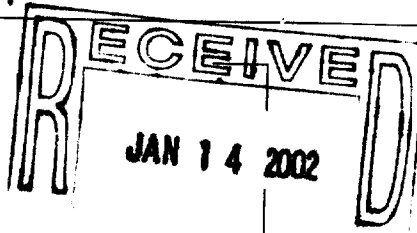


FORM PTO
Expires 06/30/99
OMB 0651-0027

01-18-2002



101953131



U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New 1-14-02

Resubmission (Non-Recordation)
Document ID #

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger Effective Date
Month Day Year

Change of Name

Other

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Corporation Association

Other

Citizenship/State of Incorporation/Organization

01/17/2002 LNUELLER 00000252 1396020

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 25.00 OP

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1,396,020"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="2,245,995"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

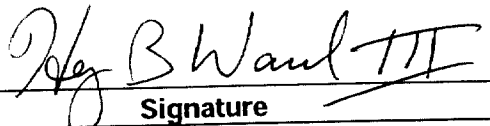
Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Henry B. Ward, III



12/3/01

Name of Person Signing

Signature

Date Signed

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into as of November 20, 2001 by U. S. CUSTOM BLENDS, INC., a Georgia corporation with a place of business located at 406 Main Street, Forest Park, Clayton County, Georgia 30297 ("*Debtor*"), in favor of, and with, U.S. CUSTOM BLENDS, INC., a South Carolina corporation (the "*Secured Party*").

RECITALS

WHEREAS, Secured Party and Debtor are parties that certain Asset Purchase Agreement, of even date herewith (the "*Asset Purchase Agreement*"), pursuant to which Debtor has agreed to purchase from Secured Party and Secured Party has agreed to sell to the Debtor certain Purchased Assets, as defined therein, in exchange for the total purchase price of \$375,000.00 (the "*Purchase Price*");

WHEREAS, in connection therewith, Debtor and Secured Party have entered into a certain Promissory Note, of even date herewith (the "*Note*"), pursuant to which Debtor has promised to pay Secured Party a portion of the Purchase Price in the principal amount of \$250,000.00, together with interest thereon, on the terms and conditions set forth therein; and

WHEREAS, in connection with the Asset Purchase Agreement, Debtor has been assigned certain contracts to which Atlantic Sweetner South, Inc. ("*Atlantic*") and Philip J. Gentlesk ("*Gentlesk*") remain obligated as guarantors (the "*Gauranties*") in order to obtain the consent of third parties, and Debtor has agreed to indemnify Atlantic and Gentlesk from any cost, loss or expenses in connection therewith pursuant to the terms of the Asset Purchase Agreement;

WHEREAS, as a condition precedent to the Secured Party's extension of such financial accommodations under the Note and in consideration for Atlantic and Gentlesk remaining parties to the Guaranties, the Debtor has agreed to execute and deliver this Agreement pursuant to which the Debtor hereby grants the Secured Party a purchase-money security interest in the Purchase Assets and such other collateral comprising the Collateral, as defined herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor hereby agrees with the Secured Party as follows:

Section 1. Grant of Security. To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Debtor hereby collaterally assigns and pledges to the Secured Party, and grants to the Secured Party the Security Interest and a Lien in and to, the Collateral. The parties acknowledge that the Security Interest is a purchase-money security interest as such term is used by the Uniform Commercial Code and in Applicable Law.

Section 2. Representations and Warranties. The Debtor represents and warrants to the Secured Party as follows:

(a) Name; Taxpayer ID Number. The correct corporate name of the Debtor is set forth in the first paragraph of this Agreement, and the Debtor does not conduct and, during the five-year period immediately preceding the date of this Agreement, has not conducted, business under any other trade name or under any fictitious name. Debtor's federal employer identification number is 58-2660021.

(b) Organization; Power; Qualification. The Debtor is a corporation, duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, has the power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and authorized to do business as a foreign corporation in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization.

(c) Authorization. The Debtor has the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform this Agreement and the Note in accordance with their respective terms. This Agreement, the Financing Statements, the Note and the instruments, agreements and other documents to which the Debtor is a party and which evidence or relate in any way to the Obligations have been executed and delivered by authorized officers of the Debtor and each such instrument is a legal, valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms.

(d) Compliance of Agreement with Laws, etc. The execution, delivery and performance of this Agreement and the Note by the Debtor in accordance with their respective terms, including the granting of the Security Interest, do not and will not, by the passage of time, the giving of notice or otherwise (i) require any approval or consent of any third party nor violate any Applicable Law relating to the Debtor, (ii) conflict with, result in a breach of or constitute a default of the articles of incorporation or bylaws, or under any indenture, instrument or other agreement to which the Debtor is a party or by which it or any of its properties may be bound or (iii) result in, or require the creation or imposition of, any Lien upon or with respect to any property in which the Debtor now or may hereafter have rights.

(e) Liens. None of the Collateral is, as of the date hereof, subject to any Lien, except Permitted Liens. No financing statement under the Uniform Commercial Code of any jurisdiction which names the Debtor as debtor or covers any of the Collateral, or any other notice filed in the public records indicating the existence of a Lien thereon, has been filed and is still effective in any jurisdiction, and the Debtor has not signed any such financing statement or notice or any security agreement authorizing any Person to file any such financing statement or notice.

(f) Chief Executive Office. The chief executive office of the Debtor is located at the address set forth in the first paragraph of this Agreement. The principal place of business of Debtor is 3536 Centre Circle, Fort Mill, South Carolina 29715.

(g) Places of Business. The addresses (including the applicable counties) of all of the places of business of the Debtor are set forth on Schedule 2.(g) attached hereto.

(h) Collateral. The Collateral is and will be located at all times on or at one or more of the places set forth on Schedule 2.(g) attached hereto.

(i) Security Interest. It is the intent of the Debtor that this Agreement creates a valid and perfected first-priority purchase-money security interest in the Collateral, securing the payment of the Obligations.

Section 3. Continued Priority of Security Interest.

(a) The Security Interest shall at all times be valid, perfected and of first priority and enforceable against the Debtor, in accordance with the terms of this Agreement, as security for the Obligations. The Debtor shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Secured Party may request, so as at all times to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the immediately preceding sentence, or to enable the Secured Party to exercise or enforce its rights hereunder, including, but not limited to, executing and delivering financing statements, pledges, designations, hypothecations, notices and assignments, in each case in form and substance satisfactory to the Secured Party, relating to the creation, validity, perfection, priority or continuation of the Security Interest under the Uniform Commercial Code or other Applicable Law.

(b) The Secured Party is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by the Secured Party) one or more financing statements (or any other document or instrument referred to in this Section) in the name of the Debtor and to sign the Debtor's name thereto. The Debtor authorizes the Secured Party to file any such financing statement, document or instrument without the signature of the Debtor to the extent permitted by Applicable Law. Further, to the extent permitted by Applicable Law, a carbon, photographic, xerographic or other reproduction of this Agreement or of any Financing Statement is sufficient as a financing statement.

(c) The Debtor shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect the Security Interest and shall cause its financial statements to reflect the Security Interest.

Section 4. Covenants Regarding Contracts.

(a) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under all Contracts to the extent set forth therein to perform its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of its rights hereunder shall not release the Debtor from any of its duties or obligations under any of the Contracts (except to the extent that such exercise prevents the Debtor from satisfying such duties and obligations), and (iii) the Secured Party shall not have any duties, obligations or liability under any of the Contracts or duties by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the duties or obligations of the Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Debtor or the sufficiency of any performance by any party under any such contract or agreement, or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) The Debtor shall at its expense:

(i) Perform and observe all the terms and provisions of the Contracts to be performed or observed by it, maintain the Contracts in full force and effect to the extent

of the Debtor's normal business practices, and enforce the Contracts in accordance with their terms to the extent of the Debtor's normal business practices; and

(ii) Furnish to the Secured Party promptly upon receipt thereof copies of all notices, requests and other documents received by the Debtor under or pursuant to the Contracts, and from time to time (A) furnish to the Secured Party such information and reports regarding the Contracts as the Secured Party may reasonably request and (B) upon request of the Secured Party, make to each other party to the Contracts such demands and request for information and reports or for action as the Debtor is entitled to make under the Contracts.

(c) The Debtor shall not: (i) cancel or terminate any Assigned Contract or consent to or accept any cancellation or termination thereof; (ii) amend or otherwise modify any Assigned Contract or give any consent, waiver or approval thereunder; (iii) waive any default under or breach of any Assigned Contract; or (iv) take any other action in connection with any Assigned Contract that would impair the value of the interest or rights of the Debtor thereunder or that would impair the interest or rights of the Secured Party.

Section 5. Covenants Regarding Collateral Generally.

(a) Verification. The Secured Party shall have the right at any time and from time to time, in the name of such Secured Party or in the name of the Debtor, to verify the validity, amount or any other matter relating to any Receivables by mail, telephone or otherwise.

(b) Delivery of Instruments. In the event any of the Collateral becomes evidenced by an instrument, the Debtor will immediately thereafter deliver such instrument to the Secured Party, appropriately endorsed to the Secured Party.

(c) Defense of Title. The Debtor shall at all times be the sole owner of each and every item of Collateral and shall defend its title in and to, and the Security Interest in, the Collateral against the claims and demands of all Persons.

(d) Maintenance of Collateral. The Debtor shall maintain all physical property that constitutes Collateral in good and workable condition, with reasonable allowance for wear and tear, and shall exercise proper custody over all such property.

(e) Insurance. The Debtor shall at all times maintain insurance on the Collateral against loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards and risks as the Secured Party shall specify, in amounts not less than the aggregate amount of the Obligations, but in no event less than the fair market value of the Collateral, and under policies issued by insurers acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor and certified copies of the policies, or other evidence of insurance acceptable to the Secured Party, shall be delivered to the Secured Party promptly upon the Secured Party's request. The Debtor will not use or permit the Collateral to be used unlawfully or outside of any insurance coverage. All insurance policies required under this Section shall contain loss payable clauses on forms satisfactory to the Secured Party, naming the Secured Party as loss payee, and providing that:

(i) All proceeds thereunder shall be payable directly to the Secured Party;

(ii) No such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy;

(iii) Such policies and loss payable clauses may not be canceled, amended or terminated with respect to the Secured Party unless at least thirty days' prior written notice is given to the Secured Party; and

(iv) There shall be no recourse against the Secured Party for payment of premiums or other amounts with respect thereto.

Any proceeds of insurance referred to in this Section which are paid to the Secured Party shall be applied to the payment or prepayment of the Obligations in accordance with Section 12 hereof.

(f) Location of Office. The Debtor's chief executive office and principal place of business will continue to be kept at the addresses set forth in the Section 2(f), and the Debtor will not change the location of such office and place of business or the location of Debtor's books and records without giving the Secured Party at least thirty (30) days' prior written notice thereof.

(g) Location of Collateral. The Collateral will at all times be kept by the Debtor at the locations set forth on Schedule 2.(g), and shall not, without the prior written consent of the Secured Party, be removed therefrom.

(h) Other Information. The Debtor shall furnish to the Secured Party such other information with respect to the Collateral as the Secured Party may reasonably request from time to time.

(i) Records Relating to Collateral. The Debtor will at all times keep complete and accurate records of Inventory and Equipment, itemizing and describing the kind, type and quantity of Inventory and Equipment and the Debtor's cost therefor and a current price list for any Inventory, and keep complete and accurate records of all other Collateral.

(j) Inspection. The Secured Party (by any of its officers, employees or agents) shall have the right, to the extent that the exercise of such right shall be within the control of the Debtor, at any time or times during normal business hours: (i) to inspect the Collateral, all files relating thereto and the premises upon which any of the Collateral is located, (ii) to discuss the Debtor's affairs and finances, insofar as the same are reasonably related to the rights of the Secured Party hereunder with any Person, to verify the amount, quantity, value and condition of, or any other matter relating to, any of the Collateral and (iii) to review, audit and make extracts from all records and files related to any of the Collateral.

(k) Payments Directly to Secured Party. The Secured Party may at any time and from time to time notify, or request the Debtor to notify, in writing or otherwise, any account debtor or other obligor with respect to any one or more of the Receivables or Contracts to make payment to the Secured Party or any agent or designee of the Secured Party directly, at such address as may be specified by the Secured Party. If, notwithstanding the giving of any notice, any account debtor or other such obligor shall make payment to the Debtor, the Debtor shall hold all such payments it receives in trust for the Secured Party, without commingling the same with other funds or property of or held by the Debtor, and shall promptly deliver the same to the Secured Party or any such agent or designee immediately upon receipt by the Debtor in the identical form received, together with any necessary endorsements.

(l) Merger, Consolidation and Sale of Assets. The Debtor shall not merge or consolidate with any other Person or sell, lease or transfer or otherwise dispose of all or a substantial portion of its assets to any Person or sell any Collateral outside the ordinary course of its business; provided, however, the Debtor may dispose of its Inventory in the ordinary course of its business so long as no Default or Event of Default shall have occurred. The inclusion of "proceeds" of the Collateral under the Security Interest shall not be deemed a consent by the Secured Party to any other sale or other disposition of any part or all of the Collateral.

Section 6. Additional Affirmative Covenants. So long as any Obligations remain unpaid or unperformed, the Debtor shall:

(a) Preservation of Corporate Existence and Similar Matters. Preserve and maintain its corporate existence, rights, franchises, licenses and privileges in the jurisdiction of its incorporation and qualify and remain qualified as a foreign corporation and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization.

(b) Compliance with Applicable Law. Comply with all Applicable Law, including the obtaining of all Governmental Approvals, relating to the Debtor.

(c) Maintenance of Property. (i) Protect and preserve all its properties, including, but not limited to, the Collateral, and (ii) make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

(d) Payment of Taxes and Claims. Pay or discharge when due: (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any properties belonging to it, and (ii) all lawful claims of materialmen, mechanics, carriers, warehousemen and landlords for labor, materials, supplies and rentals which, if unpaid, might become a Lien on any properties of the Debtor or any of its Subsidiaries; except that this Section shall not require the payment or discharge of any such tax, assessment, charge, levy or claim which is being contested in good faith by appropriate proceedings which operate to suspend the collection thereof and for which adequate reserves have been established on the appropriate books.

(e) Financial Reports. Furnish to the Secured Party as of the end of each month, within thirty days after the end of such month, its financial statements, including a balance sheet and detailed statement of profit and loss, in form and substance acceptable to the Secured Party, all certified by its chief financial officer. All such financial statements shall be accompanied by a certificate of the chief financial officer of the Debtor stating that (i) the representations and warranties contained in this Agreement are true and correct as of the date of the certificate and (ii) no Default or Event of Default exists, or if such is not the case, specifying such Default or Event of Default and the steps being taken with respect to such Default or Event of Default.

(f) Other Reports. (i) Promptly upon receipt thereof, copies of all reports, if any, submitted to the Debtor or its Board of Directors by its independent public accountants, including without limitation any management report, (ii) as soon as practicable, copies of all such financial statements and reports as the Debtor shall send to its stockholders and of all registration

statements and all regular or periodic reports which the Debtor shall file, with the Securities and Exchange Commission, comparable state authorities or any successor commissions and (iii) from time to time and promptly upon each request, such data, certificates, reports, statements, opinions of counsel, documents or further information regarding the business, assets, liabilities, financial condition, results of operations or business prospects of the Debtor as the Secured Party may reasonably request and that the Debtor has or (except in the case of legal opinions relating to the perfection or priority of the Security Interest) without unreasonable expense can obtain.

(g) **Notice of Litigation and Other Matters.** Give the Secured Party prompt notice of: (i) the commencement of all proceedings and investigations by or before any governmental or nongovernmental body and all actions and proceedings in any court or other tribunal or before any arbitrator against or in any other way relating adversely to, or adversely affecting, the Debtor or any of its assets, including the Collateral, (ii) any amendment to the articles of incorporation or bylaws of the Debtor, (iii) any change in the management of the Debtor and any change in the business, assets, liabilities, financial condition, results of operations or business prospects of the Debtor which has had or may have any material adverse effect on the business operations or financial condition of the Debtor, and (iv) the occurrence of any Default or Event of Default.

Section 7. Negative Covenants. So long as any of the Obligations remain unpaid or unperformed, the Debtor shall not:

(a) **Indebtedness for Borrowed Money.** Create, assume, or otherwise become or remain obligated in respect of, or permit or suffer to exist or to be created, assumed or incurred or to be outstanding any indebtedness for money borrowed with respect to the Collateral.

(b) **Liens.** Create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien upon any of its properties or assets of any character whether now owned or hereafter acquired other than Permitted Liens.

Section 8. The Secured Party Appointed Attorney-in-Fact. The Debtor hereby irrevocably appoints the Secured Party as the Debtor's attorney-in-fact, such appointment to become effective automatically upon an Event of Default with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument or document which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Secured Party may have under this Agreement or Applicable Law, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to Section 5(e) hereof; (ii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) above; (iii) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable to enforce the rights of the Secured Party with respect to any of the Collateral; and (iv) to execute any document or instrument required under this Security Agreement. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.

Section 9. The Secured Party May Perform. If the Debtor fails to perform any agreement contained herein, the Secured Party may, without notice to the Debtor, itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor under Section 14 hereof.

Section 10. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property; it being understood that the Secured Party shall be under no obligation to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, but may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Debtor and shall be added to the Obligations.

Section 11. Remedies. The Secured Party may take any or all of the following actions upon the occurrence of an Event of Default hereunder.

(a) Acceleration. Upon the occurrence of an Event of Default, the Secured Party may declare all of the Obligations to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in this Agreement or any other agreement evidencing any Obligations to the contrary notwithstanding.

(b) Collateral.

(i) Entry. The Secured Party may enter upon any premises on which any Collateral may be located and, without resistance or interference by the Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Secured Party shall choose, without being liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(ii) Assembly. The Debtor shall, upon request of and without charge to the Secured Party, assemble the Collateral and maintain or deliver it into the possession of the Secured Party or any agent or representative of the Secured Party at such place or places as the Secured Party may designate and as are reasonably convenient to both the Secured Party and the Debtor.

(iii) Warehousing. The Secured Party may, at the expense of the Debtor, cause any of the Inventory and Equipment to be placed in a public or field warehouse, and the Secured Party shall not be liable to the Debtor on account of any loss, damage or depreciation that may occur as a result thereof, other than for actions that were not taken in good faith.

(c) Use of Premises. The Secured Party may without notice, demand or other process, and without payment of any rent or any other charge enter any of the Debtor's premises and, without breach of the peace, until the Secured Party completes the enforcement of its rights in the Collateral, take possession of such premises or place custodians in exclusive control thereof, remain on such premises and use the same and any of the Debtor's equipment, for the

purpose of completing any work in process, preparing any Collateral for disposition and disposing thereof.

(d) Lock Boxes. The Secured Party may establish or cause to be established one or more lock boxes or other arrangement for the deposit of proceeds of Receivables, and, in such case, the Debtor shall cause to be forwarded to the Secured Party at the Secured Party's Office, on a daily basis, collection reports in form and substance satisfactory to the Secured Party.

(e) Rights as a Secured Creditor. The Secured Party may exercise all of the rights and remedies of a secured party under and pursuant to the Uniform Commercial Code and any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Secured Party, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Debtor agrees that, to the extent notice of sale shall be required by Applicable Law, at least ten (10) days' prior notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(f) Waiver of Marshaling. The Debtor hereby waives any right to require any marshaling of assets and any similar right.

(g) Appointment of Receiver. The Secured Party shall be entitled to the appointment of a receiver, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the Collateral and/or the business operations of the Debtor and to exercise such power as the court shall confer upon such receiver.

(h) Receivables/Contracts. The Secured Party shall have the exclusive right to assert, either directly or on behalf of the Debtor, any and all rights and claims the Debtor may have under any Receivables and/or any of the Contracts as the Secured Party may deem proper and to receive and collect any and all Receivables and Contracts and any and all rent, fees, damages, awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

Section 12. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows:

(a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including attorneys' fees equal to fifteen percent (15%) of the outstanding amount of Obligations if the Secured Party endeavored to collect the Obligations by or through an attorney at law;

(b) Second: to the payment of the interest due upon any of the Obligations, in any order which the Secured Party may elect;

(c) Third: to the payment of the principal due upon any of the Obligations in any order which the Secured Party may elect; and

(d) Fourth: the balance (if any) of such proceeds shall be paid to the Debtor or to whomsoever may be legally entitled thereto.

The Debtor shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations, together with interest thereon at a rate per annum equal to the highest rate then payable hereunder on such Obligations, which interest shall constitute part of the Obligations.

Section 13. Rights Cumulative. The rights and remedies of the Secured Party under this Agreement, the Note, the Guaranty Agreement and each other document or instrument evidencing or securing the Obligations shall be cumulative and not exclusive of any rights or remedies which it would otherwise have, including, but not limited to, those rights afforded by the Uniform Commercial Code and other Applicable Laws. In exercising its rights and remedies the Secured Party may be selective and no failure or delay by the Secured Party in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Section 14. Expenses. The Debtor will pay, on demand, all out-of-pocket expenses incurred by the Secured Party in connection with: (a) the restructuring, refinancing or "workout" of the transactions contemplated hereby and of the Obligations, and the preparation, negotiation, execution and delivery of any waiver, amendment or consent by the Secured Party relating to this Agreement or the Obligations, including, without limitation, the fees, out-of-pocket expenses and other disbursements of counsel to the Secured Party; (b) the collection or enforcement of the Obligations including reasonable fees and disbursements of counsel to the Secured Party including an amount equal to fifteen percent (15%) of the Obligations as attorneys fees if such collection or enforcement is done through or by an attorney; and (c) the exercise by the Secured Party of any right or remedy granted to it under this Agreement whether or not a Default or Event of Default has occurred, including, without limitation, the expenses incurred by the Secured Party in connection with the collection of Receivables directly from account debtors.

Section 15. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 16. Notices. Unless otherwise provided herein, communications provided for hereunder shall be in writing and shall be mailed, facsimiled or delivered,

if to the Debtor: U.S. Custom Blends, Inc.
406 Main Street
Forest Park, Georgia 30297
Attention: Jason Slaughter
Telecopy No.: (404) 363-1427

if to Secured Party: Atlantic Sweetner South, Inc.
3526 Centre Circle
Fort Mill, South Carolina 29715
Attention: Philip J. Gentlesk, Jr.
Facsimile: (803) 548-2142

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and other communications to the Debtor shall be effective (i) if mailed, when received or three days after mailing, whichever is earlier; (ii) if telecopied, when transmitted; or (iii) if hand delivered, when delivered. All such notices or communications to the Secured Party shall be effective when actually received.

Section 17. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Debtor, its successors and assigns and (iii) inure the benefit of the Secured Party, and its successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefore.

Section 18. Applicable Law; Severability. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF SOUTH CAROLINA WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Section 19. Litigation/Waivers. (a) THE SECURED PARTY AND THE DEBTOR BOTH ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE RELATIONSHIP OF THE DEBTOR AND THE SECURED PARTY ESTABLISHED HEREBY AND THE DOCUMENTS AND INSTRUMENTS EVIDENCING THE OBLIGATIONS WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES. ACCORDINGLY, EACH OF THE SECURED PARTY AND THE DEBTOR HEREBY WAIVES ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST THE DEBTOR OR THE SECURED PARTY ARISING OUT OF THIS AGREEMENT, THE OBLIGATIONS OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED IN CONNECTION HERewith OR THEREWITH OR IN CONNECTION WITH THE COLLATERAL OR THE SECURITY INTEREST THEREIN OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN THE DEBTOR AND THE SECURED PARTY OF ANY KIND OR NATURE.

(b) THE DEBTOR AND THE SECURED PARTY EACH HEREBY AGREE THAT THE FEDERAL COURT OF THE DISTRICT OF SOUTH CAROLINA LOCATED IN SPARTANBURG COUNTY, OR AT THE OPTION OF SECURED PARTY, ANY STATE COURT LOCATED IN YORK COUNTY, SOUTH CAROLINA, SHALL HAVE

JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE DEBTOR AND THE SECURED PARTY, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE OBLIGATIONS OR TO ANY MATTER ARISING THEREFROM, THE COLLATERAL OR THE SECURITY INTEREST THEREIN OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED IN CONNECTION HERewith OR THEREWITH. THE DEBTOR AND THE SECURED PARTY EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS. THE CHOICE OF FORUM SET FORTH IN THIS PARAGRAPH SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE SECURED PARTY OR THE ENFORCEMENT BY THE SECURED PARTY OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) FURTHER, THE DEBTOR WAIVES (i) ANY NOTICE (EXCEPT WITH RESPECT TO APPLICABLE CURE PERIODS FOR EVENTS OF DEFAULT AS PROVIDED HEREIN) PRIOR TO THE TAKING POSSESSION OR CONTROL OF THE COLLATERAL OR ANY POSTING OF ANY BOND OR SECURITY WHICH MIGHT BE REQUIRED BY ANY COURT PRIOR TO ALLOWING THE SECURED PARTY TO EXERCISE ANY OF THE SECURED PARTY'S REMEDIES SET FORTH HEREIN, INCLUDING THE ISSUANCE OF AN IMMEDIATE WRIT OF POSSESSION AND (ii) THE BENEFIT OF ALL VALUATION, APPRAISEMENT AND EXEMPTION LAWS.

(d) THE FOREGOING WAIVERS HAVE BEEN MADE WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF.

Section 20. Indemnification. The Debtor agrees to indemnify and hold the Secured Party harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, brought against or incurred by the Secured Party, in any manner arising out of or, directly or indirectly, related to or connected with an Event of Default or other breach by Debtor of its Obligations under this Agreement and any action taken by the Secured Party in the performance of its rights or remedies granted under this Agreement. Without limiting the generality of the foregoing, the Debtor agrees to reimburse the Secured Party promptly upon demand for any out-of-pocket expenses (including counsel fees of the counsel(s) of the Secured Party's own choosing) incurred by the Secured Party in connection with any suit or action, or legal advice with respect thereto, brought by the Secured Party to enforce the terms of this Agreement, any "lender liability" suit or claim brought against the Secured Party, and any claim or suit brought against the Secured Party arising under any Federal or state environmental statute, rule or regulation, including, without limitation, the Superfund Act, or the Federal Resource Conservation and Recovery Act of 1976, as amended. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Debtor on the request of the Secured Party notwithstanding any claim or assertion that the Secured Party is not entitled to indemnification hereunder upon receipt of an undertaking by the Secured Party that the Secured Party will reimburse the Debtor if it is actually and finally determined by a court of competent jurisdiction that the Secured Party is not so entitled to indemnification. The agreements in this Section shall survive the termination of this Agreement. The Secured Party agrees to give the Debtor prompt notice of any suit or cause of action brought against the Secured Party which is covered by this Section.

Section 21. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

Section 22. Definitions. (a) For the purposes of this Agreement:

"Agreement" means this Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Applicable Law" means all applicable provisions of constitutions, statutes, laws, rules, regulations and orders of all governmental bodies and all orders, rulings and decrees of all courts and arbitrators.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in Fort Mill, South Carolina are authorized to close.

"Collateral" means all of the Debtor's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now owned or hereafter acquired or arising:

- (a) the Purchased Assets;
- (b) all Receivables;
- (c) all Inventory;
- (d) all Equipment;
- (e) all parts, accessories, increases, enhancements and accessions to and substitutions, modifications and replacements for the foregoing;
- (f) all general intangibles of the Debtor relating to the foregoing, including, without limitation, all contract rights of the Debtor and all trademarks, trade names, patents, copyrights and any and all other intellectual property of the Debtor;
- (g) all documents of title, policies and certificates of insurance, chattel paper and instruments of the Debtor relating to the foregoing;
- (h) any and all balances, credits, deposits, accounts, items and monies of the Debtor now or hereafter with the Secured Party or any affiliate of the Secured Party or deposited with the Secured Party or any financial institution selected by the Secured Party pursuant to any lock box, deposit, escrow or other collection agreement or otherwise, and all property of the Debtor of every kind and description now or hereafter in the possession or control of the Secured Party for any reason; and
- (i) any and all products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of the Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for

proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, instruments, general intangibles, accounts receivable, goods, documents and chattel paper and all proceeds of such proceeds.

"Contract" means any contract or agreement to which the Debtor is a party or which runs in favor of the Debtor and which constitutes part of the Purchased Assets.

"Debtor" has the meaning set forth in the first paragraph hereof.

"Default" means any of the events specified in the definition of Event of Default, whether or not there has been satisfied any requirement for giving of notice, lapse of time or the happening of any other condition.

"Event of Default" means any of the following events, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

(a) failure of the Debtor to pay any principal, interest or other amount with respect to any of the Obligations when due;

(b) the failure of the Debtor or any Guarantor to comply with any of the material terms and provisions of this Agreement, the Note, the Guaranty Agreement or any of the documents or instruments evidencing any of the Obligations;

(c) any oral or written representation or warranty made at any time by the Debtor or any Guarantor to the Secured Party shall prove to have been incorrect or misleading in any material respect when made;

(d) a default, event of default, or event which with the giving of notice or the passage of time or both would constitute a default or event of default, shall have occurred under any other document, instrument, contract or agreement now or hereafter entered into by the Debtor and/or any Guarantor and Secured Party or executed by the Debtor and/or any Guarantor in favor of the Secured Party, or the Debtor or any Guarantor shall in any way fail to comply with the terms, covenants or conditions contained in any such document, instrument, contract or agreement;

(e) a default, event of default, or event which with the giving of notice or the passage of time or both would constitute a default or event of default, shall have occurred under any document, instrument, contract or agreement (i) evidencing or securing indebtedness of the Debtor or any Guarantor for borrowed money or (ii) material to the financial condition of the Debtor or any Guarantor;

(f) the Debtor or any Guarantor shall (i) commence a voluntary case under the Bankruptcy Code of 1978, as amended or other federal bankruptcy law (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, liquidation, conservership, moratorium, arrangement, winding up or composition for adjustment of debts or similar laws from time to time in effect affecting creditors' rights generally; (iii) consent to, or fail to contest in a timely and appropriate manner, any petition filed against it in an involuntary case under such

bankruptcy laws or other laws; (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) be unable to, or admit in writing its inability to, pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; or (vii) make a conveyance fraudulent as to creditors under any state or federal law; or

(g) a case or other proceeding shall be commenced against the Debtor in any court of competent jurisdiction seeking (i) relief under the Bankruptcy Code of 1978, as amended or other federal bankruptcy law (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, liquidation, conservership, moratorium, arrangement, winding up or adjustment of debts or similar laws from time to time in effect affecting creditors' rights generally, or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like for the Debtor of all or any substantial part of the assets, domestic or foreign, of the Debtor;

(h) the failure to have discharged within a period of ten (10) days after the commencement thereto any attachment, sequestration or similar proceedings against any of the Debtor's or any Guarantor's assets;

(i) the ownership of the Collateral or any part of the Collateral, except for Inventory sold in the ordinary course of business, or any legal or equitable interest therein, becomes vested in a Person other than the Debtor;

(j) the loss, theft, destruction, reduction in value, damage to or condemnation of the Collateral, or any material part of the Collateral, unless such loss is fully covered by insurance proceeds, and such proceeds are promptly received by the Secured Party under the terms of this Agreement;

(k) the Security Interest should become unenforceable or cease to be of a first priority; or

(l) the dissolution, liquidation, merger or termination of the Debtor or any Guarantor (or if a Guarantor is an individual, the death of such Guarantor).

"Equipment" means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in the Debtor's business operation or owned by the Debtor or in which the Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

"Financing Statements" means any and all financing statements executed and delivered by or on behalf of the Debtor in connection with the perfection of the Security Interest, together with any amendments thereto and any continuations thereof.

"Governmental Approvals" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all governmental bodies.

"Guarantor" means Jason Slaughter and any other Person who, directly or indirectly, guarantees all or any part of the Obligations.

"Inventory" means (a) all inventory of the Debtor and all goods intended for sale or lease by the Debtor, or for display or demonstration; (b) all work-in-process; (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in the Debtor's business; and (d) all documents relating to any of the foregoing.

"Lien", as applied to the property of any Person, means any security interest, lien, encumbrance, mortgage, deed to secure debt, deed of trust, pledge, charge, conditional sale or other title retention agreement, or other encumbrance of any kind covering any property of such Person, or upon the income or profits therefrom or any agreement to convey any of the foregoing or any other agreement or interest covering the property of a Person which is intended to provide collateral security for the obligation of such Person.

"Obligations" means, individually and collectively:

(a) all obligations, liabilities and indebtedness of the Debtor owing to the Secured Party of every kind, nature and description, under or with respect to this Agreement, the Note, the Guaranty Agreement, the Asset Purchase Agreement, including but not limited to Article VII thereof, or any of the other documents and instruments executed and delivered in connection herewith or therewith, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note;

(b) all other obligations, liabilities and indebtedness owing by the Debtor to the Secured Party and all future advances made to the Debtor by the Secured Party, however and whenever created, arising or evidenced, whether direct or indirect, joint or several, liquidated or unliquidated, secured or unsecured, through assignment from third parties, whether absolute or contingent, or otherwise, now or hereafter existing, or due or to become due, including, without limitation, obligations under all guaranties, letters of credit and overdrafts; and

(c) all renewals, substitutions, modifications, extensions and supplements to any of the foregoing items (a) and (b).

"Permitted Liens" means: (a) Liens securing taxes, assessments and other governmental charges or levies not yet due and payable or the claims of, or obligations owing to, materialmen, mechanics, carriers, warehousemen or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business but not yet due and payable; (b) Liens consisting of deposits or pledges made, in the ordinary course of business, in connection with, or to secure payment of, obligations under workmen's compensation, unemployment insurance or similar legislation; (c) Liens consisting of encumbrances in the nature of zoning restrictions, easements, and rights or restrictions of record on the use of real property, which in the sole judgment of the Secured Party do not materially detract from the value of such property or impair the use thereof in the business of the Debtor; and (d) Liens in favor of the Secured Party.

"Person" means an individual, corporation, partnership, association, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"Purchased Assets" has the meaning given it in Section 1.1 of the Asset Purchase Agreement.

"Receivables" means all accounts and any and all rights to the payment of money or other forms of consideration of any kind (whether classified under the Uniform Commercial Code as accounts, chattel paper, general intangibles, or otherwise) for goods sold or leased or for services rendered including, but not limited to, accounts receivable, proceeds of any letters of credit naming the Debtor as beneficiary, chattel paper, tax refunds, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form from any Person.

"Secured Party" has the meaning set forth in the first paragraph hereof.

"Security Interest" means the purchase-money Lien of the Secured Party upon, and the collateral assignments to the Secured Party of, the Collateral effected hereby or pursuant to the terms hereof.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of South Carolina, as the same may be amended from time to time.

(b) Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the Uniform Commercial Code are used herein with the meanings ascribed to them in the Uniform Commercial Code.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

SCHEDULE 2.(g)

LOCATIONS OF COLLATERAL

U.S. Custom Blends, Inc.
3536 Centre Circle
Fort Mill, South Carolina 29715

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be duly executed and delivered under seal by its duly authorized officers as of the day and year first above written.

DEBTOR

By: Jason Slaughter

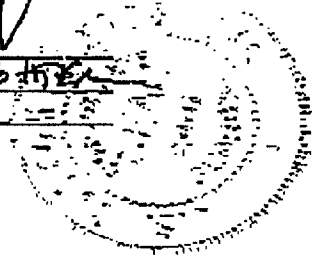
Name: Jason Slaughter
Title: President and CEO

ATTEST

By: Jason Slaughter

Name: Jason Slaughter
Title: Secretary

[CORPORATE SEAL]



Address for Notices:

U.S. Custom Blends, Inc.
406 Main Street
Forest Park, Georgia 30297
Attention: Jason Slaughter
Telecopy No.: (404) 363-1427

Agreed and accepted as of the date first written above.

SECURED PARTY

By: _____

Name Philip J. Gentlesk, Jr.
Title: President

Address for Notices:

Attn: Philip J. Gentlesk, Jr.
Atlantic Sweetener South, Inc.
3526 Centre Circle
Fort Mill, South Carolina 29715
Facsimile: (803) 548-2142

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be duly executed and delivered under seal by its duly authorized officers as of the day and year first above written.

DEBTOR

By: _____
Name: Jason Slaughter
Title: President and CEO

ATTEST:

By: _____
Name: _____
Title: _____


[CORPORATE SEAL]

Address for Notices:

U.S. Custom Blends, Inc.
406 Main Street
Forest Park, Georgia 30297
Attention: Jason Slaughter
Telecopy No.: (404) 363-1427

Agreed and accepted as of the date first written above.

SECURED PARTY

By:  _____
Name Philip J. Gentlesk, Jr.
Title: President

Address for Notices:

Attn: Philip J. Gentlesk, Jr.
Atlantic Sweetner South, Inc.
3526 Centre Circle
Fort Mill, South Carolina 29715
Facsimile: (803) 548-2142