

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
POTBELLY SANDWICH WORKS, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
POTBELLY CORPORATION		06/09/2011	CORPORATION: DELAWARE
POTBELL Y ILLINOIS, INC.		06/09/2011	CORPORATION: ILLINOIS
POTBELLY AIRPORT I JOINT VENTURE, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
POTBELLY AIRPORT II BOSTON, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW NORTH BRIDGE, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW 55 WEST MONROE, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW WEST JACKSON, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW ROCKVILLE CENTER, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW IC, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW CLARK, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW DC ACQUISITION LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW NAPERVILLE, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
POTBELLY SANDWICH WORKS DC-I, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW 555 TWELFTH STREET, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW OLD ORCHARD, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW GENEVA IL, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW LINCOLNSHIRE, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS

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PSW NYAVE, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
PSW PBD ACQUISITION LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS
POTBELLY FRANCHISING, LLC		06/09/2011	LIMITED LIABILITY COMPANY: ILLINOIS

RECEIVING PARTY DATA

Name:	Wells Fargo Bank, N.A., as Administrative Agent
Street Address:	1808 Aston Avenue, Suite 250
City:	Carlsbad
State/Country:	CALIFORNIA
Postal Code:	92008
Entity Type:	National Banking Association: UNITED STATES

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	3887582	GOOD VIBES. GREAT SANDWICHES.
Registration Number:	3887721	POTBELLY SANDWICH SHOP
Registration Number:	3687137	POTBELLY SANDWICH WORKS
Registration Number:	3684103	POTBELLY SANDWICH WORKS
Registration Number:	3687136	
Registration Number:	3684104	POTBELLY SANDWICH WORKS

CORRESPONDENCE DATA

Fax Number: (202)739-3001
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
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 Address Line 2: Attention: TMSU
 Address Line 4: Washington, DISTRICT OF COLUMBIA 20004

ATTORNEY DOCKET NUMBER:	102513-0018
NAME OF SUBMITTER:	Antonio Cesar Teixeira
Signature:	/Antonio C. Teixeira/
Date:	06/27/2011

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TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT

TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT, dated as of June 9, 2011 (this "Trademark Agreement"), between (a) **POTBELLY SANDWICH WORKS, LLC**, an Illinois limited liability company (the "Borrower"), (b) the other parties signatory hereto as Assignors (as hereinafter defined), (c) each other party as shall from time to time become a party hereto (each such party being hereinafter referred to from time to time individually, as an "Assignor" and, collectively, as the "Assignors"), and (d) **WELLS FARGO BANK, N.A.** ("Wells Fargo" or "Assignee"), a national banking association, as administrative agent (in such capacity, the "Administrative Agent") for itself and other lending institutions (hereinafter, collectively, the "Lenders") which are, or may in the future become, parties to a Credit Agreement, dated as of January 15, 2008 (as amended, restated, extended, supplemented, modified and otherwise in effect from time to time, the "Credit Agreement"; capitalized terms used herein without definition shall have the respective meanings provided therefor therein), among the Borrower, Potbelly Corporation, a Delaware corporation ("Parent"), Potbelly Illinois, Inc., an Illinois corporation ("Holdings"), the Lenders, the Administrative Agent, and Wells Fargo, as Swing Line Lender and L/C Issuer.

WHEREAS, (a) the Borrower, Parent, Holdings, the Lenders, the Administrative Agent, and certain other parties have entered into the Credit Agreement, (b) the Guarantors have entered into a Guaranty pursuant to which they have guaranteed the Obligations of the Borrower under the Credit Agreement, (c) each Assignor has executed and delivered to the Administrative Agent, for the benefit of the Secured Parties, a Trademark Collateral Security and Pledge Agreement, dated as of January 15, 2008 (as amended, restated, extended, supplemented, modified and otherwise in effect from time to time, the "January 15, 2008 Trademark Agreement"), pursuant to which each Assignor has granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in the Pledged Trademarks (as defined therein), (d) each Assignor has executed, in blank, and delivered to the Administrative Agent, for the benefit of the Secured Parties, an Assignment of Marks in connection with the January 15, 2008 Trademark Agreement (as amended, restated, extended, supplemented, modified and otherwise in effect from time to time, the "January 15, 2008 Assignment of Marks") and (e) each Assignor has executed and delivered to the Administrative Agent, for the benefit of the Secured Parties, the Security Agreement, pursuant to which each Assignor has granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in certain of such 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; and

WHEREAS, it is a requirement under the Loan Documents that the Assignors execute and deliver to the Administrative Agent, for the benefit of the Secured Parties, this Trademark Agreement; and

WHEREAS, this Trademark Agreement is supplemental to the provisions contained in the Security Agreement, the January 15, 2008 Trademark Agreement and the January 15, 2008 Assignment of Marks;

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.

To the extent capitalized terms used herein and not otherwise defined herein are not defined in the Credit Agreement, such capitalized terms shall have the respective meanings provided therefor in the Security Agreement. In addition, the following terms shall have the meanings set forth in this Section 1 or elsewhere in this Trademark Agreement referred to below:

Assignment of Marks. See Section 2.1.

Associated Goodwill. All goodwill of each Assignor and its business, products and services connected with the use of and symbolized by the Trademarks and the use thereof.

Pledged Trademarks. All of each 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 each 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 such Assignor, or subject to its demand for possession or control, related to the production, delivery, provision and sale by such Assignor, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of such 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, suppliers or distributors of such 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, supplier'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 such 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 each Assignor pursuant to any and all past, present and future franchising or licensing agreements in favor of such Assignor, or to which such 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 such Assignor or the Administrative Agent to enforce, and sue and recover for, any breach or violation of any such agreement to which such 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 any Assignor or the Administrative 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 each Assignor or the Administrative 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 each Assignor, that (i) are set forth on Schedule A hereto, or (ii) have been adopted, acquired, owned, held or used by such Assignor or are now owned, held or used by such Assignor, in such Assignor's business, or with such Assignor's products and services, or in which such Assignor has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and used by such Assignor in such Assignor's business or with such Assignor's products and services, or in which such 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 each Assignor or its business or for the direct or indirect benefit of such Assignor or its business, including all such uses by such Assignor itself, by any of the affiliates of such Assignor, or by any franchisee, licensee or contractor of such Assignor.

Unless otherwise provided herein, the rules of interpretation set forth in Section 1.02 of the Credit Agreement shall be applicable to this Trademark Agreement.

2. GRANT OF SECURITY INTEREST.

2.1. SECURITY INTEREST; ASSIGNMENT OF MARKS. Each Assignor hereby unconditionally (but subject to the terms hereof) grants to the Administrative Agent, for the benefit of the Secured Parties, 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 Administrative Agent for the benefit of the Secured Parties. In addition, each Assignor has executed in blank and delivered to the Administrative Agent an assignment of federally registered trademarks in substantially the form of Exhibit 1 hereto (the "Assignment of Marks"). Each Assignor hereby authorizes the Administrative 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 for the proper exercise of the Administrative Agent's remedies under this Trademark Agreement and the Security Agreement.

Notwithstanding anything herein to the contrary, in no event shall the term "Collateral" include, and no Grantor shall be deemed to have granted a security interest in, any of the following:

(a) any directly held investment property or any general intangible (including any lease, license, contract or agreement to the extent deemed a general intangible to which the Grantor is a party), any of such Grantor's rights or interests thereunder or any assets subject thereto or any property rights of Grantor of any nature if the grant of such security interest shall constitute or result in (A) the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein or result in any Grantor's loss of use of such asset or (B) a breach or termination pursuant to the terms of, or a default under, any such investment property or general intangible, in each case other than (i) to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable Law (including the Bankruptcy Code) or principles of equity or (ii) with respect to payment intangibles;

(b) any of the outstanding Equity Interests of a Foreign Subsidiary in excess of 66% of the voting power of all classes of Equity Interests of such Foreign Subsidiary entitled to vote; and

(c) any applications for trademarks or service marks filed in the PTO pursuant to 15 U.S.C. §1051 Section 1(b) unless and until evidence of use of the mark in interstate commerce is submitted to the PTO pursuant to 15 U.S.C. §1051 Section 1(c) or Section 1(d);

provided, however, that the grant of the security interests contained in this Section 2 shall extend to, and the term "Collateral" shall include, (i) any and all proceeds of such directly held investment property or general intangibles, provided that the proceeds are not themselves directly held investment property or general intangibles subject to subsection (a) above, and (ii) at such time that the grant of such security interest shall no longer constitute or result in (A) the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein or result in any Grantor's loss of use of such asset or (B) a breach or termination pursuant to the terms of, or a default under, any such investment property or general intangible, thereafter such directly held investment property or general intangible.

2.2. SUPPLEMENTAL TO SECURITY AGREEMENT. Pursuant to the Security Agreement each Assignor has granted to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in and lien on the Collateral (including the Pledged Trademarks). Pursuant to the January 15, 2008 Trademark Agreement, each Assignor has granted to the Administrative Agent,

for the benefit of the Secured Parties, a continuing security interest in and lien on the Pledged Trademarks (as defined therein). The Security Agreement, and all rights and interests of the Administrative Agent in and to the Collateral (including the Pledged Trademarks) thereunder, are hereby ratified and confirmed in all respects. The January 15, 2008 Trademark Agreement, and all rights and interests of the Administrative Agent in and to the Pledged Trademarks (as defined therein) are hereby ratified and confirmed in all respects. In no event shall this Trademark Agreement, any 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 Security Agreement or the January 15, 2008 Trademark Agreement, the security interest of the Administrative Agent in the Collateral (including the Pledged Trademarks) or the Pledged Trademarks (as defined in the January 15, 2008 Trademark Agreement) pursuant to the Security Agreement, the January 15, 2008 Trademark 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 Administrative Agent in and to the Collateral under or in connection with the Security Agreement, the January 15, 2008 Trademark Agreement, this Trademark Agreement or the Uniform Commercial Code. Any and all rights and interests of the Administrative Agent in and to the Pledged Trademarks (and any and all obligations of each 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 Administrative Agent (and the obligations of each Assignor) in, to or with respect to the Collateral (including the Pledged Trademarks) provided in or arising under or in connection with the Security Agreement and the Pledged Trademarks (as defined in the January 15, 2008 Trademark Agreement) provided in or arising under or in connection with the January 15, 2008 Trademark Agreement and shall not be in derogation thereof.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Each Assignor represents, warrants and covenants that: (a) Schedule A sets forth a true and complete list of all Trademark Registrations and all other material Trademarks now owned, controlled or used by such Assignor; (b) as of the Closing Date (except in each case referred to in clauses (i)-(iv), (v) (except with respect to the Trademarks set forth on Schedule A), (vii) or (viii) below as could not reasonably be expected to result in a Material Adverse Effect) or, after the Closing Date and at all times thereafter (except in each case as could not reasonably be expected to have a Material Adverse Effect), (i) the Trademarks and Trademark Registrations are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of the Trademarks or Trademark Registrations; (ii) to the best of such Assignor's knowledge, each of the Trademarks and Trademark Registrations is valid and enforceable; (iii) to the best of such Assignor's knowledge, there is no infringement by others of the Trademarks, Trademark Registrations or Trademark Rights; (iv) no claim has been made that the use of any of the Trademarks does or may violate the rights of any third person, and to the best of such Assignor's knowledge, there is no infringement by such Assignor of the trademark rights of others; (v) such Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks (other than ownership and other rights reserved by third party owners with respect to Trademarks that such Assignor is licensed to use), free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by such Assignor not to sue third persons, other than the security interest and assignment created by the Security Agreement and this Trademark Agreement and other Liens permitted by the Credit Agreement; (vi) such Assignor has all requisite power and authority to execute, deliver and perform its obligations under this Trademark Agreement; (vii) such Assignor has used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with its use of the Trademarks; (viii) such Assignor has used, and will

continue to use for the duration of this Trademark Agreement, consistent standards of quality in its manufacture and provision of products and services sold or provided under the Trademarks; (ix) this Trademark Agreement, together with the Security Agreement, will create in favor of the Administrative Agent a valid and perfected first priority security interest in the Pledged Trademarks upon making the filings referred to in clause (x) of this Section 3; and (x) except for the filing of financing statements with the Secretary of State for the State of Illinois 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 such Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Trademark Agreement by each Assignor, or (B) for the perfection of or the exercise by the Administrative Agent of any of its rights and remedies hereunder; provided, however, that additional filings with the PTO may be needed with respect to Trademarks, Trademark Rights and Related Assets acquired after the date hereof, appropriate steps may need to be taken under the laws of any jurisdiction outside the United States to grant, perfect, and enforce the lien of the Administrative Agent in Trademarks, Trademark Rights and Related Assets created under such laws, and additional filings may be necessary in the PTO and under applicable foreign laws with respect to the recording of any assignment of intellectual property upon foreclosure.

4. INSPECTION RIGHTS.

Each Assignor hereby grants to each of the Administrative Agent and the Secured Parties and their respective employees and agents the right to visit such Assignor's stores and other facilities that manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto, at reasonable times during regular business hours and upon reasonable advance notice to the Borrower.

5. NO TRANSFER OR INCONSISTENT AGREEMENTS.

Without the Administrative Agent's prior written consent and except for licenses of the Pledged Trademarks in the ordinary course of such Assignor's business consistent with its past practices, no Assignor will (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 such Assignor's obligations under this Trademark Agreement or the Security Agreement.

6. AFTER-ACQUIRED TRADEMARKS, ETC.

6.1. AFTER-ACQUIRED TRADEMARKS. If, before the Obligations shall have been finally paid and satisfied in full, any Assignor shall obtain any right, title or interest in or to any other or new Trademarks, Trademark Registrations or Trademark Rights (the "After-Acquired Trademarks"), the provisions of this Trademark Agreement shall automatically apply thereto and such Assignor shall promptly provide to the Administrative Agent notice of registrations or applications for After-Acquired Trademarks filed or acquired by such Assignor in writing and execute and deliver to the Administrative Agent such documents or instruments as the Administrative Agent may reasonably request further to implement, perfect, preserve or evidence the Administrative Agent's interest therein.

6.2. AMENDMENT TO SCHEDULE. Each Assignor authorizes the Administrative Agent to modify this Trademark Agreement and the Assignment of Marks, without the necessity of any Assignor's further approval or signature, by amending Schedule A hereto and the Annex to the

Assignment of Marks to include any future or other Trademarks, Trademark Registrations or Trademark Rights under Section 2 or Section 6.

7. TRADEMARK PROSECUTION.

7.1. ASSIGNOR RESPONSIBLE. Each Assignor shall assume full and complete responsibility for the prosecution, defense, enforcement or, to the extent commercially reasonable, any other necessary or desirable actions in connection with the Pledged Trademarks, and shall hold each of the Administrative Agent and the Secured Parties harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Administrative Agent or any Secured Party in connection with the Administrative 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 to the extent such costs, damages, liabilities and expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Administrative Agent or any other Secured Party. In respect of such responsibility, such Assignor shall retain trademark counsel reasonably acceptable to the Administrative Agent.

7.2. ASSIGNORS' DUTIES, ETC. Each Assignor shall have the right and the duty, through trademark counsel reasonably acceptable to the Administrative Agent, to prosecute diligently any trademark registration applications of the Trademarks pending as of the date of this Trademark Agreement or thereafter, to preserve and maintain all rights in the Trademarks and Trademark Registrations, in each case that are material to any Assignor's business, including the filing of appropriate renewal applications and other instruments to maintain in effect the 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 Trademarks or Trademark Registrations. Any expenses incurred in connection with such applications and actions shall be borne by such Assignor. No Assignor shall abandon any filed trademark registration application, or any Trademark Registration or Trademark, in each case that are material to any Assignor's business.

7.3. ASSIGNORS' ENFORCEMENT RIGHTS. Each Assignor shall have the right and the duty consistent with such Assignor's reasonable business judgment to bring suit or other action in such Assignor's own name to maintain and enforce the Trademarks, the Trademark Registrations and the Trademark Rights. Such Assignor may require the Administrative Agent to join in such suit or action as necessary to assure such Assignor's ability to bring and maintain any such suit or action in any proper forum if (but only if) the Administrative Agent is completely satisfied that such joinder will not subject the Administrative Agent or any Secured Party to any risk of liability. Such Assignor shall promptly, upon written demand, reimburse and indemnify the Administrative Agent for all damages, costs and expenses, including legal fees, incurred by the Administrative Agent pursuant to this Section 7.3.

7.4. PROTECTION OF TRADEMARKS, ETC. In general, each Assignor shall take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate and consistent with such Assignor's reasonable business judgment to properly maintain, protect, preserve and enforce the Pledged Trademarks. No Assignor shall 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 material to any Assignor's business, unless consistent with such Assignor's reasonable business judgment.

7.5. NOTIFICATION BY EACH ASSIGNOR. Promptly upon obtaining knowledge thereof, each Assignor will notify the Administrative 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 Trademarks or Trademark Registrations material to the conduct of any Assignor's business or such Assignor's rights, title or interests in and to the Pledged Trademarks material to the conduct of any Assignor's business, and of any event that does or reasonably could materially adversely affect the value of any of the Pledged Trademarks, the ability of such Assignor or the Administrative Agent to dispose of any of such Pledged Trademarks material to the conduct of any Assignor's business or the rights and remedies of the Administrative Agent in relation thereto (including but not limited to the levy of any legal process against any of the Pledged Trademarks material to the conduct of any Assignor's business).

8. REMEDIES.

Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have, in addition to all other rights and remedies given it by this Trademark Agreement (including, without limitation, those set forth in Section 2.2, the Credit Agreement, the Security 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 Administrative Agent may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to any 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 such Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Trademarks all expenses incurred by the Administrative 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 Security Agreement. Notice of any sale, license or other disposition of the Pledged Trademarks shall be given to such Assignor at least five (5) Business 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 such Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Administrative 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 any Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of any Assignor shall be breached, the Administrative Agent, in its own name or that of such Assignor (in the sole discretion of the Administrative 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 Assignors jointly and severally agree promptly to reimburse the Administrative Agent for any cost or expense incurred by the Administrative Agent in so doing.

10. POWER OF ATTORNEY.

If any Event of Default shall have occurred and be continuing, each Assignor does hereby make, constitute and appoint the Administrative Agent (and any officer or agent of the Administrative Agent as the Administrative Agent may select in its exclusive discretion) as such Assignor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse such Assignor's name on all applications, documents, papers and instruments necessary for the Administrative 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 Administrative Agent to

assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Trademarks or any interest of such Assignor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that such Assignor is obligated to execute and do hereunder. Each Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases each of the Administrative Agent and the Secured Parties 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 Administrative Agent under this power of attorney (except for the Administrative 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.

Each 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 Administrative Agent may reasonably request in writing 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 Administrative Agent the grant, perfection and priority of the Administrative Agent's security interest in the Pledged Trademarks.

12. TERMINATION; REINSTATEMENT.

At such time as all of the Obligations have been indefeasibly paid in full, all of the credit commitments under the Credit Agreement and Loan Documents have been terminated and the Credit Agreement and the Loan Documents shall have been terminated (other than with respect to Letters of Credit that have been Cash Collateralized in full or as supported by another letter of credit acceptable to the L/C Issuer and the Administrative Agent), this Trademark Agreement shall terminate and the Administrative Agent shall, upon the written request and at the expense of the Assignors, promptly execute and deliver to the Assignors all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Assignors the entire right, title and interest to the Pledged Trademarks previously granted, assigned, transferred and conveyed to the Administrative Agent by the Assignors 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 Administrative Agent pursuant hereto or the Security Agreement. This Trademark Agreement shall continue to be effective or be reinstated, if at any time any payment made or value received with respect to any Obligation is rescinded or must otherwise be returned by the Administrative Agent or any Secured Party upon the insolvency, bankruptcy or reorganization of any of the Assignors, or otherwise, all as though such payment had not been made or value received.

13. COURSE OF DEALING.

No course of dealing between any Assignor and the Administrative Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Administrative Agent, any right, power or privilege hereunder or under the Security 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 Administrative 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 Assignors.

15. OVERDUE AMOUNTS.

Until paid, all amounts due and payable by any 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 ADMINISTRATIVE AGENT NOR ANY SECURED PARTY ASSUMES ANY LIABILITIES OF ANY ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING SUCH 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 SUCH ASSIGNOR, AND THE ASSIGNORS SHALL JOINTLY AND SEVERALLY INDEMNIFY THE ADMINISTRATIVE AGENT AND THE SECURED PARTIES FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING REASONABLE LEGAL FEES, INCURRED BY THE ADMINISTRATIVE AGENT OR ANY SECURED PARTY WITH RESPECT TO SUCH LIABILITIES EXCEPT TO THE EXTENT SUCH COSTS, EXPENSES, DAMAGES AND CLAIMS ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE ADMINISTRATIVE AGENT OR ANY OTHER SECURED PARTY.

17. NOTICES.

All notices and other communications made or required to be given pursuant to this Trademark Agreement shall be made in the manner set forth in Section 10.02 of the Credit Agreement or Section 12 of the Guaranty, as applicable.

18. AMENDMENT AND WAIVER.

No amendment to or waiver of any provision of this Trademark Agreement, nor consent to any departure by Assignor herefrom, shall in any event be effective unless the same shall be made in accordance with Section 10.01 of the Credit Agreement and with the consent of the Assignors, and then

any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No act, failure or delay by the Administrative Agent shall constitute a waiver of its rights and remedies hereunder or otherwise. No single or partial waiver by the Administrative Agent of any default or right or remedy that it may have shall operate as a waiver of any other default, right or remedy or of the same default, right or remedy on a future occasion.

19. GOVERNING LAW; CONSENT TO JURISDICTION.

THIS TRADEMARK AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OR CHOICE OF LAW PRINCIPLES (OTHER THAN SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAWS OF THE STATE OF NEW YORK). Each Assignor agrees that any action or claim arising out of any dispute in connection with this Trademark Agreement, any rights or obligations hereunder or the performance or enforcement of such rights or obligations may be brought in the courts of the State of New York sitting in New York County or the U.S. District Court for the Southern District of New York and consents to the non-exclusive jurisdiction of such courts and to service of process in any such suit being made upon such Assignor by mail at the address specified in Section 17. Each Assignor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

20. WAIVER OF JURY TRIAL.

EACH PARTY HERETO 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, each 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. Each Assignor (i) certifies that neither the Administrative Agent or any Secured Party nor any representative, agent or attorney of the Administrative Agent or any Secured Party has represented, expressly or otherwise, that the Administrative Agent or any Secured Party 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 Administrative Agent or any Secured Party is a party, the Administrative Agent and the Secured Parties are relying upon, among other things, the waivers and certifications contained in this Section 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 each Assignor and its respective successors and assigns, and shall inure to the benefit of the Administrative Agent, the Secured Parties and their respective successors and assigns. In the event of any conflict between the provisions of this Trademark Agreement and the Credit Agreement, or between this Trademark Agreement and the Security Agreement, the provisions of the Credit Agreement or the Security Agreement, 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. Each Assignor acknowledges receipt of a copy of this Trademark Agreement.

22. COUNTERPARTS; INTEGRATION; EFFECTIVENESS.


This Trademark Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Trademark Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Trademark Agreement by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Trademark Agreement.

[Remainder of page intentionally left blank.]

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

ASSIGNORS:

POTBELLY CORPORATION

By: 
Name:
Title:

POTBELLY ILLINOIS, INC.

By: 
Name:
Title:

POTBELLY SANDWICH WORKS, LLC

By: 
Name:
Title:

**POTBELLY AIRPORT I JOINT VENTURE, LLC
POTBELLY AIRPORT II BOSTON, LLC**

By: 
Name:
Title:

PSW NORTH BRIDGE, LLC
PSW 55 WEST MONROE, LLC
PSW WEST JACKSON, LLC
PSW ROCKVILLE CENTER, LLC
PSW IC, LLC
PSW CLARK, LLC
PSW DC ACQUISITION LLC
PSW NAPERVILLE, LLC
POTBELLY SANDWICH WORKS DC-1, LLC
PSW 555 TWELFTH STREET, LLC
PSW OLD ORCHARD, LLC
PSW GENEVA IL, LLC
PSW LINCOLNSHIRE, LLC
PSW NYAVE, LLC
PSW PBD ACQUISITION LLC
POTBELLY FRANCHISING, LLC

BY: POTBELLY ILLINOIS, INC., their Sole
Manager

By: 
Name: _____
Title: _____

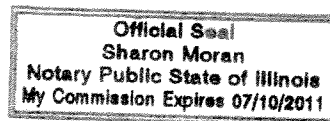
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF Illinois)
COUNTY OF Cook) ss.

On this 9th day of June, 2011, before me, the undersigned notary public, personally appeared Dylan Lewis & Charles Taylor 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 authorized for Company, a signatories).

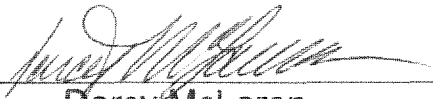
[Signature]
(official signature and seal of notary)

My commission expires:



ASSIGNEE:

**WELLS FARGO BANK, N.A., as Administrative
Agent**

By: 
Name: **Darcy McLaren**
Title: **Vice President**

SCHEDULE A

TRADEMARKS AND TRADEMARK REGISTRATIONS

U.S. TRADEMARKS/SERVICE MARKS

<u>Loan Party/Owner</u>	<u>Trademark Name</u>	<u>Filing Date</u>	<u>Registration No. (or Application No. if pending)</u>	<u>Status</u>
Potbelly Sandwich Works, LLC	GOOD VIBES. GREAT SANDWICHES	09/02/2009	3,887,582	Registered
Potbelly Sandwich Works, LLC	POTBELLY SANDWICH SHOP	10/20/2009	3,887,721	Registered
Potbelly Sandwich Works, LLC	"POTBELLY SANDWICH WORKS" and Sign Design	6/18/2008	3,687,137	Registered
Potbelly Sandwich Works, LLC	"POTBELLY SANDWICH WORKS" and Color Stove Design (2008)	6/03/2008	3,684,103	Registered
Potbelly Sandwich Works, LLC	(Design Only)	09/22/2009	3687136	Registered
Potbelly Sandwich Works, LLC	"POTBELLY SANDWICH WORKS" and Stove Design	09/15/2009	3684104	Registered

EXHIBIT 1

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

WHEREAS, each of the undersigned (the "Assignors"), has adopted and used and is using the applicable 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, [_____] a [_____] organized and existing under the laws of the State of [_____] having a place of business at [_____] (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, each 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 connected with the use of and 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 when permitted under Section 2.1 of the Trademark Collateral and Security and Pledge Agreement, dated as of June [___], 2011, between the Assignors and Assignee.

IN WITNESS WHEREOF, each Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this ____ day of ____, 20__.

ASSIGNORS:

POTBELLY CORPORATION

By: _____
Name:
Title:

POTBELLY ILLINOIS, INC.

By: _____
Name:
Title:

POTBELLY SANDWICH WORKS, LLC

By: _____
Name:
Title:

**POTBELLY AIRPORT I JOINT VENTURE, LLC
POTBELLY AIRPORT II BOSTON, LLC**

By: _____
Name:
Title:

**PSW NORTH BRIDGE, LLC
PSW 55 WEST MONROE, LLC
PSW WEST JACKSON, LLC
PSW ROCKVILLE CENTER, LLC
PSW IC, LLC
PSW CLARK, LLC
PSW DC ACQUISITION LLC
PSW NAPERVILLE, LLC
POTBELLY SANDWICH WORKS DC-1, LLC
PSW 555 TWELFTH STREET, LLC
PSW OLD ORCHARD, LLC
PSW GENEVA IL, LLC
PSW LINCOLNSHIRE, LLC
PSW NYAVE, LLC
PSW PBD ACQUISITION LLC
POTBELLY FRANCHISING, LLC**

**BY: POTBELLY ILLINOIS, INC., their Sole
Manager**

By: _____
Name:
Title:

The foregoing assignment of the Marks and the registrations thereof and registration applications therefor by the Assignors to the Assignee is hereby accepted as of the ___ day of _____, 20__.

[NAME]

By: _____
Title:

CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 20__, before me, the undersigned notary public, personally appeared _____, 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 _____ for _____, a _____).

(official signature and seal of notary)

My commission expires:

ANNEX

TRADEMARKS AND TRADEMARK REGISTRATIONS

U.S. TRADEMARKS/SERVICE MARKS

<u>Loan Party/Owner</u>	<u>Trademark Name</u>	<u>Filing Date</u>	<u>Registration No. (or Application No. if pending)</u>	<u>Status</u>
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Potbelly Sandwich Works, LLC	"POTBELLY SANDWICH WORKS" and Stove Design	09/15/2009	3684104	Registered