

C

07-16-2002



102157691

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

RECOR TRADE

DEPARTMENT OF COMMERCE J.S. Patent and Trademark Office

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

1. Name of conveying party(ies): Piccadilly Cafeterias, Inc. 7.10.02
Individual(s) Association General Partnership Limited Partnership
[X] Corporation-State - Louisiana Other
Additional name(s) of conveying party(ies) attached? Yes [X] No

2. Name and address of receiving party(ies)
Name: Foothill Capital Corporation, as Collateral Agent
Address: Suite 300 West
Street Address: 2450 Colorado Avenue
City: Santa Monica State: CA Zip: 90404
Individual(s) citizenship Association General Partnership Limited Partnership
[X] Corporation-State California Other
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes [X] No

3. Nature of conveyance:
Assignment Merger Security Agreement Change of Name
[X] Other Corrective Assignment
Execution Date: February 11, 2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s)
no additional trademarks
Additional number(s) attached Yes [X] No

6. Total number of applications and registrations involved: 8

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Amanda Jane Elliott, Esq.
Internal Address: Paul, Hastings, Janofsky & Walker LLP
Street Address: 600 Peachtree Street, NE Suite 2400
City: Atlanta State: GA Zip: 30308

7. Total fee (37 CFR 3.41): \$ 215.00
[X] Enclosed
Authorized to be charged to deposit account
8. Deposit account number: 16-0752

DO NOT USE THIS SPACE

9. Signature.
Amanda Jane Elliott Name of Person Signing
Signature
July 10, 2002 Date
Total number of pages including cover sheet, attachments, and document: 31

07/15/2002 6TOM11 00000174 2346337

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

01 FC:481 02 FC:482

40.00 DP 175.00 DP

TRADEMARK REEL: 002545 FRAME: 0377

12/14/01

12-25-2001



101924870

4

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
Tab settings ⇌ ⇌ ⇌ ▼

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Piccadilly Cafeterias, Inc.

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

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

3. Nature of conveyance:

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

Execution Date: December 11, 2001

2. Name and address of receiving party(ies)

Name: Foothill Capital Corporation

Internal Address: Suite 3000 West

Street Address: 2450 Colorado Avenue

City: Santa Monica State: CA Zip: 90404

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State California
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) _____

see attached

Additional number(s) attached Yes No

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

Name: Amanda Jane Elliott

Internal Address: Paul, Hastings, Janofsky & Walker LLP

Street Address: 600 Peachtree St., NE
Suite 2400

City: Atlanta State: GA Zip: 30308

6. Total number of applications and registrations involved: 8

7. Total fee (37 CFR 3.41).....\$ 215.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

16-0752

DO NOT USE THIS SPACE

9. Signature.

Amanda Jane Elliott

Amanda Jane Elliott
Signature

12/14/01

Date

Name of Person Signing

00000023 2346337

20

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

12/21/2001 DBYRNE

01 FC:481
02 FC:482

40.00 UP
175.00 OP

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

TRADEMARK
REEL: 002545 FRAME: 0378

Question 4(B)

Current Trademarks

<u>COUNTRY/ STATE</u>	<u>MARK</u>	<u>SERIAL NO. OR REGISTRATION NO.</u>	<u>APP/REG DATE</u>
Federal	PICCADILLY (WORDS AND OVAL DESIGN)	2346337	5/2/00
Federal	PICCADILLY CAFETERIA (WORDS AND OVAL DESIGN)	2351123	5/23/00
Federal	PICCADILLY EXPRESS (WORDS AND OVAL DESIGN)	2334199	3/28/00
Federal	PICCADILLY CAFETERIAS	1578246	1/16/00
Federal	PICCADILLY CAFETERIAS	2363824	7/4/00
Federal	PICCADILLY with color	2365850	7/11/00
Federal	50 FEED OF WHOLESOME, HOMESTYLE COOKIN'	2325868	3/7/00
Federal	WHO SAYS YOU CAN'T PLEASE EVERYBODY	2341958	4/11/00

FIRST AMENDMENT TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

This First Amendment to Intellectual Property Security Agreement (the "Amendment"), made as of the 11th day of February, 2002, among PICCADILLY CAFETERIAS, INC., a Louisiana corporation ("Borrower") and FOOTHILL CAPITAL CORPORATION, a California corporation, as successor "Collateral Agent" ("New Collateral Agent").

WITNESSETH:

WHEREAS, Borrower and Foothill Capital Corporation, as lender, are parties to that certain Second Amended and Restated Credit Agreement dated as of December 11, 2001, as amended by that certain First Amendment to Second Amended and Restated Credit Agreement of even date herewith, (as modified, amended or restated from time to time, the "Credit Agreement"); and

WHEREAS, Borrower and Hibernia National Bank, as collateral agent ("Hibernia"), are parties to that certain Intellectual Property Security Agreement dated as of December 11, 2001 (as modified, amended or restated from time to time, the "Intellectual Property Security Agreement") (all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Intellectual Property Security Agreement); and

WHEREAS, Hibernia served as Collateral Agent under the Intercreditor Agreement and resigned as Collateral Agent as of February 8, 2002 pursuant to that certain resignation letter attached hereto as *Exhibit "A"* and incorporated herein by this reference and, pursuant to the terms of the Intercreditor Agreement, New Collateral Agent, as the sole "Bank" (as defined in the Intercreditor Agreement") under the Credit Agreement, appointed itself to serve as Collateral Agent under the Intercreditor Agreement and the Loan Documents (including, without limitation, the Intellectual Property Security Agreement) within the time provided in such resignation letter; and

WHEREAS, the Collateral Agent Change Date (as defined in the Credit Agreement) occurred, effective as of February 8, 2002.

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that as follows:

1. Amendment to Definition of Collateral Agent. The parties to this Amendment acknowledge and agree that the Intellectual Property Security Agreement is hereby modified and amended to the extent necessary to provide that Foothill Capital

Corporation is the "Collateral Agent" for all purposes under and as defined in the Intellectual Property Security Agreement.

2. No Other Amendment or Waiver. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided above, operate as an amendment to or a waiver of any right, power or remedy of New Collateral Agent under the Intellectual Property Security Agreement or any of the other Loan Documents, nor constitute a waiver of any provision of the Intellectual Property Security Agreement or any of the other Loan Documents. Except for the amendment expressly set forth above, the text of the Intellectual Property Security Agreement shall remain unchanged and in full force and effect and Borrower hereby ratifies and confirms its obligations thereunder.

3. Conditions of Effectiveness.

This Amendment shall become effective as of the date hereof when, and only when, New Collateral Agent, shall have received:

- (a) counterparts of this Amendment executed by Borrower; and
- (b) such other information, documents, instruments or approvals as New Collateral Agent or New Collateral Agent's counsel may require.

4. Representations and Warranties of Borrower.

Borrower represents and warrants as follows:

- (a) Borrower is a corporation organized, validly existing and in good standing under the laws of the jurisdiction indicated at the beginning of this Amendment.
- (b) The execution, delivery and performance by Borrower of this Amendment and the Loan Documents, as amended hereby, are within Borrower's corporate powers, have been duly authorized by all necessary corporate action and do not contravene (i) Borrower's articles or certificate of incorporation, or (ii) law or any contractual restriction binding on or affecting Borrower.
- (c) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Borrower of this Amendment or any of the Loan Documents, as amended hereby, to which Borrower is or will be a party.
- (d) This Amendment and each of the other Loan Documents, as amended hereby, to which Borrower is a party, constitute legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms.

(e) No Default or Event of Default is existing.

5. Reference to and Effect on the Loan Documents. Upon the effectiveness of this Amendment, on and after the date hereof each reference in the Intellectual Property Security Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Intellectual Property Security Agreement, and each reference in the other Loan Documents to "the Intellectual Property Security Agreement", "thereunder", "thereof" or words of like import referring to the Intellectual Property Security Agreement, shall mean and be a reference to the Intellectual Property Security Agreement as amended hereby.

6. Costs, Expenses and Taxes.

Borrower agrees to pay on demand all reasonable costs and expenses in connection with the preparation, execution, delivery, administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for New Collateral Agent with respect thereto and with respect to advising Lender as to its rights and responsibilities hereunder and thereunder.

7. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California, without regard to conflict of laws principles of such state.

8. Loan Document. This Amendment shall be deemed to be a Loan Document for all purposes.

9. No Novation. Borrower and New Collateral Agent acknowledge and agree that this Amendment shall not constitute a novation of the Intellectual Property Security Agreement.

10. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, each of which shall be deemed an original and all of which, taken together, shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized officers or representatives to execute and deliver this Amendment as of the day and year first written above.

PICCADILLY CAFETERIAS, INC.,
a Louisiana corporation, as Borrower

By: 
Title: Michael V. R., CFO

FOOTHILL CAPITAL CORPORATION,
a California corporation, as successor
Collateral Agent

By: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized officers or representatives to execute and deliver this Amendment as of the day and year first written above.

PICCADILLY CAFETERIAS, INC.,
a Louisiana corporation, as Borrower

By: _____
Title: _____

FOOTHILL CAPITAL CORPORATION,
a California corporation, as successor
Collateral Agent

By: Amelia Yehros
Title: Vice President

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "*Agreement*") is entered into as of December 11, 2001, by and among PICCADILLY CAFETERIAS, INC., a Louisiana corporation (the "*Grantor*"), and HIBERNIA NATIONAL BANK, as collateral agent (in such capacity, the "*Collateral Agent*").

RECITALS:

Reference is made to that certain Second Amended and Restated Credit Agreement dated as of December 11, 2001 (as amended, supplemented, restated or otherwise modified from time to time, the "*Credit Agreement*"), by and between the Grantor and Foothill Capital Corporation, as lender (the "*Lender*"), which Credit Agreement amends and restates in its entirety that certain Amended and Restated Credit Agreement dated as of December 21, 2000 (as heretofore amended, supplemented or otherwise modified from time to time, the "*Prior Credit Agreement*"), by and among the Grantor, the Prior Lenders (as defined in the Credit Agreement), the administrative agent (as defined therein) (the "*Administrative Agent*") and the Collateral Agent; which Prior Credit Agreement amended and restated in its entirety that certain Credit Agreement dated as of June 24, 1998 (as amended, supplemented or otherwise modified from time to time prior to the date of the Prior Credit Agreement, the "*Original Credit Agreement*"), by and among the Grantor, the banks, financial institutions, and other lenders from time to time party thereto, Hibernia National Bank, as co-arranger, administrative agent, letter of credit issuer and a lender, and Wachovia Bank, N.A., as co-arranger, documentation agent and a lender.

The Grantor, the Lender (as successor to the Prior Lenders), the lenders under the Hibernia Term Loan Agreement (as defined in the Credit Agreement), the administrative agent for the lenders under the Hibernia Term Loan Agreement and the Trustee (as defined in the Credit Agreement) are parties to that certain Intercreditor Agreement dated as of December 21, 2000 (as modified, amended and restated from time to time, the "*Intercreditor Agreement*").

The Lender has agreed to extend credit to the Grantor and to arrange for the issuance of the Letters of Credit (as defined in the Credit Agreement) for the account of the Grantor pursuant to, and subject to the terms and conditions specified in, the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement). This Agreement shall secure: (a) the due and punctual payment: (i) by the Grantor of the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) of each Advance (as defined in the Credit Agreement) under the Credit Agreement, the Term Facility Notes (as defined in the Credit Agreement) and the Senior Secured Notes (as defined in the Credit Agreement), when and as due, whether by maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and any renewals, modifications or extensions thereof, in whole or in part, (ii) of each payment required to be made by the Grantor under the Credit Agreement in respect of any Letter of Credit issued thereunder, when due and payable, including payments in respect of reimbursement of disbursements, interest thereon, and obligations to provide cash collateral and any renewals, restatements, modifications or extensions thereof, in

whole or in part, (iii) the premium, if any, due on the Senior Secured Notes, and (iv) of all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) of the Grantor to the Secured Parties (as defined below) under the Credit Agreement, the other Loan Documents, the Hibernia Term Loan Agreement, the Term Facility Notes, the Senior Secured Notes, the other Indenture Documents (as defined in the Credit Agreement), and any renewals, restatements, modifications or extensions thereof, in whole or in part; and (b) the due and punctual performance of all covenants, agreements, obligations, and liabilities of the Grantor under or pursuant to the Credit Agreement, the other Loan Documents, the Hibernia Term Loan Agreement, the Term Facility Notes, the Senior Secured Notes, the other Indenture Documents, and any renewals, modifications or extensions thereof, in whole or in part (all of the foregoing indebtedness, liabilities and obligations now existing or hereafter arising being hereinafter collectively called the "*Obligations*").

AGREEMENT:

Accordingly, the Grantor and the Collateral Agent, hereby agree as follows:

1. Defined Terms.

(a) Capitalized terms used herein shall have the meanings ascribed to such terms in the Credit Agreement to the extent not otherwise defined or limited herein.

(b) As used herein, the following terms shall have the following meanings:

(i) "*Principal Agreements*" shall mean the Credit Agreement, the Hibernia Term Loan Agreement and the Indenture Documents.

(ii) "*Secured Parties*" shall mean (a) in respect of the Credit Agreement, the Lender; (b) in respect of the Hibernia Term Loan Agreement, (i) the lenders party thereto and (ii) the administrative agent for the lenders under the Hibernia Term Loan Agreement; (c) in respect of the Indenture Documents, (i) each holder of any Senior Secured Note and (ii) the Trustee; (d) the Collateral Agent in its capacity as such under the Intercreditor Agreement and the other documents and agreements now or hereafter executed and delivered in connection with the Credit Agreement, the Loan Documents, the Hibernia Term Loan Agreement and the Indenture Documents; (e) the Secured Parties described in the foregoing subsections (a) through (d) as beneficiaries of each indemnification obligation undertaken by the Grantor, and (f) the successors and assigns of each of the foregoing.

(c) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and paragraph references are to this Agreement unless otherwise specified.

(d) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Grant of Security Interest in Trademarks, Patents, Copyrights and Licenses. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, the Grantor hereby grants to the Collateral Agent a security interest in, as and by way of a security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of the Grantor's now owned or existing and hereafter acquired or arising:

(a) (i) trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the registered trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule 1 attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (C) the right to sue for past, present and future infringements and dilutions thereof, (D) the goodwill of the Grantor's business symbolized by the foregoing and connected therewith, and (E) all of the Grantor's rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, registered trademarks and trademark applications, service marks, registered service marks and service mark applications, together with the items described in clauses (A)-(E) in this Paragraph 3(a)(i), are sometimes hereinafter individually or collectively referred to as the "*Trademarks*"); and (ii) all proceeds of any and all of the foregoing, including, without limitation, license royalties and proceeds of infringement suits.

(b) (i) patents and patent applications, including, without limitation, the patents and patent applications listed on Schedule 2 attached hereto and made a part hereof, and (A) all extensions and adjustments thereof, (B) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all of the Grantor's rights corresponding thereto throughout the world (all of the foregoing patents and patent applications, together with the items described in clauses (A)-(D) in this Paragraph 3(b)(i), are sometimes hereinafter individually or collectively referred to as the "*Patents*"); and (ii) all proceeds of any and all of the foregoing, including, without limitation, license royalties and proceeds of infringement suits.

(c) (i) copyrights and copyright registrations, including, without limitation, the copyright registrations listed on Schedule 3 attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses

entered into in connection therewith and damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements, (D) the goodwill of the Grantor's business symbolized by the foregoing and connected therewith, and (E) all of the Grantor's rights corresponding thereto throughout the world (all of the foregoing copyrights and copyright registrations, together with the items described in clauses (A)-(E) in this Paragraph 3(c)(i)), are sometimes hereinafter individually or collectively referred to as the "*Copyrights*"; and (ii) all proceeds of any and all of the foregoing, including, without limitation, licensed royalties and proceeds of infringement suits.

(d) rights under or interest in any patent, trademark or copyright license agreements with any other party, whether the Grantor is a licensee or licensor under any such license agreement, including, without limitation, the license agreements listed on Schedule 4 attached hereto and made a part hereof, and the right to use the foregoing in connection with the enforcement of the Collateral Agent's rights under the Security Agreement, including without limitation, the right to prepare for sale and sell any and all Inventory now or hereafter owned by any Grantor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "*Licenses*"). Notwithstanding the foregoing provisions of this Paragraph 3(d), the Licenses shall not include any license agreement in effect as of the date hereof that by its terms prohibits the grant of the security interest contemplated by this Agreement; provided, however, that upon the termination of such prohibitions for any reason whatsoever, the provisions of this Paragraph 3 shall be deemed to apply thereto automatically.

4. Restrictions on Future Agreements. The Grantor shall not, without the Collateral Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, that is inconsistent with this Agreement, and the Grantor further agrees that it will not take any action, and will use its commercially reasonable efforts not to permit any action to be taken by others subject to its control, including, without limitation, licensees, or fail to take any action, that would in any material respect adversely affect the validity or enforcement of the rights transferred to the Collateral Agent under this Agreement or the rights associated with the Trademarks, Patents, Copyrights or Licenses.

5. New Trademarks, Copyrights, Patents and Licenses. The Grantor represents and warrants that, from and after the date hereof, (a) the Trademarks listed on Schedule 1 include all of the registered trade names, registered trademarks, trademark applications, registered service marks and service mark applications now owned by the Grantor, (b) the Patents listed on Schedule 2 include all of the patents and patent applications now owned by the Grantor, (c) the Copyrights listed on Schedule 3 include all of the copyright registrations now owned by the Grantor, (d) the Licenses listed on Schedule 4 include all of the patent, trademark or copyright license agreements under which the Grantor is the licensee or licensor, and (e) no Liens, claims or security interests in such Trademarks, Patents, Copyrights or Licenses have been granted by the Grantor to any Person other than the Collateral Agent and except as disclosed in the Credit Agreement. If, prior to the termination of this Agreement, the Grantor shall (i) obtain rights to any new trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) obtain rights to any patent or patent application or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, (iii) obtain rights to any new copyrights or

copyright registrations, (iv) obtain rights to any new trademark, patent or copyright license agreements, whether as licensee or licensor, or license agreement renewals, or (v) enter into any new license agreement, the provisions of Paragraph 3 above shall automatically apply thereto (to the extent permitted by licensors under agreements in connection with the granting of such licenses). The Grantor shall give to the Collateral Agent prompt written notice, or in any event within 30 days, of events described in clauses (i), (ii), (iii), (iv) and (v) of the preceding sentence. The Grantor hereby authorizes the Collateral Agent to modify this Agreement unilaterally (i) by amending Schedule 1 to include any registered trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications that are Trademarks under Paragraph 3 above or obtained by Grantor under this Paragraph 5, (ii) by amending Schedule 2 to include any patents and patent applications, which are Patents under Paragraph 3 above or obtained by Grantor under this Paragraph 5, (iii) by amending Schedule 3 to include any copyrights and copyright registrations, which are Copyrights under Paragraph 3 above or obtained by Grantor under this Paragraph 5, (iv) by amending Schedule 4 to include any trademark, patent or copyright license agreements that are Licenses under Paragraph 3 above or entered into by Grantor under this Paragraph 5, and (v) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule 1 thereto, as the case may be, such future trademarks, tradenames, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and containing on Schedule 2 thereto, as the case may be, such future patents and patent applications, and containing on Schedule 3, as the case may be, such future copyrights and copyright registrations, and containing on Schedule 4 thereto, as the case may be, such future license agreements.

6. Royalties. The Grantor hereby agrees that the use by the Collateral Agent of the Trademarks, Patents, Copyrights and Licenses as authorized hereunder in connection with the Collateral Agent's exercise of its rights and remedies under Paragraph 15 or pursuant to any Principal Agreement shall be coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Collateral Agent to the Grantor.

7. Further Assignments and Security Interest. The Grantor agrees (a) not to sell or assign any of its interests in, or grant any license under, the Trademarks, Copyrights or Patents without the prior written consent of the Collateral Agent, except that the Grantor may, without the consent of the Collateral Agent, grant non-exclusive licenses under the Trademarks, Copyrights or Patents in the ordinary course of the Grantor's business, and (b) not to sell or assign its interests in the Licenses without the prior written consent of the Collateral Agent.

8. Nature and Continuation of the Collateral Agent's Security Interest; Termination of the Collateral Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks, Patents, Copyrights and Licenses and shall terminate only when the Obligations have been paid in full in cash and the Principal Agreements have been terminated. When this Agreement has terminated, the Collateral Agent shall promptly execute and deliver to the Grantor, at the Grantor's expense, all termination statements and other instruments as may be necessary or proper to terminate the Collateral Agent's security interest in the Trademarks, Patents,

Copyrights and Licenses, subject to any disposition thereof which may have been made by the Collateral Agent pursuant to this Agreement.

9. Duties of the Grantor. The Grantor shall have the duty, to the extent desirable in the normal conduct of the Grantor's business, (a) to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement and that is material to the Grantor's business, (b) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter until the termination of this Agreement, and (c) to take all reasonable and necessary action to preserve and maintain all of the Grantor's rights in the Trademarks, Patents, Copyrights and Licenses. The Grantor further agrees (i) not to abandon any Trademark, Patent, Copyright or License that is necessary or economically desirable in the operation of the Grantor's business without the prior written consent of the Collateral Agent, and (ii) to use its commercially reasonable efforts to maintain in full force and effect the Trademarks, Patents, Copyrights and Licenses that are or shall be necessary or economically desirable in the operation of the Grantor's business. Any expenses incurred in connection with the foregoing shall be borne by the Grantor. The Collateral Agent shall have no duties with respect to the Trademarks, Patents, Copyrights or Licenses. Without limiting the generality of the foregoing, the Collateral Agent shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks, Patents, Copyrights or Licenses against any other Person, but the Collateral Agent may do so at its option from and after the occurrence and during the continuance of a Default or an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of the Grantor and shall be added to the Obligations secured hereby.

10. Indemnification by the Grantor. The Grantor hereby agrees to indemnify and hold harmless the Collateral Agent for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (including, without limitation, reasonable attorneys' fees) of any kind whatsoever that may be imposed on, incurred by or asserted against the Collateral Agent in connection with or in any way rising out of any suits, proceedings or other actions, relating to any or all of the Trademarks, Patents, Copyrights or Licenses (including, without limitation, whether brought by the Grantor or any other Person, suits, proceedings or other actions in which an allegation of liability, strict or otherwise, is or may be made by any Person who alleges or may allege having suffered damages as a consequence of alleged improper, imprudent, reckless, negligent, willful, faulty, defective or substandard design, testing, specification, manufacturing supervision, manufacturing defect, manufacturing deficiency, publicity or advertisement or improper use, howsoever arising or by whomsoever caused, of any inventions disclosed and claimed in the Patents or any of them); unless with respect to any of the above, such Person to be indemnified is judicially determined to have acted or failed to act with gross negligence or willful misconduct. The indemnification in this paragraph shall survive the termination of this Agreement.

11. The Collateral Agent's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks, Patents, Copyrights and Licenses and, if the Collateral Agent shall commence any such suit, the Grantor shall, at the

request of the Collateral Agent, do any and all lawful acts and execute any and all proper documents reasonably required by the Collateral Agent in aid of such enforcement. The Grantor shall, upon demand, promptly reimburse the Collateral Agent for all costs and expenses incurred by the Collateral Agent in the exercise of its rights under this Paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Collateral Agent).

12. Waivers. The Collateral Agent's failure, at any time or times hereafter, to require strict performance by the Grantor of any provision of this Agreement shall not waive, affect or diminish any right of the Collateral Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Grantor and the Collateral Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Grantor contained in this Agreement shall be deemed to have been suspended or waived by the Collateral Agent unless such suspension or waiver is in writing signed by an officer of the Collateral Agent, and directed to the Grantor and specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. Neither this Agreement nor any provision hereof may be altered, amended or modified in any way, except as specifically provided in Paragraph 5 hereof or in a written instrument signed by the parties hereto, and consented to by the Lender.

15. Power of Attorney; Cumulative Remedies.

(a) The Grantor hereby irrevocably designates, constitutes and appoints the Collateral Agent (and all officers and agents of the Collateral Agent designated by the Collateral Agent in its sole and absolute discretion) as the Grantor's true and lawful attorney-in-fact, and authorizes the Collateral Agent and any of the Collateral Agent's designees, in the Grantor's or the Collateral Agent's name, upon the occurrence and during the continuation of an Event of Default to take any action and execute any instrument necessary or reasonably advisable to accomplish the purposes of this Agreement, including, without limitation, to (i) endorse the Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Collateral Agent in the use of the Trademarks, Patents, Copyrights or Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks, Patents, Copyrights or Licenses to any Person, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks, Patents, Copyrights or Licenses to any Person, and (iv) take any other actions with respect to the Trademarks, Patents, Copyrights or Licenses as the Collateral Agent deems in its best interest for the payment of the Obligations. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is

coupled with an interest and shall be irrevocable until this Agreement is terminated. The Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Collateral Agent under the Credit Agreement or any other Loan Document, but rather is intended to facilitate the exercise of such rights and remedies.

(b) The Collateral Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks, Patents, Copyrights or Licenses may be located or deemed located. Upon the occurrence and continuance of an Event of Default and the election by the Collateral Agent to exercise any of its remedies under Section 9-610 or Section 9-620 of the Uniform Commercial Code, as in effect in any jurisdiction, with respect to the Trademarks, Patents, Copyrights or Licenses, the Grantor agrees to assign, convey and otherwise transfer title in and to the Trademarks, Patents, Copyrights and Licenses, to the Collateral Agent or any transferee of the Collateral Agent and to execute and deliver to the Collateral Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Collateral Agent's sole discretion, to effect such assignment, conveyance and transfer. All of the Collateral Agent's rights and remedies with respect to the Trademarks, Patents, Copyrights and Licenses, whether established hereby, by the Credit Agreement or by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and continuance of an Event of Default, the Collateral Agent may exercise any of the rights and remedies provided in this Agreement, the Credit Agreement or any of the other loan documents related thereto. To the extent permitted by applicable law, the Grantor agrees that any notification of intended disposition of any of the Trademarks, Patents, Copyrights or Licenses required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; provided, however, that the Collateral Agent may give any shorter notice that is commercially reasonable under the circumstances.

16. Successors and Assigns. This Agreement shall be binding upon the Grantor and their successors and assigns, and shall inure to the benefit of the Collateral Agent and its nominees, successors and assigns, including, without limitation, any successor "Collateral Agent" as defined in the Intercreditor Agreement. The Grantor's successors and assigns shall include, without limitation, a receiver or a trustee of the Grantor; provided, however, that the Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without the Collateral Agent's prior written consent.

17. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California applicable to agreements made and to be performed in California.

18. Notices. All notices or other communications hereunder shall be given in the manner set forth in the Intercreditor Agreement and to the addresses set forth in the Intercreditor Agreement.

19. Paragraph Titles. The paragraph titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of a counterpart hereof via facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

21. Merger. This Agreement, together with the Principal Agreements and documents related thereto, represents the final agreement of the Grantor and the Collateral Agent with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Grantor and the Collateral Agent.

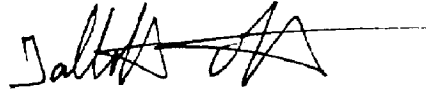
22. Effectiveness. This Agreement shall become effective on the day and year first written above.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

GRANTOR:

Sworn to and subscribed
before me this 7th day
of December, 2001



NOTARY PUBLIC

My Commission Expires: *at death*

PICCADILLY CAFETERIAS, INC., a Louisiana
corporation

By:  _____

Title: Chief Financial Officer

COLLATERAL AGENT:

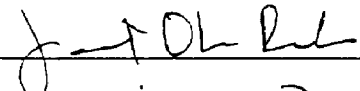
Sworn to and subscribed
before me this 7th day
of December, 2001



NOTARY PUBLIC

My Commission Expires: *at death*

HIBERNIA NATIONAL BANK

By:  _____

Title: Senior Vice President

SCHEDULE 1

Current Trademarks and Trademark Applications

<u>COUNTRY/ STATE</u>	<u>MARK</u>	<u>SERIAL NO. OR REGISTRATION NO.</u>	<u>APP/REG DATE</u>
Louisiana	WHEN LOOKING FOR A GOOD PLACE TO EAT ALWAYS ... PIC-A-DILLY	N/A	4/29/52
Louisiana	HIGHEST QUALITY, LIBERAL PORTIONS, FAIR PRICES	N/A	4/29/52
Louisiana	PICCADILLY	N/A	4/29/52
Federal	PICCADILLY (WORDS AND OVAL DESIGN)	2346337	5/2/00
Federal	PICCADILLY CAFETERIA (WORDS AND OVAL DESIGN)	2351123	5/23/00
Federal	PICCADILLY EXPRESS (WORDS AND OVAL DESIGN)	2334199	3/28/00
Federal	PICCADILLY CAFETERIAS	1578246	1/16/00
Federal	PICCADILLY CAFETERIAS	2363824	7/4/00
Federal	PICCADILLY with color	2365850	7/11/00
Federal	50 FEED OF WHOLESOME, HOMESTYLE COOKIN'	2325868	3/7/00
Federal	WHO SAYS YOU CAN'T PLEASE EVERYBODY	2341958	4/11/00

Trade Names

None.

Trademarks Not Currently In Use

<u>COUNTRY/ STATE</u>	<u>MARK</u>	<u>SERIAL NO. OR REGISTRATION NO.</u>	<u>APP/REG DATE</u>
Tennessee	MORRISON'S		renewed 5/24/94

SCHEDULE 2

Patents

None.

SCHEDULE 3

Copyrights

None.

SCHEDULE 4

Licenses

None.