

03-12-2004
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Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)

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

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

1. Name of conveying party(ies): 3-8-04
Bob's Discount Furniture, Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State - Connecticut
 Other _____
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Fleet National Bank
Internal Address: _____
Address: _____
Street Address: 777 Main Street, CTEH40224B
City: Hartford State: CT Zip: 06115
 Individual(s) citizenship _____
 Association National Banking Association
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other _____
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: December 22, 2003

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s) 2023414
Additional number(s) attached Yes No

6. Total number of applications and registrations involved:

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Alaine C. Doolan
Internal Address: _____
Street Address: Robinson & Cole LLP
280 Trumbull Street
City: Hartford State: CT Zip: 06103

7. Total fee (37 CFR 3.41) \$40.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number: _____
18-1685
(Attach duplicate copy of this page if paying by deposit account)

DPFR/FINANCE
MAR 8 11 7:08 AM

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.
Alaine C. Doolan *Alaine Doolan* March 8, 2004
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document:

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

03/11/2004 MSETACHE 00000006 2023414

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TRADEMARK
REEL: 002925 FRAME: 0187

AMENDED AND RESTATED
INTELLECTUAL PROPERTY SECURITY AGREEMENT

This AMENDED AND RESTATED INTELLECTUAL PROPERTY SECURITY AGREEMENT ("**Agreement**"), dated as of December 22, 2003, is entered into between **BOB'S DISCOUNT FURNITURE, INC.**, a Connecticut corporation ("**Debtor**") and **FLEET NATIONAL BANK**, a national banking association ("**Lender**"), in light of the following:

A. Debtor and Lender have entered into a certain Amended and Restated Credit Agreement dated December 23, 2003 (as the same may be amended, supplemented, modified or replaced from time to time, the "**Credit Agreement**") pursuant to which the Lender has extended to the Debtor various loans (collectively, the "**Loans**") which are secured by liens on all assets of the Debtor including, without limitation, all patents, trademarks and other intellectual property of the Debtor; and

B. Debtor has also guaranteed the obligations of various of its affiliates to the Lender pursuant to certain guaranty agreements (collectively, the "**Guaranty Agreements**"); and

C. The obligations of the Debtor to the Lender under the various Guaranty Agreements have been secured by liens on all of the assets of the Debtor, including, without limitation, all patents, trademarks and other intellectual property pursuant to various security agreements between the Lender and the Debtor (collectively, the "**Security Agreements**" and together with the Credit Agreement, the Guaranty Agreements and all instruments, documents and agreements contemplated thereby or related thereto the "**Loan Documents**"); and

D. Debtor is the owner of certain intellectual property, identified below, in which Debtor has granted to Lender a security interest pursuant to the Loan Documents; and

E. Without in any way limiting the generality of the liens and other rights and remedies granted to or available to the Lender under any of the Loan Documents, the Debtor desires to enter into this Agreement with respect to the intellectual property of the Debtor which serves as collateral for the Loans.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. The following terms, as used in this Agreement, have the following meanings:

"Code" means the Connecticut Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means:

(i) Each of the trademarks and rights and interests which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) All of Debtor's right to the trademarks and trademark registrations listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time;

(iii) All of Debtor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Debtor or in the name of Lender for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(iv) All general intangibles relating to the foregoing; and

(v) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

"Obligations" means all obligations, liabilities, and indebtedness of Debtor to Lender, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Credit Agreement, any other of the Loan Documents, or otherwise, including all costs and expenses described in Section 11.8 hereof.

1.2 Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein" "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Credit Agreement. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender or Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Debtor, Lender, and their respective counsel, and shall be construed and interpreted according to the

ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Lender and Debtor.

2. GRANT OF SECURITY INTEREST.

Debtor hereby grants to Lender a first-priority security interest in all of Debtor's right, title, and interest in and to the Collateral to secure the Obligations.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS. Debtor hereby represents, warrants, and covenants that:

3.1 **Trademarks.** A true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Debtor or licensed to Debtor, or in which Debtor has an interest together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

3.2 **Enforceability.** To the best of Debtor's knowledge, each of the trademarks is valid and enforceable, and, except as set forth on Schedule B, Debtor is not presently aware of any past, present, or prospective claim by any third party that any of the trademarks are invalid or unenforceable, or that the use of any trademarks violates the rights of any third person, or of any basis for any such claims;

3.3 **Title.** To the best of Debtor's knowledge, Debtor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances (other than Lender's existing security interests), including pledges, assignments, licenses, shop rights, and covenants by Debtor not to sue third persons;

3.4 **Notice.** Debtor has used and will continue to use proper statutory notice in connection with its use of each of the trademarks;

3.5 **Quality.** Debtor has used and will continue to use consistent standards of high quality (which may be consistent with Debtor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks;

3.6 **Perfection of Security Interest.** Except for the filing of a financing statement with the Secretary of State of Connecticut and filings with the United States Patent and Trademark Office necessary to perfect Lender's security interests, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Debtor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Debtor or for the perfection of or the exercise by Lender of its rights hereunder to the Collateral in the United States.

4. AFTER-ACQUIRED TRADEMARK RIGHTS.

If Debtor shall obtain rights to any new trademarks the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Lender with respect to any such new trademarks or renewal or extension of any trademark registration. Debtor shall bear any expenses incurred in connection with future trademark registrations.

5. LITIGATION AND PROCEEDINGS.

Debtor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Debtor shall provide to Lender any information with respect thereto requested by Lender. Lender shall provide at Debtor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Debtor's becoming aware thereof, Debtor shall notify Lender of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Debtor's claim of ownership in any of the trademarks, its right to apply for the same, or its right to keep and maintain such trademark rights.

6. POWER OF ATTORNEY.

Debtor grants Lender power of attorney, having the full authority, and in the place of Debtor and in the name of Debtor, from time to time following an Event of Default in Lender's discretion, to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of this Agreement: to endorse Debtor's name on all applications, documents, papers, and instruments necessary for Lender to use or maintain the Collateral; to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; to file any claims or take any action or institute any proceedings that Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Lender's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

7. RIGHT TO INSPECT.

Debtor grants to Lender and its employees and agents the right to visit Debtor's plants and facilities which 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.

8. EVENTS OF DEFAULT.

Any of the following events shall be an Event of Default:

8.1 Credit Agreement. An event of default (howsoever defined) shall occur under the Credit Agreement or any of the other Loan Documents;

8.2 Misrepresentation. Any representation or warranty made herein by Debtor or in any document furnished to Lender by Debtor under this Agreement is incorrect in any material respect when made or when reaffirmed; and

8.3 Breach. Debtor fails to observe or perform any covenant, condition, or agreement to be observed or performed pursuant to the terms hereof which materially and adversely affects Lender.

9. SPECIFIC REMEDIES.

Upon the occurrence of any Event of Default, Lender shall have, in addition to other rights given by law or in this Agreement, the Credit Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code.

9.1 Notification. Lender may notify licensees to make royalty payments on license agreements directly to Lender;

9.2 Sale. Lender may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Lender deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Debtor five (5) days prior to such disposition. Debtor shall be credited with the net proceeds of such sale only when they are actually received by Lender, and Debtor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Lender shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, Lender may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Lender at such sale.

10. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN CONNECTICUT, OR, AT THE SOLE OPTION OF LENDER, IN ANY OTHER COURT

IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. EACH OF DEBTOR AND LENDER WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 10. DEBTOR AND LENDER (BY ITS ENTERING INTO THIS AGREEMENT AND ACCEPTANCE OF THE LOAN DOCUMENTS) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF LENDER RELATING TO THE ADMINISTRATION OF ANY OF THE LOANS OR ENFORCEMENT OF THE LOAN DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, DEBTOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. DEBTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. DEBTOR ACKNOWLEDGES AND STIPULATES THAT THE WAIVERS GRANTED ABOVE ARE MADE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AND AFTER FULL CONSULTATION WITH COUNSEL AND CONSTITUTE A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THE LOAN DOCUMENTS AND MAKE THE LOANS.

11. GENERAL PROVISIONS.

11.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by Debtor and Lender.

11.2 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Debtor may not assign this Agreement or any rights or duties hereunder without Lender's prior written consent and any prohibited assignment shall be absolutely void. Lender may assign this Agreement and its rights and duties hereunder and no consent or approval by Debtor is required in connection with any such assignment.

11.3 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

11.4 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender or Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

11.5 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

11.6 Amendments in Writing. This Agreement can only be amended by a writing signed by both Lender and Debtor.

11.7 Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver a manually executed counterpart of this Agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

11.8 Fees and Expenses. Debtor shall pay to Lender on demand all costs and expenses that the Lender pays or incurs in connection with the negotiation, preparation, Consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Lender; (b) costs and expenses (including reasonable attorneys' and paralegals, fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Debtor under this Agreement that Debtor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the Lender arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Debtor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

11.9 Notices. Except as otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the provisions of the Credit Agreement.

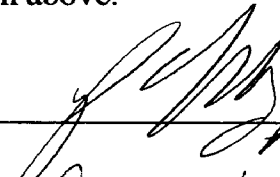
11.10 Termination By Lender. After termination of the Credit Agreement and when Lender has received payment and performance, in full, of all Obligations, Lender shall execute and deliver to Debtor a termination of all of the security interests granted by Debtor hereunder.

11.11 Integration. This Agreement, together with the other Loan Documents, reflect the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date of the Credit Agreement.

11.12 Amendment and Restatement. This Agreement amends, restates, supersedes and replaces in its entirety that certain Intellectual Property Security Agreement dated as of September 6, 2000 by Debtor in favor of Lender.

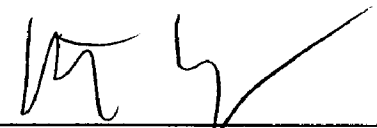
[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

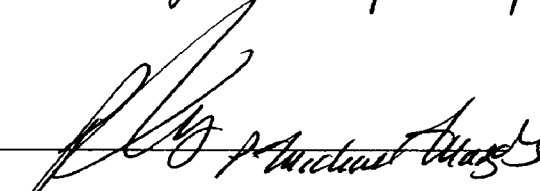


Cathryn A. Reynolds
Cathryn A. Reynolds


BOB'S DISCOUNT FURNITURE, INC.

By 

Name: Robert Kaufman
Title: President



Cathryn A. Reynolds
Cathryn A. Reynolds

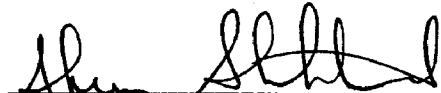
FLEET NATIONAL BANK,
By 

Name: Timothy Curtin
Title: Senior Vice President

STATE OF CONNECTICUT)
)
):ss Hartford
COUNTY OF HARTFORD)

The foregoing instrument was acknowledged before me this 22nd day of December, 2003, by Robert Kaufman, President of Bob's Discount Furniture, Inc., as his act and deed, and the free act and deed of said corporation.

SHERRY STRICKLAND
NOTARY PUBLIC
MY COMMISSION EXPIRES FEB. 28, 2007

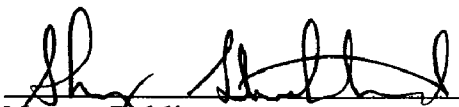


Notary Public
My commission expires

STATE OF CONNECTICUT)
)
):ss Hartford
COUNTY OF HARTFORD)

The foregoing instrument was acknowledged before me this 22nd day of December, 2003, by Timothy Curtin, a Senior Vice President of Fleet National Bank as his act and deed, and the free act and deed of said banking association.

SHERRY STRICKLAND
NOTARY PUBLIC
MY COMMISSION EXPIRES FEB. 28, 2007



Notary Public
My commission expires:

Schedule A

List of Trademarks

U.S. Registered Trademarks and Applications for Registration:

| <u>Trademark or Service Mark</u> | <u>Registration or Serial No.</u> | <u>Registration Date or Date of Filing</u> |
|----------------------------------|-----------------------------------|--|
| BOB'S DISCOUNT FURNITURE | Serial No. 2023414 | 12/17/96 |

Schedule B

NONE