

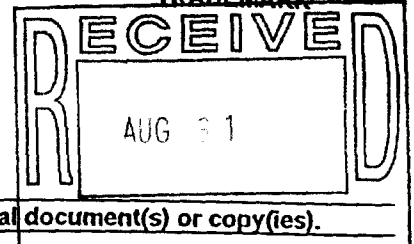
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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY



TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger Effective Date
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
06 01 98

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

65E

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

09/10/1998 DMSUYEN 00000164 1782026

FOR OFFICE USE ONLY

01 FC:401
02 FC:402

40.00 OP
25.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 1786 FRAME: 0309

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

| Trademark Application Number(s) | | | Registration Number(s) | | |
|---------------------------------|----------------------|----------------------|--------------------------------------|--------------------------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="1782826"/> | <input type="text" value="2032220"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account
(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Janet E. Witt
Name of Person Signing

Janet E. Witt
Signature

8/25/98
Date Signed

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

dated as of June 1, 1998 executed and delivered by MARK-LYNN FOODS, INC., a Georgia corporation (the "Borrower") in favor of NATIONSBANK, N.A. (the "Secured Party") pursuant to that certain Credit, Reimbursement and Security Agreement of even date herewith (the "Credit Agreement") by and between the Borrower and the Secured Party.

WHEREAS, the Secured Party proposes to extend certain loans and other financial accommodations to the Borrower;

WHEREAS, to secure the obligations of the Borrower under such financial accommodations extended to the Borrower, the Borrower desires to collaterally assign, and grant a security interest in, certain trademarks, trademark applications and other rights associated therewith; and

WHEREAS, it is a condition precedent to the Secured Party's extension of such financial accommodations that the Borrower execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby agrees as follows:

Section 1. Security Interest In Trademarks. (a) To secure the prompt and complete payment, observance and performance of all of the Secured Obligations (as defined in paragraph (b) below), the Borrower hereby collaterally assigns to the Secured Party, and grants to the Secured Party, a security interest in, with power of sale to the extent permitted by Applicable Law, all of the Borrower's now owned or existing and hereafter acquired or arising:

(i) trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, including without limitation, the registered trademarks and applications listed on Schedule I attached hereto and made a part hereof, and (1) all renewals thereof, (2) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (3) the right to sue for past, present and future infringements and dilutions thereof, and (4) all of the Borrower's rights corresponding thereto throughout the world; and

(ii) the goodwill of the Borrower's business connected with and symbolized by the Trademark Collateral.

(iii) all books and records relating to any of the foregoing and all products and proceeds relating to any of the foregoing (all of the foregoing hereinafter collectively referred to as the "Trademark Collateral").

(b) **Secured Obligations**. As used herein, the term "Secured Obligations" shall have the meaning set forth in the Credit Agreement, as the same may be supplemented, amended or modified from time to time. Further, terms used herein and not defined herein have their respective defined meanings as set forth in the Credit Agreement.

(c) **License to Use Trademark**. During the term of this Agreement, the Secured Party hereby grants to the Borrower an exclusive, license to use the Trademark Collateral in the ordinary course of the business of the Borrower in a manner consistent with past practice. However, upon the occurrence of an Event of Default (as defined below), the license granted by the Secured Party to the Borrower to use the Trademark Collateral pursuant to this paragraph (c) shall immediately and automatically terminate without notice and the Borrower shall have no right to use the Trademark Collateral without the prior written consent of the Secured Party.

(d) **First Priority Lien**. It is the intent of the Borrower that this Agreement create a valid first priority security interest in, and collateral assignment of, the Trademark Collateral.

Section 2. Restrictions on Future Agreements. The Borrower shall not, without the Secured Party's prior written consent, enter into any agreement, including, without limitation, any license or royalty agreement, which purports to transfer or assign any interest in the Trademark Collateral to any other person other than in the ordinary course of business and consistent with past practices. Further, the Borrower shall not, without the Secured Party's prior written consent (which may be withheld in its sole and absolute discretion), grant to any Person any exclusive license or exclusive right to use or enjoy any Trademark Collateral. The Borrower will not take any action or fail to take any action, and will use its best efforts to prevent any action by other persons subject to its control which would adversely affect the validity or enforceability of the rights transferred to the Secured Party under this Agreement or the rights associated with any of the Trademark Collateral.

Section 3. New Trademark Collateral. The Borrower represents and warrants that Schedule I sets forth all of the trademarks and trademark applications of the Borrower. If, prior to the termination of this Agreement, the Borrower shall obtain rights to any new or other trademarks and trademark applications (or other Trademark Collateral associated therewith), the Borrower shall promptly so notify the Secured Party in writing. Upon such occurrence, the Borrower shall, at the request of the Secured Party, execute and deliver any and all agreements, instruments, documents, and papers as the Secured Party may request to evidence Secured Party's interest in such new, additional Trademark Collateral and general intangibles of the Borrower relating thereto or represented thereby, and the Borrower hereby appoints the Secured Party its attorney-in-fact to execute and file on behalf of the Borrower all such writings for the foregoing purposes. All such acts of the Secured Party are hereby ratified and confirmed; such power of attorney being coupled with an interest and is irrevocable until the Secured Obligations are indefeasibly paid in full and the Operative Documents have terminated. In this connection, the Borrower hereby authorizes the Secured Party to unilaterally file a new trademark security agreement containing the same terms and conditions as this Agreement to include such new or other Trademark Collateral on Schedule I.

Section 4. Representations. The Borrower represents and warrants to the Secured Party that:

(a) No trademark or trademark application constituting part of the Trademark Collateral has been adjudged invalid or unenforceable;

(b) The Trademark Collateral (other than any trademark application) is (and, to the knowledge of the Borrower, any trademark application of the Borrower, is valid and enforceable and no claim has been made that the use of any of the Trademark Collateral infringes upon the rights of any person;

(c) The Borrower is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to all of the Trademark Collateral of the Borrower, free and clear of any liens other than the Permitted Liens set forth in the Credit Agreement and as set forth in Schedule II hereof; and

(d) Schedule II hereof also sets forth all license and royalty arrangements with respect to any Trademark Collateral. However, no item set forth on Schedule II hereof prohibits the Borrower from granting a security interest in the Trademark Collateral.

Section 5. Royalties. The Secured Party's interest in the Trademark Collateral as granted and authorized by the Borrower hereunder shall be coextensive with the Borrower's interest in the Trademark Collateral and shall not create any liability for the payment of royalties or other charges from the Secured Party to the Borrower.

Section 6. Right to Inspect; Further Assignments and Security Interests. The Secured Party shall have the right, at any reasonable time and from time to time, to inspect the Borrower's premises and to examine the Borrower's books, records and operations relating to the Trademark Collateral; provided, however, that in conducting such inspections and examinations, the Secured Party shall use its best efforts to keep all information relating to any Trademark Collateral gleaned in any such inspection or examination confidential and shall not divulge any such information to any Person other than the Secured Party or their officers, directors, employees, professional consultants and other designated agents; provided, further, that (A) the Secured Party may disclose any such confidential information as required by Applicable Law or (B) subject to any bona fide written confidentiality agreement with any Person not an Affiliate of the Borrower to which the Borrower is a party (whether now in existence or hereinafter entered into by the Borrower in the ordinary course of its business), the Secured Party may disclose any such confidential information to any Person in connection with the sale, license or transfer of any Trademark Collateral by the Secured Party after the occurrence and during the continuance of an Event of Default. After the occurrence and during the continuance of an Event of Default, the Borrower agrees that the Secured Party, shall have the right to take any and all actions to preserve the Trademark Collateral and any and all infringements thereon. The obligation of the Secured Party to keep such information confidential as provided herein shall survive the termination of this Agreement.

Section 7. Termination of the Secured Party's Collateral Assignment and Security Interest. This Agreement is made for collateral security purposes only. Upon the indefeasible payment in full of all of the Secured Obligations and termination of all financing arrangements between the Secured Party and the Borrower, this Agreement shall terminate and the Secured Party shall promptly execute and deliver to the Borrower, at the Borrower's expense, all termination statements and other instruments as

may be necessary or proper to terminate the security interest in, and collateral assignment to the Secured Party of, the Trademark Collateral.

Section 8. Additional Obligations of the Borrower. (a) The Borrower shall take all reasonable and necessary action to preserve and maintain all of the Borrower's rights in the Trademark Collateral, including, without limitation, making timely filings with the United States Trademark and Trademark Office for renewals and extensions and diligently monitoring unauthorized use thereof. Any expenses incurred in connection with the foregoing shall be borne by the Borrower.

(b) The Borrower shall notify the Secured Party promptly if the Borrower knows, or has reason to know, that any application or registration relating to any Trademark Collateral may become abandoned or dedicated, or of any material adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Trademark and Trademark Office or any court) regarding the Borrower's ownership of or the Secured Party's interest in, any Trademark Collateral, its right to register the same, or its right to keep and maintain the same.

(c) The Borrower will, after notice to and approval by the Secured Party, by or through counsel reasonably acceptable to the Secured Party, take or cause to be taken all necessary steps and actions, including, without limitation, in any proceeding before the United States Trademark and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain the Trademark Collateral, including, without limitation, filing of applications for renewal and payment of maintenance fees.

(d) If any of the Trademark Collateral is infringed by a third party, the Borrower shall notify the Secured Party promptly after the Borrower learns thereof. At the Secured Party's request, the Borrower shall promptly bring any legitimate claim for infringement and for recovery of any and all damages for such infringement (with counsel reasonably acceptable to the Secured Party if counsel is necessary), or take such other actions as shall be appropriate under the circumstances to protect such Trademark Collateral.

Section 9. The Secured Party's Right to Sue. After the occurrence and during the continuance of an Event of Default, the Secured Party shall have the right, but not the obligation, to bring suit in its own name to enforce any rights pertaining to the Trademark Collateral and, if the Secured Party shall commence any such suit, the Borrower shall, at the request of the Secured Party, cooperate fully to the extent requested by the Secured Party in aid of such enforcement. The Borrower shall, upon demand, promptly reimburse the Secured Party for all reasonable costs and expenses incurred by the Secured Party in the exercise of such enforcement (including, without limitation, the reasonable fees and expenses of attorneys, paralegals, accountants, and other experts).

Section 10. The Secured Party's Exercise of Rights and Remedies upon an Event of Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that, upon the occurrence and during the continuance of an Event of Default, the Secured Party may exercise any of the rights and remedies provided in this Agreement and in any of the Operative Documents. As

used herein, the term "Event of Default" shall mean the occurrence of an Event of Default under any of the Loan Documents.

Section 11. Severability. The provisions of this 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 hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

Section 12. Cumulative Remedies; Power of Attorney. All of the Secured Party's rights and remedies with respect to the Trademark Collateral, whether established hereby, by any other agreements or by Applicable Law, shall be cumulative and may be exercised singularly or concurrently. The Borrower hereby appoints the Secured Party and all Persons designated by the Secured Party, in its sole and absolute discretion, as the Borrower's attorney-in-fact, with full authority in the place and stead of the Borrower and in the name of the Borrower or otherwise, from time to time after the occurrence and during the continuance of an Event of Default, in the Secured Party's discretion, to take any action and to execute any instrument which the Secured Party may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation, (a) endorsement of the Borrower's name on all applications, documents, papers and instruments related to the Trademark Collateral, (b) the grant or issuance of any exclusive or non-exclusive license under any of the Trademark Collateral or (c) the assignment, pledge, conveyance or other disposition of any of the Trademark Collateral. This power of attorney being coupled with an interest, shall be irrevocable for the term of this Agreement and thereafter until all of the Secured Obligations shall have been indefeasibly paid in full and all financing arrangements between, the Secured Party and the Borrower shall have been terminated. The Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Secured Party under the Operative Documents, but rather is intended to facilitate the exercise of such rights and remedies. The Secured Party shall have, in addition to all other rights and remedies given them by the terms of this Agreement, all rights and remedies allowed by Applicable Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which any of the Trademark Collateral may be located or deemed located.

Section 13. Binding Effect; Benefits. This Agreement shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Secured Party and its successors and assigns. The Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for the Borrower. The Borrower shall not voluntarily assign its obligations hereunder.

SECTION 14. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA (WITHOUT REFERENCE TO ITS PRINCIPLES OF CONFLICT OF LAWS).

Section 15. Notices. Unless otherwise provided herein, communications provided for hereunder shall be in writing and shall be mailed, telecopied or delivered, if to the Borrower at the following address: Mark-Lynn Foods, Inc., 420 Sangamore Road, Bremen, Georgia 30110; Attn: Ed

Dickenson, teletype number (770) 537-0613, with a copy to: John T. Wasdin, Esq., 411 Alabama Avenue, Bremen, Georgia 30110, teletype number (770) 537-2123; if to the Secured Party, at its address at NationsBank, N.A., Commercial Banking Center, 3000 Corporate Center Drive, Suite 370, Morrow, Georgia 30260, Attn: David Edwards, teletype number (770) 836-8956, or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and other communications shall be effective (i) if mailed, when received or three business days after mailing, whichever is earlier; (ii) if teletyped, when transmitted; or (iii) if hand delivered, when delivered.

Section 16. The Secured Party's Duty. The Secured Party shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law with respect to the Trademark Collateral except for those arising out of or in connection with the Secured Party's gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Secured Party shall be under no obligation to take any action necessary to preserve rights in the Trademark Collateral against any other persons but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of the Borrower and shall be added to the Secured Obligations secured hereby.

Section 17. Waiver of Notice and Bond. THE BORROWER WAIVES (a) ANY NOTICE PRIOR TO THE TAKING OF POSSESSION OR CONTROL OF ANY OF THE TRADEMARK COLLATERAL OR ANY POSTING OF ANY BOND OR SECURITY WHICH MIGHT BE REQUIRED BY ANY COURT PRIOR TO ALLOWING THE SECURED PARTY TO EXERCISE ANY OF THE SECURED PARTY'S REMEDIES SET FORTH HEREIN, INCLUDING THE ISSUANCE OF AN IMMEDIATE WRIT OF POSSESSION AND (b) THE BENEFIT OF ALL LAWS REQUIRING A VALUATION OR APPRAISAL OF ANY TRADEMARK COLLATERAL BEFORE THE SECURED PARTY MAY EXERCISE ANY RIGHTS OR REMEDIES AGAINST THE TRADEMARK COLLATERAL OR BEFORE SUCH EXERCISE SHALL BE DEEMED TO BE REASONABLE AND ALL LAWS WHICH EXEMPT PROPERTY FROM THE DEFINITION OF TRADEMARK COLLATERAL OR FROM THE EXERCISE BY THE SECURED PARTY OF ITS RIGHTS AND REMEDIES HEREUNDER.

Section 18. Waivers. No course of dealing between the Borrower and the Secured Party, and no failure or delay on the part of the Secured Party to exercise any right, power or privilege hereunder, under the Credit Agreement or any other related document shall operate as a waiver of any of the Secured Party's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder, under the Credit Agreement or under any other document shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 19. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Sections 1 and 3 hereof or by a writing signed by the parties hereto.

Section 20. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

Section 21. Defined Terms. Terms used herein and not defined herein have their respective defined meanings as set forth in the Credit Agreement.

IN WITNESS WHEREOF, the Borrower has duly executed and delivered this Trademark Collateral Assignment and Security Agreement under seal as of the date and year first written above.

ATTEST:

MARK-LYNN FOODS, INC.

By: James F. Pollard
Name: James F. Pollard, Jr
Title: Secy

By: [Signature]
Name: Bob Dickinson
Title: President

[CORPORATE SEAL]

**ACCEPTED AND AGREED TO THIS _____
DAY OF _____, 1998 BY:**

**NATIONSBANK, N.A.,
as Secured Party**

By: _____
Name: _____
Title: _____

Section 21. Defined Terms. Terms used herein and not defined herein have their respective defined meanings as set forth in the Credit Agreement.

IN WITNESS WHEREOF, the Borrower has duly executed and delivered this Trademark Collateral Assignment and Security Agreement under seal as of the date and year first written above.

ATTEST:

MARK-LYNN FOODS, INC.

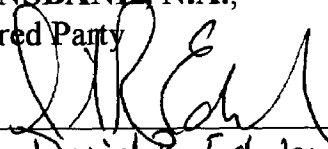
By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[CORPORATE SEAL]

**ACCEPTED AND AGREED TO THIS 30th
DAY OF June, 1998 BY:**

**NATIONSBANK, N.A.,
as Secured Party**

By:  _____
Name: David R. Edwards
Title: Vice President

STATE OF GEORGIA)
) ss
COUNTY OF FULTON)

The foregoing Trademark Collateral Assignment and Security Agreement was executed and acknowledged before me as of June 1, 1998, by Ed Dickinson, personally known to me to be the President of Mark Lynn Foods, Inc., on behalf of such corporation.



Notary Public

My commission expires:

Notary Public, Haralson County, Georgia
My Commission Expires Nov. 2, 2001

(NOTARIAL SEAL)

SCHEDULE I

TRADEMARK COLLATERAL

| <u>Trademarks</u> | <u>Registration or Application #</u> | <u>Registration or Filing Date</u> |
|-------------------|------------------------------------------|----------------------------------------|
| "Flavor Fresh" | Not Registered | |
| "Orange Puff" | Not Registered | |
| "Waikiki Punch" | Not Registered | |
| "Top Tea" | Not Registered | |
| "Heart Smart" | 1,782,826 | July 20, 1993 |
| "Sweet Nothing" | 2,032,220 | January 21, 1997 |
| "Cafe Delight" | Not Registered | |