

12-02-2002



2 SHEET

ONLY

Docket No.:

20728/31

Tab settings

102297326

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Bonus Stores Inc.

- Individual(s)
- General Partnership
- Corporation-State **Delaware**
- Other
- Association
- Limited Partnership

Additional names(s) of conveying party(ies) Yes No

3. Nature of conveyance:

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

Execution Date: **October 2, 2002 & October 30, 2002**

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

Name: **Fleet Retail Finance Inc.**

Internal Address:

Street Address: **40 Broad Street**

City: **Boston** State: **MA** ZIP: **02109**

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State **Delaware**
- Other

If assignee is not domiciled in the United States, a domestic designation is Yes N
(Designations must be a separate document from Additional name(s) & address(es) Yes N

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

A. Trademark Application No.(s)

78/151,037 Filed 8/5/02 76/459,175 Filed 10/11/02
 78/151,019 Filed 8/5/02 76/458,680 Filed 10/10/02
 78/133,978 Filed 6/7/02 76/457,668 Filed 10/3/02
 76/456,756 Filed 10/3/02

Additional numbers

B. Trademark Registration No.(s)

2352783 1067282
 2121267 1750211
 0897535 2565035

Yes No

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

Name: **Mark S. Leonardo, Esq.**

Internal Address: **Brown Rudnick Berlack Israels LLP**

Street Address: **One Financial Center**

18th Floor, Box IP

City: **Boston** State: **MA** ZIP: **02111**

6. Total number of applications and registrations involved:.....

13

7. Total fee (37 CFR 3.41):.....\$ **340.00**

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

50-0369

11/29/2002 LMULLER 0000056 500369 78151037

DO NOT USE THIS SPACE

01 FC:8521 40.00 CH
02 FC:8522 300.00 CH

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.

Mark S. Leonardo, Esq. (Reg. No. 41,433)

Name of Person Signing

Signature

November 14, 2002

Date

Total number of pages including cover sheet, attachments, and

TRADEMARK

REEL: 002624 FRAME: 0661

OFFICE OF PATENT RECORDS
NOV 20 AM 10 43
FINANCE SECTION

TRADEMARK AND TRADEMARK APPLICATIONS SECURITY AGREEMENT

This Trademark and Trademark Application Security Agreement (the “**TM Security Agreement**”) is made as of the 4th day of November, 2002, by Bonus Stores Inc., a Delaware corporation with offices at 1401 Highway 13 North, Columbia, Mississippi 39429 (the “**Borrower**”), and Fleet Retail Finance Inc., a Delaware corporation at its office at 40 Broad Street, Boston, Massachusetts 02109 (as Collateral Agent, the “**Agent**”).

RECITALS

WHEREAS, pursuant to the Loan and Security Agreement dated November 4, 2002 (as amended from time to time, the “**Loan Agreement**”) made between the Borrower and Fleet Retail Finance Inc., as Administrative and Collateral Agent and a Lender, as defined therein, the Lender has agreed to make certain Revolving Credit Loans (as defined in the Loan Agreement, hereinafter, the “**Loans**”) available to the Borrower;

WHEREAS, pursuant to the Loan Agreement the Borrower has granted to the Agent a security interest in the Borrower’s Collateral (as defined in the Loan Agreement) to secure the Liabilities (as defined in the Loan Agreement) of the Borrower to the Agent and Lender;

WHEREAS, as a condition, among others, to the establishment of the credit facilities contemplated by the Loan Agreement, and to further secure the Liabilities and to more fully vest the security interest granted in the Loan Agreement, the Borrower has executed this TM Security Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Borrower and the Agent agree as follows:

1. Capitalized terms used herein which are not defined herein shall have the same meaning as in the Loan Agreement.

2. To secure the Liabilities, the Borrower hereby grants a security interest in favor of, and collaterally assigns to the Agent, with power of sale (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default as defined in the Loan Agreement and used herein as so defined), in and to the following and all proceeds thereof:

a. All of the Borrower'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, after the occurrence and during the continuance of an Event of Default, to sue for past, present and future infringements and dilutions of any of the foregoing.

e. All of Borrower's rights corresponding to any of the foregoing throughout the world. All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 2(a),

together with the items respectively described in Subsections 2(b) through and including 2(e) are hereinafter individually and/or collectively referred to as the “**Marks**”.

3. Until this TM Security Agreement is terminated in writing by a duly authorized officer of the Agent, the Borrower shall undertake the following with respect to each Mark, which the Borrower, in its reasonable business judgment deems material or as otherwise requested by the Agent in its reasonable discretion:

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

b. At the Borrower’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 the Borrower’s sole cost, expense, and risk, take any and all action which Borrower deems necessary or desirable to protect such Marks, including, without limitation, the prosecution and defense of infringement actions.

4. In the event of:

a. the Borrower’s failure, within Five (5) days of written notice from the Agent, to cure any failure by the Borrower to perform any of the Borrower’s obligations set forth in Section 3, above, and/or

b. the occurrence of any Event of Default, the Agent acting in its own name or in that of the Borrower may (but shall not be required to) act in the Borrower’s place and stead and/or in the Agent’s own right in connection therewith.

5. Borrower 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 the Borrower.

b. No liens, claims or security interests have been granted in any Mark by the Borrower to any Person other than to the Agent.

6. In order to further secure the Liabilities:

a. The Borrower shall give the Agent written notice (with reasonable detail) within Ten (10) days following the occurrence of any of the following:

i. The Borrower obtains rights to, and files 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 Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).

ii. The Borrower becomes 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 Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).

iii. The Borrower enters into any new trademark license agreement or service mark license agreement.

b. The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in 6. (a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.

c. The Borrower hereby authorizes the Agent to modify this agreement by amending EXHIBIT A to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided*, *however*, the modification of said EXHIBIT shall not be a condition to the creation or perfection of the security interest created hereby.

7. Upon the occurrence and during the continuance of any Event of Default, the Agent 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 Agent, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Agent that an Event of Default has occurred and that the Agent is authorized to exercise such rights and remedies.

8. The Borrower hereby irrevocably constitutes and designates the Agent as and for the Borrower's attorney in fact, effective with and upon the Agent's first exercise (the "**First Exercise**") of such powers following the occurrence and during the continuance of any Event of Default:

- a. To exercise any of the rights and powers referenced in Section 3.
- b. To execute all and singular such instruments, documents, and papers as the 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.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the within TM Security Agreement is terminated by a duly authorized officer of the Agent, but shall be exercisable only following the occurrence and during the continuance of an Event of Default.

9. Any use by the Agent of the Marks as authorized hereunder in connection with the exercise of the Agent's rights and remedies under the within TM Security Agreement and the Loan Agreement shall be coextensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent to the Borrower. Such use by the Agent shall be permitted only with and upon the First Exercise following the occurrence and during the continuance of an Event of Default.

10. The Agent hereby acknowledges that the Borrower shall continue to have the exclusive right, prior to notice from the Agent following the occurrence and during the continuance of an Event of Default, 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 Borrower to protect the Marks against encroachment by third parties; provided, however, that Borrower first notifies the Agent in writing of its intention to sue for enforcement of the Marks against a particular party. All costs arising in connection with any infringement shall be borne by Borrower.

11. Following the payment and satisfaction of all Liabilities, and the termination of any obligation of the Agent to provide loans or financial accommodations under the credit facility contemplated by the Loan Agreement, this TM Security Agreement shall terminate and the Agent shall execute and deliver to Borrower all such instruments as the Borrower reasonably may request to release any encumbrance in favor of the Agent created hereby or pursuant hereto, subject, however, to any disposition thereof which may have been made by the Agent pursuant hereto or pursuant to the Loan Agreement.

12. The Borrower shall, at the request of the Agent, do any and all acts and execute any and all documents reasonably required by the Agent in connection with the protection, preservation, and enforcement of the Agent's rights hereunder.

13. The Borrower shall, upon demand, reimburse the Agent for all reasonable costs and expenses incurred by the Agent in the exercise of any rights hereunder (including, without limitation, reasonable fees and expenses of counsel).

14. Neither anything contained in the within TM Security Agreement or in the Loan Agreement nor any act, omission, or circumstance may be construed as directly or indirectly conveying to the Agent any rights in and to the Marks, which rights are effective except following the occurrence of any Event of Default (and in such circumstances, only with and upon the First Exercise).

15. This TM Security Agreement is intended to be supplemental of the Loan Agreement. All provisions of the Loan Agreement shall apply to the Marks and the Agent shall have the same rights with respect to any and all security interests in the Marks granted the Agent to secure the Liabilities hereunder as thereunder. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Marks and the Loan Agreement with respect to all other collateral.

IN WITNESS WHEREOF, the Borrower and the Agent respectively have caused this TM Security Agreement to be executed by officers duly authorized so to do on the date first above written.

Bonus Stores Inc., as Borrower

Fleet Retail Finance Inc., as Collateral Agent

By: Alan R. Williams
Title: EVP + CFO

By: O. R. O.
Title: Director

[CONFORM TO JURATS OF RELEVANT JURISDICTION WHERE EXECUTED]

THE OF STATE OF MISS
COUNTY OF MARION, SS

Then personally appeared before me ^{Alan Ray Williams} who acknowledged that such person the duly authorized of EVP + CFO and that such person had executed the foregoing instrument on its behalf.

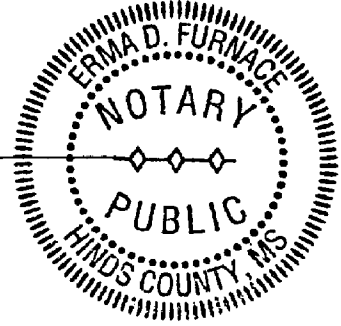
Witness my hand and seal this 2ND day of OCTOBER, 2002.

Erma D. Furnace

Notary Public

My Commission Expires:

MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES APRIL 1, 2005
BONDED THRU STEGALL NOTARY SERVICE



THE OF Commonwealth of Massachusetts
COUNTY OF Suffolk, SS

Then personally appeared before me ^{Timothy B. Tobin} who acknowledged that such person the duly authorized of Director and that such person had executed the foregoing instrument on its behalf.

Witness my hand and seal this 30TH day of October, 2002.

Gwen M. Inalman

Notary Public

My Commission Expires: 10/15/2004

THE OF
COUNTY OF _____, SS

Then personally appeared before me who acknowledged that such person the duly authorized of _____ and that such person had executed the foregoing instrument on its behalf.

Witness my hand and seal this _____ day of _____, 2002.

Notary Public

My Commission Expires:

EXHIBIT A

Borrower'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 REGISTRATION NUMBER	REGISTRATION DATE
Bonus Stores Inc.	10/11/02
Bonus Stores 76/426756	10/03/02
Bonus Stores, Incorporated	10/10/02
Bonus Supercenter 76/457668	10/03/02
Bonus Dollar Store (with pig design) 76/069981	06/14/02
Bill's Dollar Store 2,352,783	05/23/00
Bill's Dollar Store (with design) 2,121,267	12/16/97
Bill's Dollar Store's 897,535	08/25/70
Bill's 1,063,568	04/12/77
Pearl River Clothing Co. (with design) 1,750211	02/02/98
Bonusdollarstores.net	09/24/99
Bonusstoresinc.com	10/06/99

Trademark Applications

MARK	SERIAL NUMBER	FILING DATE
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EXHIBIT A (Cont.)

Borrower'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 REGISTRATION NUMBER	REGISTRATION DATE
2352783	May 23, 2000
2121267	December 16, 1997
0897535	August 25, 1970
1067282	June 7, 1977
1750211	February 2, 1993
2565035	April 30, 2002

Trademark Applications

MARK	SERIAL NUMBER	FILING DATE
BONUS STORES	78/151,037	August 5, 2002
BONUS SUPERCENTER	78/151,019	August 5, 2002
MASTER GOURMET	78/133,978	June 7, 2002
BONUS STORES INC.	76/459,175	October 11, 2002
BONUS STORES INCORPORATED	76/458,680	October 10, 2002
BONUS SUPERCENTER	76/457,668	October 3, 2002
BONUS STORES	76/456,756	October 3, 2002

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