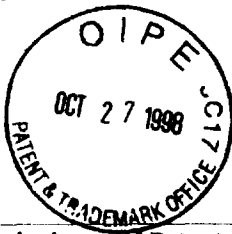


MRD 10-27-98

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

11-05-1998

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



100872039

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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 Effective Date
Month Day Year

Change of Name

Other

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

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 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.)

Corporation Association

Other

Citizenship/State of Incorporation/Organization

11/04/1998 BNGUYEN 00000392 029274

FOR OFFICE USE ONLY

01 FC:481 40.00 DP
02 FC:482 50.00 DP

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, DC 20511

REEL: 1808 FRAME: 0980

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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="829,274"/>	<input type="text" value="831,222"/>	<input type="text" value="1,496,261"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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

October 23, 1998

Date Signed

1
2
3
4 **TRADEMARK AND TRADEMARK**
5 **APPLICATIONS SECURITY AGREEMENT**

BankBoston Retail Finance Inc.

6
7
8
9 As of September 9, 1998

10
11
12 THIS AGREEMENT is made between

13
14 BankBoston Retail Finance Inc., a Delaware corporation with offices at 40
15 Broad Street Boston, Massachusetts 02109

16
17 and

18
19 Gibson Franchise Corp.(hereinafter, the "**Guarantor**"), a Kansas
20 corporation with its principal executive offices at 100 Chaffin Industrial Park,
21 Dodge City, Kansas 67801

22
23 in consideration of the mutual covenants contained herein and benefits to be derived
24 herefrom,

25 *WITNESSETH:*

26
27 1. **BACKGROUND:** The Lender and Gibson's Discount Centers, Inc (the
28 "**Borrower**"), a Delaware corporation with its principal executive offices at 100 Chaffin Industrial Park,
29 Dodge City, Kansas 67801 have entered in a certain Loan and Security Agreement of even date (as such
30 agreement may be modified, supplemented, amended or restated from time to time, hereinafter, the "**Loan**
31 **Agreement**"). (Terms used herein which are defined in the Loan Agreement are used as so defined). The
32 Guarantor has guarantied the Liabilities.

33
34 2. **GRANT OF SECURITY INTEREST:** To secure the Guarantor's guaranty of the
35 Liabilities, the Guarantor hereby creates a security interest in favor of the Lender, with power of sale
36 (which power of sale shall be exercisable only following the occurrence of an Event of Default) in and to
37 the following and all proceeds thereof (collectively, the "**TM Collateral**");

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

..September 18, 1998..

..1..

1 applications, service marks, registered service marks, and service mark applications.

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

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

7 (d) The right to sue for past, present and future infringements and dilutions of any of
8 the foregoing

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

11
12 3. **PROTECTION OF MARKS BY GUARANTOR:** The Guarantor shall undertake
13 the following with respect to each items respectively described in Sections 2(a) and 2(b) (collectively, the
14 "**Marks**");

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

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

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

23
24 4. **GUARANTOR'S REPRESENTATIONS AND WARRANTIES:** The Guarantor
25 represents and warrants that:

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

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

31 (c) The Guarantor shall give the Lender written notice (with reasonable detail) within
32 Ten (10) days following the occurrence of any of the following:

33 (i) The Guarantor's obtaining rights to, and filing applications for registration
34 of, any new trademarks, or service marks, or otherwise acquires ownership of any newly

1 registered trademarks, registered service marks, trademark applications, or service mark
2 applications, (other than the Guarantor's right to sell products containing the trademarks of others
3 in the ordinary course of Guarantor's business).

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

9 (iii) The Guarantor's entering into any new trademark license agreement or
10 service mark license agreement.

11
12 **5 AGREEMENT APPLIES TO FUTURE MARKS:**

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

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

21
22 **6. GUARANTOR'S RIGHTS TO ENFORCE MARKS:** Prior the Lender's giving of
23 notice to the Guarantor following the occurrence of an Event of Default, the Guarantor shall have the
24 exclusive right to sue for past, present and future infringement of the Marks including the right to seek
25 injunctions and/or money damages, in an effort by Guarantor to protect the Marks against encroachment
26 by third parties, *provided, however*:

27 (a) The Guarantor first provides the Lender with written notice of the Guarantor's
28 intention to so sue for enforcement of any Mark.

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

31 (c) Following the occurrence of any Event of Default, the Lender, by notice to the
32 Guarantor may be terminate or limit the Guarantor's rights under this Section 6.

33
34 **7. LENDER'S ACTIONS TO PROTECT MARKS:** In the event of

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

4 (b) the occurrence of any Event of Default,
5 the Lender, acting in its own name or in that of the Guarantor, may (but shall not be required to) act in the
6 Guarantor's place and stead and/or in the Lenders' own right in connection therewith.
7

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

15 **9. LENDER AS ATTORNEY IN FACT:**

16 (a) The Guarantor hereby irrevocably constitutes and designates the Lender as and
17 for the Guarantor's attorney in fact, effective following the occurrence of any Event of Default:

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

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

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

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

33 **10. LENDER'S RIGHTS:**

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

1 the exercise of the Lenders' rights and remedies under this Agreement and under the Loan Agreement
2 shall be coextensive with the Guarantor'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 Lender any rights in and to the Marks, which rights are effective except following the occurrence of any
7 Event of Default.


8
9 11. **INTENT:** In the event of a conflict between this Agreement and the Loan
10 Agreement, the terms of this Agreement shall control with respect to the TM Collateral and the Loan
11 Agreement with respect to all other Collateral.

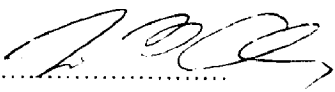
12
13 12. **CHOICE OF LAWS:** It is intended that this Agreement take effect as a sealed
14 instrument and that all rights and obligations hereunder, including matters of construction, validity, and
15 performance, shall be governed by the laws of The Commonwealth of Massachusetts.

16
17
18 IN WITNESS WHEREOF, the Guarantor and the Lender respectively have caused this
19 Agreement to be executed by their respective duly authorized officers as of the date first above written.

20
21 GIBSON FRANCHISE CORP.
22 (The "Guarantor")

BANKBOSTON RETAIL FINANCE INC.
(The "Lender")

23
24 By 
25 Name MIKE H. HENDERSON
26 Title Pres + CEO

By 
Name Francis D. O'Leary
Title Vice President

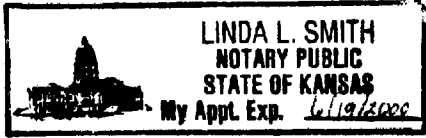
27
28
29
30 THE 24th OF SEPTEMBER 1998
31 COUNTY OF FORD, SS

32
33
34 Then personally appeared before me September 24, 1998 who
35 acknowledged that such person is the duly authorized President of Gibson Franchise
36 Corp. and that such person had executed the foregoing instrument on its behalf.

37
..September 18, 1998..

..5..

1 Witness my hand and seal this 24. day of September, 1998



2
3 Linda L. Smith

4 , Notary Public

5 My Commission Expires: June 19, 2000

6
7
8 THE COMMONWEALTH OF MASSACHUSETTS
9 COUNTY OF SUFFOLK

10
11 Then personally appeared before me Oct. 13, 1998, who
12 acknowledged that such person is the duly authorized Vice President of BankBoston
13 Retail Finance Inc. and that such person executed the foregoing instrument on its
14 behalf.

15
16 Witness my hand and seal this 13 day of Oct. 98

17
18 [Signature]

19 , Notary Public

20 My Commission Expires: 6/2/02

21
22 332513.1

Exhibit A

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

Reg. No.	Date of Issuance	Renewal Date	Trademark	Owner
829,274	5/23/67	5/23/87	GIBSON and Design	Gibson Franchise Corp. (a Kansas Corporation)
831,222	6/27/67	6/27/87	GIBSON'S	Gibson Franchise Corp. (a Kansas Corporation)
1,496,261	7/12/88	N/A	GIBSON'S DISCOUNT CENTER WHERE YOU BUY THE BEST FOR LESS and Design	Gibson Franchise Corp. (a Kansas corporation)

EXHIBIT A

Guarantor'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:

Trademark/Service Mark Registrations

TRADEMARK / SERVICE MARK	NUMBER
Gibson (With Design)	829,274
Gibson's	831,222
Gibson's Discount Center Where You Buy the Best For Less (With Design)	1,496,261

332513.1

..September 18, 1998..

..7..