

MCD
3-11-04

02-11-2005

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



102845484

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

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

1. Name of conveying party(ies):

The Bank of Nova Scotia

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

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

3. Nature of conveyance:

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

Effective Date November 15, 2000

2. Name and address of receiving party(ies)

Name: Pet Valu Canada Inc.

Internal Address: _____

Street Address: 121 McPherson Street, Markham

City: Ontario Country: Canada ZIP: L3R 3L3

- Individual(s) citizenship _____
- Association _____
- General partnership _____
- Limited Partnership _____
- Corporation-Country Canada
- 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):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2279893; 2455653; 2430199; 2276510; 2265512;
2243656; 2239914; 2192879; 2204515; 2108402;
2083164; 1980978; 2144850; 1994009; 2091563;
1764759; 1754309; 1878961; 1758881; 1572264;
1563967

Additional number(s) attached Yes No

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

Name: Roberta Jacobs-Meadway, Esquire

Internal Address: Ballard Spahr Andrews & Ingersoll, LLP

Street Address: 1735 Market Street, 51st Floor

City: Philadelphia State: PA Zip: 19103-7599

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

21

7. Total Fee (37 CFR 3.41) \$ 540.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

02-0755

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

02/11/2005 JJALLAH2 00000039 020755 2279893

01 FC:8521 40.00 DA
02 FC:8522 500.00 DA

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.

Roberta Jacobs-Meadway
Name of Person Signing

[Signature]
Signature

3/9/04
Date

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

15

PHI_A #1856746 v1

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments

TRADEMARK

Schedule

<u>Reg. No.</u>	<u>Mark</u>
2279893	PET VALU FREQUENT CUSTOMER CLUB
2455653	PET PROUD
2430199	PET VALU MONEY
2276510	YOUR NEIGHBORHOOD STORE WITH SUPERSTORE PRICES
2265512	WILD BIRD FEEDERS HOUSES SEED MIXES and Design
2243656	WILD BIRD PROFESSIONALS and Design
2239914	KITTY'S BEST
2192879	PREFERRED BLEND and Design
2204515	WBF and Design
2108402	GOURMET CUISINE
2083164	PET VALU PET FOODS & SUPPLIES and Design
1980978	PET VALU
2144850	PERFORMATRIN NATURAL
1994009	CASEY'S CHOICE
2091563	FLUFFY'S FAVORITE RECIPES
1764759	HEALTH DIET
1754309	PV and Design
1878961	Miscellaneous Design (Two Lines)
1758881	PET VALU DISCOUNT PET FOODS & SUPPLIES and Design
1572264	PERFORMATRIN
1563967	PET VALU



THE BANK OF NOVA SCOTIA

44 King Street West, Toronto, Ontario M5H 1H1

November 15, 2000

Bank of Montreal
Asset Based Lending
11th Floor, First Canadian Place
Toronto, Ontario
M5X 1A1

Attention: Vice-President, Asset Based Lending

-and to-

Pet Valu Canada Inc.
121 McPherson Street
Markham, Ontario
L3R 3L3

Attention: Mr. T. Jordanis

Dear Sirs:

You have informed us that Pet Valu Canada Inc. (the "Borrower") intends to repay its indebtedness to The Bank of Nova Scotia (the "Bank") on November 15, 2000.

Accordingly, please be advised that the following amounts are currently owing by the Borrower to the Bank (US\$ meaning United States Dollars, CDN\$ meaning Canadian Dollars):

Principal Amount outstanding as at November 15, 2000	US\$3,297,000.00
Accrued and Unpaid Interest to November 15, 2000 (inclusive):	US\$13,163.68
Total Amount:	<u>US\$3,310,163.68</u>
Per Diem Amount for November 16, 2000 and each day thereafter:	<u>US\$971.03</u>

Principal Amount outstanding as at November 15, 2000	CDN\$3,830,545.53
Accrued and Unpaid Interest to November 15, 2000 (inclusive):	CDN\$23,924.92
Total Amount:	<u>CDN\$3,854,470.45</u>
Per Diem Amount for November 16, 2000 and each day thereafter:	<u>CDN\$924.32</u>

TRADEMARK

(all such amounts hereinafter referred to collectively as the "Debt")

Cash Collateral for Costs Incurred and Anticipated
and for outstanding letters of credit/guarantee, costs, charge backs,
VISA charges and indemnity: CDN\$400,000

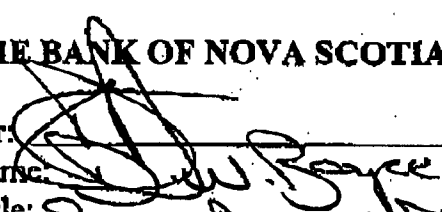
Upon our receipt before 2:00 p.m. on November 15, 2000 of (a) payment in full of the Debt by wire transfers to us as follows: ABA# NOSCATT, Account #80002-0008661, Beneficiary Name: Pet Valu Canada Inc. and The Bank of Nova Scotia, Re. Payment of On-line loans, Attention: D. Boyce, or by certified cheques drawn on a Canadian chartered bank or by bank drafts of a Canadian chartered bank; and (b) the Borrower's agreement in the form of Schedule "A" attached hereto (together with the attachment thereto), all security interests, charges, pledges, mortgages, assignments, guarantees and security (with the exception of the Cash Collateral referred to above) (collectively, the "Security") which the Bank has or had from, on or in respect of any property, assets, rights or undertaking of the Borrower and/or Pet Valu Canada Inc., Peton Distributors Inc., Paulmac's Pet Food Inc., PetValu.com Inc., All Pet Enterprises Limited, PV Properties Inc., PVUS Holdings Inc., Holiday's for Pets Inc., Pet Valu, Inc., and Pet Valu International Inc. shall be deemed to be released and discharged forever and the Bank shall not hold any security interests, charges, pledges, mortgages, assignments or security (with the exception of the cash collateral referred to above), in respect of the Debt.

The Bank further covenants and undertakes, at the sole expense of the Borrower, upon receipt of payment in full of the Debt to forthwith execute and register all such documents, instruments, deeds, statements and other writings and to do all such other things as are reasonably necessary or required to be executed, delivered and done, as the case may be, to discharge all of the registrations, filings and recordings in respect of the Security.

Please note that the foregoing Per Diem amounts are based on the existing prime interest rate. Changes in such rate will result in changes to the Per Diem amounts. These changes are available on your request of the Bank.

Yours truly,

THE BANK OF NOVA SCOTIA

Per: 
Name: D. Boyce
Title: Senior Account Manager

0DM14PCDOCSCT1519811

TRADEMARK

SCHEDULE "A"**AGREEMENT**

To: The Bank of Nova Scotia (the "Bank")

FOR VALUE, the undersigned, Pet Valu Canada Inc. ("Pet Valu") hereby refers to the Bank's letter to Bank of Montreal and to Pet Valu dated November 14, 2000 (the "Bank Letter") and agrees as follows:

- (a) with respect to cheques or other instruments (the "Instruments") drawn by Pet Valu on any of Pet Valu's accounts at the Bank, Pet Valu will after repayment of the Debt provide the Bank with certified same day funds before 1 p.m. each day in an amount sufficient to pay all Instruments presented for payment to the Bank prior to or on that day. In the event that the funds provided by Pet Valu are insufficient to pay all such Instruments, for a period of sixty days from the date hereof, the Bank will provide Pet Valu with notice of the amount required to rectify the deficiency prior to the close of business on such day. Certified same day funds sufficient to rectify the deficiency will be provided to the Bank prior to 11 a.m. on the following day failing which Pet Valu acknowledges and agrees that the Bank will return such Instruments for which there are insufficient funds, unpaid;
- (b) with respect to the Cash Collateral referred to in the Bank Letter, the Bank is irrevocably authorized to charge the Cash Collateral with (i) costs incurred by the Bank in connection with the release of the Bank security; (ii) VISA charges incurred by Pet Valu's use of the VISA cards held by Pet Valu; (iii) amounts drawn under Bank letters of credit/guarantee issued at the request of Pet Valu and now outstanding; (iv) amounts claimed under the indemnity in paragraph (c) hereof; and (v) any other costs or charge backs which would be the responsibility of Pet Valu under the Security (as defined in the Bank Letter) but for the release of the Security;
- (c) Pet Valu agrees to indemnify the Bank and save each of the Bank's agents, representatives and correspondent banks (the "Indemnitees") harmless for and in respect of any losses, charges, costs, expenses and liabilities that the Indemnitees incur in connection with the foregoing; and

TRADEMARK

- 4 -

- (d) Pet Valu agrees to deliver to the Bank in the form attached hereto an Authority to Hold Funds on Deposit Agreement the terms of which shall be in addition to and not in substitution for the provisions of this Agreement.

DATED this 15th day of November, 2000.

PET VALU CANADA INC.

By: Tony Jordanis

Name: TONY JORDANIS

Title: EXECUTIVE VICE-PRESIDENT

I have authority to bind the Corporation



Fleet Retail Finance

40 Broad Street
Boston, MA 02109
617 434-4004 tel

November 15, 2000

Tony Jordanis, Sr. Vice President & CFO
Pet Valu International, Inc.
2 Devon Square, Suite 200
744 W. Lancaster Avenue
Wayne, PA 19087

Gentlemen:

Reference is made to that certain Loan and Security Agreement, dated as of July 9, 1999 (the "Loan Agreement") by and between Pet Valu International Inc, a Delaware corporation (the "Borrower"), and Fleet Retail Finance Inc. f/k/a BankBoston Retail Finance Inc. (the "Lender"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

The Borrower seeks to payoff its Liabilities arising under the Loan Agreement. The Lender has agreed to accept, in complete satisfaction and replacement of the Borrower's Liabilities under the Loan Agreement, the cash payments and reserves as set forth herein. In connection therewith:

1. The Lender and the Borrower hereby acknowledge and agree as follows:
 - (i) As of today's date (as such date may be extended pursuant to paragraph 2 below, the "Payment Date"), the aggregate amount of the Liabilities of the Borrower owing to the Lender under or in connection with the Loan Agreement and other Loan Documents, is equal to \$1,169,812.85 (such amount, as may be adjusted pursuant to paragraph 2 below, hereinafter the "Total Borrower Debt"), which amount is comprised of the outstanding principal of and accrued interest on the Revolving Credit, together with accrued but unpaid fees and other charges and expenses due by the Borrower to the Lender in accordance with the terms of the Loan Agreement, as more specifically set forth on Schedule 1 hereto. This amount of the Total Borrower Debt does not include contingent reimbursement obligations of the Borrower with respect to or in connection with the Lender's cash management services. The Borrower shall deposit with the Lender cash collateral (the "Cash Management Cash Collateral") in the amount of \$10,000.00 to secure the reimbursement and other obligations of the Borrower in respect of the Lender continuing to provide cash management services, together with each of the continuing obligations of the Borrower hereunder.

A FleetBoston Financial Company

TRADEMARK

Pet Valu International Inc.
November 15, 2000
Page 2

- (ii) The payment in full of the Total Borrower Debt shall be made by wire transfer of immediately available funds in United States dollars in an amount (the "Net Payment Amount") equal to the sum of the Total Borrower Debt, to the following account:

Bank Name: Fleet Bank, N.A.
Bank ABA: 011 000 390
Account Name: BankBoston Retail Finance
Account Number: 53039952
Ref: Pet Valu

2. If payment of the Total Borrower Debt is not made to the Lender in accordance with paragraph 1(B) above prior to 2:00 p.m. (Boston time) today, the Total Borrower Debt shall be recalculated to reflect changes thereto (if any) and the Lender shall, on the morning of the Borrower's next intended date of payment in full of the Total Borrower Debt and termination of the commitment, notify in writing the Borrower of the Total Borrower Debt as of such morning.

3. Lender agrees that upon: (A) its receipt of a payment equal in amount to the Net Payment Amount as provided above, (B) its receipt of the Cash Management Cash Collateral in an amount identified in paragraph 1A above, and (C) its receipt of this Letter Agreement duly executed by Borrower, (collectively, the "Conditions of Release") (the time and date at which the Conditions of Release have occurred being referred to as the "Effective Time"):

- (i) any and all liens and security interests in favor of Lender created under or in connection with the Loan Agreement or any other Loan Documents in any and all of the Collateral (other than the Cash Management Cash Collateral) shall automatically be released and terminated without any further action on the part of the Lender;
- (ii) Lender shall, at the cost of the Borrower, promptly execute and deliver to the Borrower any and all necessary release documents (including, without limitation, UCC-3 financing statements to terminate of record all UCC-1 financing statements filed by Lender in relation to Borrower), each in form and substance reasonably satisfactory to the Borrower and Lender, to evidence the release and termination of the liens and security interests in favor of the Lender created under or in connection with the Loan Agreement in any and all assets (other than the Cash Management Cash Collateral) of the Borrower and to effect such release of record;
- (iii) the Borrower is released and discharged of any and all claims, demands, obligations, liabilities, costs and expenses, now existing or hereafter arising, under or in respect of the Loan Agreement and the other Loan Documents, except for: (a) indemnification obligations owing to the Lender which pursuant to the Loan Agreement survive payment of the Total Borrower Debt, together with any Liabilities that arise after the date hereof due to computational errors by the Lender in arriving at the Net Payoff Amount, (b) claims against the Borrower in connection with any bankruptcy or insolvency proceeding of the Borrower, if and to the extent

Pet Valu International Inc.
 November 15, 2000
 Page 3

any payment or other transfer made by the Borrower to the Lender on or prior to the Effective Time is avoided or otherwise rescinded, so that the Lender is required pursuant to any final order of a court of competent jurisdiction to repay such payment or transfer, (c) any claims, expenses, liabilities or loss of the Lender arising from dishonor or non-payment of any checks or items which had been credited to the Loans in determining the amount of the Total Borrower Debt as of the Effective Time, (d) and reimbursement obligations of the Borrower in respect to the Lender's maintenance of cash management services for the Borrower and (e) any reasonable costs, expenses, claims or liabilities arising hereunder or in connection herewith, including without limitation the reasonable attorneys' fees and expenses of the Lender;

- (iv) if after the Lender's receipt of a payment equal in amount to the Net Payment Amount, the Lender shall receive any payments by any account debtor of the Borrower or any other property of the Borrower in respect of the loans made under the Revolving Credit, the Loan Agreement or any of the other Loan Documents relating thereto, the Lender shall promptly wire transfer such money to the Borrower's new lender, The Bank of Montreal; *provided, however*, such provision shall not be construed so as to require the Lender to pay to or deliver to the Borrower either the Cash Management Cash Collateral, or any proceeds thereof or any payments made or delivered pursuant to section 3(iii) hereof; *provided, further*, that (i) upon the cancellation of the Borrower's cash management services with the Lender in a manner reasonably satisfactory to the Lender, and satisfaction of all of the Borrower's obligations hereunder, any remaining proceeds of the Cash Management Cash Collateral (after payment of all expenses and fees related thereto) shall be paid by the Lender to The Bank of Montreal. Transfers to The Bank of Montreal shall be to the following account:

Bank Name: Harris Trust & Savings Bank

Bank ABA: 071 000 288

Account Name: BMO/Pet Valu International Inc./Loan Acct. with BMO/Chicago

Account Number: 183 3201

- (v) the Lender shall, at the cost of the Borrower, promptly execute and deliver or cause to be executed and delivered such documents and agreements and take or cause to be taken such action, in each instance, as the Borrower shall reasonably request to effectuate the agreements and purposes of this letter agreement, including without limitation the termination of applicable instruction letters to credit card processors and DDAs of the Borrower, or to evidence the releases contemplated hereby.

4. The Borrower hereby authorizes the Lender to debit against and pay from the Cash Management Cash Collateral any amounts for which the Borrower is obligated to reimburse the Lender for the Lender's continuing to maintain cash management services for the Borrower.

TRADEMARK

Pet Valu International Inc.

November 15, 2000

Page 4

5. By its signature below, the Borrower hereby agree that upon the Effective Time, the Lender is irrevocably and unconditionally released and discharged of any and all claims, demands, obligations, liabilities, costs and expenses, now existing or hereafter arising, under or in connection with the Loan Agreement (including, without limitation, any obligation or commitment of the Lender to provide any financial accommodations to the Borrower under the Loan Agreement) other than as provided in Section 3 above.

6. The release herein is being made without any representation or warranty of any kind, express or implied, to the Borrower or any other Person and is without recourse to the Lender.

7. This letter agreement:

- (i) shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts applicable to contracts made and to be performed entirely within the Commonwealth, without reference to principles of conflicts of laws;
- (ii) sets forth the entire agreement between the parties hereto relating to the subject matter hereof, and no term or provision of this letter agreement may be amended, changed, waived, discharged or terminated orally or otherwise, except in a writing signed by each such party;
- (iii) may be executed in one or more counterparts, each of which shall be an original and all of which, taken together, shall constitute one and the same instrument;
- (iv) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Very truly yours,

FLEET RETAIL FINANCE INC.

By: Evan Israelson

Name: Evan Israelson
Title: Assistant Vice President

ACKNOWLEDGED AND AGREED on
this 15th day of November, 2000

PET VALU INTERNATIONAL INC.

By: Tony Jordano
Title: Senior Vice-President

THE BANK OF MONTREAL

By: R.K. Hayes
Title: _____

R.K. Hayes
Senior Manager
Bank of Montreal
TRADEMARK

Pet Valu International Inc.
November 15, 2000
Page 5

SCHEDULE I

(Itemization of Pay-Off Amount)

Principal on All Revolving Credit Loans	\$1,108,078.01
Interest through November 15, 2000	\$ 6,093.11
Unused Line Fee	\$ 641.73
Early Termination Fee & Facility Fee	\$ 50,000.00
Legal Fees & Expenses (est.)*	\$ 5,000.00
Total Borrower Debt	\$1,169,812.85

*Any balance after final billing will be remitted to the Borrower.

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TRADEMARK

Libor Interest Statement
Statement Date: 11/15/00
Loan# PET00 IN

Pet Valu International
2 Devon Square, Suite 200
W. Lancaster Avenue
Wayne PA 19087

Date	Loan Rate	Libor Rate	Advances	Adjustment	Cash Check & Wire	Loan Balance	Libor Balance	Total	Loan Interest	Libor Interest	To Interest
BEGINNING BALANCE											
11/01/00	10.25000%		179,000.00	16,624.63	28,109.56	1,477,393.08	0.00	1,308,869.03	428.65	0.00	428.65
11/02/00	10.25000%		98,000.00	0.00	98,056.87	1,465,336.11	0.00	1,477,393.08	448.55	0.00	448.55
11/03/00	10.25000%		105,000.00	0.00	38,355.48	1,551,960.63	0.00	1,551,960.63	474.85	0.00	474.85
11/04/00	10.25000%		0.00	0.00	0.00	1,551,960.63	0.00	1,551,960.63	441.11	0.00	441.11
11/05/00	10.25000%		0.00	0.00	0.00	1,551,960.63	0.00	1,551,960.63	451.98	0.00	451.98
11/06/00	10.25000%		156,000.00	0.00	155,045.71	1,552,834.92	0.00	1,552,834.92	466.30	0.00	466.30
11/07/00	10.25000%		75,000.00	0.00	360,141.13	1,267,783.79	0.00	1,267,783.79	463.51	0.00	463.51
11/08/00	10.25000%		61,000.00	0.00	42,408.23	1,286,385.56	0.00	1,286,385.56	376.34	0.00	376.34
11/09/00	10.25000%		79,000.00	0.00	130,857.14	1,234,428.42	0.00	1,234,428.42	384.02	0.00	384.02
11/10/00	10.25000%		37,000.00	0.00	38,668.28	1,232,762.16	0.00	1,232,762.16	350.98	0.00	350.98
11/11/00	10.25000%		0.00	0.00	0.00	1,232,762.16	0.00	1,232,762.16	350.98	0.00	350.98
11/12/00	10.25000%		0.00	0.00	0.00	1,232,762.16	0.00	1,232,762.16	380.10	0.00	380.10
11/13/00	10.25000%		102,237.00	0.00	119,134.72	1,215,664.44	0.00	1,215,664.44	359.00	0.00	359.00
11/14/00	10.25000%		45,000.00	0.00	152,798.43	1,108,078.01	0.00	1,108,078.01	315.48	0.00	315.48
11/15/00	10.25000%		0.00	0.00	0.00	1,108,078.01	0.00	1,108,078.01	0.00	0.00	0.00
TOTAL			937,237.00	16,624.63	1,165,682.65	1,108,078.01	0.00	1,108,078.01	6,093.11	0.00	6,093.11

STANDARD LOAN	5,720.372
STANDARD LOAN	(97.197)
STANDARD LOAN	0.00
STANDARD LOAN	2,841.00
LIBOR LOANS	0.00
Total Due	8,734.00

Average Loan Balance	1,359,388.05
SERV/CHRG FEE	2,000.00
UNUSED LINE #2	841.73
Current Month Interest	0.00
Last Month Interest	0.00
Misc. Adjustments	0.00
Total Fees	0.00
Cur. Month Interest	0.00
Total Due	0.00

First with Prime:
Business Days:
Interest Calculation Days:
Check/Wire Clear Days:
Single Letter Rate

Daily (B15) Yes
360
1.00%
0.7500

(Default Bal)

TRADEMARK

Level 6 FETD		Print			
Date 3/1/04		Print			
		1,108,078.01			
Current Loan Balance (All Loans)			<input type="button" value="Print"/> Preview <input type="checkbox"/>		
Current Month Interest (Standard Loan)		6,720.21			
Current Month Float (Standard Loan)		372.90			
Last Month Interest (Standard Loan)		(97.91)			
Last Month Float (Standard Loan)		97.91			
Misc. Adjustment (Standard Loan)		0.00			
Total Fees		2,641.73			
Past Due (Standard Loan)		0.00			
Current Month Interest (Libor Loans)		0.00			
Payoff Total		1,110,612.65			
Ready	Fields	Client	Loan	Posting	Buttons

payoff total \$1,152,786.43

REVOLVING LINE OF CREDIT AVAILABILITY AT RETAIL

Fac To LISA LANDRY (617) 434-4310

Certificate No. 348

		Pat Food	Supplies (1)	Total
Beginning Inventory At Retail as of	10/28/2000	6,187,742	4,895,672	10,093,714
ADD	Receiving/Purchases	535,446	277,612	813,358
LESS	Net Sales @ Retail	439,712	244,599	684,311
	POS Markdowns @ Retail	37,978	13,083	51,061
	Permanent Markdowns @ Retail			
	Returns to Vendors			
	Actual Shrinkage			
	Prior Period Adjustments			
Ending Inventory At Retail as of	11/14/2000	5,255,497	4,008,222	10,161,720
% To Total Inventory (Supplies not to exceed 60%)		51.7%	48.3%	

Warehouse supply inventory (memo item) Owned by Peton Marketing

LESS	Site Supply Inventory in Excess of 60%		0
LESS	Franchisee - No Waiver Inventory		198,363
LESS	Shrinkage - 2% of Cumulative Sales since last Physical	11,617,447	232,350

Eligible Inventory 9,731,007 (A)

Advance Rate: (B) 37%

Inventory Borrowing Base (A x B) 2,627,372

LESS	Lenders Reserve	13 @ 3 months @ 5K	185,000
	Available Reserve		700,608

Total Borrowing Base 1,732,372 (C)

AVAILABILITY CALCULATION

Beginning Principal Balance		1,232,782
ADD	Prior Days Advance	102,207
ADD	Fees Charged Today	
LESS	Prior Day's Paydown	118,135
Ending Principal Balance		1,215,884
ADD	Est. Accrued Interest Month in Date	Prior Day 4890 Current Day 380
		5,180
Total Loan Balance Prior to request		1,221,044 (D)
Net Availability prior to today's request (C - D)		511,328

Advance Request 45,000

The undersigned represents and warrants that (a) the information set forth above has been prepared in accordance with the requirements of the Loan and Security Agreement (the "Loan Agreement") between the Borrower and BBRF, Inc; and (b) all or a portion of the advance requested hereby will be set aside by the Borrower to cover 100% of the Borrower's obligation for sales tax on account of sales since the most recent borrowing under the Loan Agreement.

Authorized Signer C. Wayne Bailey Vice President Finance and Accounting

(1) Supplies Inventory includes only the store inventory and excludes the warehouse inventory

11/14/00 12:18 PM