

10-9-98

Tab No. 000

10-09-1998



To the Honorable Commission

100795148

NLY

481-40 482-800

of the attached original documents or copy thereof.

1. Name of conveying party(ies):

Pennington Seed, Inc. of Nebraska  
c/o Pennington Seed, Inc.  
P. O. Box 290  
1280 Atlanta Highway  
Madison, GA 30650

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

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):

Name: SunTrust Bank, Atlanta

Internal Address:

Street Address: 25 Park Place

City Atlanta State GA ZIP 30303

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

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designation must be a separate document from Assignment)

Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

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

Execution Date: September 30, 1998

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

A. Trademark Application No.(s)

TM

B. Trademark registration No.(s) (see attached schedule)

Additional numbers attached?  Yes  No

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

Name: Pamela Allen

Internal Address: King & Spalding

Street Address: 191 Peachtree Street

City: Atlanta State: GA ZIP 30303

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 3.41): \$ 840.00

Enclosed \$840.00

Authorized to be charged to deposit account

8. Deposit account number: 110980 (Expedited Fee)

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

DO NOT USE THIS SPACE

chg 120

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.

Pamela A. Allen

*Pamela A. Allen*

10/7/98

Name of Person Signing

Signature

Date

Total number of pages comprising cover sheet: 9

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

10/13/1998

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

01 FC:401  
02 FC:402

40.00 DP  
800.00 DP

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503

TRADEMARK

EXHIBIT A

TRADEMARKS HELD BY  
PENNINGTON SEED, INC. OF NEBRASKA

**SECTION 1: CURRENT REGISTERED TRADEMARKS**

<b>TRADEMARK</b>	<b>STATUS</b>	<b>MARKING</b>
BIRD-KOTE	REGISTRATION #1,261,088 FOR BIRD FEED	®
DEER ACORNS	REGISTRATION #1,784,957 FOR WILD ANIMAL FEED	®
EASY PATCH	REGISTRATION #1,764,762 FOR GRASS SEED AND MULCH COMBINATION	®
ELIMINATOR	REGISTRATION #1,673,175 FOR PESTICIDES	®
FINELAWN 1 & Design	REGISTRATION #1,367,978 FOR GRASS SEED	®
GREEN - the color (Design Only)	REGISTRATIONS #1,830,039 AND #1,952,459 FOR THE COLOR GREEN WHEN APPLIED TO GRASS SEEDS	®
GREEN CHARM	REGISTRATIONS #1,466,067, #1,818,316, AND #1,620,784 FOR GRASS SEED, FERTILIZER AND CHEMICALS	®
KNOCKOUT	REGISTRATION #1,858,108 FOR HERBICIDES	®

TRADEMARK	STATUS	MARKING
KWIK GRASS	REGISTRATION #1,488,001 FOR GRASS SEED - ON SUPPLEMENTAL REGISTER - MUST USE IN CONJUNCTION WITH PENNINGTON IN STYLIZED TYPE TO PREVENT LITIGATION WITH NORTHRUP KING'S QUICK TURF	®
MORNING STAR	REGISTRATION #1,856,388 FOR GRASS SEED	®
NATURAL SPRINGS NECTAR	REGISTRATION #1,487,698 FOR BIRD FEED	®
PENKOTED	REGISTRATION #1,154,120 FOR LAWN GRASS SEEDS	®
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PENNGREEN	REGISTRATION #1,363,966 FOR LAWN FERTILIZER	®
PENNINGTON GREEN	REGISTRATION #1,230,187 FOR GRASS SEED	®
PENNINGTON RESEEDER	REGISTRATION #1,465,734 FOR GRASS SEED	®

TRADEMARK	STATUS	MARKING
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PENN-ORGANIC	REGISTRATION #1,704,446 FOR FERTILIZERS	®
PERFECTA	REGISTRATION #1,562,450 FOR GRASS SEED	®
PROCARE	REGISTRATION #1,472,759 FOR FERTILIZER	®
PROCARE	REGISTRATION #1,779,452 FOR INSECTICIDES, HERBICIDES, FUNGICIDES	®
RACKMASTER	REGISTRATION #2,066,348	®
SQUIRREL ACORNS	REGISTRATION #1,834,845 FOR MANUFACTURED ANIMAL FEED PELLETS	®
SQUIRREL NUTS	REGISTRATION #1,811,639 FOR WILD ANIMAL FEED	®
TRIAD	REGISTRATION #1,572,251 FOR GRASS SEED	®
TURKEY ACORNS	REGISTRATION #1838451 FOR MANUFACTURED ANIMAL FEED PELLETS	®
WILD BEAUTY	REGISTRATION #2,089,741	®

**SECTION 2: TRADEMARKS IN REGISTRATION PROCESS**

<b>TRADEMARK</b>	<b>STATUS</b>	<b>MARKING</b>
WINDSTAR	FILED 3-4-97 (SERIAL NO. 75-251491)	<b>TM</b>
RETALIATOR	FILED 7-30-97 (SERIAL NO. 75-333052)	<b>TM</b>
LONE STAR FIRE ANT KILLER	FILED 3-13-98 (SERIAL NO. 75-449478)	<b>TM</b>
BAYOU BUG KILLER	FILED 3-13-98 (SERIAL NO. 75-449556)	<b>TM</b>
BERMUDA TRIANGLE	FILED 1-26-98 (SERIAL NO. 75-423572)	<b>TM</b>
BUG REAPER	FILED 7-30-97 (SERIAL NO. 75-333050)	<b>TM</b>

## **SUBSIDIARY TRADEMARK SECURITY AGREEMENT**

THIS SUBSIDIARY TRADEMARK SECURITY AGREEMENT (this "Agreement"), made as of the 30th day of September, 1998, by PENNINGTON SEED, INC. OF NEBRASKA, a Nebraska corporation ("Pledgor"), in favor of SUNTRUST BANK, ATLANTA, a Georgia banking corporation, in its capacity as Collateral Agent (in such capacity, the "Collateral Agent") for itself, NationsBank, N.A., a national banking association, and each other bank and financial institution from time to time becoming a "Lender" under the Credit Agreement described below (collectively, the "Lenders" and individually, a "Lender").

### WITNESSETH THAT:

WHEREAS, Pledgor owns and uses certain trademarks registered in, and has applied for ownership of certain other trademarks with, the United States Patent and Trademark Office, as more fully described on Exhibit "A" attached hereto and by reference made part hereof (hereinafter, together with all rights, benefits and privileges derived therefrom, the goodwill of the business symbolized thereby and all registrations thereof, called the "Trademark Rights"); and

WHEREAS, the Lenders propose to extend certain loans and other financial accommodations to Borrower pursuant to that certain Credit Agreement dated as of even date herewith among Pennington Seed, Inc. ("Borrower"), SunTrust Bank, Atlanta, as Administrative Agent and Collateral Agent (in such capacities the "Collateral Agent" and the "Administrative Agent"), and SunTrust Bank, Atlanta and NationsBank, N.A., as Lenders (as the same may be amended, restated and supplemented from time to time, the "Credit Agreement;" all terms used herein without definition shall have the meanings set forth in the Credit Agreement); and

WHEREAS, as a condition precedent to the extension of such financial accommodations to Borrower pursuant to the Credit Agreement, the Lenders have required that Pledgor grant to the Collateral Agent, for the ratable benefit of the Lenders and the Agents, a security interest in the Trademark Rights;

NOW, THEREFORE, in order to induce the Lenders to consummate the loans and other financial accommodations to Borrower provided for in the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby grants a security interest to the Collateral Agent, for the ratable benefit of the Lenders and the Agents, in the entire right, title, and interest of Pledgor in and to the Trademark Rights. The Trademark Rights shall serve as collateral security for the ratable benefit of the Lenders and the Agents for the payment of all obligations of Pledgor to the Agents and Lenders under the Subsidiary

Guaranty, shall constitute a part of the "Collateral," as such term is defined in the Subsidiary Security Agreement, and shall be subject to all of the terms and conditions of the Credit Agreement.

Notwithstanding the foregoing, unless and until the Collateral Agent exercises the rights and remedies accorded to it under the Subsidiary Security Agreement and by law with respect to the realization upon its security interest in the Trademark Rights, Pledgor shall own, and may use and enjoy the Trademark Rights in connection with its business operations, but only in a manner consistent with the preservation of their current substance, validity, registration and the security interest herein granted.

Pledgor further agrees (a) that while a secured party hereunder, neither the Collateral Agent, the Administrative Agent nor any Lender shall have any obligation or responsibility to protect or defend any Trademark Rights and Pledgor shall at its own expense protect, defend and maintain the same to the extent advisable for its business, (b) to use its best efforts to detect any infringers of the Trademark Rights and to forthwith advise the Collateral Agent in writing of infringements detected and (c) that if Pledgor fails to comply with the foregoing, the Collateral Agent may do so in Pledgor's name or in the Collateral Agent's name but at Pledgor's expense. Pledgor hereby agrees to reimburse any Agent or Lender for all expenses, including reasonable attorneys' fees, actually incurred by such Agent or Lender in protecting, defending and maintaining the Trademark Rights.

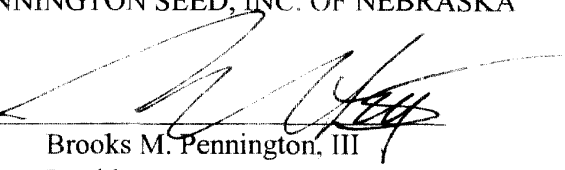
The security interest in the Trademark Rights granted hereunder shall remain in full force and effect until the termination of the Credit Agreement and the payment and satisfaction in full of the Obligations. At such time the Collateral Agent shall, if requested by Pledgor, execute and deliver to Pledgor, or to a third party upon Pledgor's instructions, for filing with the United States Patent and Trademark Office and in each office in which any financing statement relative to the security interest granted hereby may have been filed, (i) documentation in accordance with the rules and regulations of said office, (ii) termination statements under the Uniform Commercial Code and (iii) any other documentation reasonably requested by Pledgor, all as may be necessary to release the Collateral Agent's interest in the Trademark Rights, and all at the cost and expense of Pledgor.

This Agreement shall inure to the benefit of each of the Agents and the Lenders and their respective successors and assigns, and bind Pledgor and its successors and assigns.

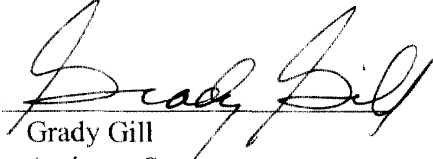
IN WITNESS WHEREOF, Pledgor has caused this Agreement to be executed under seal as of the date first above written.

PENNINGTON SEED, INC. OF NEBRASKA

By:

  
Brooks M. Pennington, III  
President

Attest:

  
Grady Gill  
Assistant Secretary

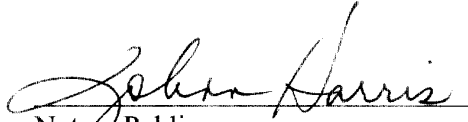
[CORPORATE SEAL]



STATE OF GEORGIA

COUNTY OF FULTON

On this 30<sup>th</sup> day of September, 1998, before me appeared Brooks M. Pennington, III and Grady Gill, the persons who signed the within and foregoing Subsidiary Trademark Security Agreement in their respective capacities as President and Assistant Secretary of Pennington Seed, Inc. of Nebraska, who acknowledged that they signed same as a free act for and on behalf of the identified corporations with authority to do so.

  
Notary Public

~~Commission Expiration Date:~~

[NOTARIAL SEAL]



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