13 an Event of Default has occurred and is continuing and that the Agent is authorized to exercise such
 14 rights and remedies.

15
 16 9. **AGENT AS ATTORNEY IN FACT:**

17 (a) The Subsidiary hereby irrevocably constitutes and designates the Agent as and
 18 for the Subsidiary's attorney in fact, effective if an Event of Default has occurred and is continuing:

19 (i) To exercise any of the rights and powers referenced in Sections 3 and
 20 5(b).

21 (ii) To execute all such instruments, documents, and papers as the Agent
 22 determines to be appropriate in connection with the exercise of such rights and remedies and to
 23 cause the sale, license, assignment, transfer, or other disposition of the Marks.

24 (b) The within grant of a power of attorney, being coupled with an interest, shall be
 25 irrevocable until this Agreement is terminated by a duly authorized officer of the Agent.

26 (c) The Agent shall not be obligated to do any of the acts or to exercise any of the
 27 powers authorized by Section 9(a) herein, but if the Agent elects to do any such act or to exercise any of
 28 such powers, it shall not be accountable for more than it actually receives as a result of such exercise of
 29 power, and shall not be responsible to the Subsidiary for any act or omission to act except for any act or
 30 omission to act as to which there is a final determination made in a judicial proceeding (in which
 31 proceeding the Agent has had an opportunity to be heard) which determination includes a specific
 32 finding that the subject act or omission to act had been grossly negligent or in actual bad faith.

33
 34 10. **AGENT'S RIGHTS:**

35 (a) Any use by the Agent of the Marks, as authorized hereunder in connection with

1 the exercise of the Agent' rights and remedies under this Agreement and under the Loan Agreement
2 shall be coextensive with the Subsidiary's rights thereunder and with respect thereto and without any
3 liability for royalties or other related charges.

4 (b) None of this Agreement, the Loan Agreement, or any act, omission, or
5 circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the
6 Agent any rights in and to the Marks, which rights are effective except following the occurrence of any
7 Event of Default.
8

9 11. CHOICE OF LAWS: It is intended that this Agreement take effect as a sealed
10 instrument and that all rights and obligations hereunder, including matters of construction, validity, and
11 performance, shall be governed by the laws of The Commonwealth of Massachusetts.
12

13 IN WITNESS WHEREOF, the Subsidiary and the Agent respectively have caused this
14 Agreement to be executed by their respective duly authorized officers as of the date first above written.
15

16 FULLERTON CORPORATION
17 (The "Subsidiary")

FLEET RETAIL FINANCE INC.
(The " Agent")

18
19 By William B Langsdorf
20
21 Name WILLIAM B. LANGSDORF
22
23 Title PRESIDENT
24
25

By James J Ward
Name James J. Ward
Title Director

..February 23, 2001..

..5..

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On 2-23-01 before me, Larisa Owen, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared William B Langsdon
Name(s) of Signer(s)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Trademark & Trademark Application Security Agreement

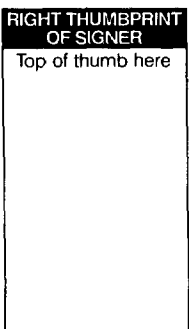
Document Date: 2-23-01 Number of Pages: 3

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: William B Langsdon

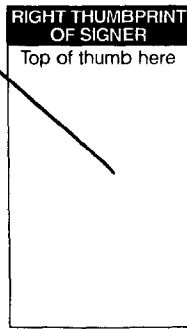
- Individual
- Corporate Officer
Title(s): President
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:
Fulford Corporation

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

1 the exercise of the Agent' rights and remedies under this Agreement and under the Loan Agreement
2 shall be coextensive with the Subsidiary's rights thereunder and with respect thereto and without any
3 liability for royalties or other related charges.

4 (b) None of this Agreement, the Loan Agreement, or any act, omission, or
5 circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the
6 Agent any rights in and to the Marks, which rights are effective except following the occurrence of any
7 Event of Default.
8

9 11. CHOICE OF LAWS: It is intended that this Agreement take effect as a sealed
10 instrument and that all rights and obligations hereunder, including matters of construction, validity, and
11 performance, shall be governed by the laws of The Commonwealth of Massachusetts.
12

13 IN WITNESS WHEREOF, the Subsidiary and the Agent respectively have caused this
14 Agreement to be executed by their respective duly authorized officers as of the date first above written.
15

16 FULLERTON CORPORATION
17 (The "Subsidiary")

FLEET RETAIL FINANCE INC.
(The "Agent")

18 By William B Langsdorf
19

By James J Ward
20

21 Name WILLIAM B. LANGSDORF
22

Name James J. Ward
23

24 Title PRESIDENT
25

Title Director

..February 23, 2001..

..5..

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

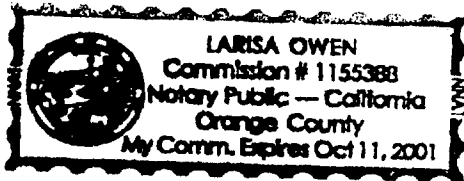
State of California

County of Orange

On 2-23-01 before me, Larisa Owen, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared William B Langsdorf
Name(s) of Signer(s)

personally known to me – OR – proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Trademark & Trademark Applications Security Agreement

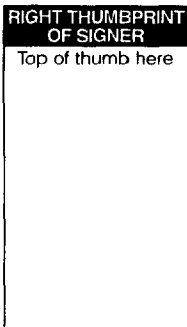
Document Date: 2-23-01 Number of Pages: 5

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: William B Langsdorf

- Individual
- Corporate Officer
Title(s): President
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

Fulford Corporation

~~Signer's Name: _____~~

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



~~Signer Is Representing:~~

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THE COMMONWEALTH OF MASSACHUSETTS
COUNTY OF SUFFOLK

Then personally appeared before me James J. Ward, who acknowledged that such person is the duly authorized Director of Fleet Retail Finance Inc. and that such person executed the foregoing Instrument on its behalf.

Witness my hand and seal this 23rd day of February, 2001.

Avan M. Shalmon

, Notary Public
My Commission Expires:

10/15/2004

..February 23, 2001..

..7..

EXHIBIT A

Trademark Service Mark Registrations of Fullerton Corporation

| Trademark/Service Mark | U.S. Registration No. | Reg. Date |
|---------------------------------------|------------------------------|------------------|
| PERFORMANCE TOUGH | 1,483,968 | 04/12/88 |
| HOMEBASE | 1,704,393 | 07/28/92 |
| GALLERIA | 1,747,755 | 01/19/93 |
| INFINITY | 1,805,685 | 11/23/93 |
| VALENCIA | 1,893,061 | 05/09/95 |
| LA BASE DEL HOGAR | 1,899,408 | 06/13/95 |
| READY TO HELP | 1,926,034 | 10/10/95 |
| GALLERIA | 2,017,509 | 11/19/96 |
| STRICTLY BUSINESS | 2,021,742 | 12/10/96 |
| HOME SPACE | 2,025,634 | 12/24/96 |
| THE BASE | 2,072,732 | 06/17/97 |
| HOME BASE AMERICA'S BEST HOME | 2,088,786 | 08/19/97 |
| IMPROVEMENT WAREHOUSE | | |
| BASE BUY! | 2,156,599 | 05/12/98 |
| EMERALD CREEK | 2,195,606 | 10/13/98 |
| GALLERIA GOLD | 2,220,190 | 01/26/99 |
| WE'VE GOT ALL THE BASES COVERED | 2,274,226 | 08/31/99 |
| YOUR BUSINESS DESERVES SMART PAYMENT | 2,286,605 | 10/12/99 |
| SOLUTIONS | | |
| YOUR GREAT IDEAS. OUR SMART SOLUTIONS | 2,302,777 | 12/21/99 |
| HOMECLUB | 1,332,637 | 3/18/96 |
| WE BUY RIGHT...YOU CAN TOO...EVERYDAY | 1,387,122 | 3/18/85 |

Trademark Applications

| Trademark | U.S. Application No. | Filing Date |
|---|-----------------------------|--------------------|
| DESIGN & DECORATE | 75/609,942 | 12/18/98 |
| POWERBASE | 75/708,226 | 5/17/99 |
| HOUSE2HOME | 76/011,439 | 3/28/00 |
| H2H | 76/011,436 | 3/28/00 |
| HOUSE2HOME and Design | 76/148,363 | 10/17/00 |
| THE INCREDIBLE HOME DECORATING SUPERSTORE | | |
| | 78/042,869 | 1/12/01 |
| TALK2US | 78/042,871 | 1/12/01 |
| 2GOOD2MISS | 78/042,872 | 1/12/01 |