

11-02-2000

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FORM PTO-1594
Rev. 8-93

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

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Tab settings

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

S & W Foods, Inc.

11-2-00

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

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

3. Nature of conveyance:

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

Execution Date: July 10, 2000

2. Name and address of receiving party(ies)

Name: Southeastern Mills, Inc.

Internal Address:

Street Address: 100 E. First Avenue

City: Rome State: GA ZIP: 30161

- 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

(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)

Serial No. 75-872,700

B. Trademark Registration No.(s)

Additional numbers attached? Yes No

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

Name: Margaret T. James

Internal Address:

Sutherland Asbill & Brennan, LLP

Street Address: 999 Peachtree Street, NE

Suite 2300

City: Atlanta State: GA ZIP: 30309

6. Total number of applications and registrations involved: 1

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

See attached original date-stamped cover letter.

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

N/A

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

DO NOT USE THIS SPACE

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.

Margaret T. James

Name of Person Signing

M. James
Signature

October 31, 2000

Date

9

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 Assignment TRADEMARK

REEL: 002165 FRAME: 0353

Sutherland
Asbill &
Brennan LLP
ATTORNEYS AT LAW

med
7-3-00

MAIL DATE
JUN 8 2000
CANCELED
PATENT & TRADEMARK OFFICE

O I P E
JUL 28 2000
PATENT & TRADEMARK OFFICE

999 Peachtree Street, NE
Atlanta, GA 30309-3996
404.853.8000
fax 404.853.8806
www.sablaw.com

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July 27, 2000

08-24-2000
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BY FEDERAL EXPRESS

United States Patent and Trademark Office
Assignment Division
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202

Re: Trademark Security Agreement -- Miss Marcile's Biscuits (Serial No. 75-872,700)

Dear Sir or Madam:

Enclosed is a Trademark Security Agreement to be filed in your office which was made by S & W Foods, Inc. in favor of Southeastern Mills, Inc. Also enclosed is a check in the amount of \$40.00 to cover the recording fee.

Please date-stamp the enclosed copy of the Trademark Security Agreement to indicate receipt, and return it to me in the enclosed self addressed stamped envelope.

Thank you for your assistance. If you have any questions regarding the enclosed, please call me at (404) 853-8402.

Sincerely,

Margaret T. James

Margaret T. James
Paralegal

RECEIVED
AUG - 3 2000
O I P E / J C W S

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40.00 DP

Enclosures

cc: Andrew S. Locker
Robert J. Pile

AOCorp 334369.1

Atlanta ■ Austin ■ New York ■ Tallahassee ■ Washington, DC

TRADEMARK
REEL: 002165 FRAME: 0354

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Agreement") made as of this 10th day of July, 2000 by S & W Foods, Inc., a Georgia corporation ("Grantor") in favor of Southeastern Mills, Inc., a Georgia corporation, ("Grantee"):

WITNESSETH

WHEREAS, Grantor has made in favor of Grantee a Subsidiary Guaranty of even date herewith (as the same may be amended or otherwise modified from time to time, the "Guaranty") pursuant to which Grantor has guaranteed certain extensions of credit made by Grantee to S & W International Food Specialties, Inc., the sole shareholder of Grantor;

WHEREAS, pursuant to the terms of the Security Agreement of even date herewith between Grantor and Grantee (as the same may be amended or otherwise modified from time to time, the "Security Agreement"), Grantor has granted to Grantee, a security interest in substantially all of the assets of Grantor, including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), together with the goodwill of the business symbolized by Grantor's Trademarks, and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Guaranty;

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

1. Incorporation of the Guaranty and Security Agreement. The Guaranty and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Secured Obligations, Grantor hereby grants to Grantee, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether now owned or existing or hereafter created or acquired:

(i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark, or (b) injury to the goodwill associated with any Trademark.

3. Warranties and Representations. Grantor warrants and represents to Grantee that:

(i) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation licenses and covenants by Grantor not to sue third persons;

(ii) Grantor has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iii) Grantor has the unqualified right to execute and deliver this Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until Grantor's Secured Obligations shall have been satisfied in full and the Guaranty shall have been terminated, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under, any Trademark or enter into any other agreement with respect to any Trademark, and Grantor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement.

5. Product Quality. Grantor agrees (i) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices, and (ii) to provide Grantee, upon Grantee's request from time to time, with a certificate of an officer of Grantor certifying Grantor's compliance with the foregoing. Upon the occurrence of an Event of Default, Grantor agrees that Grantee, or a conservator appointed by Grantee, shall have the right to establish such additional product quality controls as Grantee, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks.

6. Grantee's Right to Sue. After an Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents required by Grantee in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Grantee for all costs and expenses incurred by Grantee in the exercise of its rights under this Section 6.

7. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Trademarks, whether established hereby or by the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Grantee upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of

Grantee as Grantee may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Grantee in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Grantee deems to be in the best interest of Grantee, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Grantor's Secured Obligations shall have been paid in full and the Guaranty has been terminated. Grantor hereby further acknowledges and agrees that the use by Grantee of the Trademarks shall be worldwide, except as limited by their terms, and without any liability for royalties or related charges from Grantee to Grantor.

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

S & W FOODS, INC.

By: Janan Shargh
Its: President / CEO

Agreed and Accepted
As of the Date First Written Above

SOUTHEASTERN MILLS, INC.

By: Robert M. Guizard
Its: Vice President

STATE OF GEORGIA)
) ss
COUNTY OF FULTON)

The foregoing Trademark Security Agreement was executed and acknowledged before me as of July 10, 2000, by Jason Slaughter, personally known to me to be the President/CEO of S & W Foods, Inc., on behalf of such corporation.

Margaret T. James
Notary Public

My commission expires: 06/08/02

(NOTARIAL SEAL)



STATE OF GEORGIA)
) ss
COUNTY OF FULTON)

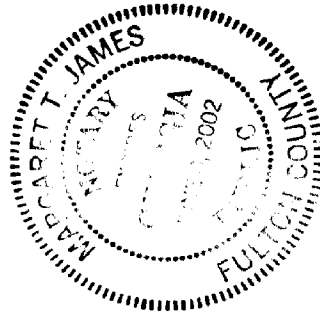
The foregoing Trademark Security Agreement was executed and acknowledged before me as of July 10, 2000, by Robert U. Grizzard, personally known to me to be the Vice President of Southeastern Mills, Inc., on behalf of such corporation.

Margaret T. James

Notary Public

My commission expires: 06/08/02

(NOTARIAL SEAL)



SCHEDULE A

STATE TRADEMARK REGISTRATIONS

<u>Trademark Description</u>	<u>Georgia Registration No.</u>	<u>Date Registered</u>
Miss Marcile's Biscuits (and design)	T-15601	May 20, 1996

FEDERAL TRADEMARK APPLICATIONS

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
Miss Marcile's Biscuits (and design)	Serial No. 75-872,700	December 14, 1999