

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
PHILLIPS FOODS, INC.	09/29/2010
RECEIVING PARTY DATA	
Name:	SUNTRUST BANK, as Lender
Street Address:	303 Peachtree Street
Internal Address:	Twenty Third Floor
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30308
PROPERTY NUMBERS Total: 2	
Property Type	Number
Application Number:	12144798
Patent Number:	7390248
CORRESPONDENCE DATA	
Fax Number:	(404)815-2424
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	404-815-2231
Email:	carolfraser@paulhastings.com
Correspondent Name:	Carol Fraser, Corporate Paralegal
Address Line 1:	600 Peachtree Street, NE, Suite 2400
Address Line 2:	Paul, Hastings, Janofsky & Walker
Address Line 4:	Atlanta, GEORGIA 30308
NAME OF SUBMITTER:	Carol Fraser
Total Attachments: 6 source=Patent Security Agreement - Phillips#page1.tif source=Patent Security Agreement - Phillips#page2.tif source=Patent Security Agreement - Phillips#page3.tif	

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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made as of this 29th day of September, 2010, among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and SUNTRUST BANK, in its capacity as lender pursuant to the Credit Agreement referred to below (together with its successors and assigns, "the Lender").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement, dated as of September 29th, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Phillips Foods, Inc., a Maryland corporation (the "Administrative Borrower"), certain Subsidiaries of the Administrative Borrower party thereto from time to time as borrowers (each, individually, a "Borrower" and, collectively, the "Borrowers"), the Persons party thereto from time to time as Guarantors, if any, and the Lender, the Lender is willing to make certain financial accommodations available to the Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, the Lender is willing to make the financial accommodations to the Borrowers as provided for in the Credit Agreement, but only upon the condition, among others, that Grantors shall have executed and delivered to the Lender, that certain Security Agreement, dated as of September 29th, 2010 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to the Lender this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Credit Agreement.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Each Grantor hereby grants to the Lender a continuing first priority security interest in all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):

(a) all of its Patents and Patent Intellectual Property Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all reissues, continuations or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including any claim by such Grantor against third parties for past, present or future infringement or dilution of any Patent or any Patent licensed under any Intellectual Property License.

3. SECURITY FOR OBLIGATIONS. This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of all the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Patent Security Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by Grantors, or any of them, to the Lender, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor.

4. SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to the Lender, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of the Lender with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Patent Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to the Lender with respect to any such new patent rights. Without limiting Grantors' obligations under this Section 5, Grantors hereby authorize the Lender unilaterally to modify this Agreement by amending Schedule I to include any such new patent rights of Grantors. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from the Lender's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Patent Security Agreement or any other Loan Document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or other electronic transmission shall be deemed an original signature hereto.

7. CONSTRUCTION. Unless the context of this Patent Security Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Patent Security Agreement or any other Loan Document refer to this Patent Security Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Patent Security Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Patent

Security Agreement unless otherwise specified. Any reference in this Patent Security Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). Any reference herein or in any other Loan Document to the satisfaction or repayment in full of the Obligations shall mean the repayment in full in cash (or cash collateralization in accordance with the terms hereof) of all Obligations other than unasserted contingent indemnification Obligations. Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein or in any other Loan Document shall be satisfied by the transmission of a Record and any Record so transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

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IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GRANTORS:

PHILLIPS FOODS, INC.

By: 

Name: Dean E. Flowers

Title: Executive Vice President and Chief
Financial Officer

**ACCEPTED AND ACKNOWLEDGED
BY:**

SUNTRUST BANK, as the Lender

By: _____

Name:

Title:

PATENT SECURITY AGREEMENT

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IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

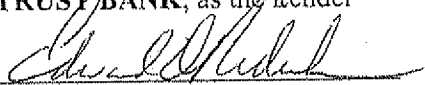
GRANTORS:

PHILLIPS FOODS, INC.

By: _____
Name: Dean E. Flowers
Title: Executive Vice President and Chief
Financial Officer

**ACCEPTED AND ACKNOWLEDGED
BY:**

SUNTRUST BANK, as the Lender

By: 
Name: Edward D. Ridenhour
Title: Managing Director

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**PATENT
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SCHEDULE I
to
PATENT SECURITY AGREEMENT

PATENT REGISTRATIONS

Grantor	Country	Patent	Registration No.	Registration Date
Phillips Foods, Inc.	U.S.A.	Method for manufacturing formed lumps of meat.	Patent No. US 7,390,248 B2	6/24/2008
Phillips Foods, Inc.	U.S.A.	Method for Manufacturing Formed Lumps of Shellfish Meat	12144798 (application number)	6/24/2008 (application number)

Patent Licenses

1. Intellectual Property License Agreement between Phillips Foods, Inc. and Phillips (International) Hong Kong Limited, effective October 1, 2005 and Amendment to Intellectual Property License Agreement between Phillips Foods, Inc. and Phillips (International) Hong Kong Limited, effective January 1, 2009.