

05-29-2003

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

5-22-03

RECORDED TR



J.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

102458600

Tab settings

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

1. Name of conveying party(ies):

Bon-Ton Department Stores, Inc.
The Bon-Ton Stores of Lancaster, Inc.
The Bon-Ton Giftco, Inc.
The Bon-Ton Trade Corp.

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

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
Security Agreement
Merger
Change of Name
Other

Execution date: May 21, 2001

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

Name:

General Electric Capital Corporation

Internal Address:

Street Address: 201 High Ridge Road

City: Stamford State: CT Zip: 06927-5100

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached: Yes No

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

A. Trademark Application No.(s)
76/232809, 76/326310, 76/505519, 76/264803, 76/392121

B. Trademark Registration No.(s) 2379788, 2364707, 2377138, 2335651, 2331705, 2449941, 2585759, 2342539, 2426648

Additional number(s) attached Yes No

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

Name: Bettina De Catalogne

Internal Address: Weil, Gotshal & Manges, LLP

Street Address: 767 5th Avenue

City: New York State: NY Zip: 10153

6. Total number of applications and registrations involved: 14

7. Total fee (37 CFR 3.41): \$ 365.00

- Enclosed
Authorized to be charged to deposit account

8. Deposit account number: 23-0800

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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.

Phyllis Eremitaggio
Name of Person Signing

Phyllis Eremitaggio
Signature

May 22, 2003
Date

05/29/2003 6TON11 00000081 230800 76232809

Total number of pages including cover sheet, attachments, and document: 10

01 FC:8521 40.00 CH
02 FC:8522 325.00 CH

**TRADEMARK SECURITY AGREEMENT**

This TRADEMARK SECURITY AGREEMENT (this "Trademark Security Agreement"), dated as of May 21, 2001, among The Bon-Ton Department Stores Inc., a Pennsylvania corporation ("Bon-Ton"), The Bon-Ton Stores of Lancaster, Inc., a Pennsylvania corporation ("Lancaster"), The Bon-Ton Trade Corp., a Delaware corporation ("Bon-Ton Trade") The Bon-Ton Giftco, Inc., a Florida corporation ("Giftco") (Bon-Ton, Lancaster, Bon-Ton Trade and Giftco are sometimes collectively referred to herein as "Grantors" and individually as a "Grantor") in favor of General Electric Capital Corporation, a Delaware corporation, in its capacity as Administrative Agent for the other Agents and Lenders ("Administrative Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof by and among Grantors, the other Persons named therein as Credit Parties, Administrative Agent and other Persons signatory thereto from time to time as Lenders (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), Lenders have agreed to make the Loans, to and incur Letter of Credit Obligations on behalf of, Grantors;

WHEREAS, in order to induce the Administrative Agent and Lenders to enter into the Credit Agreement and other Loan Documents and to induce Lenders to make the Loans and to incur Letter of Credit Obligations as provided for in the Credit Agreement, Grantors have agreed to grant a continuing Lien on the Collateral (as hereinafter defined) to secure the Obligations, pursuant to the Amended and Restated Security Agreement dated as of the date hereof (including all annexes, exhibits, or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to Administrative Agent, for itself and the ratable benefit of Lenders, this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement or in Annex A thereto. All other undefined terms contained in this Trademark Security Agreement, unless the context indicates otherwise, have the meanings provided for by the Code to the extent the same are used or defined therein.

2. GRANT OF SECURITY INTEREST IN TRADEMARK

COLLATERAL. To secure the prompt and complete payment, performance and observance of all of the Obligations (specifically including, without limitation, each Grantor's Obligations arising under the cross-guaranty provisions of Section 12 of the Credit Agreement), each Grantor hereby grants to Administrative Agent, for itself and the benefit of the other Agents and Lenders, a continuing first priority security interest in all of such Grantor's right, title and interest in, to and under the following property, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Grantor (including under any trade names, styles or derivations thereof), and whether owned or consigned by or to, or leased from or to, such Grantor, and regardless of where located (all of which being hereinafter collectively referred to as the "Trademark Collateral"):

- (a) all of its Trademarks and Trademark Licenses to which it is a party, including those referred to on Schedule I hereto;
- (b) all reissues, continuations or extensions of the foregoing;
- (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and
- (d) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or any intellectual property licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any intellectual property licensed under any Trademark License.

3. CONDITIONAL ASSIGNMENT OF TRADEMARKS. (a) In

addition, each Grantor hereby authorizes Administrative Agent to execute pursuant to the Power of Attorney, complete in accordance with the proper exercise of its remedies pursuant to Section 7 of the Security Agreement, and record with the United States Patent and Trademark Office ("PTO") and in any other applicable public office or agency of the United States, any State or Territory thereof, or any other country, a document in substantially the form of Exhibit A (the "Assignment of Marks") upon the occurrence and during the continuance of an Event of Default and the proper exercise of Administrative Agent's remedies under the Security Agreement and this Trademark Security Agreement.

(b) In addition to, and not by way of limitation of, the grant of security interest in the Trademark Collateral provided in Section 2, as collateral security for the complete and timely payment, performance and satisfaction of the Obligations, each Grantor hereby assigns, conveys, mortgages, pledges, hypothecates, transfers and grants in accordance with the proper exercise of Administrative Agent's remedies under the Security Agreement and this Trademark Security Agreement, its entire right, title and interest in, to and under the Trademark Collateral, except for any present or future applications to register a trademark with the PTO pursuant to Section 1(b) of the Lanham Act (United States Code, Title 15, Section 1051(b)), if such assignment is made prior to the filing of a verified statement of use pursuant to Section 1(d) of the Lanham Act

(United States Code, Title 15, Section 1051(d)); provided, however, that such assignment, conveyance, mortgage, pledge, hypothecation, transfer and grant shall be and become of force and effect, with respect to any item of the Trademark Collateral, only: (i) upon or after the occurrence or during the continuance of an Event of Default; and (ii) immediately and automatically, without any notice or action of any kind by Administrative Agent, upon the sale or other disposition of such item of the Trademark Collateral pursuant to Section 7 of the Security Agreement and Article 9 of the UCC (including the transfer or other disposition of such item by any Grantor to Administrative Agent in lieu of foreclosure).

(c) Notwithstanding any of the foregoing, so long as no Event of Default has occurred and is continuing, and except as otherwise provided in the Security Agreement and this Trademark Security Agreement, each Grantor shall be permitted to remain in full possession, enjoyment and control of all of its right, title and interest in the Trademark Collateral and to manage, operate, dispose and use the same and each part thereof, in each case, as permitted hereunder, with all the rights pertaining thereto. In such event, all of the goodwill embodied in and associated with such Trademark Collateral shall inure to the benefit of such Grantor.

4. **GRANTORS REMAIN LIABLE.** It is expressly agreed by each Grantor that, anything herein to the contrary notwithstanding, each Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with its Trademarks, and shall hold Administrative Agent, the other Agents and Lenders harmless from any and all costs, damages, liabilities and expenses that may be incurred in connection with Administrative Agent's interest in such Trademarks or any other action or failure to act in connection with this Trademark Security Agreement. Each Grantor shall remain liable for any and all claims by any Person that the conduct of such Grantor's business or products or processes of such Grantor infringe any rights of such Person. Each Grantor shall also remain liable under any and all Trademark Licenses to which it is a party to observe and perform all the conditions and obligations to be observed and performed by it thereunder, and each Grantor shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Trademark License. Neither Administrative Agent, the other Agents, nor any Lender shall have any obligation or liability under any of the Trademark Licenses included in the Trademark Collateral by reason of this Trademark Security Agreement and the Security Agreement, the granting of a security interest in the Trademark Collateral to Administrative Agent hereunder, the conditional assignment of the Trademark Collateral hereunder pursuant to the proper exercise of Administrative Agent's remedies under the Security Agreement and this Trademark Security Agreement, or the receipt by Administrative Agent of any payment relating thereto, nor shall Administrative Agent, the other Agents or any Lender be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor thereunder, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it thereunder or the sufficiency of any performance by any party thereunder, or to present or file any claim, or to take any action to collect or enforce any claim for payment assigned to it hereunder.

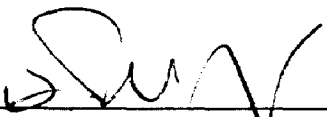
5. SECURITY AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Administrative Agent, for itself and the benefit of the other Agent and Lenders, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Administrative Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

6. COUNTERPARTS. This Trademark Security Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

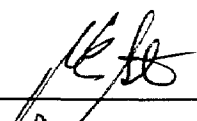
[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

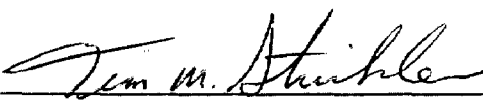
**BON-TON DEPARTMENT STORES, INC.**

By:   
Name: H. Todd Messinger  
Title: TREASURER

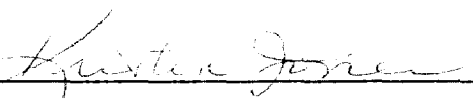
**THE BON-TON STORES OF LANCASTER, INC.**

By:   
Name: ROBERT E. STEARN  
Title: SECRETARY / TREASURER

**THE BON-TON GIFT CO, INC.**

By:   
Name: TIM STRICKLEN  
Title: TREASURER

**THE BON-TON TRADE CORP.**

By:   
Name: KRISTEN JONES  
Title: ASSISTANT TREASURER

**GENERAL ELECTRIC CAPITAL  
CORPORATION,  
as Administrative Agent**

By: Charles D. Chiodo

Name: Charles D. Chiodo

Title: Duly Authorized Signatory

**SCHEDULE I**

**to**

**TRADEMARK SECURITY AGREEMENT**

U.S. Trademarks -- Bon-Ton Department Stores, Inc.

NONE

U.S. Trademarks -- The Bon-Ton Stores of Lancaster, Inc.

NONE

U.S. Trademarks -- The Bon Ton Trade Corp.

Registration or  
Application No.

Mark

2379788	Andrea Viccaro
2364707	Andrea Viccaro
2377138	Club X
2335651	Jenny Buchanan
76/232809	Madison & Max
2331705	Modern Elements
2449941	Modern Elements
76/326310	Nantucket Collection
76/505519	Outfitters EST.
2585759	STO
76/264803	With This Ring I Promise and design
76/392121	Woodland Quilts
2342539	Zigg's
2426648	Zigg's