

REC'D
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11-18-2002

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To the Honorable Commissioner of Patents

and original documents or copy thereof.

102283443

1. Name of conveying party(ies):

RATNER'S LLC

11-13-02

- 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: November 4, 2002

2. Name and address of receiving party(ies):

Name: Ratner's Retail Foods, Inc. and Eastside Restaurant Corp.

Internal Address: _____

Street Address: 138 Delancy Street

City: New York State: NY ZIP: 10002

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State New York
- 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)

1,025,815

Additional numbers attached? Yes No

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

Name: Korn & Spirn

Internal Address: _____

Street Address: 50 Clinton Street

City: Hempstead State: NY ZIP: 11550

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41):..... \$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

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

11/15/2002 LNUELLER 00000127 1025815

DO NOT USE THIS SPACE

01 FC:8521

40.00 DP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Arthur L. Spirn

Name of Person Signing

Arthur L. Spirn

Signature

10/18/02

Date

Total number of pages comprising cover sheet: 2

TRADEMARK

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is made as of November 4, 2002, by and between Ratner's, L.L.C., an Illinois limited liability company (the "Buyer"), and Eastside Restaurant Corp., a New York corporation (the "Secured Party").

RECITALS:

A. Buyer, Secured Party, Ratner's Retail Foods, Inc., Robert Harmatz and Fred Harmatz are parties to that certain Asset Purchase Agreement of even date herewith (the "Asset Purchase Agreement"), pursuant to which Buyer purchased substantially all of the assets of the Secured Party.

B. A portion of the purchase price for the assets acquired under the Asset Purchase Agreement is evidenced by a promissory note executed and delivered by Buyer to Secured Party in the principal amount of \$650,000 (the "Note").

C. To secure the prompt payment of the Note and as a condition precedent to the Asset Purchase Agreement, Buyer is required to execute and deliver this Agreement.

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

1. Security Interest in Trade Names. To secure the complete and timely payment, performance and satisfaction of the Note, Buyer hereby grants to Secured Party a security interest in, as and by way of a mortgage and security interest having priority over all other security interests granted by Buyer, all of the trademarks, service marks and trade names listed on Schedule A attached hereto and made a part hereof (collectively, the "Trademarks").

2. Restrictions on Future Agreements. Buyer agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, or fail to take any action, which would in any respect materially and adversely affect the validity or enforcement of the rights transferred to the Secured Party under this Agreement or the rights associated with the Trademarks. Notwithstanding the foregoing, in the event Buyer reasonably determines that any Trademark is not material in the conduct of the business, Buyer shall take such action as it reasonably deems appropriate under the circumstances to protect the Trademarks.

3. Representation and Warranty of Buyer. Buyer represents and warrants that, as of the date hereof, no liens, claims or security interests in the Trademarks have been granted by Buyer to any person other than the Secured Party.

4. New Trademarks. Secured Party acknowledges and agrees that this Agreement does not grant, and Secured Party shall not be deemed to have, a security

interest in any trademark, trademark application, service mark, service mark application, trade name or other asset other than those set forth on Schedule A. If, prior to the termination of this Agreement, Buyer shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications or (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor, Secured Party shall have no interest therein and this Agreement shall not apply thereto.

5. Right to Inspect; Further Assignments and Security Interests. The Secured Party may at all reasonable times (and at any time when an Event of Default (as defined in the Note) has occurred and is continuing to) have access to, examine, audit, make copies (at Buyer's expenses) and extracts from and inspect Buyer's premises and examine Buyer's books, records and operations relating to the Trademarks; provided, that, in conducting such inspections and examinations, the Secured Party shall use reasonable efforts not to disturb unnecessarily the conduct of Buyer's ordinary business operations. From and after the occurrence of an Event of Default, Buyer agrees that the Secured Party, or a conservator appointed by the Secured Party, shall have the right to establish such reasonable additional product quality controls as the Secured Party or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by Buyer under the Trademarks or in connection with which such Trademarks are used.

6. Nature and Continuation of the Secured Party's Security Interest; Termination of the Secured Party's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and shall terminate only when the Note has been paid in full. When this Agreement has terminated, the Secured Party shall promptly execute and deliver to Buyer, all termination statements and other instruments as may be necessary or proper to terminate the Secured Party's security interest in the Trademarks.

7. Duties of Buyer. Buyer shall use its best efforts to maintain in full force and effect the Trademarks that are or shall be necessary or economically desirable in the operation of Buyer's business. Any expenses incurred in connection with the foregoing shall be borne by Buyer. The Secured Party shall have no duty with respect to the Trademarks. Without limiting the generality of the foregoing, the Secured Party shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks against any other parties, but the Secured Party may do so at its option from and after the occurrence of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of Buyer and shall be added to the obligations secured hereby.

8. The Secured Party's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, the Secured Party shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and, if the Secured Party shall commence any such suit, Buyer shall, at the request of the Secured

Party, do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such enforcement. Buyer shall, upon demand, promptly reimburse the Secured Party for all costs and expenses incurred by the Secured Party in the exercise of its rights under this Section 8 (including, without limitation, reasonable attorney's fees).

9. Waivers. The Secured Party's failure, at any time or times hereafter, to require strict performance by Buyer of any provision of this Agreement shall not waive, affect or diminish any right of the Secured Party thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Buyer and the Secured Party 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 or Buyer contained in this Agreement shall be deemed to have been suspended or waived by the Secured Party unless such suspension or waiver is in writing signed by an officer of the Secured Party and directed to Buyer specifying such suspension or waiver.

10. 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 and unenforceability shall affect only such clause or provision, or part thereof, 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.

11. Modification. This Agreement cannot be altered, amended or modified in any way except by a writing signed by the parties hereto.

12. Cumulative Remedies; Power of Attorney. From and after the occurrence of an Event of Default and during the continuance of such Event of Default (and subject to the giving by the Secured Party of notice to Buyer of the Secured Party's intention to enforce its rights and claims against Buyer), Buyer hereby irrevocably designates, constitutes and appoints the Secured Party (and all Persons reasonably designated by the Secured Party) as Buyer's true and lawful attorney-in-fact, and authorizes the Secured Party and any of the Secured Party's designees, in Buyer's or the Secured Party's name, to take any action and execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purpose of this Agreement, including, without limitation, to (i) endorse Buyer's name on all applications, documents, papers and instruments necessary or desirable for the Secured Party in the use of the Trademarks, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Trademarks as the Secured Party deems in its own best interest. Buyer hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof in the absence of Secured Party's gross negligence or

willful misconduct. This power of attorney is coupled with an interest and shall be irrevocable until the Note shall have been paid in full.

The Secured Party 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 may be located or deemed located. Upon the occurrence of an Event of Default and the election by the Secured Party to exercise any of its remedies under Section 9-610 or Section 9-611 of the Uniform Commercial Code with respect to the Trademarks, Buyer agrees to assign, convey and otherwise transfer title in and to the Trademarks to the Secured Party or any transferee of the Secured Party and to execute and deliver to the Secured Party or any such transferee all such agreements, documents and instruments as may be necessary, in the Secured Party's sole discretion, to effect such assignment, conveyance and transfer. All of the Secured Party's rights and remedies with respect to the Trademarks 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 during the continuance of an Event of Default, the Secured Party may exercise any of the rights and remedies provided in this Agreement. Buyer agrees that any notification of intended disposition of any of the Trademarks required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition.

13. Successors and Assigns. This Agreement shall be binding upon Buyer and its successors and assigns, and shall inure to the benefit of Secured Party. Buyer's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Buyer.

14. Governing Law; Venue.

14.1 Except as otherwise expressly provided in the Asset Purchase Agreement, in all respects, including all matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York applicable to contracts made and performed in such state, without regard to conflict of law provisions.

14.2 Buyer hereby consents and agrees that the state or federal courts located in Nassau/Suffolk County, New York, shall, have exclusive jurisdiction to hear and determine any claims or disputes between Buyer and the Secured Party pertaining to this Agreement.

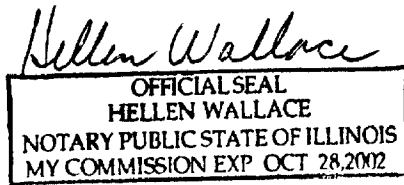
15. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Asset Purchase Agreement.

16. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

17. 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 when taken together shall constitute one and the same agreement.

18. Merger. This Agreement represents the final agreement of Buyer with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between Buyer and the Secured Party.

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



RATNER'S L.L.C.
By: KING KOLD, LLC, its manager

By: [Handwritten Signature]
Its: PRESIDENT

EASTSIDE RESTAURANT CORP.

By: _____
Name: _____
Title: _____

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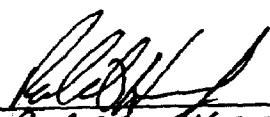
RATNER'S L.L.C.
By: KING KOLD, LLC, its manager

By: _____
Its: _____

RATNER'S RETAIL FOODS, INC.

By: 
Name: ROBERT HARINAR
Title: PRES

EASTSIDE RESTAURANT CORP.

By: 
Name: ROBERT HARINAR
Title: PRES

SCHEDULE A

Trademarks

Ratner's (U.S. Reg. No. 1025815; November 25, 1975)

PATZIK, FRANK & SAMOTNY LTD.

150 SOUTH WACKER DRIVE
SUITE 900
CHICAGO, ILLINOIS 60606

TELEPHONE: (312) 551-8300
FACSIMILE: (312) 551-1101

SCOTT W. SMILIE
(312) 551-3066
ssmilie@pfs-law.com

November 7, 2002

IN REPLY REFER TO:
3118-001

VIA FIRST-CLASS MAIL

BOX ASSIGNMENTS (FEE)
Commissioner of Patents and Trademarks
Washington, D.C. 20231

Re: Trademark Registration No. 1,025,815 for RATNER'S

Dear Sirs:


Enclosed for filing please find a Security Agreement concerning the above-referenced trademark registration. The Security Agreement comprises the following:

1. Security Agreement;
2. Recordation Form Cover Sheet;
3. Check in the amount of \$40.00;
4. 2 Postcards; and
5. Certificate of Mailing by First-Class Mail.

If any other charges or fees must be paid in connection with the filing of the above Security Agreement, they may be paid out of our deposit account No. 50-1325. A duplicate copy of this transmittal letter is enclosed.

Very truly yours,

PATZIK, FRANK & SAMOTNY LTD.



Scott W. Smilie

SWS:dma
Enclosures

LAW OFFICES

PATZIK, FRANK & SAMOTNY LTD.

150 SOUTH WACKER DRIVE
SUITE 900
CHICAGO, ILLINOIS 60606

TELEPHONE: (312) 551-8300
FACSIMILE: (312) 551-1101

SCOTT W. SMILIE
(312) 551-3066
ssmilie@pfs-law.com

November 7, 2002

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Scott W. Smilie

SWS:dma
Enclosures

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RECORDED: 11/13/2002

**TRADEMARK
REEL: 002618 FRAME: 0240**