

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	INTELLECTUAL PROPERTY SECURITY AGREEMENT		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Boscov's Investment Company		03/20/2008	COMPANY:
RECEIVING PARTY DATA			
Name:	BEAR STEARNS CORPORATE LENDING INC.		
Street Address:	383 Madison Avenue		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10179		
Entity Type:	CORPORATION:		
PROPERTY NUMBERS Total: 8			
Property Type	Number	Word Mark	
Registration Number:	1765311	CROSS & WINSOR	
Registration Number:	1510486	BOSCOV'S	
Registration Number:	2575237	STARTING POINT	
Registration Number:	1554843	SEQUENCE	
Registration Number:	2231120	ASHLEY COOPER	
Registration Number:	3272833	NEW @TITUDE	
Registration Number:	3174872	KITCHEN CORNER	
Registration Number:	3082756	B KIDS	
CORRESPONDENCE DATA			
Fax Number:	(714)755-8290		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
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OP \$215.00 1765311

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Address Line 4: Costa Mesa, CALIFORNIA 92626

ATTORNEY DOCKET NUMBER: 031935-0354

NAME OF SUBMITTER: Kristin J. Azcona

Signature: /kja/

Date: 03/24/2008

Total Attachments: 21

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), dated as of March 20, 2008, by and among each of the Persons listed on Schedule I hereto (each such Person, individually, a "Borrower" and, collectively the "Borrowers"), each of the Persons listed on Schedule II hereto and any Additional Facility Guarantor party hereto from time to time (each such Person, individually, a "Facility Guarantor" and, collectively, the "Facility Guarantors") (the Borrowers and the Facility Guarantors are hereinafter referred to, individually, as a "Grantor" and, collectively, as the "Grantors"), and Bear Stearns Corporate Lending Inc., as collateral agent (in such capacity, and together with its successors in such capacity, the "Collateral Agent") for its own benefit and the benefit of the other Credit Parties (as defined in the Security Agreement referred to below), in consideration of the mutual covenants contained herein and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to that certain Credit Agreement, dated as of March 20, 2008 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and between Boscov's Department Store, LLC, as Lead Borrower, SDS. Inc., as Co-Borrower, the Facility Guarantors (as defined therein), the Lenders party thereto (the "Lenders"), Bear Stearns Corporate Lending Inc., as Administrative Agent and Collateral Agent, and Bear, Stearns & Co. Inc., as sole lead arranger and sole bookrunner, pursuant to which the Lenders have agreed to make the Term Loans to the Borrowers upon the terms and subject to the conditions specified in the Credit Agreement; and

WHEREAS, reference is also made to that certain Guarantee, dated on or about the date hereof (as amended, modified, supplemented or restated and in effect from time to time, the "Guarantee"), executed by the Facility Guarantors in favor of the Administrative Agent and the other Credit Parties, pursuant to which each Facility Guarantor guarantees the payment and performance of the Obligations (as defined in the Credit Agreement) of the other Loan Parties and the Real Estate Guarantors; and

WHEREAS, the obligation of the Lenders to make the Term Loans is conditioned upon, among other things, the execution and delivery by the Grantors of (i) that certain Security Agreement, dated on or about the date hereof (as amended, modified, supplemented or restated and in effect from time to time, the "Security Agreement"), by and among the Grantors and the Collateral Agent, pursuant to which each Grantor grants to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) a security interest in and to the Collateral (as defined in the Security Agreement), and (ii) an Intellectual Property Security Agreement in the form hereof, pursuant to which each Grantor grants to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) a security interest in and to the IP Collateral (as defined herein), as security for the Secured Obligations (as defined herein).

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in this Agreement, and for good and valuable consideration, the receipt of which is hereby

acknowledged, the Grantors and the Collateral Agent, on its own behalf and on behalf of the other Credit Parties (and each of their respective successors or assigns), hereby agree as follows:

SECTION 1. Definitions. Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement or the Security Agreement (as applicable), in the event of any conflict, the meaning set forth in the Security Agreement shall prevail. In addition, as used herein, the following terms shall have the following meanings:

“Additional Facility Guarantor” has the meaning given to that term in Section 13.

“Copyrights” shall mean all United States and foreign copyrights and like protections in each work of authorship or derivative work thereof of any Grantor, whether registered or unregistered and whether published or unpublished, including but not limited to copyrights in software and all rights in and to databases and all Mask Words (as defined under Section 17 U.S.C. 901 of the U.S. Copyright Act), moral rights, reversionary interests, termination rights and with respect to any and all of the foregoing including, without limitation: (i) the United States copyright registrations and copyright applications listed on Exhibit A annexed hereto and made a part hereof (as such Exhibit may be amended or supplemented from time to time), (ii) all registrations and applications therefor, and (iii) all of the goodwill of the business connected with the use of, and symbolized by, any of the foregoing.

“Copyright Licenses” shall mean all agreements, licenses and covenants whether written or oral, providing for the grant by or to any Grantor of any right to use any Copyright, including, without limitation, the agreements listed on Exhibit A annexed hereto and made a part hereof (as such Exhibit may be amended or supplemented from time to time).

“Copyright Office” shall mean the United States Copyright Office or any other federal governmental agency which may hereafter perform its functions.

“Intellectual Property” shall have the meaning assigned to such term in Section 3 hereof.

“IP Collateral” shall have the meaning assigned to such term in Section 2 hereof.

“Licenses” shall mean, collectively, the Copyright Licenses, the Patent Licenses and the Trademark Licenses.

“Patents” shall mean all United States and foreign patents and applications for patents of any Grantor, and the inventions and improvements therein disclosed or similar industrial property rights, and any and all divisions, reissues and continuations of said patents including, without limitation: (i) the United States patents and patent applications listed on Exhibit B annexed hereto and made a part hereof (as such Exhibit may be amended or supplemented from time to time), and (ii) all inventions and improvements described therein.

“Patent Licenses” shall mean all agreements, licenses and covenants, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, the agreements listed on Exhibit B

annexed hereto and made a part hereof (as such Exhibit may be amended and supplemented from time to time).

“PTO” shall mean the United States Patent and Trademark Office or any other federal governmental agency which may hereafter perform its functions.

“Secured Obligations” shall have the meaning assigned to such term in the Security Agreement.

“Trademarks” shall mean all United States and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, internet domain names, trade dress, trade styles, service marks, certification marks, collective marks, designs, logos, other source or business identifiers of any Grantor and general intangibles of a like nature, whether registered or unregistered, including, without limitation, (i) the United States trademark registrations and trademark applications listed on Exhibit C annexed hereto and made a part hereof (as such Exhibit may be amended and supplemented from time to time) and (ii) all of the goodwill of the business connected with the use of and symbolized by the foregoing.

“Trademark Licenses” shall mean all agreements, licenses and covenants, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, the agreements listed on Exhibit C annexed hereto and made a part hereof (as such Exhibit may be amended and supplemented from time to time).

SECTION 2. Grant of Security Interest. In furtherance and as confirmation of the Security Interest granted by the Grantors to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) under the Security Agreement, and as further security for the payment or performance, as the case may be, in full of the Secured Obligations, each of the Grantors hereby ratifies such Security Interest and grants to the Collateral Agent (for its own benefit and the benefit of the other Credit Parties) a continuing security interest, with a power of sale (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default), in all of the present and future right, title and interest of such Grantor in and to the following property, and each item thereof, wherever located, whether now owned or existing or hereafter acquired or arising, together with all products, proceeds, substitutions, and accessions of or to any of the following property (collectively, the “IP Collateral”):

- (a) All Copyrights and Copyright Licenses.
- (b) All Patents and Patent Licenses.
- (c) All Trademarks and Trademark Licenses.
- (d) All reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations of any of the foregoing.
- (e) All General Intangibles connected with the use of, or related to, any and all Intellectual Property (including, without limitation, all goodwill of each Grantor and

its business, products and services appurtenant to, associated with, or symbolized by, any and all Intellectual Property and the use thereof).

(f) All proceeds of the foregoing, including, without limitation, licenses, income, royalties, damages, claims, 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 proceeds of suit and payments for past or future infringements or dilutions thereof.

(g) The right to sue for past, present and future infringements and dilutions of any of the foregoing.

(h) All of the Grantors' rights corresponding to any of the foregoing throughout the world.

Notwithstanding the foregoing, the security interests granted hereunder shall not extend to, and the term "IP Collateral" shall not include, any Grantor's rights under any contract (including, without limitation, any Copyright License, Patent License and Trademark License), Patent, Trademark, Copyright or other General Intangible that, by the terms thereof, or under Applicable Law, cannot be assigned or a security interest cannot be granted therein in the manner contemplated by this Agreement unless consent from the relevant Account Debtor or other party has been obtained and under the terms of which any such assignment or grant of a security interest therein in the absence of such consent would, or could reasonably be expected to, result in the termination thereof, but only to the extent that (i) such rights are subject to such contractual or legal restriction and (ii) such restriction is not, or could not be, rendered ineffective pursuant to the Uniform Commercial Code of any relevant jurisdiction or any other Applicable Law (including the Bankruptcy Code) or principles of equity; provided that, notwithstanding the foregoing, the security interests granted hereunder shall extend to, and the term "IP Collateral" shall include, Proceeds of any such contract (including, without limitation, any Copyright License, Patent License or Trademark License), Patent, Trademark, Copyright or other General Intangible.

SECTION 3. Protection of Intellectual Property By Grantors. Except as set forth below in this Section 3, each of the Grantors shall, in its reasonable business judgement, undertake the following with respect to each of the material IP Collateral respectively described in Sections 2(a), (b), (c), (d), and (e) (collectively, the "Intellectual Property"):

(a) Pay all renewal fees and other fees and costs associated with maintaining the Intellectual Property and with the processing of the Intellectual Property and take all other reasonable and necessary steps to maintain each registration of the Intellectual Property.

(b) Take all actions reasonably necessary to prevent any of the Intellectual Property from lapsing, becoming forfeited, abandoned, dedicated to the public, invalidated, unenforceable or impaired in any way or which would adversely affect the validity, grant, or enforceability of the security interest granted herein.

(c) At the Grantors' sole cost, expense, and risk, pursue the processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts.

(d) At the Grantors' sole cost, expense, and risk, take any and all action which the Grantors reasonably deem appropriate under the circumstances to protect the Intellectual Property from infringement, misappropriation or dilution, including, without limitation, the prosecution and defense of infringement actions and in the event that any Intellectual Property owned by or exclusively licensed to any Grantor is infringed, misappropriated, or diluted by a third party, such Grantor shall promptly take all reasonable actions to stop such infringement, misappropriation or dilution and protect its rights in such Intellectual Property including, but not limited to, the initiation of a suit for injunctive relief and to recover damages.

(e) Not cease the use of any of material Trademarks or fail to maintain the level of the quality of products sold and services rendered under any of such Trademark at a level at least substantially consistent with the quality of such products and services as of the date hereof, and each Grantor shall take all steps necessary to insure that licensees of such Trademarks use such consistent standards of quality.

(f) Use best efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could or might in any way materially impair or prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in any property included within the definitions of any Intellectual Property acquired under such contracts.

(g) Collect, at its own expense, all amounts due or to become due to such Grantor in respect of the Intellectual Property or any portion thereof. In connection with such collections, each Grantor may take (and, at the Collateral Agent's reasonable direction, shall take) such action as such Grantor or the Collateral Agent may deem reasonably necessary or advisable to enforce collection of such amounts. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time, to notify, or require any Grantor to notify, any obligors with respect to any such amounts of the existence of the security interest created hereby.

Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, and no Material Adverse Effect would result therefrom, no Grantor shall have an obligation to use or to maintain any Intellectual Property (i) that relates solely to any product or service that has been discontinued, abandoned or terminated, or (ii) that has been replaced with Intellectual Property substantially similar to the Intellectual Property that has been discontinued, abandoned or terminated, so long as the failure to use or maintain such Intellectual Property does not adversely affect the validity of such replacement Intellectual Property in any material respect and so long as such replacement Intellectual Property is subject to the lien created by this Agreement.

SECTION 4. Grantors' Representations and Warranties. Each of the Grantors represent and warrant (or covenants, where applicable) that:

(a) Exhibit A is a true, correct and complete list of all United States copyright registrations, copyright applications and Copyright Licenses owned by such Grantor as of the date hereof.

(b) Exhibit B is a true, correct and complete list of all United States patents, patent applications and Patent Licenses owned by such Grantor as of the date hereof.

(c) Exhibit C is a true, correct and complete list of all United States trademark and service mark registrations, trademark and service mark applications, and Trademark Licenses owned by such Grantor as of the date hereof.

(d) Except as set forth in Exhibits A, B and C none of the Intellectual Property is the subject of any licensing agreement pursuant to which such Grantor is the licensor.

(e) All IP Collateral is, and shall remain, free and clear of all Liens, encumbrances, security interests or licenses in favor of any Person, other than Permitted Encumbrances.

(f) Such Grantor validly owns, or has a valid license to use (and where it has a license, it has a valid right to sublicense to others), the entire right, title and interest in all IP Collateral used in or necessary for the conduct of its business as currently conducted, except where the failure to own or license such Intellectual Property could not reasonably be expected to have a Material Adverse Effect. Each Grantor has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Copyrights, Patents and Trademarks that are material to the business of such Grantor, in full force and effect. All registrations and applications for Copyright registrations, Patents and Trademark registrations are standing in the name of each Grantor and all exclusive Copyright Licenses have been properly recorded in the U.S. Copyright Office. No material claim has been asserted or is pending, or to the best of each Grantor's knowledge, is threatened, by any Person challenging or questioning the use by such Grantor of any of its Intellectual Property or the validity or effectiveness of any of its Intellectual Property, nor does such Grantor know of any valid basis for any such claim, except for any such claims which could not reasonably be expected to result in a Material Adverse Effect, and except as otherwise set forth in the Credit Agreement. To the knowledge of each of the Grantors, the use by such Grantor of the Intellectual Property and the conduct of such Grantor's business does not infringe upon or misappropriate or otherwise violate any trademark, patent, copyright or other intellectual property right of any other Person or the rights of any Person in any material respect. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect on the business or the property of such Grantor.

(g) Other than Permitted Encumbrances, such Grantor has not made a previous assignment, sale, transfer, license or agreement constituting a present or future assignment, sale, transfer, license or agreement of any Intellectual Property that has not been terminated or released.

(h) Such Grantor uses adequate standards of quality in the distribution and sale of all products sold and in the provision of all services rendered under or in connection with all Trademarks and has taken all reasonable actions to ensure that all licensees of the Trademarks owned by such Grantor use such adequate standards of quality, as determined by such Grantor in its reasonable business judgment.

(i) Such Grantor shall give the Collateral Agent prompt written notice (with reasonable detail) following the occurrence of any of the following:

(i) Such Grantor's obtaining rights to, and filing applications for registration of, any new Intellectual Property, or otherwise acquiring ownership of any newly registered Intellectual Property (other than such Grantor's right to sell products containing the trademarks of others in the ordinary course of such Grantor's business).

(ii) Such Grantor's becoming entitled to the benefit of any registered Intellectual Property whether as licensee or licensor (other than such Grantor's right to sell products containing the trademarks of others in the ordinary course of such Grantor's business).

(iii) Such Grantor's entering into any new Licenses with respect to the Intellectual Property (other than Licenses which relate to information technology products and/or services (e.g. software licenses) licensed from Persons other than Loan Parties or which otherwise are not material to the conduct of any Grantor's business).

(iv) Such Grantor's knowing, or having reason to know, that any application or registration relating to any Intellectual Property may, other than as provided in Section 3 above, has lapsed, become forfeited, abandoned or dedicated to the public, invalidated, unenforceable or impaired in any way or which would adversely affect the validity, grant, or enforceability of the security interest granted herein or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal) regarding such Grantor's ownership of, or the validity of, any Intellectual Property or such Grantor's right to register the same or to own and maintain the same which could reasonably be expected to result in a Material Adverse Effect.

(l) To the extent perfection of the security interest herein is not subject to Article 9 of the UCC, upon recordation of the security interests granted hereunder in Patents, Trademarks, Copyrights and exclusive Copyright Licenses in the applicable

intellectual property registries, including but not limited to the PTO and the United States Copyright office, the security interests granted to the Collateral Agent hereunder shall constitute valid, perfected, first priority Liens (subject, in the case of priority only, to Permitted Encumbrances).

SECTION 5. Agreement Applies to Future Intellectual Property.

(a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in subsections (i), (ii) and (iii) of Section 4(k), above, all of which shall be deemed to be and shall automatically be treated as “Intellectual Property” within the meaning of this Agreement. Upon the acquisition by any Grantor of any additional Intellectual Property (other than Licenses which relate to information technology products and/or services (e.g. software licenses) licensed from Persons other than Loan Parties or which otherwise are not material to the conduct of any Grantor’s business), such Grantor shall deliver to the Collateral Agent an updated Exhibit A, B and/or C (as applicable) to this Agreement and hereby authorizes the Collateral Agent to file, at such Grantor’s expense, such updated Exhibit as set forth in Section 5(b).

(b) Upon the reasonable request of the Collateral Agent, each of the Grantors shall execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent’s security interest in any IP Collateral (including, without limitation, filings of any financing or continuation statements, intellectual property security agreements and amendments to any of the foregoing, in any jurisdictions and with any filing offices as the Collateral Agent may determine, including with the PTO, the Copyright Office or any similar office), and each of the Grantors hereby grants the Collateral Agent to be its attorney-in-fact to execute and file all such writings for the foregoing purposes, all such acts of such attorney being hereby ratified and confirmed; provided, however, the Collateral Agent’s taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

SECTION 6. Grantors’ Rights To Enforce Intellectual Property. Unless and until an Event of Default has occurred and is continuing, the Grantors shall have the exclusive right to sue for past, present and future infringement of the Intellectual Property, including the right to seek injunctions and/or money damages in an effort by the Grantors to protect the Intellectual Property against encroachment by third parties, provided, however, that:

(a) The Grantors first provide the Collateral Agent with written notice of the Grantors’ institution of any legal proceedings for enforcement of any Intellectual Property.

(b) Any money damages awarded or received by the Grantors on account of such suit (or the threat of such suit) shall constitute IP Collateral.

(c) Following the occurrence and during the continuance of any Event of Default, the Collateral Agent, by notice to the Grantors, may terminate or limit the Grantor’s rights under this Section 6.

SECTION 7. Collateral Agent's Actions To Protect Intellectual Property. In the event of:

(a) any Grantor's failure, within twenty (20) days of written notice from the Collateral Agent, to cure any failure by such Grantor to observe or perform any of such Grantor's covenants, agreements or other obligations hereunder; and/or

(b) the occurrence and continuance of any other Event of Default,

the Collateral Agent, acting in its own name or in that of any Grantor, may (but shall not be required to) act in any Grantor's place and stead and/or in the Collateral Agent's own right in connection therewith.

SECTION 8. Rights Upon Default.

(a) Upon the occurrence of an Event of Default, in addition to all other rights and remedies, the Collateral Agent may exercise all rights and remedies of a secured party under the Uniform Commercial Code as adopted in the State of New York, with respect to the Intellectual Property, in addition to which the Collateral Agent may bring suit or otherwise commence any action or proceeding in the name of any Grantor, the Collateral Agent or otherwise to enforce any IP Collateral, sell, license, assign, transfer, or otherwise dispose of the IP Collateral, subject to those restrictions to which such Grantor is subject under Applicable Law and by contract. Any person may conclusively rely upon an affidavit of an officer of the Collateral Agent that an Event of Default has occurred and that the Collateral Agent is authorized to exercise such rights and remedies.

(b) Upon and following the occurrence of an Event of Default, the Collateral Agent shall have the right to notify, or require each Grantor to notify, any obligors with respect to amounts due or to become due to such Grantor in respect of the IP Collateral, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Collateral Agent, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. The Grantors shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(c) Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 8 and at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent, to the extent it has the right to do so, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of said Trademarks, to use, operate under, license, or sublicense any IP Collateral now owned or hereafter acquired by such Grantor, and wherever the same may be located.

SECTION 9. Collateral Agent As Attorney-In-Fact.

(a) Each of the Grantors hereby irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as and for such Grantor's true and lawful agent and attorney-in-fact, effective following the occurrence and during the continuance of any Event of Default, and in such capacity the Collateral Agent shall have the right, with power of substitution for each Grantor and in each Grantor's name or otherwise, for the use and benefit of the Collateral Agent and the other Credit Parties:

(i) To supplement and amend from time to time Exhibits A, B and C of this Agreement to include any new or additional Intellectual Property of such Grantor.

(ii) To exercise any of the rights and powers referenced herein.

(iii) To execute all such instruments, documents, and papers as the Collateral 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 IP Collateral, subject to those restrictions to which such Grantor is subject under Applicable Law and by contract.

(b) The power of attorney granted herein, being coupled with an interest, shall be irrevocable until this Agreement is terminated in writing by a duly authorized officer of the Collateral Agent.

(c) The Collateral Agent shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a), but if the Collateral Agent elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to the Grantors for any act or omission to act, except for any act or omission to act as to which there is a final and nonappealable judgment made by a court of competent jurisdiction, which determination includes a specific finding that the subject act or omission to act has resulted from the gross negligence, bad faith or willful misconduct of the Collateral Agent.

SECTION 10. Collateral Agent's Rights.

(a) Any use by the Collateral Agent of the Intellectual Property, as authorized hereunder in connection with the exercise of the Collateral Agent's rights and remedies under this Agreement, the Credit Agreement and the Security Agreement shall be coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

(b) None of this Agreement, the Credit Agreement, the Security Agreement, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Collateral Agent any rights in and to the

Intellectual Property, which rights are effective only following the occurrence and during the continuance of any Event of Default.

SECTION 11. Intent. This Agreement is being executed and delivered by the Grantors for the purpose of registering and confirming the grant of the security interest of the Collateral Agent in the IP Collateral with the PTO and the Copyright Office. It is intended that the security interest granted pursuant to this Agreement is granted as a supplement to, and not in limitation of, the Security Interest granted to the Collateral Agent, for its own benefit and the benefit of the other Credit Parties, under the Security Agreement. All provisions of the Security Agreement shall apply to the IP Collateral. The Collateral Agent shall have the same rights, remedies, powers, privileges and discretions with respect to the security interests created in the IP Collateral as in all other Collateral. In the event of a conflict between this Agreement and the Security Agreement, the terms of this Agreement shall control with respect to the IP Collateral and the Security Agreement with respect to all other Collateral.

SECTION 12. Further Assurances. Each Grantor agrees, at its own expense, to promptly execute, acknowledge, deliver and cause to be duly filed all such further documents, financing statements, agreements and instruments and take all such further actions that may be necessary or desirable or as the Collateral Agent may from time to time reasonably request to in order to create and/or maintain or better assure, preserve, protect and perfect the security interest in the IP Collateral granted pursuant to this Agreement or purported to be granted hereby and the rights and remedies created hereby or the validity or priority of such security interest, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the security interest and the filing of any financing statements or other documents in connection herewith or therewith (including with any intellectual property registry in which said Intellectual Property is registered or in which an application for registration is pending including, without limitation, the PTO, the United States Copyright Office, the various Secretaries of State, and the foreign counterparts on any of the foregoing).

SECTION 13. Additional Facility Guarantors. From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Facility Guarantors (each, an "Additional Facility Guarantor"), by executing a Joinder Agreement (as defined in the Credit Agreement). Upon delivery of any such Joinder Agreement to the Collateral Agent, notice of which is hereby waived by Grantors, each Additional Facility Guarantor shall be a Grantor and shall be as fully a party hereto as if Additional Facility Guarantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of Collateral Agent not to cause any Subsidiary of a Borrower to become a Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

SECTION 14. Termination; Release of IP Collateral. Except for those provisions which expressly survive the termination thereof, this Agreement and the security interest granted herein shall automatically terminate when the principal of and interest on the Term Loans and all fees and other Secured Obligations (other than contingent indemnification obligations as to which no claims have been asserted) shall have been paid in full, at which time the Collateral

Agent shall execute and deliver to the Grantors, at the Grantors' expense, all termination statements, releases and similar documents that the Grantors shall reasonably request to evidence such termination; provided, however, that the Credit Agreement, the Guarantee, the Security Agreement, this Agreement, and the security interest granted herein shall be reinstated if at any time payment, or any part thereof, of any Secured Obligation is rescinded or must otherwise be restored by any Credit Party upon the bankruptcy or reorganization of any Grantor, Real Estate Related Guarantor or any other Loan Party. Any execution and delivery of termination statements, releases or other documents pursuant to this Section 14 shall be without recourse to, or warranty by, the Collateral Agent or any other Credit Party.

SECTION 15. Choice of Laws. It is intended that all rights and obligations under this Agreement, including matters of construction, validity, and performance, shall be governed by the laws of the State of New York.

SECTION 16. Intercreditor Agreement. Notwithstanding anything to the contrary contained herein, the rights and remedies of the Collateral Agent hereunder are subject to the provisions of the Bank of America Intercreditor Agreement. In the event of any conflict between the terms of the Bank of America Intercreditor Agreement and this Agreement, the Bank of America Intercreditor Agreement shall govern.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantors and the Collateral Agent have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

GRANTORS:

BORROWER:

BOSCOV'S DEPARTMENT STORE, LLC

By: 

Name: Russell C. Diehm

Title: Executive Vice President & Chief Financial Officer

BORROWER AND FACILITY GUARANTOR:

SDS. INC.


By: 

Name: Russell C. Diehm

Title: Senior Vice President

FACILITY GUARANTORS:


BOSCOV'S, INC.

By: 

Name: Russell C. Diehm

Title: Executive Vice President and Chief Financial
Officer

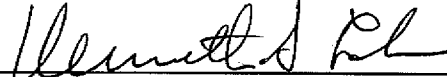
**BOSCOV'S TRANSPORTATION COMPANY
LLC**

By: 

Name: Kenneth S. Lakin

Title: President

BOSCOV'S PSI INC.

By: 

Name: Kenneth S. Lakin

Title: President


BOSCOV'S INVESTMENT COMPANY

By: _____

Name: Donald J. Bromley

Title: President

BOSCOV'S FINANCE COMPANY, INC.

By: 

Name: Kenneth S. Lakin

Title: President

**RETAIL CONSTRUCTION &
DEVELOPMENT, INC.**

By: 

Name: Kenneth S. Lakin

Title: President

FACILITY GUARANTORS:

BOSCOV'S, INC.

By: _____
Name: Russell C. Diehm
Title: Executive Vice President and Chief Financial
Officer

**BOSCOV'S TRANSPORTATION COMPANY
LLC**

By: _____

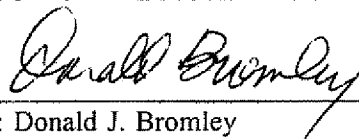
Name: Kenneth S. Lakin
Title: President

BOSCOV'S PSI INC.

By: _____

Name: Kenneth S. Lakin
Title: President

BOSCOV'S INVESTMENT COMPANY

By:  _____

Name: Donald J. Bromley
Title: President

BOSCOV'S FINANCE COMPANY, INC.

By: _____

Name: Kenneth S. Lakin
Title: President

**RETAIL CONSTRUCTION &
DEVELOPMENT, INC.**

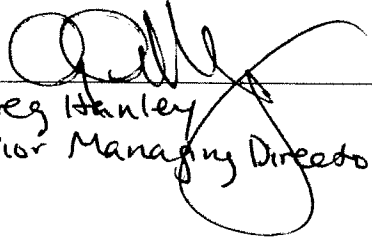
By: _____

Name: Kenneth S. Lakin
Title: President

[IP SECURITY AGREEMENT]

COLLATERAL AGENT:

**BEAR STEARNS CORPORATE LENDING
INC.**

By: 
Name: Greg Hanley
Title: Senior Managing Director

SCHEDULE I

Borrowers

Boscov's Department Store, LLC
SDS. Inc.

SCHEDULE II

Facility Guarantors

Boscov's, Inc.

Boscov's Transportation Company LLC

Boscov's PSI Inc.

Boscov's Investment Company

Boscov's Finance Company, Inc.

Retail Construction & Development, Inc.

SDS. Inc.

EXHIBIT A

List of Copyrights and Copyright Licenses

Copyright Registrations and Applications

None.

Copyright Licenses

None.

EXHIBIT B

List of Patents and Patent Licenses

Patents and Patent Applications

<u>Applicant</u>	<u>Title</u>	<u>Docket No.</u>	<u>Application No.</u>	<u>Date of Filing</u>
Boscov's Department Store, LLC, as assignee of one of its employees, Dean E. Sheaffer	"Method and System for Providing Multiple Credit Lines"	026938-00003	10/986165	November 12, 2004

Patent Licenses

None.

EXHIBIT C

List of Trademarks and Trademark Licenses

Trademark Registrations and Applications

<u>Mark</u>	<u>Owner</u>	<u>Registration No.</u>	<u>Filing Date</u>	<u>Status</u>
CROSS & WINSOR	Boscov's Investment Company	1765311	November 26, 1991	REGISTERED
BOSCOV'S	Boscov's Investment Company	1510486	October 13, 1987	REGISTERED
STARTING POINT	Boscov's Investment Company	2575237	April 27, 2000	REGISTERED
SEQUENCE	Boscov's Investment Company	1554843	December 13, 1988	REGISTERED
ASHLEY COOPER	Boscov's Investment Company	2231120	November 22, 1996	REGISTERED
NEW @TTITUDE	Boscov's Investment Company	3272833	January 26, 2005	REGISTERED
COOPER HOME COLLECTION	Boscov's Investment Company	78-405791 *	April 21, 2004	PENDING INTENT TO USE
KITCHEN CORNER	Boscov's Investment Company	3174872	April 21, 2004	REGISTERED
B KIDS	Boscov's Investment Company	3082756	May 6, 2005	REGISTERED

* Denotes United States Patent and Trademark Office serial number.

Trademark Licenses

None.