

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	Trademark Collateral Security and Pledge Agreement

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
The Bon-Ton Trade Corp.		03/06/2006	CORPORATION: DELAWARE

**RECEIVING PARTY DATA**

<b>Name:</b>	Bank of America, N.A., as Agent
<b>Street Address:</b>	335 Madison Avenue
<b>Internal Address:</b>	6th Floor
<b>City:</b>	New York
<b>State/Country:</b>	NEW YORK
<b>Postal Code:</b>	10017
<b>Entity Type:</b>	National Banking Association: UNITED STATES

**PROPERTY NUMBERS Total: 30**

Property Type	Number	Word Mark
Serial Number:	78560181	MARKET STREET EAST
Serial Number:	78582931	STATEMENTS.BT
Serial Number:	78643356	BTB
Serial Number:	78354410	STATEMENT.BT
Registration Number:	2905339	SMART LOOKS, SMART PRICES
Serial Number:	76505519	OUTFITTERS EST. 1898
Registration Number:	2856632	MADISON & MAX
Serial Number:	76576853	STATEMENTS BY DANIELLE
Serial Number:	76604811	CHEF'S QUARTERS
Registration Number:	2331705	MODERN ELEMENTS
Registration Number:	2585759	STO
Registration Number:	2377138	CLUB X
Registration Number:	2335651	JENNY BUCHANAN

OP \$765.00 78560181

Registration Number:	2449941	MODERN ELEMENTS
Registration Number:	2379788	ANDREA VICCARO
Registration Number:	2426648	ZIGG'S
Registration Number:	2364707	ANDREA VICCARO
Registration Number:	2342539	ZIGG'S
Registration Number:	2334706	ZIGA-T'Z
Registration Number:	2015874	JENNY BUCHANAN
Registration Number:	2015870	JENNY BUCHANAN
Registration Number:	2001829	CUDDLE BEAR
Registration Number:	2006731	JENNY BUCHANAN
Registration Number:	1991840	JUST CRACKERS
Registration Number:	2006730	ANDREA VICCARO
Registration Number:	1661242	THE BON-TON
Registration Number:	1680687	THE BON-TON
Registration Number:	1397712	SUSQUEHANNA TRAIL OUTFITTERS
Registration Number:	1409498	MIKAEL YORK
Registration Number:	1392446	STUART HUGHES

**CORRESPONDENCE DATA**

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*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
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NAME OF SUBMITTER:	Jessica Davis
Signature:	/jessica davis/
Date:	03/06/2006

Total Attachments: 18  
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**TRADEMARK COLLATERAL  
SECURITY AND PLEDGE AGREEMENT**

TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT dated as of March 6, 2006, between The Bon-Ton Trade Corp., a Delaware corporation having its principal place of business at 300 Delaware Avenue, Suite 12122, Wilmington, DE 19801, (the "Assignor"), and Bank of America, N.A., a national banking association having an office at 335 Madison Avenue, 6<sup>th</sup> Floor, New York, NY 10017, as agent (hereinafter, in such capacity, the "Agent") for itself and other banking institutions (hereinafter, collectively, the "Banks") which are, or may in the future become, parties to a Loan and Security Agreement dated as of March 6, 2006 (as amended and in effect from time to time, the "Credit Agreement"), among (a) The Bon-Ton Department Stores, Inc. ("Bon-Ton"), a Pennsylvania corporation, Herberger's Department Stores, LLC, ("Herberger's"), a Minnesota limited liability company, Parisian, Inc. ("Parisian"), an Alabama corporation, and The Elder-Beerman Stores Corp. ("Elder-Beerman" and together with Bon-Ton, Herberger's and Parisian, collectively, the "Borrowers"), an Ohio corporation, (b) the Assignor and the other guarantors party thereto (collectively, the "Guarantors"), (c) the Banks and (d) the Agent.

WHEREAS, the Borrowers and the Guarantors are members of a group of related entities, the success of any one of which is dependent in part on the success of the other members of such group;

WHEREAS, each Guarantor expects to receive substantial direct and indirect benefits from the extensions of credit to the Borrowers by the Banks pursuant to the Credit Agreement (which benefits are hereby acknowledged);

WHEREAS, it is a condition precedent to the Banks' making any loans or otherwise extending credit to the Borrowers under the Credit Agreement that the Assignor (i) guaranty the Obligations under the Credit Agreement as set forth in the Guaranty and (ii) execute and deliver to the Agent, for the benefit of the Banks and the Agent, a trademark agreement in substantially the form hereof;

WHEREAS, pursuant to Section 7.1 of the Credit Agreement, the Assignor has granted to the Agent, for the benefit of the Banks and the Agent, a security interest in certain of the Assignor's personal property and fixture assets, including without limitation the trademarks, service marks, trademark and service mark registrations, and trademark and service mark registration applications listed on Schedule A attached hereto, all to secure the payment and performance of the Obligations (as defined in the Credit Agreement); and

WHEREAS, this Trademark Agreement is supplemental to the provisions contained in the Credit Agreement;

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

## 1. DEFINITIONS.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Credit Agreement. In addition, the following terms shall have the meanings set forth in this §1 or elsewhere in this Trademark Agreement referred to below:

Assignment of Marks. See §2.1.

Associated Goodwill. All goodwill of the Assignor and its business, products and services appurtenant to, associated with or symbolized by the Trademarks and the use thereof.

Pledged Trademarks. All of the Assignor's right, title and interest in and to all of the Trademarks, the Trademark Registrations, the Trademark License Rights, the Trademark Rights, the Associated Goodwill, the Related Assets, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

PTO. The United States Patent and Trademark Office.

Related Assets. All assets, rights and interests of the Assignor that uniquely reflect or embody the Associated Goodwill, including the following:

(a) all patents, inventions, copyrights, trade secrets, confidential information, formulae, methods or processes, compounds, recipes, know-how, methods and operating systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision and sale of goods or services under or in association with any of the Trademarks; and

(b) the following documents and things in the possession or under the control of the Assignor, or subject to its demand for possession or control, related to the production, delivery, provision and sale by the Assignor, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of the Assignor in connection with the Trademarks or Trademark Rights, whether prior to, on or subsequent to the date hereof:

(i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers, dealers or distributors of the Assignor, its affiliates or franchisees or licensees or contractors, for products or services sold under or in connection with the Trademarks or Trademark Rights, including all lists and documents containing information regarding each customer's, dealer's or distributor's name and address, credit, payment, discount, delivery and other sale terms, and history, pattern and total of purchases by brand, product, style, size and quantity;

(ii) all agreements (including franchise agreements), product and service specification documents and operating, production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Trademarks or Trademark Rights;

(iii) all documents and agreements relating to the identity and locations of all sources of supply, all terms of purchase and delivery, for all materials, components, raw materials and other supplies and services used in the manufacture, production, provision, delivery and sale of products or services under or in connection with the Trademarks or Trademark Rights; and

(iv) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by the Assignor (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Trademarks or Trademark Rights.

Trademark Agreement. This Trademark Collateral Security and Pledge Agreement, as amended and in effect from time to time.

Trademark License Rights. Any and all past, present or future rights and interests of the Assignor pursuant to any and all past, present and future franchising or licensing agreements in favor of the Assignor, or to which the Assignor is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Assignor or the Agent to enforce, and sue and recover for, any breach or violation of any such agreement to which the Assignor is a party.

Trademark Registrations. All past, present or future federal, state, local and foreign registrations of the Trademarks, all past, present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Assignor or the Agent, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Trademark Rights. Any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Assignor or the Agent for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights.

Trademarks. All of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and other source and product or service identifiers, used or associated with or appurtenant to the products, services and businesses of the Assignor, that (i) are set forth on Schedule A hereto, or (ii) have been adopted, acquired, owned, held or used by the Assignor or are now owned, held or used by the Assignor, in the Assignor's business, or with the Assignor's products and services, or in which the Assignor has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and used by the Assignor in the Assignor's business or with the Assignor's products and services, or in which the Assignor in the future acquires any right, title or interest.

use. With respect to any Trademark, all uses of such Trademark by, for or in connection with the Assignor or its business or for the direct or indirect benefit of the Assignor or its business, including all such uses by the Assignor itself, by any of the affiliates of the Assignor, or by any franchisee, licensee or contractor of the Assignor.

Unless otherwise provided herein, the rules of interpretation set forth in §1.3 of the Credit Agreement shall be applicable to this Trademark Agreement.

## **2. GRANT OF SECURITY INTEREST.**

**2.1. Security Interest; Assignment of Marks.** As collateral security for the payment and performance in full of all of the Obligations, the Assignor hereby unconditionally grants to the Agent, for the benefit of the Banks and the Agent, a continuing security interest in and first priority lien on the Pledged Trademarks, and pledges and mortgages (but does not transfer title to) the Pledged Trademarks to the Agent for the benefit of the Banks and the Agent. In addition, the Assignor has executed in blank and delivered to the Agent an assignment of federally registered trademarks in substantially the form of Exhibit 1 hereto (the "Assignment of Marks"). The Assignor hereby authorizes the Agent to complete as assignee and record with the PTO the Assignment of Marks upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Agent's remedies under this Trademark Agreement and the Credit Agreement.

**2.2. Conditional Assignment.** In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Pledged Trademarks provided in §2.1, the Assignor grants, assigns, transfers, conveys and sets over to the Agent, for the benefit of the Banks and the Agent, the Assignor's entire right, title and interest in and to the Pledged Trademarks; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only upon or after the occurrence and during the continuance of an Event of Default and if so required to effect the exercise of the rights and remedies of the Administrative Agent and Lenders hereunder, under the other Loan Documents and under applicable law with respect to the Pledged Trademarks upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Credit Agreement and applicable law (including the transfer or other disposition of the Collateral by the Assignor to the Agent or its nominee in lieu of foreclosure). Any such grant, assignment, transfer or conveyance shall be made in accordance with the Uniform Commercial Code.

**2.3. Supplemental to Credit Agreement.** Pursuant to the Credit Agreement the Assignor has granted to the Agent, for the benefit of the Banks and the Agent, a continuing security interest in and lien on the Collateral (including the Pledged Trademarks). The Credit Agreement, and all rights and interests of the Agent in and to the Collateral (including the Pledged Trademarks) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Trademark Agreement, the grant, assignment, transfer and conveyance of the Pledged Trademarks hereunder, or the recordation of this Trademark Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Credit Agreement, the security interest of the Agent in the Collateral (including the Pledged Trademarks) pursuant to the Credit Agreement and this Trademark Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Pledged Trademarks), or any present or future rights and interests of the Agent in and to the Collateral under or in connection with the Credit Agreement, this Trademark Agreement or the Uniform Commercial Code. Any and all rights and interests of the Agent in and to the Pledged Trademarks (and any and all obligations of the Assignor with respect to the

Pledged Trademarks) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Agent (and the obligations of the Assignor) in, to or with respect to the Collateral (including the Pledged Trademarks) provided in or arising under or in connection with the Credit Agreement and shall not be in derogation thereof.

### **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

The Assignor represents, warrants and covenants that: (i) Schedule A sets forth a true and complete list of all Trademarks and Trademark Registrations registered with the PTO which are now owned by the Assignor; (ii) this Trademark Agreement, together with the Credit Agreement, will create in favor of the Agent a valid and perfected first priority security interest in the Pledged Trademarks upon making the filings referred to in clause (iii) of this §3; (iii) except for the filing of financing statements with the Secretary of State for the State of [Delaware] under the Uniform Commercial Code and the recording of this Trademark Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (A) for the grant by the Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Trademark Agreement by the Assignor, or (B) for the perfection of or the exercise by the Agent of any of its rights and remedies hereunder and (iv) all of the representations and warranties made by the Assignor in Section 9.1.12 of the Credit Agreement are true and correct in all respects.

### **4. [Intentionally Omitted.]**

### **5. NO TRANSFER OR INCONSISTENT AGREEMENTS.**

Without the Agent's prior written consent, except as permitted by the Credit Agreement, the Assignor will not (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Pledged Trademarks, or (ii) enter into any agreement (for example, a license agreement) that is inconsistent with the Assignor's obligations under this Trademark Agreement or the Credit Agreement.

### **6. AFTER-ACQUIRED TRADEMARKS, ETC.**

**6.1. After-acquired Trademarks.** If, before the Obligations shall have been finally paid and satisfied in full, the Assignor shall obtain any right, title or interest in or to any other or new Trademarks, Trademark Registrations or Trademark Rights, the provisions of this Trademark Agreement shall automatically apply thereto and the Assignor shall promptly provide to the Agent notice thereof in writing and execute and deliver to the Agent such documents or instruments as the Agent may reasonably request further to implement, preserve or evidence the Agent's interest therein.

**6.2. Amendment to Schedule.** The Assignor authorizes the Agent to modify this Trademark Agreement and the Assignment of Marks, without the necessity of the Assignor's further approval or signature, by amending Exhibit A hereto and the Annex to the Assignment of Marks to include any future or other Trademarks, Trademark Registrations or Trademark Rights under §2 or §6.



## **7. TRADEMARK PROSECUTION.**

**7.1. Assignor Responsible.** The Assignor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Pledged Trademarks, and shall hold each of the Agent and the Banks harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Agent or any Bank in connection with the Agent's interest in the Pledged Trademarks or any other action or failure to act in connection with this Trademark Agreement or the transactions contemplated hereby, except for any acts or omissions which constitute gross negligence or willful misconduct.

**7.2. Assignor's Duties, etc.** The Assignor shall have the right and the duty, through its trademark counsel, to prosecute diligently any trademark registration applications of the material Trademarks pending as of the date of this Trademark Agreement or thereafter, to preserve and maintain all rights in the material Trademarks and Trademark Registrations, including the filing of appropriate renewal applications and other instruments to maintain in effect the material Trademark Registrations and the payment when due of all registration renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of the material Trademarks or Trademark Registrations. Any expenses incurred in connection with such applications and actions shall be borne by the Assignor. The Assignor shall not abandon any filed trademark registration application, or any Trademark Registration or Trademark, without the consent of the Agent, which consent shall not be unreasonably withheld, unless such Trademark Registration or Trademark is no longer used by or, in its reasonable business judgment, is no longer useful in any material way to, the Assignor.

**7.3. Assignor's Enforcement Rights.** The Assignor shall have the right and the duty to bring suit or other action in the Assignor's own name to maintain and enforce the material Trademarks, the Trademark Registrations and the Trademark Rights. The Assignor may require the Agent to join in such suit or action as necessary to assure the Assignor's ability to bring and maintain any such suit or action in any proper forum if (but only if) the Agent is completely satisfied that such joinder will not subject the Agent or any Bank to any risk of liability. The Assignor shall promptly, upon demand, reimburse and indemnify the Agent for all damages, costs and expenses, including legal fees, incurred by the Agent pursuant to this §7.3.

**7.4. Protection of Trademarks, etc.** In general, the Assignor shall take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Pledged Trademarks. The Assignor shall not take or fail to take any action, nor permit any action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of the Pledged Trademarks.

**7.5. Notification by Assignor.** Promptly upon obtaining knowledge thereof, the Assignor will notify the Agent in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the material Trademarks or Trademark Registrations or the Assignor's rights, title or interests in and to the Pledged Trademarks, and of any event that does or reasonably could materially adversely affect the value of any of the material Pledged Trademarks, the ability of the Assignor or the Agent to dispose of any of the material Pledged Trademarks or the rights and remedies of the Agent in relation thereto

(including but not limited to the levy of any legal process against any of the Pledged Trademarks).

#### **8. REMEDIES.**

Upon the occurrence and during the continuance of an Event of Default, the Agent shall have, in addition to all other rights and remedies given it by this Trademark Agreement (including, without limitation, those set forth in §2.2, the Credit Agreement and the other Loan Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of New York, and, without limiting the generality of the foregoing, the Agent may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Pledged Trademarks, or any interest that the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Trademarks all expenses incurred by the Agent in attempting to enforce this Trademark Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in or by reference in the Credit Agreement. Notice of any sale, license or other disposition of the Pledged Trademarks shall be given to the Assignor at least ten (10) days before the time that any intended public sale or other public disposition of the Pledged Trademarks is to be made or after which any private sale or other private disposition of the Pledged Trademarks may be made, which the Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Agent may, to the extent permitted under applicable law, purchase or license the whole or any part of the Pledged Trademarks or interests therein sold, licensed or otherwise disposed of.

#### **9. COLLATERAL PROTECTION.**

If the Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Assignor shall be materially breached, the Agent, in its own name or that of the Assignor (in the sole discretion of the Agent), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Assignor agrees promptly to reimburse the Agent for any cost or expense incurred by the Agent in so doing.

#### **10. POWER OF ATTORNEY.**

If any Event of Default shall have occurred and be continuing, the Assignor does hereby make, constitute and appoint the Agent (and any officer or agent of the Agent as the Agent may select in its exclusive discretion) as the Assignor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Agent to use the Pledged Trademarks, or to grant or issue any exclusive or nonexclusive license of any of the Pledged Trademarks to any third person, or to take any and all actions necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Trademarks or any interest of the Assignor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that the Assignor is obligated to execute and do hereunder. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases each of the Agent and the Banks from any claims, liabilities, causes of action

or demands arising out of or in connection with any action taken or omitted to be taken by the Agent under this power of attorney (except for the Agent's gross negligence or willful misconduct). This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Trademark Agreement.

#### **11. FURTHER ASSURANCES.**

The Assignor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Agent may reasonably request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Trademark Agreement, or to assure and confirm to the Agent the grant, perfection and priority of the Agent's security interest in the Pledged Trademarks.

#### **12. TERMINATION.**

Upon the occurrence of payment in full, in cash, of all accrued and unpaid principal, interest and fees, and any other Obligations then due and owing, the payment of any appropriate collateral deposits in connection with other Obligations and the occurrence of the Commitment Termination Date, this Trademark Agreement shall terminate and the Agent shall, upon the written request and at the expense of the Assignor, execute and deliver to the Assignor all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Assignor the entire right, title and interest to the Pledged Trademarks previously granted, assigned, transferred and conveyed to the Agent by the Assignor pursuant to this Trademark Agreement, as fully as if this Trademark Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by the Agent pursuant hereto or the Credit Agreement.

#### **13. COURSE OF DEALING.**

No course of dealing between the Assignor and the Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Agent, any right, power or privilege hereunder or under the Credit Agreement or any other agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

#### **14. EXPENSES.**

Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and expenses incurred by the Agent in connection with the preparation of this Trademark Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Pledged Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Pledged Trademarks, shall be borne and paid by the Assignor.

**15. OVERDUE AMOUNTS.**

Until paid, all amounts due and payable by the Assignor hereunder shall be a debt secured by the Pledged Trademarks and other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Credit Agreement.

**16. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.**

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER THE AGENT NOR ANY BANK ASSUMES ANY LIABILITIES OF THE ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PLEDGED TRADEMARKS OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE ASSIGNOR, AND THE ASSIGNOR SHALL INDEMNIFY THE AGENT AND THE BANKS FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE AGENT OR ANY BANK WITH RESPECT TO SUCH LIABILITIES.**

**17. NOTICES.**

All notices and other communications made or required to be given pursuant to this Trademark Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, or sent by telegraph, telecopy or telex and confirmed by delivery via courier or postal service, addressed using the addresses for the Assignor and Assignee listed on the signature pages to the Credit Agreement.

Any such notice or demand shall be deemed to have been duly given or made in the manner set forth in the Credit Agreement.

**18. AMENDMENT AND WAIVER.**

This Trademark Agreement is subject to modification only by a writing signed by the Agent (with the consent of the Majority Banks) and the Assignor, except as provided in §6.2. The Agent shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Agent and the Majority Banks. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

**19. GOVERNING LAW; CONSENT TO JURISDICTION.**

**THIS TRADEMARK AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, NEW YORK GENERAL OBLIGATIONS LAW SECTIONS 5-1401 AND 5-1402 (BUT GIVING EFFECT TO FEDERAL LAWS RELATING TO NATIONAL BANKS).** The Assignor agrees that any suit for the enforcement of this Trademark Agreement may be brought in the courts of the State of New York sitting in the County of Manhattan or any federal court sitting in or with jurisdiction over the Southern District of New

York and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignor by mail at the address specified in §17. The Assignor hereby waives any objection that it may now or hereafter have to personal or subject matter jurisdiction, venue or inconvenient forum with respect to any such suit or any such court.

**20. WAIVER OF JURY TRIAL.**

**THE ASSIGNOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS TRADEMARK AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS.** Except as prohibited by law, the Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Assignor (i) certifies that neither the Agent or any Bank nor any representative, agent or attorney of the Agent or any Bank has represented, expressly or otherwise, that the Agent or any Bank would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in entering into the Credit Agreement and the other Loan Documents to which the Agent or any Bank is a party, the Agent and the Banks are relying upon, among other things, the waivers and certifications contained in this §20.

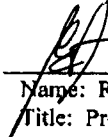
**21. MISCELLANEOUS.**

The headings of each section of this Trademark Agreement are for convenience only and shall not define or limit the provisions thereof. This Trademark Agreement and all rights and obligations hereunder shall be binding upon the Assignor and its respective successors and assigns, and shall inure to the benefit of the Agent, the Banks and their respective successors and assigns. In the event of any irreconcilable conflict between the provisions of this Trademark Agreement and the Credit Agreement, or between this Trademark Agreement and the Guaranty, the provisions of the Credit Agreement or the Guaranty, as the case may be, shall control. If any term of this Trademark Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Trademark Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Assignor acknowledges receipt of a copy of this Trademark Agreement.

*[signature pages to follow]*

IN WITNESS WHEREOF, this Trademark Agreement has been executed as of the day and year first above written.

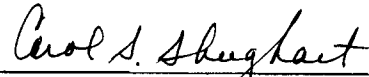
THE BON-TON TRADE CORP.

By:   
Name: Robert E. Stern  
Title: President and Secretary

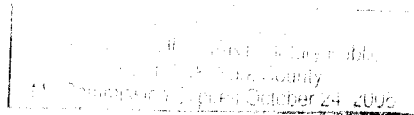
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF PENNSYLVANIA )  
 ) ss.  
COUNTY OF YORK )

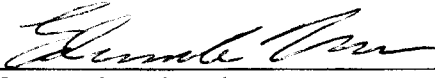
On this 28<sup>th</sup> day of February, 2006, before me, the undersigned notary public, personally appeared Robert E. Stern, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he)(she) signed it voluntarily for its stated purpose (as President and Secretary for The Bon-Ton Trade Corp, a Delaware corporation).

  
(official signature and seal of notary)

My commission expires:



BANK OF AMERICA, N.A., as Agent

By:   
Name: Edmundo Kahn  
Title: Vice President

Signature Page to Trademark Security Agreement - Bon-Ton Trade Corp.

**TRADEMARK**  
**REEL: 003259 FRAME: 0666**

**SCHEDULE A**

**Trademarks and Trademark Registrations**

Owner: Bon-Ton Trade Corp.

<b><u>Trademark Name</u></b>	<b><u>Registration/ Serial No.</u></b>	<b><u>Registration Date/ Filing Date</u></b>
MARKET STREET EAST	78-560181	2/3/05
STATEMENTS.BT	78-582931	3/8/05
BTB (Block letters)	78-643356	6/3/05
STATEMENT.BT (block letters)	78-354410	1/20/04
SMART LOOKS, SMART PRICES	2905339	11/23/04
OUTFITTERS EST.1898	76-505519	4/10/03
MADISON & MAX	2856632	6/22/04
STATEMENTS BY DANIELLE (block letters)	76-576853	2/20/04
CHEF'S QUARTERS (block letters)	76-604811	7/30/04
MODERN ELEMENTS	2331705	3/21/00
STO	2585759	6/25/02
CLUB X	2377138	8/15/00
JENNY BUCHANAN	2335651	3/28/00
MODERN ELEMENTS	2449941	5/8/01
ANDREA VICCARO	2379788	8/22/00
ZIGG'S	2426648	2/6/01
ANDREA VICCARO	2364707	7/4/00



<u>Trademark Name</u>	<u>Registration/ Serial No.</u>	<u>Registration Date/ Filing Date</u>
ZIGG'S	2342539	4/18/00
ZIGA-T'Z	2334706	3/28/00
JENNY BUCHANAN	2015874	11/12/96
JENNY BUCHANAN	2015870	11/12/96
CUDDLE BEAR	2001829	9/17/96
JENNY BUCHANAN	2006731	10/8/96
JUST CRACKERS	1991840	8/6/96
ANDREA VICCARO	2006730	10/8/96
THE BON-TON	1661242	10/15/91
THE BON-TON	1680687	3/24/92
SUSQUEHANNA TRAIL OUTFITTERS	1397712	6/17/86
MIKAEL YORK	1409498	9/16/86
STUART HUGHES	1392446	5/6/86

**EXHIBIT 1**

**ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS (U.S.)**

WHEREAS, The Bon-Ton Trade Corp., a corporation organized and existing under the laws of the State of Delaware, having a place of business at 300 Delaware Avenue, Suite 12122, Wilmington, DE 19801 (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex; and

WHEREAS, Bank of America, N.A., a national banking association, having a place of business at [335 Madison Avenue, 6<sup>th</sup> Floor, New York, NY 10017] (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (i) the registrations of and registration applications for the Marks, (ii) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks and Service Marks (U.S.) is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Trademarks and Service Marks (U.S.) below.

*[signature page to follow]*

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this \_\_\_ day of \_\_\_\_\_, 2006.

THE BON-TON TRADE CORP.

By: \_\_\_\_\_  
Name: Robert E. Stern  
Title: President and Secretary

COMMONWEALTH OR STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this the \_\_ day of \_\_\_\_\_, 200\_, before me appeared \_\_\_\_\_, the person who signed this instrument, who acknowledged that (s)he is the \_\_\_\_\_ of \_\_\_\_\_ and that being duly authorized (s)he signed such instrument as a free act on behalf of \_\_\_\_\_.

[Seal]

\_\_\_\_\_  
Notary Public  
My commission expires:

The foregoing assignment of the Marks and the registrations thereof and registration applications therefor by the Assignor to the Assignee is hereby accepted as of the \_\_ day of \_\_\_\_\_, 200\_.

BANK OF AMERICA, N.A., as Agent

By: \_\_\_\_\_  
Name:  
Title:

ANNEX

Trademark  
or  
Service Mark

Registrations --  
United States Patent and Trademark Office  
Registration No.                      Registration Date

Trademark  
or  
Service Mark

Pending Applications --  
United States Patent and Trademark Office  
Serial No.                              Filing Date