

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Kirkland's, Inc.		02/10/2011	CORPORATION: TENNESSEE
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Bank of America, N.A.		
<b>Street Address:</b>	100 Federal Street		
<b>Internal Address:</b>	9th Floor		
<b>City:</b>	Boston		
<b>State/Country:</b>	MASSACHUSETTS		
<b>Postal Code:</b>	02110		
<b>Entity Type:</b>	Association: UNITED STATES		
<b>PROPERTY NUMBERS Total: 5</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	2312426	THE KIRKLAND COLLECTION	
<b>Registration Number:</b>	1450144	KIRKLAND'S	
<b>Registration Number:</b>	2769247	KIRKLAND'S HOME	
<b>Registration Number:</b>	2819618	KIRKLAND'S OUTLET	
<b>Serial Number:</b>	85169225	KIRKLAND'S	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(202)408-3141		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	800-927-9801 x2348		
<b>Email:</b>	jpaterso@cscinfo.com		
<b>Correspondent Name:</b>	Corporation Service Company		
<b>Address Line 1:</b>	1090 Vermont Avenue NW, Suite 430		
<b>Address Line 4:</b>	Washington, DISTRICT OF COLUMBIA 20005		
<b>NAME OF SUBMITTER:</b>	Jean Paterson		

CH \$140.00 2312426

**900183720**

**TRADEMARK**

**REEL: 004475 FRAME: 0344**

Signature:	/jep/
Date:	02/11/2011
Total Attachments: 7 source=2-11-11 Kirklands-TM#page1.tif source=2-11-11 Kirklands-TM#page2.tif source=2-11-11 Kirklands-TM#page3.tif source=2-11-11 Kirklands-TM#page4.tif source=2-11-11 Kirklands-TM#page5.tif source=2-11-11 Kirklands-TM#page6.tif source=2-11-11 Kirklands-TM#page7.tif	

**FIRST AMENDMENT TO TRADEMARK SECURITY AGREEMENT**

THIS FIRST AMENDMENT TO TRADEMARK SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Amendment"), dated as of February 10, 2011, by and between (i) BANK OF AMERICA, N.A. (as successor in interest to Fleet Retail Group, Inc.), in its capacity as agent for the Lenders (the "Lenders") party to the Credit Agreement referred to below (in such capacity, "Agent"), and (ii) KIRKLAND'S, INC., a Tennessee corporation (the "Company").

**WITNESSETH:**

WHEREAS, Agent, Lenders, Company and certain of Company's affiliates (collectively, the "Borrowers") have entered into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) have made and may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Loan and Security Agreement, dated October 4, 2004 (as the same has been and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"), by, among others, Borrowers, Agent and Lenders;

WHEREAS, in connection therewith, Agent and Company entered into that certain Trademark Security Agreement dated as of October 4, 2004 (as the same may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Trademark Agreement"), pursuant to which, among other things, Company granted to Agent, for its benefit and the pro rata benefit of Lenders, a continuing security interest in and lien upon certain Trademark Collateral (as defined in the Trademark Agreement);

WHEREAS, Company has advised Agent that it has acquired new Trademarks; and

WHEREAS, Company and Agent now wish to amend, modify and supplement the Trademark Agreement, as more particularly set forth in this Amendment.

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

1. Interpretation. All capitalized terms used herein shall have the meanings assigned thereto in the Loan Agreement or the Trademark Agreement, as applicable, unless otherwise defined herein.

2. Amendment to Trademark Agreement. Exhibit A to the Trademark Agreement is hereby supplemented as set forth on Exhibit A-1 attached hereto, and the Trademark Collateral described in the Trademark Agreement shall be deemed to include the Trademarks described on such Exhibit A-1 (collectively, the "New Trademarks").

3. Ratification of Security Interest. Company hereby ratifies the Lien granted by Company to Agent (for its benefit and the pro rata benefit of Lenders) under the Loan Agreement and the Trademark Agreement, and to secure the prompt payment and performance of the

Obligations, Company hereby pledges, assigns and grants to Agent, for its benefit and the pro rata benefit of Lenders, a continuing security interest in and lien upon the New Trademarks, together with all of Company's assets of the type described in clauses (a), (b), and (c) of Section 2 of the Trademark Agreement relating to the New Trademarks (collectively, the "New Trademark Collateral").

4. Effect on Trademark Agreement, Etc. Except as specifically provided herein, all of the terms and conditions of the Trademark Agreement shall remain in full force and effect. Except as expressly amended and waived pursuant hereto, no other changes or modifications or waivers to the Financing Agreements are intended or implied, and in all other respects the Financing Agreements are hereby specifically ratified, restated and confirmed by all parties hereto as of the Effective Date (as defined below). To the extent that any provision of the Loan Agreement or any of the other Financing Agreements are inconsistent with the provisions of this Amendment, the provisions of this Amendment shall control. Company hereby ratifies, confirms, and reaffirms all representations, warranties, and covenants contained in the Trademark Agreement. Without limiting the generality of the foregoing, Company hereby acknowledges, confirms and agrees that all Trademark Collateral (including the New Trademark Collateral) shall continue to secure the Obligations. Company further acknowledges and agrees that Company does not have any knowledge of any offsets, defenses, or counterclaims against Agent or any Lender.

5. Conditions Precedent. The amendments set forth in this Amendment shall not be effective until the date on which each of the following conditions precedent is satisfied in a manner satisfactory to Agent (such date, the "Effective Date");

(a) Agent shall have received this Amendment, duly authorized and executed by Company and Agent;

(b) all requisite corporate or limited liability company action and proceedings in connection with this Amendment shall be reasonably satisfactory in form and substance to Agent, and Agent shall have received all information and copies of all documents, including records of requisite corporate or limited liability company action and proceedings which Agent may have requested in connection therewith;

(c) immediately prior to and after giving effect to the amendments set forth herein, there shall exist no Default or Event of Default;

(d) all fees and expenses of Agent and Lenders, including, without limitation, reasonable attorney's fees, incurred by Agent and Lenders in connection with the negotiation and documentation of this Amendment shall be paid by Company; and

(e) the representations and warranties contained herein shall be true and correct in all respects as of the date hereof.

6. Further Assurances. Company shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Agent to effectuate the provisions and purposes of this Amendment.

7. Governing Law. The validity, interpretation and enforcement of this Amendment and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the Commonwealth of Massachusetts (without regard to principles of conflicts of laws.

8. Binding Effect. This Amendment shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

9. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same agreement. In making proof of this Amendment, it shall not be necessary to produce or account for more than one counterpart thereof signed by each of the parties hereto. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic transmission (such as PDF) shall have the same force and effect as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by telefacsimile or other electronic transmission (such as PDF) also shall deliver an original executed counterpart of this Amendment, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment as to such party or any other party.

[SIGNATURE PAGES FOLLOW]

WITNESS the execution hereof under seal as of the day and year first above written.

ATTEST:

KIRKLAND'S, INC, as Company

By: Lowell Pugh, VP  
Name: Lowell Pugh  
Title: VP

Accepted in Boston, Massachusetts:

BANK OF AMERICA, N.A. (as successor in  
interest to Fleet Retail Group, Inc.), as Agent

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

WITNESS the execution hereof under seal as of the day and year first above written.

ATTEST:

KIRKLAND'S, INC, as Company

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

Accepted in Boston, Massachusetts:

BANK OF AMERICA, N.A. (as successor in  
interest to Fleet Retail Group, Inc.), as Agent



By:  \_\_\_\_\_  
Name: Kristina M. Scott  
Title: SVP, Director

Exhibit A-1 to Trademark Agreement

New Trademarks

<u>Trademark</u>	<u>Registration #</u>	<u>Serial #</u>	<u>Date Filed</u>	<u>Int. Class</u>	<u>LNG ID</u>	<u>Req/(Filed)</u>	<u>Next action due</u>
KIRKLAND'S	n/a	85-169-225	11/4/2010	35	66506	(11/4/2010)	Pending
THE KIRKLAND COLLECTION	2,312,426	75-425-158	1/29/1998	35	52090	1/25/2000	Renewal due 1/25/2020
	1,450,144	73-628,849	7/28/1987	42	44058	7/28/1987	Renewal due 7/28/2017
KIRKLAND'S HOME	2,769,247	78-152-914	9/30/2003	35	55616	9/30/2003	Renewal due 9/30/2013
KIRKLAND'S OUTLET	2,819,618	78-152-920	8/9/2002	35	55617	3/2/2004	Renewal due 3/2/2014

COMMON LAW TRADEMARKS

Briar Patch

Kirkland's, Inc.

Kirkland's Stores, Inc.

kirkland's.com, inc.

kirkland's.com

Kirkland's - For Your Home

Holiday by Kirkland's

Tuscan Gardens by Kirkland's

Note: Kirkland's claims other common law marks on several items, especially seasonal items.  
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