

01-02-2004

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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2006)



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

Tab settings 102636783

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

1. Name of conveying party(ies): TAI FOONG USA, INC. 2450 6th Avenue South Suite 300 Seattle, WA 98134

2. Name and address of receiving party(ies) Name: U.S. Bank National Association Internal Address: 800 Nicollet Mall, BC-MN-H22A Street Address:

- Individual Association General Partnership Limited Partnership Corporation-State - Delaware Other

- City: Minneapolis State: MN Zip: 55402 Individual(s) citizenship Association National Bank General Partnership Limited Partnership Corporation Other

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

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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other

Execution Date: December 30, 2003

4. Application number(s) or registration number(s): A. Trademark Application No.(s) SEE EXHIBIT A ATTACHED HERETO

B. Trademark Registration No.(s) SEE EXHIBIT A ATTACHED HERETO

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning this document should be mailed: Name: Steven J. Ryan, Esq. Internal Address: Briggs and Morgan, P.A. Street Address: 2200 IDS Center; 80 S. Eighth Street City: Minneapolis State: MN Zip: 55402

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41) \$240.00 Enclosed Authorized to be charged to deposit account (for deficiency only)

8. Deposit account number: 02-3732

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

01/02/2004 LABELLER 00000145 2263291

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DO NOT USE THIS SPACE

9. Statement and signature. Briggs and Morgan, P.A. By: Steven J. Ryan, Esq. Name of Person Signing Signature Date: December 31, 2003

Refund Ref: 01/02/2004 LABELLER 0000133071

Total number of pages including cover sheet, attachments, and documents: 4

CHECK Refund Total: \$75.00

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

**EXHIBIT A**  
(Continuation of Item 4)

Trademark Registrations and Applications

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
Northern Chef	2,263,291	July 20, 1999
Northern Chef	2,032,987	January 21, 1997
Royal Asia	2,394,069	October 10, 2000
Genesis	1,783,546	July 20, 1993
Crystal Isle	1,925,678	October 10, 1995
Northern King	1,768,777	May 4, 1993

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Security Agreement") made as of this 20 day of December, 2003 by TAI FOONG USA INC., a Delaware corporation (the "Grantor"), in favor of U.S. BANK NATIONAL ASSOCIATION, a national banking association (the "Bank"), with an office at Mail Station EP-MN-H04B, 800 Nicollet Mall, Minneapolis, MN 55402-7020.

### RECITAL:

The Borrower and the Bank are parties to a certain Financing Agreement dated on or about the date hereof (as amended, amended and restated or otherwise modified from time to time, the "Financing Agreement") and other related loan documents of even date herewith (collectively, with the Financing Agreement, and as each may be amended or otherwise modified from time to time, the "Loan Documents"), which Loan Documents provide (i) for Bank from time to time to extend credit to or for the account of Borrower, and (ii) for the grant by Borrower to the Bank of a security interest in certain of Borrower's assets, including, without limitation, its trademarks and trademark applications.

### AGREEMENTS:

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

Section 1. Incorporation of Loan Documents. The Loan Documents and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Financing Agreement.

Section 2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Borrower hereby grants to the Bank, and hereby reaffirms its prior grant pursuant to the Loan Documents of, a continuing security interest in Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademarks.

Section 3. Warranties and Representations. To induce the Bank to enter into the Financing Agreement and to extend the loans and other financial accommodations provided for therein, Borrower warrants and represents that:

(a) no registered Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(b) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Borrower not to sue third persons except for Permitted Liens;

(c) Borrower has no notice of any suits or actions commenced or threatened with reference to any Trademark except as disclosed in the Financing Agreement and related schedules thereto; and

(d) Borrower has the unqualified right to execute and deliver this Security Agreement and perform its terms.

Section 4. Restrictions on Future Agreements. Borrower agrees that until the Obligations shall have been satisfied in full and the Loan Documents shall have been terminated, Borrower shall not, without the prior written consent of the Bank, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to the Bank under this Security Agreement.

Section 5. New Trademarks. Borrower represents and warrants that, based on a diligent investigation by Borrower, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Borrower. If, before the Obligations shall have been satisfied in full or before the Loan Documents have been terminated, Borrower shall (a) become aware of any existing registered Trademarks of which Borrower has not previously informed the Bank, or (b) become entitled to the benefit of any registered Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Borrower shall give to the Bank prompt written notice thereof. Borrower hereby authorizes the Bank to modify this Security Agreement by amending Schedule A to include any such Trademarks.

Section 6. Term. The term of this Security Agreement shall extend until the payment in full of Borrower's Obligations and the termination of the Loan Documents. In connection with the sale of Borrower's inventory or collection of accounts, Borrower agrees that upon the occurrence of an Event of Default, the use by the Bank of all Trademarks shall be without any liability for royalties or other related charges from the Bank to Borrower.

Section 7. Product Quality. Borrower agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. After the occurrence of an Event of Default that is continuing, Borrower agrees that the Bank, or a conservator appointed by the Bank, shall have the right to establish such additional product quality controls as Bank, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks.

Section 8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of Borrower's Obligations and termination of the Loan Documents, Bank shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Loan Documents.

Section 9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by the Bank in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Borrower and until paid shall constitute Obligations.

Section 10. Duties of Borrower. Borrower shall have the duty (a) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until the Obligations shall have been paid in full and the Loan Documents have been terminated, (b) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (c) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with the Obligations under this Section 10 shall be borne by Borrower.

Section 11. Bank's Right to Sue. After the occurrence of an Event of Default that is continuing, Bank shall have the right, but shall in no way be obligated, to bring suit in its own name, or in the name of Bank, to enforce the Trademarks and, if Bank shall commence any such suit, Borrower shall, at the request of Bank, do any and all lawful acts and execute any and all proper documents required by Bank in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Bank for all costs and expenses incurred by Bank in the exercise of its rights under this Section 11.

Section 12. Waivers. No course of dealing between Borrower and Bank, nor any failure to exercise, nor any delay in exercising, on the part of Bank, any right, power or privilege hereunder or under the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 13. Severability. The provisions of this Security 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 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 Security Agreement in any jurisdiction.

Section 14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

Section 15. Cumulative Remedies; Power of Attorney; Effect on Loan Documents. All of Bank's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Documents, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Bank after the occurrence of an Event of Default that is continuing, to make, constitute and appoint any officer or agent of Bank as Bank may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (a) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Bank in the use of the Trademarks or (b) take any other actions with respect to the Trademarks as Bank deems to be in the best interest of Bank, or (c) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (d) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligations shall have been paid in full and

the Loan Documents have been terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. Bank shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Loan Documents, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Minnesota.

Section 16. Binding Effect; Benefits. This Security Agreement shall be binding upon Borrower and its respective successors and assigns, and shall inure to the benefit of the Bank and its successors, nominees and assigns.

Section 17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota and applicable federal law.

Section 18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

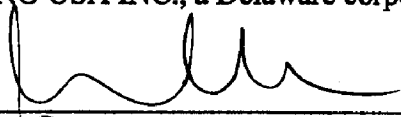
Section 19. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Bank shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

Section 20. Survival of Representations. All representations and warranties of Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Loan Documents.

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signature page follows]

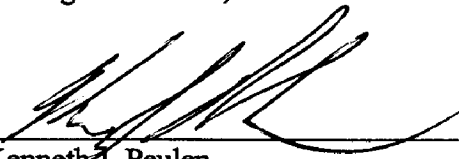
IN WITNESS WHEREOF, Borrower has duly executed this Security Agreement as of the date first written above.

TAI FOONG USA INC., a Delaware corporation

By:   
Name: DAVY C.K. LAM  
Title: PRESIDENT

Agreed and accepted  
as of the date first written above

U.S. BANK NATIONAL ASSOCIATION, a  
national banking association,

By   
Name: Kenneth J. Peulen  
Title: Vice President

SCHEDULE A

Trademark Registrations and Applications

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
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