

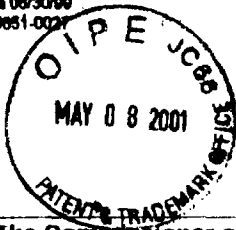
05-11-2001

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



101714621

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



RECORDATION FORM COVER SHEET TRADEMARKS ONLY

S 9-01

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

Conveying Party

Mark if additional names of conveying parties attached

Name Jo-Ann Stores Supply Chain Management, Inc.

Execution Date
Month Day Year
4 24 01

Formerly _____

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

Receiving Party

Mark if additional names of receiving parties attached

Name Fleet Retail Finance Inc.

DBA/AKA/TA _____

Composed of _____

Address (line 1) 40 Williams Street

Address (line 2) _____

Address (line 3) Wellesley

City

MA

State/Country

02481

Zip Code

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

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: 002284 FRAME: 0935

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="74/604,617"/>	<input type="text" value="75/879,179"/>	<input type="text" value="76/209,918"/>	<input type="text" value="1,149,223"/>	<input type="text" value="1,222,939"/>	<input type="text" value="1,310,789"/>
<input type="text" value="75/355,600"/>	<input type="text" value="76/063,723"/>	<input type="text" value="76/209,919"/>	<input type="text" value="1,162,314"/>	<input type="text" value="1,289,452"/>	<input type="text" value="1,393,371"/>
<input type="text" value="75/589,841"/>	<input type="text" value="76/113,965"/>	<input type="text" value="78/047,744"/>	<input type="text" value="1,162,802"/>	<input type="text" value="1,289,456"/>	<input type="text" value="1,430,300"/>

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.

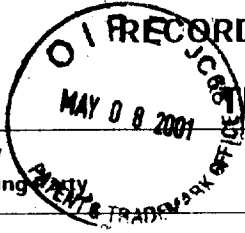
Christopher E. Kondracki

Name of Person Signing

Signature

May 8, 2001

Date Signed



**CONTINUATION
TRADEMARKS ONLY**

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

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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)

78/048,080

78/048,100

78/048,164

Registration Number(s)

1,434,785

2,269,959

2,210,674

1,435,617

2,216,110

2,205,463

1,438,175

1,904,469

2,210,675

1,474,593

1,882,636

2,210,673

1,772,745

2,030,030

2,205,461

2,173,418

2,013,829

2,205,462

2,162,449

2,206,988

2,203,892



RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

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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)

2,433,438	1,423,815	
2,397,168	1,533,946	
2,374,491	1,540,156	
999,848	1,649,428	
1,383,758	1,707,359	
1,383,759	1,740,410	
1,540,156	2,317,617	

**TRADEMARK AND TRADEMARK
APPLICATIONS SECURITY AGREEMENT**



April 24, 2001

TRADEMARK AND TRADEMARK APPLICATIONS SECURITY AGREEMENT dated as of April 24, 2001 by and among JO-ANN STORES SUPPLY CHAIN MANAGEMENT, INC., (the "Assignor"); and FLEET RETAIL FINANCE INC., a Delaware corporation ("FRF"), as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties (as defined herein) in consideration of the mutual covenants contained herein and benefits to be derived herefrom.

WITNESSETH:

1. **BACKGROUND:** Reference is made to the Credit Agreement of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, Fleet Retail Finance Inc. as Administrative Agent and Collateral Agent for the Lenders, the Lenders, Fleet National Bank, as Issuing Bank, Congress Financial Corporation, as Documentation Agent, GMAC Commercial Credit, LLC, National City Commercial Finance, Inc., The CIT Group/Business Credit, Inc., as Co-Agents, and Fleet Securities Inc., as Syndication Agent and Arranger. Reference is further made to the Security Agreement of even date herewith entered into among the Borrowers and Fleet Retail Finance Inc. as Collateral Agent (as amended, supplemented or otherwise modified from time to time, the "Security Agreement"). Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

2. **GRANT OF SECURITY INTEREST:** To secure the Obligations (as defined in the Credit Agreement), Assignor hereby creates a security interest in favor of the Collateral Agent (for the benefit of the Secured Parties), with power of sale (which power of sale shall be exercisable only following the occurrence of an Event of Default) in and to the following and all proceeds thereof (collectively, the "**TM Collateral**"):

(a) All of Assignor's now owned or existing or hereafter acquired or arising trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, and service mark applications.

(b) All renewals of any of the foregoing.

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

(d) The right to sue for past, present and future infringements and dilutions of

any of the foregoing.

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

3. **PROTECTION OF MARKS BY ASSIGNOR:** Assignor shall undertake the following with respect to each items respectively described in Sections 2(a) and 2(b) (collectively, the "Marks"):

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

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

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

4. **ASSIGNOR'S REPRESENTATIONS AND WARRANTIES:** Assignor represents and warrants that:

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

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

(c) Assignor shall give the Collateral Agent written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:

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

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

(iii) Assignor's entering into any new trademark license agreement or service mark license agreement.

5 **AGREEMENT APPLIES TO FUTURE MARKS:**

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

(b) Assignor hereby authorizes the Collateral Agent to take all such action to protect the Collateral Agent's interest in and concerning any future registered trademarks,

trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided, however*, the Collateral Agent's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

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

(a) Assignor first provides the Collateral Agent with written notice of Assignor's intention to so sue for enforcement of any Mark.

(b) Any money damages awarded or received by Assignor on account of such suit (or the threat of such suit) shall constitute TM Collateral.

(c) Following the occurrence of any Event of Default, the Collateral Agent, by notice to Assignor may be terminate or limit Assignor's rights under this Section 6.

7. **COLLATERAL AGENT'S ACTIONS TO PROTECT MARKS:** In the event of

(a) Assignor's failure, within five (5) days of written notice from the Collateral Agent, to cure any failure by Assignor to perform any of Assignor's Obligations set forth in Section 3; and/or

(b) the occurrence of any Event of Default, the Collateral Agent, acting in its own name, on behalf of the Secured Parties, or in that of Assignor, may (but shall not be required to) act in Assignor's place and stead and/or in the Collateral Agent's own right in connection therewith.

8. **RIGHTS UPON DEFAULT:** Upon the occurrence of any Event of Default, the Collateral Agent, on behalf of the Secured Parties, may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in Massachusetts (Massachusetts General Laws, Chapter 106), with respect to the Marks, in addition to which the Collateral Agent may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Collateral Agent that an Event of Default has occurred and that the Collateral Agent is authorized to exercise such rights and remedies.

9. **COLLATERAL AGENT AS ATTORNEY IN FACT:**

(a) Assignor hereby irrevocably constitutes and designates the Collateral Agent as and for Assignor's attorney in fact, effective following the occurrence of any Event of Default:

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

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

(b) The grant of a power of attorney, being coupled with an interest, shall be

irrevocable until this Agreement is terminated by a duly authorized officer of the Collateral Agent.

(c) The Collateral Agent shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a) herein, but if the Collateral Agent elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Assignor for any act or omission to act except hereunder, except for its own gross negligence or wilful misconduct.

10. **COLLATERAL AGENT'S RIGHTS:**

(a) Any use by the Collateral Agent of the Marks, as authorized hereunder in connection with the exercise of the Collateral Agent's rights and remedies under this Agreement and under the Credit Agreement shall be coextensive with Assignor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

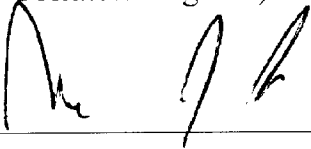
(b) None of this Agreement, the Credit Agreement, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Collateral Agent any rights in and to the Marks, which rights are effective except following the occurrence of any Event of Default.

11. **INTENT:** It is intended that this Agreement supplement the Security Agreement. All provisions of the Credit Agreement shall apply to the Marks. The Collateral Agent, on behalf of the Secured Parties, shall have the same rights, remedies, powers, privileges and discretions, with respect to the security interests created in the TM Collateral as in all other Collateral. In the event of a conflict between this Agreement and the Security Agreement, the terms of this Agreement shall control with respect to the TM Collateral and the Security Agreement with respect to all other Collateral.

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

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

FLEET RETAIL FINANCE INC.
(The "Collateral Agent")

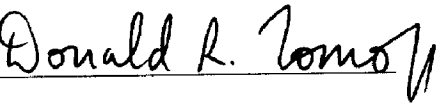
By 

Name MARK J. Forti

Title Director

ASSIGNOR:

^{STORES}
JO-ANN SUPPLY CHAIN MANAGEMENT, INC.

By 

Name Donald R Tomoff

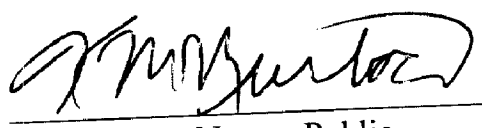
Title TREASURER

THE COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK

Then personally appeared before me Mark J. Forti, 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 24 day of April, 2001.



, Notary Public
My Commission Expires:

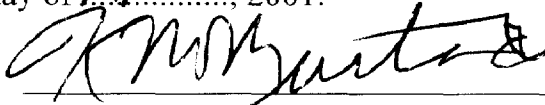
KEVIN M. MURTAGH, Notary Public
My Commission Expires May 12, 2006

THE COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK

Then personally appeared before me Donald R Tomoff who acknowledged that such person is the duly authorized Treasurer of Jo-Ann Supply Chain Mangement, Inc. and that such person had executed the foregoing instrument on its behalf. 4 Stores

Witness my hand and seal this 24 day of April, 2001.



, Notary Public

My Commission Expires:

KEVIN M. MURTAGH, Notary Public
My Commission Expires May 12, 2006

EXHIBIT A
TRADEMARKS/TRADEMARKS APPLICATIONS

Assignor's now owned or existing or hereafter acquired or arising registered service marks and Federal service mark applications, registered trademarks, and Federal trade mark applications:

JO-ANN STORES SUPPLY CHAIN MANAGEMENT, INC.

<u>TRADEMARK DESCRIPTION</u>	<u>COUNTRY</u>	<u>SERIAL NO.</u>	<u>REG. NO.</u>	<u>STATUS</u>
CAR SEAT COVERALLS	USA	74/604,617		Pending
GARDEN GATES DESIGN	USA	75/355,600		Pending
BOO-TIQUE	USA	75/589,841		Pending
I AM	USA	75/879,179		Pending
CLINGERS	USA	76/063,723		Pending
AUTUMN ACCENTS	USA	76/113,965		Pending
JOANN STORES INC.	USA	76/209,918		Pending
JO-ANN FABRICS AND CRAFTS	USA	76/209,919		Pending
INTERIOR ACCENT	USA	78/047,744		Pending
PRICED SEW RIGHT	USA	78/048,100 080		Pending
JO-ANN FABRICS & CRAFTS	USA	78/048,100		Pending
AUTUMN ACCENTS	USA	78/048,164		Pending

HOUSE OF FINE FABRICS	USA	73/428,062	1,149,223	Registered- Renewal 3/24/05
SHOWCASE OF FINE FABRICS	USA	73/162,314	1,162,314	Registered- Renewal 7/21/01
SHOWCASE OF FINE FABRICS	USA	73/204,422	1,162,802	Registered- Renewal 7/28/01
JO-ANN FABRIC'S FASHION MAKER SEWING CLASS	USA	73/332,001	1,222,939	Registered- Renewal 1/04/03
JO-ANN FABRICS	USA	73/427,970	1,289,452	Registered- Renewal 8/07/04
JO-ANN FABRICS	USA	73/428,150	1,289,456	Registered- Renewal 8/07/04
ULTRAPRESS	USA	73/427,971	1,310,789	Registered- Renewal 12/25/04
BEACHWOOD LTD.	USA	73/534,305	1,393,371	Registered- Renewal 5/13/06
BRISTOL	USA	73/602,790	1,430,300	Registered- Renewal 2/24/07
MONTAGE	USA	73/602,791	1,434,785	Registered- Renewal 3/31/07
CORNERSTONE	USA	73/602,792	1,435,617	Registered- Renewal 4/07/07
BEACHWOOD BEARS	USA	73/614,057	1,438,175	Registered- Renewal 4/28/07
WHERE SEWING JUST GOT BETTER USA		73/663,146	1,474,593	Registered- Renewal 1/26/08

SANTA'S WORKBENCH	USA	74/153,628	1,772,745	Registered- Renewal 5/25/03
SPOOKY HOLLOW	USA	75/060,172	2,173,418	Registered- Renewal 7/14/08
SPOOKY HOLLOW	USA	75/043,082	2,162,449	Registered- Renewal 6/02/08
THE PICNIC PLACE	USA	75/355,826	2,269,959	Registered- Renewal 8/10/09
KID'S CAMP	USA	75/355,957	2,216,110	Registered- Renewal 1/05/09
PRICED SEW RIGHT COLLECTION	USA	74/464,689	1,904,469	Registered- Renewal 7/11/05
JO-ANN FABRICS & CRAFTS	USA	74/470,982	1,882,636	Registered- Renewal 3/07/05
JOANN ETC	USA	75/033,883	2,030,030	Registered- Renewal 1/14/07
EXPERIENCE THE CREATIVITY	USA	75/033,882	2,013,829	Registered- Renewal 11/05/06
J ETC ANN	USA	75/355,956	2,206,988	Registered- Renewal 12/01/08
JO-ANN ETC	USA	75/355,834	2,210,674	Registered- Renewal 12/15/08
ETC	USA	75/355,955	2,205,463	Registered- Renewal 11/24/08

ETC	USA	75/355,840	2,210,675	Registered- Renewal 12/15/08
ETC YOU CAN WITH JO-ANN	USA	75/355,833	2,210,673	Registered- Renewal 12/15/08
EXCLUSIVELY YOU CAN WITH JO-ANN!	USA	75/355,841	2,205,461	Registered- Renewal 11/24/08
YOU CAN WITH JO-ANN!	USA	75/355,842	2,205,462	Registered- Renewal 11/24/08
EXCLUSIVELY ETC	USA	75/355,843	2,203,892	Registered- Renewal 11/17/08
FINDING THE BEST FOR LESS	USA	75/920,616	2,433,438	Registered- Renewal 2/15/04
CREATIVE CASH	USA	75/672,075	2,397,168	Registered- Renewal 3/29/03
RIGHT PRICE RIGHT NOW	USA	75/607,556	2,374,491	Registered- Renewal 12/17/02
JO-ANN FABRIC SHOPS	USA	73/004,836	999,848	Registered- Renewal 12/17/02
CARGO EXPRESS	USA	73/525,161	1,383,758	Registered- Renewal 12/18/06
CARGO EXPRESS	USA	73/525,162	1,383,759	Registered- Renewal 12/18/06
SONATA BY JO-ANN	USA	73/762,333	1,540,156	Registered- Renewal 5/23/09

PROTOCOL	USA	73/602,788	1,423,815	Registered- Renewal 1/06/07
COMPU-SEW	USA	73/752,504	1,533,946	Registered- Renewal 4/11/09
SONATA	USA	73/762,333	1,540,156	Registered- Renewal 5/23/09
ELEGANT ACCENTS	USA	73/813,812	1,649,428	Registered- Renewal 7/02/01
FABRIC EXPRESS	USA	73/715,428	1,707,359	Registered- Renewal 8/11/02
CARGO EXPRESS	USA	74/262,821	1,740,410	Registered- Renewal 12/15/02
ETC SIGNATURE SERIES CUSTOM FURNITURE	USA	75/355,844	2,317,617	Registered- Renewal 2/15/10