

06-26-2002

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



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

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): KWIK TRIP, INC. (see Attachment A for additional parties) Association Wisconsin

2. Name and address of receiving party(ies) Name: WACHOVIA BANK, NATIONAL ASSOCIATION 6th Floor 301 South College Street Charlotte NC 28288

3. Nature of conveyance: Security Agreement Change of Name Execution Date: May 24, 2002

4. Application number(s) or registration number(s): A. Trademark Application No.(s) SEE ATTACHMENT B

B. Trademark Registration No.(s) SEE ATTACHMENT B

5. Name and address of party to whom correspondence concerning document should be mailed: PAUL J. KENNEDY, ESQUIRE PEPPER HAMILTON LLP 3000 TWO LOGAN SQUARE 18TH AND ARCH STREETS PHILA. PA 19103

6. Total number of applications and registrations involved: 28 7. Total fee (37 CFR 3.41): \$715.00 Enclosed Authorized to be charged to deposit account 8. Deposit account number:

DO NOT USE THIS SPACE

9. Statement and signature. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. PAUL J. KENNEDY Signature Date: JUNE 18, 2002

06/25/2002 LINDLELL 00000236 1962292

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

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TRADEMARK REEL: 002531 FRAME: 0327

ATTACHMENT A

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

Intellectual Property Security Agreement between
Kwik Trip, Inc, HRZ, ZRH, Convenience Store Investments, Convenience Transportation, LLC, Dotel,
Ltd., Shiftar Bros., Inc. and Wachovia Bank, National Association dated May 24, 2002

Additional names of conveying parties:

HRZ (Wisconsin general partnership)
1626 Oak Street
La Crosse, WI 54603

ZRH (Wisconsin general partnership)
1626 Oak Street
La Crosse, WI 54603

Convenience Store Investments (Wisconsin limited partnership)
1626 Oak Street
La Crosse, WI 54603

Convenience Transportation, LLC (Wisconsin limited liability company)
1626 Oak Street
La Crosse, WI 54603

Dotel, Ltd. (Wisconsin corporation)
1626 Oak Street
La Crosse, WI 54603

Shiftar Bros., Inc. (Wisconsin corporation)
1626 Oak Street
La Crosse, WI 54603

ATTACHMENT B**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

Intellectual Property Security Agreement between
Kwik Trip, Inc, HRZ, ZRH, Convenience Store Investments, Convenience Transportation, LLC, Motel,
Ltd., Shiftar Bros., Inc. and Wachovia Bank, National Association dated May 24, 2002

<u>Trademark Description</u>	<u>Country/ State</u>	<u>Serial/Reg. No.</u>	<u>Filing/ Reg. Date</u>	<u>Status</u>
KWIK STAR and Design	US	1,962,292	3/12/96	Registered
COUNTRY SELECT	US	2,021,386	12/3/96	Registered
URGE	US	2,064,924	5/27/97	Registered
HEARTY PLATTER	US	2,043,841	3/11/97	Registered
KWIK SPIRITS and Design	US	2,055,329	4/22/97	Registered
CHIPPO	US	2,075,567	7/1/97	Registered
KWIK CARD	US	2,119,124	12/9/97	Registered
KWIK TEA	US	2,133,831	2/3/98	Registered
KARUBA	US	2,077,426	7/8/97	Registered
FIRE STAR and Design	US	2,073,909	6/24/97	Registered
KWIK-ADE	US	2,073,965	6/24/97	Registered
THE KWIKERY and Design	US	2,075,771	7/1/97	Registered
THE KWIKERY	US	1,881,649	2/28/95	Registered
URGE!	US	2,094,852	9/9/97	Registered
NATURE'S TOUCH	US	2,526,366	1/8/02	Registered
KWIK KOOLER	US	2,101,343	9/30/97	Registered
Miscellaneous Design	US	2,105,406	10/14/97	Registered
DR. URGE	US	2,164,745	6/9/98	Registered
CONVENIENCE TRANSPORTATION, L.L.C.	US	2,400,721	10/31/00	Registered
KWIK QUENCHER	US	2,306,261	1/4/00	Registered
PRO-FLAME	US	2,474,197	7/31/02	Registered
COOL! BUDDY'S and Design	US	75/034,303	12/4/95	Pending
BIG BUDDY and Design	US	75/139,712	7/25/96	Pending
BEST BUDDY and Design	US	75/139,700	7/25/96	Pending
MEGA BUDDY and Design	US	75/161,063	9/3/96	Pending
LITTLE BUDDY and Design	US	75/139,710	7/25/96	Pending
MILK WORKS	US	75/874,526	12/17/99	Pending
KWIKITO	US	76/188,631	1/2/01	Pending

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "IP Agreement") is made this 24th day of May 2002, by and among:

- (i) KWIK TRIP, INC., a Wisconsin corporation, having an address at 1626 Oak Street, La Crosse, WI 54603 ("Kwik Trip");
- (ii) HRZ, a Wisconsin general partnership, having an address at 1626 Oak Street, La Crosse, WI 54603;
- (iii) ZRH, a Wisconsin general partnership, having an address at 1626 Oak Street, La Crosse, WI 54603;
- (iv) CONVENIENCE STORE INVESTMENTS, a Wisconsin limited partnership, having an address at 1626 Oak Street, La Crosse, WI 54603 ("CSI");
- (v) CONVENIENCE TRANSPORTATION, LLC, a Wisconsin limited liability company, having an address at 1626 Oak Street, La Crosse, WI 54603;
- (vi) DOTEL, LTD., a Wisconsin corporation, having an address at 1626 Oak Street, La Crosse, WI 54603; and
- (vii) SHIFTAR BROS., INC., a Wisconsin corporation, having an address at 1626 Oak Street, La Crosse, WI 54603; (the foregoing (i) through (vii), each individually a "Debtor" and individually and collectively, the "Debtors");

to and in favor of WACHOVIA BANK, NATIONAL ASSOCIATION, having an address at 301 South College Street, 6th Floor, Charlotte, NC 28288, and its successors and assigns ("Collateral Agent"), as "Collateral Agent" for the Lenders (defined below), the Administrative Agent (defined below) and the Noteholders (defined below) (the Lenders, the Administrative Agent and the Noteholders, each individually a "Secured Party" and individually and collectively, the "Secured Parties").

BACKGROUND

The Debtors have entered into a Credit Agreement (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), dated the date hereof, by and among the Debtors and the lenders listed from time to time on Schedule 2 to the Credit Agreement (together with their successors and assigns under the Credit Agreement, each individually a "Lender," and individually and collectively, the "Lenders") and Wachovia Bank, National Association, as administrative agent for the Lenders, pursuant to which the Lenders have agreed, subject to the terms and conditions set forth therein, to make available to the Debtors an aggregate principal amount of up to One Hundred Ninety Million Dollars (\$190,000,000) on a revolving credit basis, which may be increased to up to Two Hundred Fifty

Million Dollars (\$250,000,000) pursuant to Section 2.5 of the Credit Agreement, and Fifty Million Dollars (\$50,000,000) on a term loan basis (collectively, the "Bank Debt").

CSI has issued on the date hereof those certain Series A Senior Secured Notes in the aggregate principal amount of \$34,000,000 (as further described in the Note Purchase Agreement referred to below), those certain Series B Senior Secured Notes in the aggregate principal amount of \$29,000,000 (as further described in the Note Purchase Agreement referred to below), those certain Series C Senior Secured Notes in the aggregate principal amount of \$15,000,000 (as further described in the Note Purchase Agreement referred to below), and those certain Series D Senior Secured Notes in the aggregate principal amount of \$20,000,000 (as further described in the Note Purchase Agreement referred to below), guaranteed by the other Borrowers, and CSI may from time to time issue one or more other series of secured notes under the Note Purchase Agreement referred to below, in the aggregate principal amount, for all such additional series of notes, of up to \$27,000,000, which will be guaranteed by the other Borrowers (as amended, restated or otherwise modified from time to time, each individually a "Private Placement Note", and individually and collectively, the "Private Placement Notes"), pursuant to that certain Note Purchase and Private Shelf Agreement dated the date hereof (as amended, restated or otherwise modified from time to time, the "Note Purchase Agreement") by and among CSI, the other Borrowers and The Prudential Insurance Company of America ("Prudential", each other purchaser, if any, named in the purchaser schedule attached to the Note Purchase Agreement, and each other Prudential Affiliate (as defined in the Note Purchase Agreement) which may become bound by certain provisions thereof as provided therein, together with all other holders from time to time of the Private Placement Notes, each individually a "Noteholder" and individually and collectively, the "Noteholders").

The Secured Parties and the Collateral Agent have entered into an Intercreditor and Collateral Agency Agreement dated the date hereof (as amended, restated or otherwise modified from time to time, the "Intercreditor and Collateral Agency Agreement") governing their respective rights as creditors of the Debtors and appointing the Collateral Agent as the agent of the Secured Parties with respect to the collateral securing the Bank Debt and the Private Placement Notes.

It is a condition of the Credit Agreement and the Note Purchase Agreement that the Debtor enter into this IP Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of any loans, extensions of credit, or other financial accommodations made or to be made by the Secured Parties or any of their Affiliates to the Debtors or to any other Obligor (defined below), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Debtors hereby represent, warrant, covenant and agree with the Collateral Agent as follows:

Section 1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of the Liabilities (defined below), each Debtor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of such Debtor's right, title and interest in, to and under the Computer Software Collateral which is not Excluded Computer Software Collateral, the Copyright Collateral, the Patent Collateral, the

Trade Secrets Collateral and the Trademark Collateral (each as defined below), now or hereafter existing, created, acquired or held, if any (all of which shall, individually and collectively, be called the "Intellectual Property Collateral"). As used herein:

"Computer Software Collateral" means:

(a) all software programs (including both source code, object code and all related applications and data files), whether now owned, licensed or leased or hereafter developed, designed or acquired by any Debtor;

(b) all firmware associated with the property described in clauses (a) and (b) of this definition;

(c) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c);

(d) the specific software programs set forth in Exhibit A attached hereto other than software programs acquired through in-bound shrink wrap agreements and commercial off-the-shelf software programs; and

(e) all rights with respect to all of the foregoing, including without limitation, any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

"Copyright Collateral" means all copyrights of any Debtor in addition to the Computer Software Collateral, and all semi-conductor chip product mask works of any Debtor, whether under statutory or common law, registered or unregistered, now or hereafter in force throughout the world, including, without limitation, all of a Debtor's right, title and interest in and to all copyrights and mask works registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, those set forth on Exhibit B attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright and mask work licenses, including each copyright and mask work license (whether as licensee or licensor) referred to in Exhibit B, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, including, without limitation, all neighboring rights and moral rights, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

"Excluded Computer Software Collateral" means Computer Software Collateral to the extent any applicable license or agreement therefor expressly prohibits the assignment thereof or the granting of a security interest therein.

"Patent Collateral" means:

(a) all of any Debtor's letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world, whether now existing or hereafter acquired (current patents are listed on Exhibit C);

(b) all patent licenses of any Debtor (whether as licensee or licensor);

(c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clauses (a) and (b) of this definition; and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to herein, and for breach or enforcement of any patent license, including any patent license referred to herein, and all rights corresponding thereto throughout the world.

"Trade Secrets Collateral" means all common law and statutory trade secrets and all other confidential or proprietary or useful information of any Debtor and all know-how obtained by or used in or contemplated at any time for use in the business of any Debtor (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses of any Debtor (whether as licensee or licensor), including each Trade Secret license referred to herein, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"Trademark Collateral" means:

(a) all of any Debtor's: trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a "Trademark"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any state thereof or any foreign country (current trademarks are listed on Exhibit D);

(b) all Trademark licenses (whether as licensee or licensor);

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b) of this definition;

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by any Debtor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to herein, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

Section 2. Liabilities Secured. The foregoing assignment and security interest is made for the purpose of securing (in such order as set forth in the Intercreditor and Collateral Agency Agreement) the Liabilities. The term "Liabilities", as used herein, means any and all of the indebtedness, obligations and liabilities of any kind and description arising in any way of any of the Debtors or of any Obligor to the Collateral Agent or any Secured Party or to any affiliate of the Collateral Agent or any Secured Party, whether individual or collective, joint or several, direct or indirect, absolute or contingent, secured or unsecured, due or to become due, arising by operation of law or otherwise, now existing or hereafter arising under or in respect of the Credit Documents (defined below) or any Hedging Agreement of a Lender or an affiliate of a Lender with a Debtor or other Obligor, whether incurred by the Debtors and/or any other Obligor as principal, surety, endorser, guarantor, accommodation party or otherwise, including without limitation any future advances, whether obligatory or voluntary under, or refinancings, renewals or extensions of or substitutions for, any existing or future debt, principal, interest and fees, late fees, yield-maintenance amounts, prepayment premiums and expenses (including without limitation reasonable attorneys' fees and costs), and any and all costs, expenses and liabilities which may be made or incurred by the Collateral Agent or any Secured Party in any way in connection with any of the Liabilities or any collateral security therefor. "Obligor", as used herein, means individually, and "Obligors" means individually and collectively, each Debtor and each and every maker, endorser, guarantor, surety of or party obligated for any of the Liabilities. "Credit Documents", as used herein, means all notes, loan agreements, guarantees, security agreements, mortgages, instruments, pledge agreements, assignments, acceptance agreements, commitments, facilities, reimbursement agreements and any other agreements, documents and instruments, now or hereafter existing, creating, evidencing, guarantying, securing or relating to any or all of the Liabilities, including without limitation the Credit Agreement, the other Loan Documents, the Note Purchase Agreement, the Private Placement Notes, the other Note Purchase Documents and the Intercreditor and Collateral Agency Agreement, together with all amendments, modifications, renewals, extensions or restatements thereof.

Section 3. Authorization and Request. Each Debtor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks, and any other appropriate officer of a Governmental Authority having authority over such matters, whether state or federal or in any foreign country, as applicable, record this IP Agreement.

Section 4. Covenants and Warranties. Each Debtor represents, warrants, covenants and agrees as follows:

(a) Except for licensed Intellectual Property Collateral, each Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in the Intellectual Property Collateral, free and clear of any liens, charges and encumbrances except for

those created hereunder and those expressly permitted by Section 10.3 of the Credit Agreement and by Paragraph 6F of the Note Purchase Agreement;

(b) Performance of this IP Agreement does not conflict with or result in a breach of any other agreement to which any Debtor is bound, and this IP Agreement constitutes the grant of a security interest;

(c) During the term of this IP Agreement, no Debtor will transfer, assign, sell, hypothecate, or otherwise encumber any interest in the Intellectual Property Collateral, except as expressly permitted by Section 10.6 of the Credit Agreement and Paragraph 6I of the Note Purchase Agreement;

(d) Each Debtor agrees that simultaneously with execution of this IP Agreement, and upon any amendment of Exhibit A, B, C or D hereto, such Debtor shall, upon the request of Collateral Agent, execute the form of Notice appended hereto as Schedule 1 (each a "Notice") with respect to any Patent, Trademark or Copyright Collateral now owned or hereafter acquired, and shall deliver it to Collateral Agent for recording in the Patent and Trademark Office or Copyright Office, and in any other appropriate office on a state level or in any foreign country, as applicable, so as to formally record this IP Agreement;

(e) Each Debtor shall promptly advise Collateral Agent of any material adverse change in the composition of the Intellectual Property Collateral, including but not limited to any ownership right of any Debtor in or to any Trademark, Patent, Copyright, or other Intellectual Property Collateral specified in this IP Agreement and any abandonment, forfeiture or dedication to the public of the Computer Software, Trademark, Patent, Copyright and other Intellectual Property Collateral specified in this IP Agreement;

(f) Each Debtor shall use best efforts to: (i) protect, defend and maintain the validity and enforceability of the Trademark, Patent, Copyright and other Intellectual Property Collateral; (ii) apply for registration of non-registered Computer Software, Patent, Trademark and Copyright Collateral as such are created, adopted or used and shall diligently prosecute such applications; (iii) detect infringements of the Trademark, Patent, Copyright and other Intellectual Property Collateral and promptly advise Collateral Agent in writing of infringements detected; (iv) not forego any right to protect and enforce rights to Trademark, Patent, Copyright or other Intellectual Property Collateral; and (v) not allow any Trademark, Patent, Copyright, or other Intellectual Property Collateral to be abandoned, forfeited or dedicated to the public without the prior written consent of Collateral Agent;

(g) Each Debtor shall promptly notify Collateral Agent of all after-acquired intellectual property, whether hereafter owned, developed or acquired by any Debtor or any Subsidiary of any Debtor and shall notify Collateral Agent of any filed applications to register or patents issued after the execution hereof, all in accordance with Section 8.13 of the Credit Agreement. Any expenses incurred in connection with such applications shall be borne by the Debtors;

(h) Each Debtor shall take such actions as Collateral Agent may reasonably request from time to time to perfect or continue the perfection of Collateral Agent's interest in the Intellectual Property Collateral;

(i) This IP Agreement creates, and in the case of after-acquired Intellectual Property Collateral this IP Agreement will create at the time any Debtor first has rights in such after-acquired Intellectual Property Collateral, in favor of Collateral Agent, a valid and, upon making the filings referred to in clause (j) below, a perfected first priority security interest in the Intellectual Property Collateral securing the payment and performance of the Liabilities;

(j) Except for, and upon, the filings (i) with the United States Patent and Trademark Office with respect to the Patents and Trademark Collateral and (ii) the Register of Copyrights with respect to the Copyright Collateral, that are necessary to perfect the security interests created hereunder, and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required either: (i) for the grant by any Debtor of the security interest granted hereby or for the execution, delivery or performance of this IP Agreement by any Debtor or (ii) for the perfection of the security interests granted hereby or the exercise by Collateral Agent of its rights and remedies thereunder;

(k) All information heretofore, herein or hereafter supplied to Collateral Agent by or on behalf of Debtors with respect to the Intellectual Property Collateral is accurate and complete in all respects;

(l) No Debtor shall enter into any agreement that would impair or conflict with any Debtor's obligations hereunder without Collateral Agent's prior written consent. No Debtor shall permit the inclusion in any contract to which it becomes a party of any provisions that reasonably could in any way prevent the creation of a security interest in any Debtor's rights and interest in any Intellectual Property Collateral that may be acquired by any Debtor under such contract;

(m) No Debtor shall take any action, or enter into any license, royalty, assignment or other agreement which is inconsistent with any Debtor's obligations under this IP Agreement or which has the effect of reducing the value of the Intellectual Property Collateral; and

(n) Upon any executive officer of any Debtor obtaining actual knowledge thereof, Debtors will promptly notify Collateral Agent in writing of any event that is reasonably likely to materially impair: (i) the value of any Intellectual Property Collateral, (ii) the ability of any Debtor to dispose of any Intellectual Property Collateral and (iii) the rights and remedies of Collateral Agent in relation thereto, including without limitation the levy of any legal process against any of the Intellectual Property Collateral.

Section 5. Collateral Agent's Rights. Collateral Agent shall have the right, but not the obligation, to take, at Debtors' sole expense, any action that any Debtor is required to take under this IP Agreement but which such Debtor fails to take, after ten (10) days' notice of

such failure to Kwik Trip. Debtors shall reimburse and indemnify Collateral Agent for all costs and expenses incurred in the exercise of its rights under this Section 5.

Section 6. Responsibility of Debtors. In furtherance and not in limitation of the other provisions of this Section 6, Collateral Agent shall have no duty or responsibility with respect to the Intellectual Property Collateral or its preservation. Each Debtor acknowledges and agrees that it has reviewed the terms of this IP Agreement with counsel of its choosing and that such Debtor has determined that neither execution, delivery nor performance of this IP Agreement by such Debtor or by Collateral Agent will in any way impair the Intellectual Property Collateral or such Debtor's right, title and interest therein, subject to the purpose of this IP Agreement, which is to impose a lien thereon in favor of Collateral Agent.

Section 7. Conduct of Business; Inspection Rights. In order to preserve and protect the goodwill associated with the Trademarks, each Debtor covenants and agrees to maintain the quality of the products and services sold under or in connection with the Intellectual Property Collateral and, except in accordance with customary business practices, shall not at any time permit any impairment of the quality of said products and services. Each Debtor hereby grants to the Collateral Agent and its employees and agents the right, from time to time, upon reasonable notice, and without unduly disrupting the Debtors' business activities, to visit any Debtor's (or any of their affiliates') retail stores or the plants and facilities that manufacture, provide, inspect or store products or services sold under any of the Trademark Collateral, and to inspect the products and quality control records relating thereto, at any time. Each Debtor shall do any and all acts required by the Collateral Agent to ensure Debtors' compliance with this Section 7. Each Debtor hereby grants to Collateral Agent and its employees, representatives and agents the right, from time to time, upon reasonable notice, and without unduly disrupting the Debtors' business activities, to visit any Debtor, and any of any Debtor's retail stores or the plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto as often as may be requested. The foregoing provisions of this Section 7 are applicable to each Debtor at such time as such Debtor has developed products and services capable of being sold to the public. Upon the occurrence and during the continuance of a Default or Event of Default, or if in connection with a request of the Debtors, the costs of any visits or inspections carried out under this Section 7 shall be borne by the Debtors.

Section 8. Further Assurances; Attorney in Fact.

(a) On a continuing basis, and at Debtors' sole expense, each Debtor shall, subject to any prior licenses, encumbrances and restrictions and prospective licenses, execute, acknowledge and deliver for filing, all such instruments, including financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all other such action as may be requested by Collateral Agent, to create, preserve, continue, charge, validate or perfect the security interest of the Collateral Agent, for the benefit of the Secured Parties, in all Computer Software, Copyright, Patent, Trademark, and other Intellectual Property Collateral and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to Collateral Agent the grant

or perfection of a security interest to the Collateral Agent, for the benefit of the Secured Parties, in all Intellectual Property Collateral.

(b) Each Debtor hereby irrevocably appoints Collateral Agent as such Debtor's attorney-in-fact, with full authority in the place and stead of any Debtor and in the name of any Debtor, Collateral Agent or otherwise, from time to time in Collateral Agent's discretion, upon the occurrence and during the continuance of a Default or an Event of Default, or at any time for the purpose of protecting or preserving the security interest of the Collateral Agent and the Secured Parties in the Intellectual Property Collateral, to take any action and/or to execute any instrument which Collateral Agent may reasonably deem necessary to accomplish the purposes of this IP Agreement, including without limitation:

(i) the modification, in its sole discretion, of this IP Agreement without first obtaining any Debtor's approval of or signature to such modification by amending any Exhibit hereof, as appropriate, to include reference to any right, title or interest in any Copyright, Patent, Trademark, and/or other Intellectual Property Collateral owned or acquired by any Debtor after the execution hereof or to delete any reference to any right, title or interest in any Copyright, Patent, Trademark, and/or other Intellectual Property Collateral in which a Debtor no longer has or claims any right, title or interest;

(ii) the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of any Debtor; and

(iii) upon the occurrence and during the continuance of a Default (as defined in the Intercreditor and Collateral Agency Agreement) or an Event of Default (as defined in the Intercreditor and Collateral Agency Agreement), the endorsement of any Debtor's name on all applications, documents, papers and instruments as is necessary for the Collateral Agent to use the Intellectual Property Collateral, or to grant or issue any exclusive or non-exclusive license under the Intellectual Property Collateral to any third person, or necessary for the Collateral Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral, including the goodwill associated therewith, to Collateral Agent or any third person.

(c) This power of attorney, being coupled with an interest, shall be irrevocable for the life of this IP Agreement, provided that the exercise of such power of attorney by the Collateral Agent shall be upon the occurrence and during the continuance of a Default or an Event of Default or at any time for the purpose of protecting or preserving the security interest of the Collateral Agent and the Secured Parties in the Intellectual Property Collateral.

Section 9. Remedies.

(a) Upon the occurrence and during the continuance of a Default or an Event of Default and after notice from Collateral Agent that any Debtor's rights to use the Intellectual Property are terminated, such Debtor's rights to use the Intellectual Property Collateral shall terminate forthwith and Collateral Agent shall have the right to exercise all the remedies of a secured party under the Uniform Commercial Code and any applicable federal law,

including without limitation the right to require any Debtor to assemble the Intellectual Property Collateral and any tangible property in which Collateral Agent has a security interest and to make it available to Collateral Agent at a place designated by Collateral Agent. Collateral Agent shall have a nonexclusive, royalty-free license to use the Copyright, Patent, Trademark, and other Intellectual Property Collateral to permit Collateral Agent to exercise its rights and remedies upon the occurrence and during the continuance of a Default or an Event of Default. Debtors will pay any expenses (including attorneys' fees) incurred by Collateral Agent in connection with the exercise of Collateral Agent's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property Collateral. All of Collateral Agent's rights and remedies with respect to the Intellectual Property Collateral shall be cumulative.

(b) Upon the occurrence and during the continuance of a Default or an Event of Default, without limiting the generality of the foregoing, the Collateral Agent may immediately, without demand of performance and without advertisement, require any Debtor to assign of record the Intellectual Property Collateral to Collateral Agent (or its assignees), and/or beneficially sell at public or private sale or otherwise realize upon the whole, or from time to time any part, of the Intellectual Property Collateral and the goodwill associated therewith or any interest which any Debtor has therein, and after deducting from the proceeds of said sale or other disposition of the Intellectual Property Collateral all expenses (including all expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Liabilities in accordance with the provisions of the Intercreditor and Collateral Agency Agreement. Prior notice of any sale or other disposition of the Intellectual Property Collateral need not be given to any Debtor unless otherwise required by law (and if notice is required by law, it shall be given five (5) Business Days before the time of any intended public or private sale or other disposition of the Intellectual Property Collateral is to be made, which each Debtor hereby agrees shall be reasonable notice of such sale or other disposition). At any such sale or other disposition, the Collateral Agent (or any successor or assignee of the Collateral Agent) may, to the extent permissible under applicable law, purchase the whole or any part of or interest in the Intellectual Property Collateral sold, free from any right of redemption on the part of any Debtor, which right is hereby waived and released.

Section 10. Conduct of Business After Default or Event of Default. The parties understand and agree that the collateral assignment with respect to the Intellectual Property Collateral as provided for in this IP Agreement will and is intended to permit the Collateral Agent and its successors and assigns, for the benefit of the Secured Parties, upon the occurrence and continuance of a Default or an Event of Default, to take title to and make use of all rights to the Intellectual Property Collateral and to carry on the business of Debtors.

Section 11. Deficiency. If proceeds referred to in Section 9(b) above are insufficient to pay the Liabilities in full in cash, Debtors and each other Obligor shall, jointly and severally, continue to be liable for the entire deficiency.

Section 12. Indemnity.

(a) Each Debtor agrees to defend, indemnify and hold harmless Collateral Agent, each Secured Party and their respective successors and assigns, directors, officers,

employees, and agents from and against: (i) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this IP Agreement, including without limitation, the assignment of the Intellectual Property Collateral, the use of the Intellectual Property Collateral, the alleged infringement by the Collateral Agent of the intellectual property rights of others, any infringement action or other claim relating to the Intellectual Property Collateral or enforcement of the terms hereof (all of which shall collectively be called the "Transactions"), and (ii) all losses or expenses in any way suffered, incurred, or paid by Collateral Agent or any Secured Party as a result of the Transactions under this IP Agreement or any of the other Credit Documents (including without limitation, reasonable attorneys' fees and expenses), except to the extent that any of the foregoing directly result from the gross negligence or willful misconduct of the party seeking indemnification therefor.

(b) Each Debtor also agrees to defend, indemnify and hold harmless Collateral Agent, each Secured Party and their respective successors and assigns, directors, officers, employees, and agents, on demand, from and against any and all losses, claims, obligations, damages, fees, costs, liabilities, expenses or disbursements of any kind and nature whatsoever (including but not limited to reasonable fees and disbursements of counsel, interest, penalties, and amounts paid in settlement) incurred by the Collateral Agent, any Secured Party and their respective successors and assigns in connection with the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Intellectual Property Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Intellectual Property Collateral, except to the extent that any of the foregoing directly result from the gross negligence or willful misconduct of the party seeking indemnification therefor.

Section 13. Release of Security Interest.

(a) Certain Releases of Collateral by the Collateral Agent. Reference is hereby made to the Intercreditor and Collateral Agency Agreement which contains provisions pursuant to which the Secured Parties have appointed and authorized the Collateral Agent to take certain actions on behalf of the Secured Parties in connection with releases of Collateral to the extent permitted by and provided for under the Credit Agreement and the Note Purchase Agreement in accordance with the terms and conditions set forth therein.

(b) Release Upon Payment in Full of the Liabilities and Termination of the Credit Documents. At such time as Debtors shall completely and finally satisfy all of the Liabilities secured hereunder in full in cash, and there shall exist no continuing liability of Debtors with respect to the Liabilities secured hereunder, and the Aggregate Commitment under the Credit Agreement, the Private Placement Notes and the Facility under the Note Purchase Agreement each shall have been irrevocably terminated, then upon the written request of Debtors, Collateral Agent shall release its security interest in the Intellectual Property Collateral and execute and deliver to Debtors all UCC-3 termination statements or other instruments evidencing such release as may be reasonably requested by Debtors.

Section 14. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver

thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 15. Successors and Assigns. This IP Agreement shall be binding upon and shall inure to the benefit of the successors or assigns of the Debtors, the Collateral Agent and the Secured Parties and shall constitute a continuing agreement, applying to all future as well as existing transactions between the Debtors, the Collateral Agent and the Secured Parties, or their successors and assigns.

Section 16. Amendments. This IP Agreement may be amended only by a written instrument signed by all parties hereto, except as specifically provided under Section 8 hereof.

Section 17. Counterparts. This IP Agreement may be executed in two or more counterparts, and each party may sign on a separate counterpart, each of which shall be deemed an original but all of which together shall constitute the same instrument.

Section 18. Law and Jurisdiction. This IP Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to conflicts of law principles.

Section 19. Confidentiality. In handling any confidential information, Collateral Agent shall exercise the same degree of care that it exercises with respect to its own proprietary information to maintain the confidentiality of any non-public information thereby received or received pursuant to this IP Agreement, except that the disclosure of this information may be made (a) as required by law, regulation, rule or order, subpoena, judicial order or similar order, (b) to any Secured Party, and (c) provided that the recipient has entered into a comparable confidentiality agreement in favor of Debtors and has delivered a copy, (i) to any Debtor, (ii) to the affiliates of the Collateral Agent, (iii) to prospective transferees or purchasers of or participants in an interest in the Liabilities secured hereby, and (iv) as may be required in connection with the examination, audit or similar investigation of Collateral Agent.

Section 20. Interpretation with Other Documents. Notwithstanding anything in this IP Agreement to the contrary, in the event of a conflict or inconsistency between the IP Agreement, the Credit Agreement and the Note Purchase Agreement, the provisions of the Intercreditor and Collateral Agency Agreement shall govern with respect to matters expressly set forth therein.

Section 21. Waiver of Jury Trial. EACH DEBTOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS, OBLIGATIONS OR LIABILITIES HEREUNDER OR THE PERFORMANCE OR ENFORCEMENT OF ANY SUCH RIGHTS, OBLIGATIONS OR LIABILITIES. Except as prohibited by law, each Debtor 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 Debtor (i) certifies that neither the Collateral Agent, nor any Secured Party, nor any representative, agent or attorney of any of them has

represented, expressly or otherwise, that the Collateral Agent or any Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Agreement and (ii) acknowledges that, in entering into the Credit Documents, the Collateral Agent and each Secured Party is relying upon, among other things, the waivers and certifications contained in this Section 21. .

Section 22. Severability. The provisions of this IP Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause of provision in any other jurisdiction, or any other clause or provision of this IP Agreement in any jurisdiction.

Section 23. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Intercreditor and Collateral Agency Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this IP Agreement on the day and year first above written.

WITNESS:

KWIK TRIP, INC.,
as a Debtor

By: Tom Reinhart
Name: TOM REINHART
Title: General Counsel

By: Donald P. Zietlow
Name: Donald P. Zietlow
Title: President

WITNESS:

CONVENIENCE STORE INVESTMENTS,
as a Debtor

By: Tom Reinhart
Name: Tom Reinhart
Title: General Counsel

By: Convenience Store Investments, Inc., its
Sole General Partner

By: Ed Strahs
Name: Ed Strahs
Title: President

WITNESS:

HRZ,
as a Debtor

By: Tom Reinhart
Name: Tom Reinhart
Title: General Counsel

By: Donald P. Zietlow
Name: Donald P. Zietlow
Title: Managing Partner

WITNESS:

ZRH,
as a Debtor

By: Tom Reinhart
Name: Tom Reinhart
Title: General Counsel

By: Steven D. Zietlow
Name: Steven D. Zietlow
Title: Managing Partner

WITNESS:

CONVENIENCE TRANSPORTATION, LLC,
as a Debtor

By: Tom Reinhart
Name: Tom Reinhart
Title: General Counsel

By: Warren Nedegaard
Name: Warren Nedegaard
Title: Manager

[Executions continue on next page.]

WITNESS:

By: Tom Reinhart
Name: Tom Reinhart
Title: General Counsel

DOTEL, LTD.,
as a Debtor

By: Donald P. Zietlow
Name: Donald P. Zietlow
Title: President

WITNESS:

By: Tom Reinhart
Name: Tom Reinhart
Title: General Counsel

SHIFTAR BROS., INC.,
as a Debtor

By: Donald P. Zietlow
Name: Donald P. Zietlow
Title: President

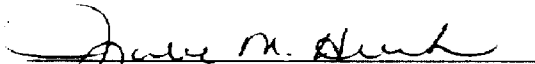
Acknowledged:
WACHOVIA BANK, NATIONAL
ASSOCIATION, as Collateral Agent

By: *Irene Rosen Marks*
Name: Irene Rosen Marks
Title: Director

STATE OF WISCONSIN)
) ss.
COUNTY OF LA CROSSE)

On this 23rd day of May, 2002, before me Donald P. Zietlow who acknowledged himself to be the President of Kwik Trip, Inc., a Wisconsin corporation, and that as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

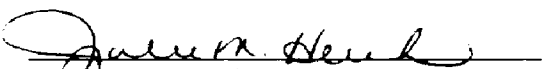
In witness whereof, I hereunto set my hand and official seal.


Julie M. Herrick
La Crosse County, Wisconsin
My commission expires 10/23/05

STATE OF WISCONSIN)
) ss.
COUNTY OF LA CROSSE)

On this 23rd day of May, 2002, before me Donald P. Zietlow who acknowledged himself to be the Managing Partner of HRZ, a Wisconsin general partnership, and that as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the partnership by himself as Managing Partner.

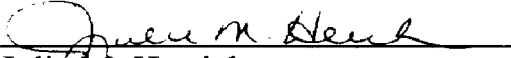
In witness whereof, I hereunto set my hand and official seal.


Julie M. Herrick
La Crosse County, Wisconsin
My commission expires 10/23/05

STATE OF WISCONSIN)
) ss.
COUNTY OF LA CROSSE)

On this 23rd day of May, 2002, before me Steven D. Zietlow, who acknowledged himself to be the Managing Partner of ZRH, a Wisconsin general partnership, and that as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the company by himself as Managing Partner.

In witness whereof, I hereunto set my hand and official seal.


Julie M. Herrick
La Crosse County, Wisconsin
My commission expires 10/23/05

STATE OF WISCONSIN)
) ss.
COUNTY OF LA CROSSE)

On this 23rd day of May, 2002, before me Donald P. Zietlow who acknowledged himself to be the President of Shiftar Bros., Inc., a Wisconsin corporation, and that as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

In witness whereof, I hereunto set my hand and official seal.

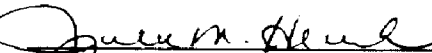

Julie M. Herrick
La Crosse County, Wisconsin
My commission expires 10/23/05

EXHIBIT A

SOFTWARE

DESCRIPTION OF SOFTWARE COLLATERAL

Agreement dated November 11, 1999 with Lawson*

Agreement dated May 14, 1999 with PDI*

Agreement dated May 1, 1999 with Silvon*

Agreement dated September 1, 1998 with Pinnacle*

Internally developed business application software

*Software license agreement may not be assigned without licensor consent.

EXHIBIT B

COPYRIGHT COLLATERAL

<u>COPYRIGHT DESCRIPTION</u>	<u>DATE OF CREATION</u>	<u>FIRST DATE OF PUBLICATION</u>	<u>REGISTRATION NUMBER AND COUNTRY OF REGISTRATION</u>	<u>ORIGINAL AUTHOR OR OWNER OF COPYRIGHT (IF DIFFERENT FROM DEBTOR)</u>	<u>DATE AND RECORDATION NUMBER OF IP AGREEMENT FROM OWNER TO DEBTOR (IF ORIGINAL AUTHOR OR OWNER OF COPYRIGHT IS DIFFERENT FROM DEBTOR)</u>
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None on the date of this IP Agreement.

EXHIBIT C

PATENT COLLATERAL

PATENT DESCRIPTION	DOCKET NO.	COUNTRY	SERIAL NO.	FILING DATE	STATUS
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None on the date of this IP Agreement.

EXHIBIT D

TRADEMARK COLLATERAL

<u>Trademark Description</u>	<u>Country/ State</u>	<u>Serial/Reg. No.</u>	<u>Filing/ Reg. Date</u>	<u>Status</u>
KWIK STAR and Design	US	1,962,292	3/12/96	Registered
COUNTRY SELECT	US	2,021,386	12/3/96	Registered
URGE	US	2,064,924	5/27/97	Registered
HEARTY PLATTER	US	2,043,841	3/11/97	Registered
KWIK SPIRITS and Design	US	2,055,329	4/22/97	Registered
CHIPPO	US	2,075,567	7/1/97	Registered
KWIK CARD	US	2,119,124	12/9/97	Registered
KWIK TEA	US	2,133,831	2/3/98	Registered
KARUBA	US	2,077,426	7/8/97	Registered
FIRE STAR and Design	US	2,073,909	6/24/97	Registered
KWIK-ADE	US	2,073,965	6/24/97	Registered
THE KWIKERY and Design	US	2,075,771	7/1/97	Registered
THE KWIKERY	US	1,881,649	2/28/95	Registered
URGE!	US	2,094,852	9/9/97	Registered
NATURE'S TOUCH	US	2,526,366	1/8/02	Registered
KWIK KOOLER	US	2,101,343	9/30/97	Registered
Miscellaneous Design	US	2,105,406	10/14/97	Registered
DR. URGE	US	2,164,745	6/9/98	Registered
CONVENIENCE TRANSPORTATION, L.L.C.	US	2,400,721	10/31/00	Registered
KWIK QUENCHER	US	2,306,261	1/4/00	Registered
PRO-FLAME	US	2,474,197	7/31/02	Registered
COOL! BUDDY'S and Design	US	75/034,303	12/4/95	Pending
BIG BUDDY and Design	US	75/139,712	7/25/96	Pending
BEST BUDDY and Design	US	75/139,700	7/25/96	Pending
MEGA BUDDY and Design	US	75/161,063	9/3/96	Pending
LITTLE BUDDY and Design	US	75/139,710	7/25/96	Pending
MILK WORKS	US	75/874,526	12/17/99	Pending
KWIKITO	US	76/188,631	1/2/01	Pending

OTHER TRADEMARK COLLATERAL

Common Law Trademarks

Internet Domain Names

"www.kwiktrip.com"

ATTACHMENT A

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

Intellectual Property Security Agreement between
Kwik Trip, Inc, HRZ, ZRH, Convenience Store Investments, Convenience Transportation, LLC, Dotel,
Ltd., Shiftar Bros., Inc. and Wachovia Bank, National Association dated May 24, 2002

Additional names of conveying parties:

HRZ (Wisconsin general partnership)
1626 Oak Street
La Crosse, WI 54603

ZRH (Wisconsin general partnership)
1626 Oak Street
La Crosse, WI 54603

Convenience Store Investments (Wisconsin limited partnership)
1626 Oak Street
La Crosse, WI 54603

Convenience Transportation, LLC (Wisconsin limited liability company)
1626 Oak Street
La Crosse, WI 54603

Dotel, Ltd. (Wisconsin corporation)
1626 Oak Street
La Crosse, WI 54603

Shiftar Bros., Inc. (Wisconsin corporation)
1626 Oak Street
La Crosse, WI 54603

ATTACHMENT B**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

Intellectual Property Security Agreement between
Kwik Trip, Inc, HRZ, ZRH, Convenience Store Investments, Convenience Transportation, LLC, Motel,
Ltd., Shiftar Bros., Inc. and Wachovia Bank, National Association dated May 24, 2002

<u>Trademark Description</u>	<u>Country/ State</u>	<u>Serial/Reg. No.</u>	<u>Filing/ Reg. Date</u>	<u>Status</u>
KWIK STAR and Design	US	1,962,292	3/12/96	Registered
COUNTRY SELECT	US	2,021,386	12/3/96	Registered
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MILK WORKS	US	75/874,526	12/17/99	Pending
KWIKITO	US	76/188,631	1/2/01	Pending