

10-08-2004

Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (exp. 6/30/2005)

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



REC
TRADEMARK
102855258

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

10-7-04

1. Name of conveying party(ies)/Execution Date(s):
 Pet Valu Canada Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other Corporation - Foreign
 Citizenship (see guidelines) Ontario, Canada
 Execution Date(s) September 30, 2004
 Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies) Yes
 Additional names, addresses, or citizenship attached? No
 Name: Penfund Mezzanine Limited Partnership II
 Internal Address: Suite 1719 Munich Re Centre
 Address: _____
 Street Address: 390 Bay Street
 City: Toronto
 State: Ontario
 Country: Canada Zip: M5H 242
 Association Citizenship _____
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship Ontario
 Other _____ Citizenship _____
 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)

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

4. Application number(s) or registration number(s) and identification or description of the Trademark.
 A. Trademark Application No.(s)
1,572,264
 B. Trademark Registration No.(s)
1,563,967
 Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):
Performatrin, Pet Valu

5. Name & address of party to whom correspondence concerning document should be mailed:
 Name: Jennifer L. Toone
 Internal Address: Davies Ward Phillips & Vineberg LLP
 Street Address: 625 Madison Avenue
12th Floor
 City: New York
 State: New York Zip: 10022
 Phone Number: _____
 Fax Number: _____
 Email Address: _____

6. Total number of applications and registrations involved: 2
7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 65
 Authorized to be charged by credit card
 Authorized to be charged to deposit account
 Enclosed
8. Payment Information:
 a. Credit Card Last 4 Numbers _____
 Expiration Date _____
 b. Deposit Account Number _____
 Authorized User Name _____

9. Signature: Jennifer L. Toone Signature 10-4-04 Date
 Total number of pages including cover sheet, attachments, and document: 5

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

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01 FC:8521

40.00 BP
32 FC:8522
25.00 BP

02 FC 8522

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REEL: 003059 FRAME: 0428

COLLATERAL ASSIGNMENT FOR SECURITY

(Trademarks)

WHEREAS, Pet Valu Canada Inc., a corporation organized under the laws of the Province of Ontario (herein referred to as the "**Corporation**"), has adopted, used and is using the trademarks listed on the annexed Schedule 1, which trademarks are registered in, or are the subject of pending applications for registration in, the United States Patent and Trademark Office (collectively, the "**US Trademarks**");

AND WHEREAS, the Corporation and Penfund Mezzanine Limited Partnership II, an Ontario limited partnership (referred to herein as the "**Holder**") are parties to that certain debenture in the principal amount of Cdn.\$15,000,000 dated as of the date hereof (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "**Debenture**") which secures the payment and performance of the Obligations (as defined in the Debenture);

AND WHEREAS, pursuant to the Debenture, the Corporation has granted to the Holder a security interest in all right, title and interest of the Corporation in and to the US Trademarks, together with the goodwill of the business symbolized thereby and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof (as further described in the Debenture, collectively, the "**US Collateral**"), to secure the prompt payment and performance of the Obligations;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Corporation does hereby grant to the Holder a security interest in the US Collateral to secure the prompt payment and performance of the Obligations.

The Corporation does hereby further acknowledge and affirm that the rights and remedies of the Holder with respect to the security interest in the US Collateral made and granted hereby are more fully set forth in the Debenture, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein (except for the choice of law provisions therein).

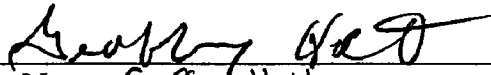
Notwithstanding the preceding paragraph, this Collateral Assignment for Security shall be governed by the substantive laws of the State of Delaware without regard to its conflict of laws principles. Notwithstanding the preceding paragraph, the rights and remedies of the Holder with respect to the security interest in the US Collateral made and granted hereby as incorporated herein from the Debenture, shall only apply and be incorporated herein to the extent that the same do not conflict with the substantive laws of the State of Delaware. The Holder shall have all of the rights and remedies of a secured party with respect to the US Collateral under the Uniform Commercial Code as adopted by the State of Delaware (the "DUCC") and in the event of a conflict between the rights and remedies incorporated herein from the Debenture and the DUCC, the DUCC shall govern and control. Each party hereto hereby submits itself and consents to the nonexclusive jurisdiction of the courts of the State of Delaware (and the United States District Court for the District of Delaware) in connection with any matter arising hereunder and hereby consents to service of process in any such matter by, US first class mail (or its Canadian equivalent) sent to the notice addresses provided in the Debenture.

The Corporation's address is 130 Royal Crest Court, Markham, Ontario, L3R 0A1.

Pen fund Mezzanine Limited Partnership II's address is Suite 1720, Munich Re Centre 390 Bay Street, Toronto, Ontario, M5H 2Y2.

IN WITNESS WHEREOF, the parties hereto have caused this Collateral Assignment for Security to be duly executed by as of the 3rd day of September, 2004.

PET VALU CANADA INC.

By: 
Name: Geoffrey Holt
Title: Chief Executive Officer

Penfund Mezzanine Limited Partnership II,
by its general partner, PENFUND MEZZANINE
MANAGEMENT INC.

By: 
Name:
Title:

SCHEDULE 1

COLLATERAL ASSIGNMENT FOR SECURITY

PET VALU CANADA INC. - U.S.

<u>Trade-Mark</u>	<u>Registration No.</u>	<u>Wares</u>	<u>Services</u>
PERFORMATRIN	1,572,264	pet food	
PET VALU	1,563,967		retail store services in the field of pet supplies and pet food