

Resubmission MWD 7-27-98  
11-4-98

FORM PTO-1594  
(Rev. 6-93)  
Office No. 0651-0011 (exp. 4/94)

REC

11-06-1998



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HEET

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

JUL 22 1998

Attached original documents or copy thereof.

To the Honorable Commissioner of Pa

1. Name of conveying party(ies):

VSF Brands Inc

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporate-State Delaware
- Other \_\_\_\_\_

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

3. Nature of conveyance

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other Grant of Security Interest in Patents, Trademarks and Licenses

Execution Date: 7/20/98

2. Name and address of receiving party(ies)

Name: Bank Polska Kasa Opieki, S.A./Pekao S.A. Group

Internal Address: \_\_\_\_\_

Street Address: 470 Park Avenue South

City: New York State: NY ZIP: 10016

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State \_\_\_\_\_
- Other Federal Branch organized under the National Bank Act

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 1,470,878; 431,208; 510,873; 1,349,777; 514,372; 389,261; 384,754; 181,967; 169,762; 164,170; 1,650,296; 1,685,810; 1,319,719; 849,543; 828,283; 732,209; 396,329; 165,977; 657,542; 1,091,037; 1,021,157

Additional numbers attached?  Yes  No

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

Name: Harry Praver, Esq.

Internal Address: Loeb & Loeb LLP

Street Address: 345 Park Avenue

City: New York State: NY ZIP: 10154

6. Total number of applications and registrations involved: .....  21

7. Total fee (37 CFR 3.41) ..... \$ 540

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

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

07/24/1998 JSHABAZZ 00000006 1470878

DO NOT USE THIS SPACE

01 FC:481 40.00 OP  
02 FC:482 500.00 OP

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.

Harry Praver  
Name of Person Signing

Harry Praver  
Signature

7/20/98  
Date

Total number of pages including cover sheet, attachments, and document:  13

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

**GRANT OF SECURITY INTEREST  
IN PATENTS, TRADEMARKS AND LICENSES**

THIS GRANT OF SECURITY INTEREST IN PATENTS, TRADEMARKS AND LICENSES (herein "Agreement") made as of this 20th day of July, 1998, by VSF Brands Inc., a Delaware corporation, with its principal place of business at 750 Lexington Avenue, New York, New York 10022 (herein the "Company"), and Bank Polska Kasa Opieki S.A., Pekao S.A. Group, New York Branch, a federal branch organized under the National Bank Act, with offices at 470 Park Avenue South, New York, New York 10016 (herein the "Lender").

**W I T N E S S E T H:**

WHEREAS, the Company and Christie Food Products, Inc., a Massachusetts corporation ("Borrower"), are parties to a certain Financing Agreement of even date herewith, as the same may be amended from time to time (herein "Financing Agreement"), which Financing Agreement provides for the Lender to make certain loans, advances and extensions of credit, all to or for the account of the Borrower;

WHEREAS, to secure Borrower's obligations under the Financing Agreement, the Company has executed a Guaranty of even date herewith in favor of the Lender (the "Guaranty");

WHEREAS, to secure the Company's obligations under the Guaranty, the Company is willing to grant to the Lender a security interest in certain of the Company's assets, including, without limitation, its patents, patent applications and/or registrations, trademarks, trademark applications and/or registrations, tradenames, goodwill and licenses, all as more fully set forth therein;

NOW THEREFORE, in consideration of the premises set forth herein and for or good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Company agrees as follows:

1. Definitions. Capitalized terms used herein and defined in the Financing Agreement shall have the meanings set forth therein unless otherwise specifically defined herein.
2. Grant of Security Interest. To secure the payment of the Company's obligations under the Guaranty and the "Obligations" (as defined in the Financing Agreement), the Company hereby grants to the Lender a security interest, effective immediately, in all of the Company's right, title and interest in and to all of the following described property, whether now owned or hereafter acquired (collectively herein "Intellectual Property Collateral"):

- (i) Patents and patent applications and/or registrations together with the inventions and improvements described and claimed therein including, without limitation, patents and applications, if any, listed on Schedule A, attached hereto and made a part thereof, and any and all reissues and renewals thereof and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as "Patent Collateral");
  - (ii) Trademarks, trademark registrations and/or applications and tradenames including, without limitation, trademarks and applications, if any, listed on Schedule B attached hereto and made a part hereof, and any and all reissues and/or renewals thereof, and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as "Trademark Collateral");
  - (iii) Any license agreement in which the Company is or becomes licensed to use any patents and/or trademarks owned by a third party including, without limitation, licenses, if any, listed on Schedule C attached hereto and made a part hereof (all of the foregoing are sometimes referred to herein individually and/or collectively as "License Collateral");
  - (iv) goodwill of the Company's business connected with and symbolized by the Intellectual Property Collateral; and
  - (v) All cash and non-cash proceeds of the foregoing.
3. The Lender's Rights. Upon the occurrence of any Event of Default (which is not cured by the Company to the Lender's satisfaction or waived in writing by the Lender) hereunder, the Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal laws. The Lender will give the Company reasonable notice of the time and place of any public sale of the Intellectual Property Collateral or the time after which any private sale of the Intellectual Property Collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, requirement of reasonable notice shall be met if such notice is mailed, certified mail, postage prepaid to the address of the Company set forth above at least ten (10) days before the date of such sale or disposition. In addition to the foregoing and all or rights and remedies of the Lender upon the occurrence of any Event of Default hereunder (which is not cured by the Company to the Lender's satisfaction or waived in writing by the Lender), the Lender shall thereupon have the immediate right to transfer to itself or to sell, assign and transfer to any or person all right, title and

interest in and to all or any part of the Intellectual Property Collateral. A formal irrevocable power of attorney (in form annexed hereto) is being executed and delivered by the Company to the Lender concurrently with this Agreement to enable such rights to be carried out. The Company agrees that, in the event the Lender exercises its rights hereunder and/or pursuant to said power of attorney in accordance with its terms, upon the occurrence of an Event of Default (which is not cured by the Company to the Lender's satisfaction or waived in writing by the Lender), after written notification of such exercise from the Lender to the Company, the Company shall never thereafter, without the prior written authorization of the owner or owners of such Intellectual Property Collateral, use any of such Intellectual Property Collateral. Unless and until there occurs an Event of Default under this Agreement (which is not cured by the Company to the Lender's satisfaction or waived by the Lender in writing), the Company shall continue to own and use the Intellectual Property Collateral in the normal course of its business and to enjoy the benefits, royalties and profits therefrom; provided, however, that from and after the occurrence of an Event of Default (which is not cured by the Company to the Lender's satisfaction or waived by the Lender in writing) such right will, upon the exercise by the Lender of the rights provided by this Agreement, be revoked and the right of the Company to enjoy the uses, benefits, royalties and profits of said Intellectual Property Collateral will wholly cease, whereupon the Lender or its transferee(s) shall be entitled to all of the Company's right, title and interest in and to the Intellectual Property Collateral hereby so assigned. This Agreement will not operate to place upon the Lender any duty or responsibility to maintain the Intellectual Property Collateral.

4. Fees. The Company will pay all filing fees with respect to the security interest created hereby which the Lender may deem necessary or advisable in order to perfect and maintain the perfection of its security interest in the Intellectual Property Collateral.
5. Representations and Warranties. The Company represents and warrants: that the Company lawfully possesses and owns the Intellectual Property Collateral and that, except for the security interest granted hereby and Permitted Encumbrances (as defined in the Financing Agreement), Intellectual Property Collateral will be kept free from all liens, security interests, claims and encumbrances whatsoever; that the Company has not made or given any prior assignment, transfer or security interest in the Intellectual Property Collateral or any of the proceeds thereof; that the Intellectual Property Collateral is and will continue to be, in all respects, in full force and effect; and that there are no known infringements of the Intellectual Property Collateral.
6. Application of Proceeds. Proceeds of any sale, transfer or disposition of the Intellectual Property Collateral shall be applied first to all costs and expenses, including, but not limited to, reasonable attorneys' fees and expenses and court costs, incurred by the Lender in connection with such sale and the exercise of the Lender's rights and remedies hereunder and under the Financing Agreement; next, such proceeds shall be applied to

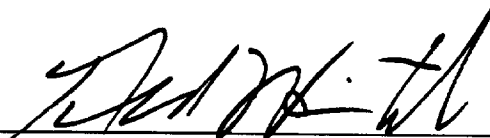
the payment, in whole or in part, of the Obligations due the Lender in such order as the Lender may elect; and the balance, if any, shall be paid to the Company or as a court of competent jurisdiction may direct.

7. Defense of Claims. The Company will defend at its own cost and expense any action, claim or proceeding affecting the Intellectual Property Collateral or the interest of the Lender therein. The Company agrees to reimburse the Lender for all costs and expenses (including, without limitation, reasonably attorneys' fees) incurred by the Lender in defending any such action, claim or proceeding.
8. Rights Cumulative. This Agreement shall be in addition to the Guaranty, the Financing Agreement and the other Loan Documents and shall not be deemed to affect, modify or limit the Guaranty, the Financing Agreement or the other Loan Documents and any rights that the Lender has thereunder. The Company agrees to execute and deliver to the Lender (at the Company's expense) any further documentation or papers necessary to carry out the intent or purpose of this Agreement including, but not limited to, financing statements under the U.C.C.
9. Construction and Invalidity. Any provisions hereof contrary to, prohibited by or invalid under any laws or regulations shall be inapplicable and deemed omitted therefrom, but shall not invalidate the remaining provisions thereof.
10. **CHOICE OF LAW**. **THE COMPANY AGREES THAT THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ALL RIGHTS HEREUNDER SHALL BE GOVERNED BY LAWS OF THE STATE OF NEW YORK. THIS AGREEMENT TOGETHER WITH THE FINANCING AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE COMPANY AND THE LENDER WITH RESPECT TO THE INTELLECTUAL PROPERTY COLLATERAL, CAN ONLY BE CHANGED OR MODIFIED IN WRITING AND SHALL BIND AND BENEFIT THE COMPANY, THE LENDER AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS. THE COMPANY AND THE LENDER EACH HEREBY EXPRESSLY WAIVES ANY RIGHT OF TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER.**
11. Events of Default. Any of the following constitutes an Event of Default under this Agreement:
  - (i) the Company fails to perform or observe any agreement, covenant or condition required under this Agreement which is not cured within 30 days of the breach thereof;

- (ii) any warranty or representation made by the Company in this Agreement shall be or becomes false or misleading in any material respect; or
  - (iii) occurrence of any Event of Default under the Financing Agreement which is not waived in writing by the Lender.
  - (iv) occurrence of any Event of Default under the Guaranty which is not waived in writing by the Lender.
12. Notices. The Company covenants and agrees that, with respect to the Intellectual Property Collateral, it will give the Lender written notice in the manner provided in the Financing Agreement of:
- (i) any claim by a third party that the Company has infringed on the rights of a third party;
  - (ii) any suspected infringement by a third party on the rights of the Company; or
  - (iii) any Intellectual Property Collateral created, arising or acquired by the Company, the Parent or any of their respective subsidiaries after the date hereof.
13. Further Assurances. The Company will take any such action as the Lender may reasonably require to further confirm or protect the Lender's rights under this Agreement in the Intellectual Property Collateral. In furtherance thereof, the Company hereby grants to the Lender a power of attorney coupled with an interest which shall be irrevocable during the term of this Agreement to execute any documentation or take any action in the Company's name and on its behalf required to effectuate the terms, provisions and conditions of this Agreement.
14. Termination. This Agreement shall terminate upon termination of the Financing Agreement and the full, final and indefeasible payment of all Obligations of the Company thereunder. Upon the Company's request, the Lender shall within a reasonable time after any such termination execute and deliver to the Company (at the Company's expense) such documents and instruments as are reasonably necessary to evidence such termination and release of the security interest granted herein on any applicable public record.

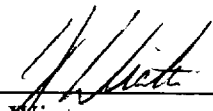
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the 20th day of July, 1998.

VSF BRANDS INC.

By:   
Name: Ronald Weintraub  
Title: Chief Executive Officer

Agreed and Accepted this  
20th day of July, 1998

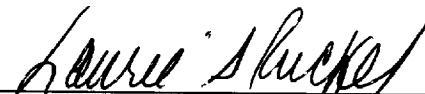
**BANK POLKA KASA OPIEKI, S.A.,  
PEKAO S.A. GROUP, NEW YORK BRANCH**

By:   
Name: Harvey Winter  
Title: Vice President

STATE OF NEW YORK    )  
  )  
COUNTY OF NEW YORK )

On July 20, 1998, before me, undersigned, a notary public in and for said State, personally appeared Ronald Weintraub known to me to be the Chief Executive Officer of VSF Brands Inc., the corporation that executed the within instrument, and acknowledged to me that such corporation executed within instrument pursuant to its by-laws and a resolution of its board of directors.


WITNESS my hand and official seal.

  
Notary Public

LAURIE S. RUCKEL  
Notary Public, State of New York  
No. 31-5051225  
Qualified in New York County  
Commission Expires Oct. 30, 1999

IN WITNESS WHEREOF, the Company has caused this Power of Attorney to be executed as of the 20th day of July, 1998.

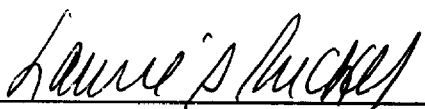
VSF BRANDS INC.

By:   
Name: Ronald Weintraub  
Title: Chief Executive Officer

STATE OF NEW YORK    )  
  )  
COUNTY OF NEW YORK )

On July 20, 1998, before me, undersigned, a notary public in and for said State, personally appeared Ronald Weintraub known to me to be the Chief Executive Officer of VSF Brands Inc., the corporation that executed the within instrument, and acknowledged to me that such corporation executed within instrument pursuant to its by-laws and a resolution of its board of directors.

WITNESS my hand and official seal.

  
Notary Public

LAURIE S. RUCKEL  
Notary Public, State of New York  
No. 31-5051225  
Qualified in New York County  
Commission Expires Oct. 30, 1999



**SCHEDULE A TO GRANT OF SECURITY INTEREST IN PATENTS,  
TRADEMARKS AND LICENSES**

**between**

**VSF BRANDS INC.**

**and**

**BANK POLSKA KASA OPIEKI S.A., PEKAO S.A. GROUP, NEW YORK BRANCH**

**U.S. PATENTS**

Title

Patent No.

Issue Date

**NONE**

**SCHEDULE B TO GRANT OF SECURITY INTEREST IN  
PATENTS, TRADEMARKS AND LICENSES**

between

**VSF BRANDS INC.**

and

**BANK POLSKA KASA OPIEKI S.A., PEKAO S.A. GROUP, NEW YORK BRANCH**

U.S. TRADEMARKS

<u>TRADEMARK</u>	<u>REGISTRATION DATE</u>	<u>REGISTRATION NO.</u>
Tahiti Joe	12/29/87	1,470,878
Cramore's	7/15/47	431,208
Giroux (Stylized Letters)	7/14/49	510,873
Raffetto	7/16/85	1,349,777
Raffetto (Stylized Letters)	8/30/49	514,372
Design Only (Doily Label)	7/29/41	389,261
Design Only (Oval Shape Frame)	2/4/41	384,754
Harlequin	4/1/24	181,967
Plantation Circles Sweet Pickled Watermelon Rind (Stylized Letters)	7/3/23	169,762
Medley	2/13/23	164,170
Proud Mary	7/9/91	1,650,296
Club Tahiti	5/5/92	1,685,810
Wuppermann	2/12/85	1,319,719
Mi-Lem' Travel-Pak & Design	9/23/75	1,021,157
Mi-Lem' (Stylized Letters)	5/21/68	849,543

<u>TRADEMARK</u>	<u>REGISTRATION DATE</u>	<u>REGISTRATION NO.</u>
Mi-Lem'	5/2/67	828,283
Mi-Lem' 3'N 1 & Design	5/29/62	732,209
Chutnut	7/7/42	396,329
Nesselro (Stylized Letters)	3/27/23	165,977
Christie's Instant-Chef	1/21/58	657,542
Christie's (Stylized)	5/9/78	1,091,037

INTERNATIONAL

<u>TRADEMARK</u>	<u>COUNTRY</u>	<u>REGISTRATION NO.</u>
Tahiti Joe	Benelux	302308
Cramore's	Canada	109706
Giroux	France	1559673
Giroux	Korea	232392
Raffetto	Italy	00575809
Raffetto	Sweden	60774

UNREGISTERED TRADEMARKS

Wupperman
Javin
LaSauce
Creamy head
Rich's
Taconic Brands

**SCHEDULE C TO GRANT OF SECURITY INTEREST IN PATENTS,  
TRADEMARKS AND LICENSES**

between

**VSF BRANDS INC.**

and

**BANK POLSKA KASA OPIEKI S.A., PEKAO S.A. GROUP, NEW YORK BRANCH**

**U.S. LICENSES**

Mantovani
TR's Great American
Firehouse BBQ Sauce (1 Alarm, 2 Alarm, 3 Alarm, 2 Alarm Fat Free)