

12-19-2001

ER SHEET

Y



To the Honorable Court

101922088

attached original documents or


1. Name of conveying party(ies):
LONE STAR GROWERS, L.P.
A Delaware limited partnership
 Additional name(s) of conveying parties attached? Yes No

12.301

2. Name and address of receiving parties:
CATALYST EQUITY FUND, L.P.
c/o CATALYST EQUITY PARTNERS, L.L.C.
101 Eisenhower Parkway, 3rd Floor
Roseland, New Jersey 07068
A Delaware limited partnership

3. Nature of conveyance: **Security Interest**
 Execution Date: November 20, 2001

If Assignee is not domiciled in the United States, a domestic representative designation is attached yes no
 Additional name(s) & address(es) attached? Yes No

4. Application number(s) or Registration number(s):
 A. Trademark Application No(s):

12-03-2001
 U.S. Patent & TMO/TM Mail Rpt Dt. #01

B. Trademark Registration No(s)

2137157	2189922	2186755
2234956	2181457	1557110
2196507	2196506	1465077

 Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Christina E. Melendi
 RIORDAN & MCKINZIE
 300 South Grand Avenue, Suite 2900
 Los Angeles, California 90071

6. Total number of applications and registrations involved in this security agreement: **[9]**
 7. Total fee (37 CFR 3.41) **\$230.00**
 Enclosed Check No. []
 Any additional fees which may be required are authorized to be charged to deposit account No.
 8. Deposit account number: **N/A**
 (Attach duplicate copy of this page if paying by deposit account)

12/19/2001 JYALLINE 00000000 2137157

01 FC:481 40.00 DP
 02 FC:482 200.00 DP

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.
 Christina E. Melendi
 Name of Person Signing

Christina E. Melendi
 Signature

December 3, 2001
 Date

Total number of pages including cover sheet, attachments, and documents: [21 including check & post card]

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

Additional Conveying Parties

Color Spot Christmas Trees, Inc.,
a Delaware corporation

Lone Star Growers, L.P.,
a Delaware limited partnership

LSGR Holdings, Inc.,
a Delaware corporation

Oda Nursery, Inc.,
a California corporation

THIS INSTRUMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF NOVEMBER 20, 2001 BY AND AMONG CATALYST EQUITY FUND, L.P., COLOR SPOT NURSERIES, INC. (THE "COMPANY"), THE SUBSIDIARIES OF THE COMPANY PARTY THERETO AND FLEET CAPITAL CORPORATION, AS AGENT ("AGENT"), TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE COMPANY PURSUANT TO THAT CERTAIN AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT DATED AS OF NOVEMBER 20, 2001 BY AND AMONG THE COMPANY, AGENT AND THE LENDERS FROM TIME TO TIME PARTY THERETO, AS SUCH AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT HAS BEEN AND HEREAFTER MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS UNDER THAT AGREEMENT AS CONTEMPLATED BY THE SUBORDINATION AGREEMENT; AND EACH HOLDER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of November 20, 2001, is entered into by and among COLOR SPOT CHRISTMAS TREES, INC., a Delaware corporation and wholly-owned subsidiary of the Company, LONE STAR, INC., a Delaware corporation and wholly-owned subsidiary of the Company, LSGR HOLDINGS, INC., a Delaware corporation and wholly-owned subsidiary of the Company, LONE STAR GROWERS, L.P., a Delaware limited partnership and indirect wholly-owned subsidiary of the Company, ODA NURSERY, INC., a California corporation and wholly-owned subsidiary of the Company, (each individually, a "Guarantor", collectively, the "Guarantors") and CATALYST EQUITY FUND, L.P., a Delaware corporation ("Secured Party"), as an inducement to Secured Party to enter into that certain Securities Purchase Agreement (the "Purchase Agreement") dated November 20, 2001, by and among COLOR SPOT NURSERIES, INC., a Delaware corporation (the "Company"), Secured Party and the Guarantors. Except as otherwise provided herein, terms defined in the Purchase Agreement shall have the same meanings when used herein.

R E C I T A L S

A. The Guarantors have adopted, used and are using, and are the owners of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Schedule A annexed hereto and made a part hereof.

B. The Guarantors have issued Guarantees of even date herewith to Secured Party with respect to all of the Obligations of Parent under the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantors and Secured Party agree as follows:

1. SECURITY INTEREST. Each Guarantor hereby grants to Secured Party a security interest in:

(a) All of each Guarantor's now existing or hereafter acquired right, title, and interest in and to: (1) all of Guarantors' trademarks, trade names, trade styles and service marks; (2) all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (3) all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other countries; and (4) all reissues, extensions and renewals thereof including those trademarks, terms, design and applications described in Schedule A hereto (collectively, the "Trademarks");

(b) The goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and

(c) Any and all proceeds of any of the foregoing, including, without limitation, any claims by Guarantor against third parties for infringement of the Trademarks or of any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

2. OBLIGATIONS SECURED. The security interests granted to Secured Party in this Agreement shall secure the prompt and indefeasible payment and performance of the Obligations.

3. WARRANTIES AND COVENANTS. Each Guarantor hereby covenants, represents and warrants that (all of such covenants, representations and warranties being continuing in nature so long as any of the Obligations (excluding any inchoate expense reimbursements or indemnification obligations) are outstanding):

(a) All of the existing Collateral is valid and subsisting in full force and effect to each Guarantor's knowledge, and the Guarantors own sole, full, and clear title thereto, and have (subject to potential third party prior rights in confusingly similar marks, of which the Company is currently not aware) the right and power to grant the security interests granted hereunder. The Guarantors will, at Guarantors' expense, perform all acts and execute all documents reasonably necessary to maintain the existence of the Collateral as valid and

subsisting and maintain the trademark registration and issued patents, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any Lien, except the security interest granted hereunder, the licenses, if any, which are specifically described in Schedule C hereto and Permitted Liens.

(b) Other than Permitted Liens, the Guarantors will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or Lien upon, encumber, grant an exclusive or non-exclusive license relating to any of the Collateral, except to Secured Party, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party.

(c) The Guarantors will, at Guarantors' expense, perform all acts and execute all documents reasonably requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Each Guarantor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral. Each Guarantor further authorizes Secured Party to have this Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(d) Each Guarantor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Power of Attorney in the form of Exhibit 1 annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder. Secured Party agrees it will only exercise the Power of Attorney upon the occurrence and during the continuation of an Event of Default under the Purchase Agreement.

(e) Secured Party may, in its sole discretion, pay any amount or do any act which the Guarantors fail to pay or do as required hereunder or as reasonably requested by Secured Party to maintain and preserve the Collateral, defend, protect, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder including but not limited to, the payment of all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. The Guarantors will be liable to Secured Party for any such payment, which payment shall be deemed a borrowing by the Guarantors from Secured Party, and shall be payable on demand together with interest at the rate set forth in the Note and shall be part of the Obligations secured hereby.

(f) As of the date hereof, the Guarantors do not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Schedule A annexed hereto.

(g) The Guarantors shall notify Secured Party in writing of the filing of any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States or any state therein within fifteen (15)

days of such filing. Upon request of Secured Party, each Guarantor shall execute and deliver to Secured Party any and all amendments to this Agreement as may be reasonably requested by Secured Party to evidence the security interests of Secured Party in such Trademark.

(h) The Guarantors have not abandoned any of the Trademarks material to the conduct of the business and the Guarantors will not do any act, nor omit to do any act, whereby the Trademarks material to the conduct of the business may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable. The Guarantors shall notify Secured Party immediately if the Guarantors know or have reason to know of any reason why any application, registration, or recording of a material Trademark may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable.

(i) The Guarantors will take such actions in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country as are reasonably necessary to maintain such application and registration of the material Trademarks as the Guarantors' exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(j) The Guarantors will promptly notify Secured Party if the Guarantors (or any affiliate or subsidiary thereof) learn of any use by any person of any term or design likely to cause confusion with any material Trademark or of any use by any person of any other process or product which infringes upon any material Trademark. The Guarantors, at Guarantors' expense, shall take such action as is necessary for the protection of Secured Party's interest in and to the Trademarks.

(k) The Guarantors will maintain the quality of the products associated with the Trademarks at a level consistent with the quality at the time of this Agreement. Each Guarantor hereby grants to Secured Party the right to visit each Guarantor's nurseries and facilities which grow or store products sold under any of the Trademarks and to inspect the products and quality-control records relating thereto at such times as permitted in the Investment Documents.

4. RIGHTS AND REMEDIES. Upon the occurrence and during the continuance of a default or Event of Default under the Purchase Agreement and during the continuance thereof, in addition to all other rights and remedies of Secured Party, whether provided under applicable law, the Investment Documents or otherwise, and after expiration of any grace period, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, the Guarantors, except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may make use of any Trademarks for the sale of goods or rendering of services in connection with enforcing any other security interest granted to Secured Party by the Guarantors or any subsidiary of the Guarantors.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner as Secured Party shall deem reasonably appropriate, except that Secured Party agrees to provide the Guarantors with ten (10) days prior written notice of any proposed license of the Collateral. Such license or licenses may be general, special, or otherwise and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell, or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide the Guarantors with ten (10) days prior written notice of any proposed disposition of the Collateral. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition. In any such event, the Guarantors shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to subparagraph 4(c) hereof, Secured Party may at any time execute and deliver on behalf of Guarantor, pursuant to the authority granted in the Powers of Attorney described in subparagraph 3(d) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording or registration. The Guarantors agree to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees.

(e) Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its sole discretion determine. The Guarantors shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds, and the Guarantors will pay Secured Party on demand any such unpaid amount, together with interest at the default rate set forth in the Note.

(f) In the event that any such license, assignment, sale or disposition of the Collateral (or any part thereof) is made after the occurrence and during the continuance of an Event of Default, the Guarantors shall supply to Secured Party or Secured Party's designee the Guarantors' knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and the Guarantors' customer lists and other records relating to the Trademarks and the distribution thereof.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under

law, the Agreements, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

5. **NOTICES**. All notices or demands by any party hereto shall be in writing and shall be sent as provided in the Purchase Agreement.

6. **INDEMNIFICATION**. The Guarantors shall indemnify Secured Party for any and all claims and liabilities, and for damages which may be awarded or incurred by Secured Party, and for all reasonable attorney fees, legal expenses, and other out-of-pocket expenses incurred in defending such claims, arising from or related in any manner to the negotiation, execution, or performance by Secured Party of this Agreement, but excluding any such claims based upon breach or default by Secured Party or gross negligence or willful misconduct of Secured Party.

Except as otherwise provided in the Purchase Agreement, Secured Party shall have the sole and complete control of the defense of any such claims. Secured Party is hereby authorized to settle or otherwise compromise any such claims as Secured Party in good faith determines shall be in its best interests.

7. **TERMINATION**. Upon the full and final payment in cash of the Obligations (excluding any inchoate expense reimbursements or indemnification obligations) to Secured Party and the termination of all commitments of Secured Party to extend credit to the Guarantors, Secured Party shall promptly terminate and release its security interest in the Collateral, execute and deliver any necessary financing statement terminations or releases, and return to the Guarantors any Collateral that was in the possession of Secured Party, provided that, with respect to any loss or damage that Secured Party may incur as a result of dishonored checks or other items of payment received by Secured Party and applied to the Obligations to Secured Party, Secured Party, shall, at its option, (i) have received a written agreement, executed by the Guarantors (as required by Secured Party in its sole discretion) and by any person whose loans or other advances to the Guarantors are used in whole or in part to satisfy the Obligations to Secured Party, indemnifying Secured Party from any such loss or damage; or (ii) have retained such monetary reserves or Liens on the Collateral for such period of time as Secured Party, in its reasonable discretion, may deem necessary to protect Secured Party from any such loss or damage. All reasonable expenses incurred by Secured Party in connection with the termination of the security interests granted to Secured Party in connection with this Security Agreement shall be the sole expense of the Guarantors.

8. **REINSTATEMENT**. Notwithstanding anything to the contrary herein contained, this Agreement and the security interest provided for herein shall continue to be effective or be reinstated, as the case may be, if at any time any payment, or any part thereof, of any or all of the Obligations is rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be restored or returned by Secured Party in connection with any bankruptcy, reorganization or similar proceeding involving the Guarantors, any other party liable with respect to the Obligations or otherwise, if the proceeds of any Collateral are required to be returned by Secured Party under any such circumstances, or if Secured Party elects to return any such

payment or proceeds or any part thereof in its sole discretion, all as though such payment had not been made or such proceeds not been received.

9. MISCELLANEOUS.

(a) Any failure or delay by Secured Party to require strict performance by the Guarantors of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any Event of Default shall not waive or affect any other Event of Default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to the Guarantors, specifying such waiver.

(b) This Agreement is made for the sole and exclusive benefit of the Guarantors and Secured Party and is not intended to benefit any third party. No such third party may claim any right or benefit or seek to enforce any term or provision of this Agreement.

(c) Secured Party and its officers, directors, employees, representatives, agents, and attorneys, shall not be liable to the Company or any Guarantor for incidental or consequential damages arising from or relating to any breach of contract, tort, or other wrong in connection with or relating to this Agreement or the Collateral.

(d) In the event any term or provision of this Agreement conflicts with any term or provision of the Purchase Agreement, the term or provision of the Purchase Agreement shall control.

(e) IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW JERSEY APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(f) EACH GUARANTOR AND SECURED PARTY HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH GUARANTOR AND SECURED PARTY REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION

WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(g) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(h) All references in this Agreement to the singular shall be deemed to include the plural if the context so requires and vice versa. References in the collective or conjunctive shall also include the disjunctive unless the context otherwise clearly requires a different interpretation.

(i) Two or more duplicate originals of this Agreement may be signed by the parties, each duplicate of which shall be an original but all of which shall constitute one and the same Agreement. Facsimile signatures delivered hereunder shall be deemed original signatures.

(j) All agreements, representations, warranties and covenants made by the Guarantors shall survive the execution and delivery of this Agreement, the filing and consummation of any bankruptcy proceedings, and shall continue in effect so long as any obligation to Secured Party contemplated by this Agreement is outstanding and unpaid, notwithstanding any termination of this Agreement. All agreements, representations, warranties and covenants in this Agreement shall bind the party making the same and its heirs and successors, and shall be to the benefit of and be enforceable by each party for whom made and their respective heirs, successors and assigns.

(k) This Agreement, together with the Investment Documents, constitutes the entire agreement between the Guarantors and Secured Party as to the subject matter hereof and may not be altered or amended except by written agreement signed by the Guarantors and Secured Party. All other prior and contemporaneous agreements, arrangements, and understandings between the parties hereto as to the subject matter hereof are, except as otherwise expressly provided herein, rescinded.

AS PART OF THE CONSIDERATION FOR NEW VALUE RECEIVED, AND REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE GUARANTORS OR THE SECURED PARTY, EACH OF THE GUARANTORS HEREBY CONSENTS AND AGREES THAT THE STATE COURTS OF NEW JERSEY, OR, AT THE SECURED PARTY'S OPTION, THE UNITED STATES DISTRICT COURT OF NEW JERSEY, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE GUARANTORS ON THE ONE HAND AND THE SECURED PARTY ON THE OTHER HAND PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT. THE GUARANTORS EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY

SUCH COURT, AND THE GUARANTORS HEREBY WAIVE ANY OBJECTION WHICH THE GUARANTORS MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENT TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. THE GUARANTORS HEREBY WAIVE PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO THE GUARANTORS AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH GUARANTORS' ACTUAL RECEIPT THEREOF OR THE NEXT BUSINESS DAY IF SENT BY A NATIONALLY RECOGNIZED OVERNIGHT COURIER FOR NEXT BUSINESS DAY DELIVERY. NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO AFFECT THE RIGHT OF THE SECURED PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW, OR TO PRECLUDE THE ENFORCEMENT BY THE SECURED PARTY OF ANY JUDGMENT OR ORDER OBTAINED IN SUCH FORUM OR THE TAKING OF ANY ACTION UNDER THIS AGREEMENT TO ENFORCE SAME IN ANY OTHER APPROPRIATE FORUM OR JURISDICTION.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Guarantors and Secured Party have executed this Agreement as of the date first written above.

SECURED PARTY:

CATALYST EQUITY FUND, L.P.,
a Delaware limited partnership

By: CATALYST EQUITY FUND
PARTNERS, L.L.C.,
a Delaware limited liability company

By: M.E. France
Name: M. E. France
Title: Managing Member

GUARANTORS:

COLOR SPOT CHRISTMAS TREES, INC.,
a Delaware corporation

LONE STAR, INC.,
a Delaware corporation

LSGR HOLDINGS, INC.,
a Delaware corporation

ODA NURSERY INC.,
a California corporation

By: _____
Name:
Title:

LONE STAR GROWERS, L.P.,
a Delaware limited partnership

By: LONE STAR, INC.
Its: General Partner

By: _____
Name:
Title:

SIGNATURE PAGE TO GUARANTOR TRADEMARK SECURITY AGREEMENT

IN WITNESS WHEREOF, Guarantors and Secured Party have executed this Agreement as of the date first written above.

SECURED PARTY:

CATALYST EQUITY FUND, L.P.,
a Delaware limited partnership

By: CATALYST EQUITY FUND
PARTNERS, L.L.C.,
a Delaware limited liability company

By: _____
Name:
Title:

GUARANTORS:

COLOR SPOT CHRISTMAS TREES, INC.,
a Delaware corporation

LONE STAR, INC.,
a Delaware corporation

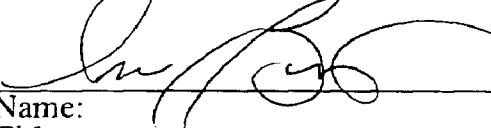
LSGR HOLDINGS, INC.,
a Delaware corporation

ODA NURSERY INC.,
a California corporation

By: 
Name:
Title:

LONE STAR GROWERS, L.P.,
a Delaware limited partnership

By: LONE STAR, INC.
Its: General Partner

By: 
Name:
Title:

SIGNATURE PAGE TO GUARANTOR TRADEMARK SECURITY AGREEMENT

EXHIBIT 1

SPECIAL POWER OF ATTORNEY

STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles) ss.:

KNOW ALL MEN BY THESE PRESENTS, that COLOR SPOT CHRISTMAS TREES, INC., LONE STAR, INC., LSGR HOLDINGS, INC., LONE STAR GROWERS, L.P., and ODA NURSERY, INC. (hereinafter, collectively, the "Guarantors") hereby appoint and constitute CATALYST EQUITY FUND, L.P. ("Secured Party"), and each officer thereof, their true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Guarantors:

1. Execution and delivery of any and all agreements, documents, instruments of assignment, or other papers which Secured Party, in its sole discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all of right, title, and interest of Guarantors in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing.

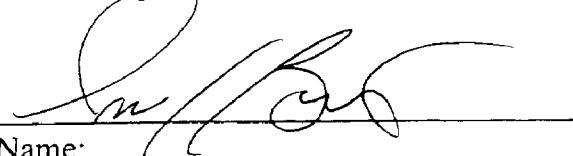
2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its sole discretion, deems necessary or advisable to further the purposes described in paragraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Security Agreement between Guarantors and Secured Party of even date herewith (the "Security Agreement") and may not be revoked until indefeasible payment in full of all the "Obligations", as such term is defined in the Security Agreement. Secured Party agrees that it will exercise its rights with respect to this Special Power of Attorney only after the occurrence and during the continuation of an Event of Default (as defined in the Purchase Agreement referred to in the Security Agreement).

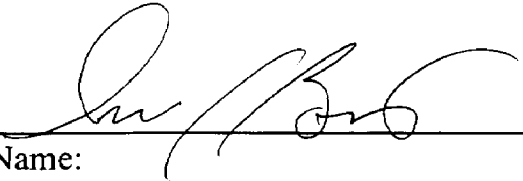
Dated as of November 20, 2001.

GUARANTORS:

COLOR SPOT CHRISTMAS TREES, INC.,
a Delaware corporation

By: 
Name:
Title:

LONE STAR, INC.,
a Delaware corporation

By: 
Name:
Title:


LSGR HOLDINGS, INC.,
a Delaware corporation

By: 
Name:
Title:

LONE STAR GROWERS, L.P.,
a Delaware corporation

By: 
Name:
Title:

ODA NURSERY, INC.,
a California corporation

By: 
Name:
Title:

SIGNATURE PAGE TO SPECIAL POWER OF ATTORNEY

SCHEDULES

Schedules to Trademark and Security Agreement between Catalyst and Subsidiaries

Schedule A Intellectual Property
Schedule C Licenses



12-03-2001

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #01

Schedule A

Intellectual Property

1. Guarantors' patents:

<u>Patent</u>	<u>Owner</u>	<u>Filing Date</u>	<u>Status in Patent Office</u>	<u>Federal Registration Number</u>	<u>Registration Date</u>
N/A					

2. Guarantors' trademarks:

<u>Trademark</u>	<u>Owner</u>	<u>Filing Date</u>	<u>Status in Trademark Office</u>	<u>Federal Registration/Serial Number</u>	<u>Registration Date</u>
Lone Star Growers	Lone Star Growers, L.P.	02/07/97	Issued	RN: 2,137,157	02/17/98
Silverado	Lone Star Growers, L.P.	02/03/97	Issued	RN:2,234,956	3/23/99
Patio Accents	Lone Star Growers, L.P.	02/03/97	Issued	RN:2,196,507	10/13/98
Living Holiday Accents	Lone Star Growers, L.P.	02/03/97	Issued	RN: 2,189,922	09/15/98
Star Swirl	Lone Star Growers, L.P.	02/03/97	Issued	RN: 2,181,457	08/11/98
Star★Series	Lone Star Growers, L.P.	02/03/97	Issued	RN:2,196,506	10/13/98
Cooking Accents	Lone Star Growers, L.P.	02/03/97	Issued	RN: 2,186,755	09/01/98
Shadescapes	Lone Star Growers, L.P.	09/08/98	Abandoned	SN:75/551,330	7/7/00
Lone Star Growers	Lone Star Growers, L.P.		Issued	RN: 1,465,077	09/10/87
Monterrey Oak	Lone Star Growers, L.P.	04/23/88	Issued	RN: 1,557,110	09/19/89



12-03-2001

U.S. Patent & TMOfr/TM Mail Rcpt Dt. #01

The following trademark applications were filed as Intent to Use applications and none have received first use dates:

<u>Trademark</u>	<u>Owner</u>	<u>Filing Date</u>	<u>Status in Trademark Office</u>	<u>Federal Registration/Serial Number</u>	<u>Registration Date</u>
N/A					

3. Guarantors' copyrights:

<u>Copyrights</u>	<u>Owner</u>	<u>Status in Copyright Office</u>	<u>Federal Registration Number</u>	<u>Registration Date</u>
N/A				



12-03-2001

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #01

Schedule C

Licenses

1. Guarantors' ' licenses (other than routine business licenses, authorizing them to transact business in local jurisdictions):

<u>Name of License</u>	<u>Nature of License</u>	<u>Licensor</u>	<u>Term of License</u>
N/A			

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RECORDED: 12/03/2001

TRADEMARK
REEL: 002409 FRAME: 0704