

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

| | |
|-----------------------|-------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | SECURITY INTEREST |

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|---------------------|----------|----------------|-------------------|
| Jo-Ann Stores, Inc. | | 03/18/2011 | CORPORATION: OHIO |

RECEIVING PARTY DATA

| | |
|-------------------|----------------------------|
| Name: | Bank of America, N.A. |
| Street Address: | 100 Federal Street |
| Internal Address: | 9th Floor |
| City: | Boston |
| State/Country: | MASSACHUSETTS |
| Postal Code: | 02110 |
| Entity Type: | Association: UNITED STATES |

PROPERTY NUMBERS Total: 21

| Property Type | Number | Word Mark |
|----------------------|---------|---|
| Registration Number: | 2205463 | ETC |
| Registration Number: | 2013829 | EXPERIENCE THE CREATIVITY |
| Registration Number: | 3709703 | GO GREEN JO-ANN FABRIC AND CRAFT STORES |
| Registration Number: | 2206988 | J ETC ANN |
| Registration Number: | 3367237 | JO ANN FABRIC AND CRAFT STORES |
| Registration Number: | 3317406 | JO-ANN |
| Registration Number: | 3367236 | JO-ANN FABRIC AND CRAFT STORES |
| Registration Number: | 1289452 | JO-ANN FABRICS |
| Registration Number: | 2515591 | JO-ANN FABRICS & CRAFTS |
| Registration Number: | 2544619 | JO-ANN FABRICS AND CRAFTS |
| Registration Number: | 3542904 | JOANN.COM |
| Registration Number: | 3222262 | GARDEN GATE DESIGNS |
| Registration Number: | 3232052 | GARDEN GATE DESIGNS |

900186910

**TRADEMARK
 REEL: 004501 FRAME: 0193**

CH \$540.00 2205463

| | | |
|----------------------|---------|----------------------------|
| Registration Number: | 3909542 | CRAFT, CREATE AND CONSERVE |
| Registration Number: | 2397168 | CREATIVE CASH |
| Registration Number: | 2216110 | KIDS' CAMP! |
| Registration Number: | 3914163 | LA COLLECTION |
| Registration Number: | 3856747 | MAKE IT-GIVE IT |
| Registration Number: | 1772745 | SANTA'S WORKBENCH |
| Registration Number: | 3557515 | SKEIN GANG |
| Registration Number: | 3143807 | THE GARDEN GATE |

CORRESPONDENCE DATA

Fax Number: (202)408-3141
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 800-927-9801 x2348
Email: jpaterso@cscinfo.com
Correspondent Name: Corporation Service Company
Address Line 1: 1090 Vermont Avenue NW, Suite 430
Address Line 4: Washington, DISTRICT OF COLUMBIA 20005

| | |
|-------------------------|---------------|
| ATTORNEY DOCKET NUMBER: | 714047-010 |
| NAME OF SUBMITTER: | Jean Paterson |
| Signature: | /jep/ |
| Date: | 03/18/2011 |

Total Attachments: 7
source=3-18-11 Joann-BOA-TM#page1.tif
source=3-18-11 Joann-BOA-TM#page2.tif
source=3-18-11 Joann-BOA-TM#page3.tif
source=3-18-11 Joann-BOA-TM#page4.tif
source=3-18-11 Joann-BOA-TM#page5.tif
source=3-18-11 Joann-BOA-TM#page6.tif
source=3-18-11 Joann-BOA-TM#page7.tif

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the "*Trademark Security Agreement*") dated March 18, 2011, is made by the Persons listed on the signature pages hereof (collectively, the "*Grantors*") in favor of Bank of America, N.A., as collateral agent (the "*Collateral Agent*") for the Secured Parties (as defined in the Credit Agreement referred to below).

Reference is made to (i) the Credit Agreement, dated as of March 18, 2011 (as amended, restated, amended and restated, extended, renewed, replaced, refinanced, supplemented and/or otherwise modified from time to time, the "*Credit Agreement*"), among Needle Merger Sub Corp., Jo-Ann Stores, Inc., Needle Holdings Inc., the Lenders party thereto from time to time and Bank of America, N.A., as Administrative Agent and Collateral Agent, (ii) each Secured Hedge Agreement and (iii) each agreement relating to Cash Management Services. The Lenders have agreed to extend credit to the Borrower subject to the terms and conditions set forth in the Credit Agreement, the Issuers have agreed to issue Letters of Credit for the account of the Borrower or a Restricted Subsidiary on the terms and conditions set forth in the Credit Agreement, the Hedge Banks have agreed to enter into and/or maintain one or more Secured Hedge Agreements and the Cash Management Banks have agreed to enter into and/or maintain Cash Management Services, on the terms and conditions set forth in the Credit Agreement, in such Secured Hedge Agreements or agreements relating to Cash Management Services, as applicable.

Whereas, as a condition precedent to the Lenders' extension of such credit, the issuance by the Issuers of Letters of Credit for the account of the Borrower or a Restricted Subsidiary, the Hedge Banks entering into and/or maintaining such Secured Hedge Agreements and the Cash Management Banks entering into and/or maintaining such Cash Management Services, each Grantor has executed and delivered that certain Security Agreement dated March 18, 2011, made by the Grantors to the Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "*Security Agreement*").

Whereas, under the terms of the Security Agreement, the Grantors have granted to the Collateral Agent, for the benefit of the Secured Parties, a security interest in, among other property, certain Intellectual Property of the Grantors, and have agreed as a condition thereof to execute this Trademark Security Agreement for recording with the USPTO and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

SECTION 1. Terms. Terms defined in the Credit Agreement and Security Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement and Security Agreement.

SECTION 2. Grant of Security. Each Grantor hereby grants to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties a continuing security interest in all of the Grantor's right, title and interest in, to and under the Trademarks, including the registered Trademarks and Trademark registration applications set forth on Schedule A attached hereto.

SECTION 3. Security for Obligations. The grant of a security interest in the Trademarks by each Grantor under this Trademark Security Agreement is made to secure the payment or performance, as the case may be, in full of the Secured Obligations.

SECTION 4. Recordation. Each Grantor authorizes and requests that the Commissioner for Trademarks and any other applicable government officer record this Trademark Security Agreement.

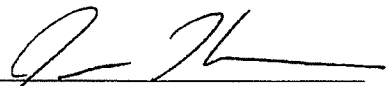
SECTION 5. Execution in Counterparts. This Trademark Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 6. Security Agreement. This Trademark Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. Each Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Collateral Agent with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Trademark Security Agreement as of the date first above written.

JO-ANN STORES, INC., as Grantor

By: 
Name: James C. Kerr
Title: Executive Vice President and
Chief Financial Officer

BANK OF AMERICA, N.A., as Collateral Agent
and Grantee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the undersigned have executed this Trademark Security Agreement as of the date first above written.

JO-ANN STORES, INC., Grantor

By: _____
Name:
Title:

BANK OF AMERICA, N.A. as Collateral Agent
and Grantee

By: Christine Hutchinson
Name: Christine Hutchinson
Title: Director

Signature Page to Trademark Security Agreement

TRADEMARK
REEL: 004501 FRAME: 0198

SCHEDULE A

| Trademark/Image | Application Number Registration Number | Application Date Registration Date | Status |
|--|---|---|-----------------------|
| ETC | 75355955 2205463 | 9/12/1997 11/24/1998 | REGISTERED RENEWED |
| EXPERIENCE THE CREATIVITY | 75033882 2013829 | 12/18/1995 11/5/1996 | REGISTERED RENEWED |
| GO GREEN JO-ANN FABRIC AND CRAFT STORES | 77483915 3709703 | 5/27/2008 11/10/2009 | REGISTERED |
| J ETC ANN | 75355956 2206988 | 9/12/1997 12/1/1998 | REGISTERED RENEWED |
| JO ANN FABRIC AND CRAFT STORES | 78969184 3367237 | 9/7/2006 1/8/2008 | REGISTERED |
| JO-ANN | 78791522 3317406 | 1/13/2006 10/23/2007 | REGISTERED |
| JO-ANN FABRIC AND CRAFT STORES | 78969122 3367236 | 9/7/2006 1/8/2008 | REGISTERED |
| JO-ANN FABRICS | 73427970 1289452 | 5/27/1983 8/7/1984 | REGISTERED RENEWED |
| JO-ANN FABRICS & CRAFTS | 78048100 2515591 | 2/13/2001 12/4/2001 | REGISTERED |
| JO-ANN FABRICS AND CRAFTS | 76209919 2544619 | 2/14/2001 3/5/2002 | REGISTERED |
| JOANN.COM | 77396746 3542904 | 2/14/2008 12/9/2008 | REGISTERED |
| GARDEN GATE DESIGNS | 78855044 3222262 | 4/5/2006 3/27/2007 | REGISTERED |
| GARDEN GATE DESIGNS | 75355600 3232052 | 9/12/1997 4/24/2007 | REGISTERED |
| CRAFT, CREATE AND CONSERVE | 85019541 3909542 | 4/21/2010 1/18/2011 | REGISTERED |
| CREATIVE CASH | 75672075 2397168 | 3/29/1999 10/24/2000 | REGISTERED |
| KIDS' CAMP! | 75355957 2216110 | 9/12/1997 1/5/1999 | REGISTERED RENEWED |
| LA COLLECTION | 85067557 3914163 | 6/21/2010 2/1/2011 | REGISTERED |

| | | | |
|-------------------|---------------------|-----------------------|-----------------------|
| MAKE IT-GIVE IT | 77953361 3856747 | 3/8/2010 10/5/2010 | REGISTERED |
| SANTA'S WORKBENCH | 74153628 1772745 | 4/3/1991 5/25/1993 | REGISTERED RENEWED |
| SKEIN GANG | 77540702 3557515 | 8/6/2008 1/6/2009 | REGISTERED |
| THE GARDEN GATE | 75531467 3143807 | 8/5/1998 9/19/2006 | REGISTERED |

1290255.2