

05-14-1999

VLY

AUG 24

Tab Settings

To the Honorable Commissioner of

attached original documents or copy thereof.

1. Name of conveying party(ies):

Federal Beef Processors, Inc.

101000491

and address of receiving party(ies)

Name: Heller Financial, Inc., as Agent

Internal Address:

Street Address: 500 W. Monroe St.

City: Chicago State: IL Zip:

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation State
- Other

If assignee is not domiciled in the United States, a domestic 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:

8-24-98

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: 08/14 /98

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See attached Exhibit A

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Meredith A. Parsons

Internal Address: Suite 5800

08/25/1998 BMSIVEN 00000151 1827594

01 FC:481 40.00 OP
02 FC:482 25.00 OP
Latham & Watkins
233 S. Wacker Dr.

Street Address:

City: Chicago State: IL ZIP: 60606

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 3.41) \$ 65

- Enclosed
- Authorized to be charged to deposit

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

65E
NO SPEC
FEE

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.

Meredith A. Parsons

Name of Person Signing

Meredith A. Parsons

Signature

08/20/98

Date

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

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

<u>Mark</u>	Registration or Application <u>Date</u>	<u>Number</u>
Stars and Stripes	03/22/94	1,827,594
R. Rushmore	03/12/74	980470

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of August 14, 1998, by FEDERAL BEEF PROCESSORS, INC., a Minnesota corporation ("Grantor"), in favor of HELLER FINANCIAL, INC., a Delaware corporation, in its capacity as Agent for Lenders and as CAPEX Agent for CAPEX Lenders.

WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of July 11, 1997 by and among Grantor as a Borrower, the Persons signatory thereto as the other Borrowers, the Agent, Heller Financial, Inc. as Lender and the other Persons signatory thereto from time to time as Lenders (including all annexes, exhibits or schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement"), Agent and Lender have agreed to make the Loans and issue Lender Letters of Credit for the benefit of Grantor and the other Borrowers;

WHEREAS, Grantor and the other Persons named therein as Borrowers, the CAPEX Agent and Heller Financial, Inc. as CAPEX Lender are parties to that certain Loan and Security Agreement (CAPEX Loans) dated as of July 11, 1997 (including all annexes, exhibits or schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "CAPEX Loan Agreement"), and pursuant to that certain letter agreement dated January 22, 1998, Borrowers, CAPEX Agent and CAPEX Lender amended the CAPEX Loan Agreement, among other things, to suspend any obligations of CAPEX Agent or any CAPEX Lender to make any advances thereunder until the CAPEX Agent and the Requisite Lenders (as defined therein) agree, in their sole and absolute discretion, to reinstate the CAPEX Loan Commitment (as defined therein) and so notify the Borrowers, and the CAPEX Loan Commitment has not been reinstated;

WHEREAS, concurrently herewith, Grantor, the other Borrowers, Agent and Lender are executing and delivering that certain Forbearance and Amendment No. 3 to Loan and Security Agreement dated as of the date hereof ("Amendment No. 3"), pursuant to which, among other things, (i) Agent and Lender are agreeing to forbear temporarily from exercising certain default-related remedies against Borrowers under the Loan Agreement on account of the Specified Defaults (as defined in Amendment No. 3), and (ii) to amend the Loan Agreement in certain respects; and

WHEREAS, the effectiveness of Amendment No. 3 is conditioned on the execution and delivery of this Trademark 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, 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 Loan Agreement.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL. Grantor hereby grants to Agent, on behalf of itself and Lenders, as security for the Obligations, and to CAPEX Agent, on behalf of CAPEX Agent and CAPEX Lenders, as security for the CAPEX Obligations, a continuing first priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule I hereto;

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

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and

(d) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

3. LOAN AGREEMENT/CAPEX LOAN AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Agent, on behalf of itself and Lenders, pursuant to the Loan Agreement and to CAPEX Agent, on behalf of CAPEX Agent and CAPEX Lenders, pursuant to the CAPEX Loan Agreement. Grantor hereby acknowledges and affirms that the respective rights and remedies of Agent and CAPEX Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Loan Agreement or CAPEX Loan Agreement, as the case may be, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[signature page follows]

SCHEDULE I

TO

TRADEMARK SECURITY AGREEMENT
TRADEMARK REGISTRATIONS

MarkReg. No.Date

TRADEMARK APPLICATIONS

TRADEMARK LICENSES

Name of Agreement, Parties, Date of Agreement

Handwritten notes:
Included
Included