

05-06-2002

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



102078428

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 *4-22-02*
- 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
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

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)

State/Country

Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

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.)

05/06/2002 DBYRNE 00000002 75578447

FOR OFFICE USE ONLY

01 FC:461
02 FC:462

40.00 OP
50.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

TRADEMARK
REEL: 002498 FRAME: 0482

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)

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.

Kristine M. Miller

Name of Person Signing

Signature

4/22/02

Date Signed

TRADEMARK SECURITY AGREEMENT

30² This Trademark Security Agreement ("**Security Agreement**") dated as of March 30, 2002, is executed by and between Young Pecan Shelling Company, Inc., a corporation formed under the laws of the State of South Carolina ("**Debtor**"), whose address is 1200 Pecan Street, Florence, South Carolina 29501, and CoBank, ACB, as Agent (as defined below) ("**Secured Party**").

RECITALS

A. CoBank, ACB ("**CoBank**"), as a lender and certain other present and future lenders (collectively, "**Syndication Parties**" and, each, a "**Syndication Party**"), CoBank, in its capacity as Administrative Agent for the present and future Syndication Parties (in such capacity, and including any Successor Agent as defined in the Loan Agreement, "**Agent**"), and Young Pecan Company, a South Carolina general partnership ("**Borrower**"), entered into that certain Credit Agreement dated as of April 30, 2001, which has subsequently been amended, including by that certain First Amended and Restated Credit Agreement dated as of March 30, 2002 (as hereafter amended, restated or replaced from time to time, the "**Loan Agreement**"), pursuant to which the Syndication Parties have agreed to make a line of credit available to Borrower in an amount up to a maximum principal sum of \$60,000,000 (the "**Revolving Loan**") upon the terms and conditions set forth in the Loan Agreement.

B. The provisions of the Loan Agreement require that Debtor execute this Security Agreement and any other document or agreement necessary in order for Debtor to grant to Secured Party a lien and security interest in all of its assets and properties, both real and personal, tangible or intangible, whether now owned or hereafter acquired, as security for the performance of Borrower's obligations under the Loan Documents (as defined below).

AGREEMENTS

1. **Definitions.** Capitalized terms used, but not defined, herein shall have the meaning given to such terms in the Loan Agreement, if defined therein. As used in this Security Agreement, the following terms shall have the meanings set forth below:

"Initial Promissory Note" means that certain Revolving Promissory Note made by Borrower payable to CoBank dated April 30, 2001 in the principal amount of \$75,000,000, as amended, modified, restated or replaced from time to time.

"Loan Documents" means the Loan Agreement, the Notes, this Trademark Security Agreement and any and all mortgages, security agreements, deeds of trust, leasehold assignments and consents, pledge agreements, financing statements, assignments and other present and future agreements, documents and/or instruments required by Secured Party from time to time to secure Borrower's performance of its

obligations under the Notes and the Loan Agreement, together with all renewals, extensions, amendments, modifications, and supplements thereto from time to time.

“Notes” means all promissory notes now existing or hereafter made by Borrower payable to CoBank or any other Syndication Party pursuant to the Loan Agreement, and any amendments or modifications to such original promissory notes or any replacements thereof or substitutions therefor, together with any additional promissory notes issued by Borrower in connection with the Loan Agreement to any present or future Syndication Party, or any of them, and any amendments or modifications thereto, replacements thereof or substitutions therefor and including, without limitation, the Initial Promissory Note. The Revolving Loan made pursuant to the Loan Agreement is a syndicated credit facility and it is anticipated that the identity of the Syndication Parties may change from time to time and that existing Notes will from time to time be exchanged for, or replaced by, other Notes.

2. **Grant of Security Interest.** Debtor does hereby grant to Secured Party a security interest in the following personal property (“**Collateral**”):

a. All present and future trademarks, tradenames and service marks and federal, state and foreign trademark, tradename and service mark registrations and applications belonging to Debtor and/or any logos now or hereafter used by Debtor, including, but not limited to, the personal property described on Exhibit A attached hereto and incorporated herein by this reference;

b. All present and future elements of package or trade dress belonging to Debtor pertaining to Debtor’s trademarks, tradenames and service marks and federal, state and foreign trademark, tradename and service mark registrations and applications;

c. All present and future goodwill belonging to Debtor and connected with or symbolized by Debtor’s present and future trademarks, tradenames, service marks, trademark registrations, trade registrations, service mark registrations, trademark applications, tradename applications, service mark applications, package and trade dress;

d. All present and future licenses belonging to Debtor and pertaining to foregoing trademarks, tradenames, service marks, trademark registrations, tradename registrations, service mark registrations, trademark applications, tradename applications, service mark applications, package and trade dress, including, but not limited to, the licenses described on Exhibit B attached hereto; and

e. All proceeds and products of and books and records pertaining to the foregoing personal property.

3. **Obligations Secured by Collateral.** The Collateral shall secure the payment and performance of all of Borrower's indebtedness, liabilities and obligations to Secured Party arising under the Notes, the Loan Agreement and the other Loan Documents and performance of all of Debtor's indebtedness, liabilities and obligations to Secured Party arising under this Security Agreement (collectively "**Obligations**").

4. **Representations and Warranties.** Debtor hereby represents and warrants that:

a. Debtor is the owner of the Collateral free and clear of all security interests, liens, charges, encumbrances, setoffs, defenses and counterclaims of whatsoever kind or nature, except for the Permitted Encumbrances (defined below);

b. Except for the security interests, liens and encumbrances permitted under the Loan Agreement and except for the licenses, if any, listed on Exhibit B hereto (collectively, the "**Permitted Encumbrances**"), Debtor has not made, and shall not make, any assignment, license, pledge, mortgage, hypothecation or transfer of the Collateral or the proceeds thereof with the prior written consent of Secured Party;

c. This Security Agreement does not contravene any statute, ordinance, administrative rule, contract, or other agreement binding on Debtor including, but not limited to, any license agreement pertaining to the Collateral, where such contravention would have a material adverse effect on Debtor's financial condition, business, operations or assets; and

d. There are no legal actions or administrative proceedings pending or threatened before any court or administrative agency involving the Collateral that, if determined adversely to Debtor, would result in a material obligation or liability of Debtor.

5. **Use and Ownership Prior to Default.** Debtor shall use the Collateral only in the ordinary course of its business. Debtor shall defend its title to the Collateral free and clear of all liens, charges, encumbrances, setoffs, defenses and counterclaims of every kind and nature (except for the Permitted Encumbrances) against all present and future contradictory claims which are reasonably likely to have a material adverse effect on the value of the Collateral and shall not assign, license, sell, transfer or otherwise encumber the Collateral without the prior written consent of Secured Party. Debtor shall take any reasonable action needed to maintain the value of the Collateral in a timely manner. The Secured Party is hereby appointed as Debtor's agent to take any reasonable action necessary to maintain the value of the Collateral, including, but not limited to, filing affidavits of continued use and renewing the trademarks and service marks contained in the Collateral upon the occurrence of an Event of Default or the failure of Debtor to take such action. Debtor shall reimburse Secured Party for all sums expended to maintain the Collateral together with interest thereon at the Default Interest Rate (as

defined in the Loan Agreement). Notwithstanding the foregoing, Secured Party shall not be required to maintain the Collateral and does not assume any other obligation or liability pertaining to the Collateral.

6. **Events of Default.** Debtor shall be in default under this Security Agreement upon the occurrence of any of the following (each an “**Event of Default**”):

- a. The occurrence of an Event of Default under the Loan Agreement.
- b. The failure of Debtor to satisfy or perform any of its indebtedness, liabilities or obligations to Secured Party arising under this Security Agreement.

7. **Rights and Remedies on Default.** Upon the occurrence of an Event of Default, Secured Party shall be entitled to exercise one or more of the following remedies without presentment, dishonor, notice or demand of any kind (all of which are hereby waived by Debtor):

- a. To declare the Obligations immediately due and payable in full;
- b. To enter the premises of Debtor or any third party and take possession of any property evidencing, consisting of, or containing the Collateral;
- c. To require Debtor to deliver and make available to Secured Party any property evidencing, consisting of, or containing the Collateral at a place reasonably convenient to Debtor and Secured Party;
- d. To foreclose on the Collateral; and
- e. To exercise all other rights available to Secured Party under the Loan Agreement or any other Loan Document, in any other present or future document, instrument or agreement between Debtor and Secured Party or between Borrower and Secured Party and relating to any Loan Document, or under the Uniform Commercial Code or other applicable law.

Secured Party’s rights are cumulative and may be exercised together, separately, and in any order.

Without limiting any of Debtor’s obligations or Secured Party’s rights under this Security Agreement or any of the other Loan Documents, Debtor shall provide Secured Party, upon Secured Party’s request from time to time, with updated versions of Exhibit A to this Security Agreement which describe all of the Collateral that is applied for and/or registered with the U.S. Patent and Trademark Office. In addition, Debtor shall provide Secured Party, upon Secured Party’s request from time to time, with absolute assignments of the Collateral (“**Assignments**”). Such Assignments shall be in the form and substance acceptable to Secured Party in its discretion and shall be executed in blank. Debtor

hereby appoints Secured Party as its attorney-in-fact to insert the name and address of the assignee and any other information required by the U.S. Patent and Trademark Office in the Assignments and file the Assignments with that governmental authority but only after the occurrence of an Event of Default and the foreclosure of Secured Party's security interest in the Collateral under applicable law. This power of attorney is coupled with an interest and is irrevocable in nature.

8. **Indemnity.** The Secured Party shall not be deemed to have assumed or be responsible for the performance of any of Debtor's obligations with respect to the Collateral under any circumstances. Debtor shall immediately provide Secured Party with written notice of and indemnify and hold Secured Party harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action, actions, suits and other legal proceedings (collectively "**Claims**") pertaining to its business operations or the Collateral.

9. **Further Assurances.** Debtor shall take all actions and execute and file all documents necessary or reasonably requested by Secured Party to carry out the intent and purposes of this Security Agreement. This power of attorney is coupled with an interest and irrevocable in nature.

10. **Termination.** This Security Agreement and the security interest of Secured Party in the Collateral shall terminate upon (a) the full indefeasible payment and satisfaction of the Obligations and (b) upon Secured Party having no further obligation under the Loan Agreement to make any extension of credit to Borrower. Upon any such termination, Secured Party shall return to Debtor or destroy all executed Assignments that have not previously been filed with the U.S. Patent and Trademark Office in accordance with Section 7 hereof.

11. **Modification and Waiver.** No provision of this Security Agreement may be waived or modified except in a writing signed by the parties hereto. Secured Party may perform any of Debtor's obligations or delay or fail to exercise any of its rights under this Security Agreement without causing a waiver of those obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion.

12. **Successors and Assigns.** This Security Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns, except that Debtor may not assign or transfer its rights or obligations hereunder without the prior written consent of Secured Party.

13. **Construction.** This Security Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without regard to principles of conflict of laws.

14. **Headings.** The several captions to different sections of this Security Agreement are inserted for convenience only and shall be ignored in interpreting the provisions hereof.

Dated as of the 30th day of March, 2002.

DEBTOR:

YOUNG PECAN SHELLING COMPANY, INC.

By: Jane Smith
Name: Jane Smith
Title: Exec - V-Pres.

SECURED PARTY:

COBANK, ACB

By: Kent Woodick
Name: Kenneth Woodick
Title: Vice President

STATE OF South Carolina)
) ss.
COUNTY OF Florence)

The foregoing instrument was acknowledged before me by James Suenk as the Exec V. President of Young Pecan Shelling Company, Inc., a South Carolina corporation on this 1 day of April, 2002.

WITNESS MY HAND AND OFFICIAL SEAL.

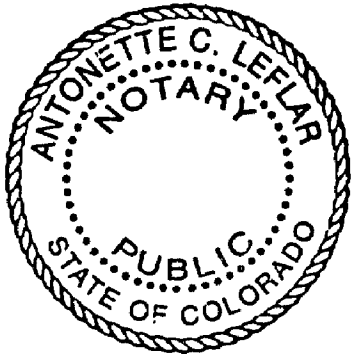
Sylvia W. Salceby
Notary Public

My commission expires: 6/14/09

STATE OF COLORADO)
) ss.
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me by Kenneth Wank as the Vice President of CoBank, ACB on this 8 day of April, 2002.

WITNESS MY HAND AND OFFICIAL SEAL.



Antonette C. Leflar
Notary Public

My commission expires: 5-24-05

**EXHIBIT A TO TRADEMARK
SECURITY AGREEMENT**

Trademark, Service mark or Tradename Registration No.	Trademark, Service mark or Tradename	Date Registered
US PTO #1,861,084	Mingo River	November 1, 1994
US PTO #1,940,566	A Token of Our Southern Hospitality	December 12, 1995
US PTO #2,295,863	Incredibly Delicious and Sinfully Devine NEED TO ADJUST FOR TYPO	November 30, 1999

Trademark, Service mark or Tradename Application Serial No.	Trademark, Service mark or Tradename	Date Application Filed
U.S. TM Application Serial No. 75/578,447	A Taste of Our Southern Hospitality*	October 28, 1998
None filed	Young's	None filed
None filed	Golden Sweet	None filed
None filed	A Taste of the South	None filed
None filed	Goodbee	None filed
None filed	Capeco	None filed
None filed	Pecan Plantations	None filed

* Application pending, subject to litigation with International Trading and Marketing, Inc.

**EXHIBIT B TO TRADEMARK
SECURITY AGREEMENT**

EXISTING LICENSES

None

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