

## TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
RIVER CITY CAFE, LLC		12/24/2008	LIMITED LIABILITY COMPANY: SOUTH CAROLINA
ULTIMATE CALIFORNIA PIZZA, LLC		12/24/2008	LIMITED LIABILITY COMPANY: SOUTH CAROLINA
RECEIVING PARTY DATA			
Name:	BRANCH BANKING AND TRUST COMPANY		
Street Address:	2619 Oak Street		
City:	Myrtle Beach		
State/Country:	SOUTH CAROLINA		
Postal Code:	29577		
Entity Type:	BANKING CORPORATION: NORTH CAROLINA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3178909	RIVER CITY CAFE	
Registration Number:	2099090	THE ULTIMATE CALIFORNIA PIZZA	
CORRESPONDENCE DATA			
Fax Number:	(843)577-7708		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:	843-577-7700		
Email:	bckillough@charleston.net		
Correspondent Name:	B. Craig Killough		
Address Line 1:	885 Island Park Drive		
Address Line 4:	Charleston, SOUTH CAROLINA 29490		
ATTORNEY DOCKET NUMBER:	1580.013		

OP \$65.00 3178909

900124666

TRADEMARK  
REEL: 003919 FRAME: 0142

NAME OF SUBMITTER:	B. CRAIG KILLOUGH
Signature:	/B. CRAIG KILLOUGH/
Date:	01/14/2009
<p><b>Total Attachments: 18</b></p> <p>source=RecordationCoverSheet Security Agreement#page1.tif</p> <p>source=Trademark Security Agreement Executed#page1.tif</p> <p>source=Trademark Security Agreement Executed#page2.tif</p> <p>source=Trademark Security Agreement Executed#page3.tif</p> <p>source=Trademark Security Agreement Executed#page4.tif</p> <p>source=Trademark Security Agreement Executed#page5.tif</p> <p>source=Trademark Security Agreement Executed#page6.tif</p> <p>source=Trademark Security Agreement Executed#page7.tif</p> <p>source=Trademark Security Agreement Executed#page8.tif</p> <p>source=Trademark Security Agreement Executed#page9.tif</p> <p>source=Trademark Security Agreement Executed#page10.tif</p> <p>source=Trademark Security Agreement Executed#page11.tif</p> <p>source=Trademark Security Agreement Executed#page12.tif</p> <p>source=Trademark Security Agreement Executed#page13.tif</p> <p>source=Trademark Security Agreement Executed#page14.tif</p> <p>source=Trademark Security Agreement Executed#page15.tif</p> <p>source=Trademark Security Agreement Executed#page16.tif</p> <p>source=Trademark Security Agreement Executed#page17.tif</p>	

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies):**

RIVER CITY CAFÉ, LLC  
and ULTIMATE CALIFORNIA PIZZA, LLC

- ☐ Individual(s) ☐ Association  
☐ General Partnership ☐ Limited Partnership  
☐ Corporation-State: \_\_\_\_\_  
☒ Other LLC

Citizenship (see guidelines) South Carolina

Additional names of conveying parties attached? ☐ Yes ☒ No

**3. Nature of conveyance/Execution Date(s) :**

Execution Date(s) 12/24/2008

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

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

Additional names, addresses, or citizenship attached? ☐ Yes  
☒ No

Name: BRANCH BANKING AND TRUST COMPANY

Internal

Address: \_\_\_\_\_

Street Address: 2619 Oak Street

City: MYRTLE BEACH

State: SC

Country: USA

Zip: 29577

- ☐ Association Citizenship \_\_\_\_\_  
☐ General Partnership Citizenship \_\_\_\_\_  
☐ Limited Partnership Citizenship \_\_\_\_\_  
☒ Corporation Citizenship North Carolina  
☐ Other \_\_\_\_\_ Citizenship \_\_\_\_\_

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)

**4. Application number(s) or registration number(s) and identification or description of the Trademark.**

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

3,178,909  
2,099,090

Additional number(s) attached? ☐ Yes ☒ No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

RIVER CITY CAFÉ and THE ULTIMATE CALIFORNIA PIZZA

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

Name: B. Craig Killough, BARNWELL WHALEY  
PATTERSON & HELMS, LLC

Internal Address: \_\_\_\_\_

Street Address: P.O. DRAWER H

City: CHARLESTON

State SC Zip: 29402

Phone Number: (843) 577-7700

Fax Number: (843) 577-7708

Email Address: bckillough@charleston.net

**6. Total number of applications and registrations involved:**

2

**7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$65.00**

- ☒ Authorized to be charged by credit card  
☐ Authorized to be charged to deposit account  
☐ Enclosed

**8. Payment Information:**

a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number \_\_\_\_\_  
Authorized User Name \_\_\_\_\_

**9. Signature:**

B. Craig Killough  
Signature

January 9, 2009  
Date

B. Craig Killough

Name of Person Signing

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

18

## SECURITY AGREEMENT

**THIS SECURITY AGREEMENT** (this "Agreement") is made and given as of this 24th day of December, 2008, by **RIVER CITY CAFE, LLC, a South Carolina limited liability company** (hereinafter referred to as "River City") and **ULTIMATE CALIFORNIA PIZZA, LLC, a South Carolina limited liability company** (hereinafter referred to as "California Pizza" and together with River City are hereinafter referred to collectively as "Debtors"), whose address is 602 27th Avenue North, Myrtle Beach, SC 29577, to **BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation** (hereinafter referred to as "Secured Party") whose address is 2619 Oak Street, Myrtle Beach, South Carolina 29577, pursuant to that certain Loan Agreement of even date herewith (said Loan Agreement, together with all amendments, supplements, modifications and replacements thereof hereinafter referred to as the "Loan Agreement") between Lender, RCC Operating Company, LLC, a South Carolina limited liability company (hereinafter referred to as "RCC Operating Company"), UCP Operating Company, LLC, a South Carolina limited liability company (hereinafter referred to as "UCP Operating Company"), River City Cafe Holdings, LLC, a South Carolina limited liability company (hereinafter referred to as "River City Holdings"), Ultimate California Pizza Holdings, LLC, a South Carolina limited liability company (hereinafter referred to as "California Pizza Holdings" and together with River City Holdings, RCC Operating Company and UCP Operating Company are hereinafter referred to collectively as "Borrowers"), Debtors, Lloyd W. Coppedge, Matthew Brittain, David L. Brittain and Clay D. Brittain, III, hereinafter collectively referred to as the "Guarantors". All capitalized terms not otherwise defined herein are used with the same meaning as set forth in the Loan Agreement or the South Carolina Uniform Commercial Code (hereinafter referred to as the "UCC").

## WITNESSETH:

**WHEREAS**, pursuant to Loan Agreement, Secured Party loaned the aggregate total principal amount of up to Five Million Four Hundred Fifteen Thousand Six Hundred and Twenty-Five and No/100 (\$5,415,625.00) Dollars (hereinafter referred to as the "Loan"), which is evidenced by the following:

(a) Promissory Note dated of even date herewith, executed by River City Holdings and California Pizza Holdings in favor of Secured Party in the principal amount of Two Million One Hundred Eighty Four Thousand and No/100 (\$2,184,000.00) Dollars (hereinafter referred to as the "Real Estate Note");

(b) Promissory Note dated of even date herewith, executed by RCC Operating Company and UCP Operating Company in favor of Secured Party in the principal amount of Two Million Two Hundred Eighty One Thousand Six Hundred Twenty-Five and No/100 (\$2,281,625.00) Dollars (hereinafter referred to as the "FF&E Note"); and

(c) Revolving Line of Credit Note dated of even date herewith, executed by RCC Operating Company and UCP Operating Company in favor of Secured Party in the principal amount of Nine Hundred Fifty Thousand and No/100 (\$950,000.00) Dollars (hereinafter referred to as the "Line of Credit Note"). The Real Estate Note, the FF&E Note and the Line of Credit Note and all extensions, renewals, modifications and substitutions thereof are hereinafter referred to collectively as the "Notes".

**WHEREAS**, in accordance with the Loan Agreement, Debtors are obligated to secure the Notes and other Obligations, as defined below, with this Agreement and by the loan documents set forth in the Loan Agreement (said loan documents, together with all amendments, supplements, modifications and replacements thereof hereinafter referred to collectively as the "Loan Documents").

**NOW, THEREFORE**, for and in consideration of the promises hereof, the sum of Five (\$5.00) Dollars in hand well and truly paid by Secured Party to Debtors, the mutual promises contained hereinafter and as set forth in the Loan Agreement and other valuable consideration (the receipt and sufficiency of which is hereby acknowledged), Debtors do hereby grant unto Secured Party the security interests hereinafter described in accordance with the terms and conditions hereinafter set forth.

1. **Security Interest.** For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtors pledge, convey, assign and grant to Secured Party a security interest and lien in the Collateral (hereinafter defined in Section 2) to secure the payment and the performance of the Obligations (hereinafter defined in Section 4).

2. **Collateral.** A security interest is granted in the collateral (hereinafter referred to as the "Collateral") described in this Section 2:

A. **Types of Collateral.** All of the following properties, assets and Rights of Debtors, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof: all General Intangibles (including all payment intangibles and the patents, copyrights, trademarks and servicemarks set forth in the attached "Schedule of Patents, Copyrights, Trademarks and Servicemarks" set forth and described in **Schedule A** which is incorporated herein by reference).

B. **Substitutions, Proceeds, Accessions and Related Items.** All substitutes and replacements for, accessions, attachments and other additions to, tools, parts and equipment now or hereafter added to or used in connection with, and all cash or non-cash proceeds and products of, the Collateral (including, without limitation, all income, benefits and property receivable, received or distributed which results from any of the Collateral, such as dividends payable or distributable in cash, property or stock; insurance distributions of any kind related to the Collateral, including, without limitation, returned premiums, interest, premium and principal payments; redemption proceeds and subscription rights; and shares or other proceeds of conversions or splits of any securities in the Collateral); any and all choses in action and causes of action of Debtors, whether

now existing or hereafter arising, relating directly or indirectly to the Collateral (whether arising in contract, tort or otherwise and whether or not currently in litigation); all certificates of title, manufacturer's statements of origin, other documents, accounts and chattel paper, whether now existing or hereafter arising directly or indirectly from or related to the Collateral; all warranties, wrapping, packaging, advertising and shipping materials used or to be used in connection with or related to the Collateral; all of Debtors' books, records, data, plans, manuals, computer software, computer tapes, computer systems, computer disks, computer programs, source codes and object codes containing any information, pertaining directly or indirectly to the Collateral and all rights of Debtors to retrieve data and other information pertaining directly or indirectly to the Collateral from third parties, whether now existing or hereafter arising; and all returned, refused, stopped in transit, or repossessed Collateral.

C. **Balances and Other Property.** The balance of every Deposit Account of Debtors maintained with Secured Party and any other claim of Debtors against Secured Party, now or hereafter existing, liquidated or unliquidated, and all Money, Instruments, Securities, Documents, Chattel Paper, credits, claims, demands, income, and any other property, rights and interests of Debtors which at any time shall come into the possession or custody or under the Control of Secured Party or any of its agents or affiliates for any purpose, and the Proceeds of any thereof. Secured Party shall be deemed to have possession of any of the Collateral in transit to or set apart for it or any of its agents or affiliates.

3. **Authorization to File Financing Statements.** Debtors hereby irrevocably authorize Secured Party at any time and from time to time to file in such Uniform Commercial Code jurisdictions as Secured Party deems necessary, appropriate financing statements and amendments thereto that (a) indicate the Collateral (i) as all Assets of Debtors or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State, or such other jurisdiction, for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether Debtors are an organization, the type of organization and any organizational identification number issued to Debtors and, (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Debtors agree to furnish any such information to Secured Party promptly upon Secured Party's request.

4. **Description of Obligations.** The following Obligations ("Obligations") are secured by this Agreement: (a) all debts, obligations, liabilities and agreements of Debtors to Secured Party, now or hereafter existing, arising directly or indirectly between Debtors and Secured Party whether absolute or contingent, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising under the Notes, the Loan, the Loan Agreement, or any of the Loan Documents, and all renewals, extensions or rearrangement

of any of the above; (b) all costs incurred by Secured Party to obtain, preserve, perfect and enforce this Agreement and maintain, preserve, collect and realize upon the Collateral.

5. **Debtors' Warranties.** Debtors hereby represent and warrant to Secured Party as follows:

A. **Financing Statements.** No financing statement covering the Collateral is or will be on file in any public office, except the financing statements relating to this security interest and no security interest, other than the one herein created, has attached or been perfected in the Collateral or any part thereof.

B. **Ownership.** Debtors own the Collateral free from any setoff, claim, restriction, lien, security interest or encumbrance except for the security interest hereunder and Permitted Encumbrances (as such term is defined in the Loan Agreement).

C. **Claims of Debtors on the Collateral.** All account debtors and other obligors whose debts or Obligations are part of the Collateral have no right to setoffs, counterclaims or adjustments, and no defenses in connection therewith except for any such rights arising in the ordinary course of Debtors' business.

D. **Power and Authority.** Debtors have full power and authority to make this Agreement, and all necessary consents and approvals of any persons, entities, governmental or regulatory authorities and securities exchanges have been obtained to effectuate the validity of this Agreement.

E. **Patents and Trademarks.** All patents, copyrights, trademarks and servicemarks are held by Debtors with the U.S. Patent and Trademark office at the time of the execution of this Agreement.

6. **Debtors' Covenants.** Until full payment and performance of all of the Obligations, unless Secured Party otherwise consents in writing:

A. **Obligations and This Agreement.** Debtors shall perform all of their agreements herein and in any other agreements between them and Secured Party.

B. **Ownership and Maintenance of the Collateral.** Debtors shall keep all tangible Collateral in good condition, reasonable wear and tear and damage insured by casualty and obsolescence arising in the ordinary course of Debtors' business excepted. Debtors shall defend the Collateral against all claims and demands of all persons at any time claiming any interest therein materially adverse to Secured Party. Debtors shall keep the Collateral free from all liens and security interests except for Permitted Encumbrances and the security interest hereby created.

C. **Insurance.** Debtors shall insure the Collateral with companies reasonably acceptable to Secured Party. Such insurance shall be in an amount not less than the fair

market value of the Collateral and shall be against such casualties, with such deductible amounts as Secured Party shall approve. All insurance policies shall be written for the benefit of Debtors and Secured Party as their interests may appear, payable to Secured Party as loss payee, or in other form satisfactory to Secured Party, and such policies or certificates evidencing the same shall be furnished to Secured Party. All policies of insurance shall provide for written notice to Secured Party at least thirty (30) days prior to cancellation. Risk of loss or damage is Debtors' to the extent of any deficiency in any effective insurance coverage.

**D. Secured Party's Costs.** Debtors shall pay all reasonable costs necessary to obtain, preserve, perfect, defend and enforce the security interest created by this Agreement, collect the Obligations, and preserve, defend, enforce and collect the Collateral, including but not limited to taxes, assessments, insurance premiums, repairs, rent, storage costs and expenses of sales, legal expenses, reasonable attorney's fees and other fees or expenses for which Debtors are obligated to reimburse Secured Party in accordance with the terms of the Loan Documents. Whether the Collateral is or is not in Secured Party's possession, and without any Obligations to do so and without waiving Debtors' default for failure to make any such payment, upon the occurrence of an Event of Default (hereinafter defined), Secured Party at its option may pay any such costs and expenses, discharge encumbrances on the Collateral, and pay for insurance of the Collateral, and such payments shall be a part of the Obligations and bear interest at the rate set out in the Obligations. Debtors agree to reimburse Secured Party on demand for any costs so incurred by Secured Party pursuant to the foregoing clause.

**E. Information and Inspection.** Debtors shall (i) promptly furnish Secured Party any information with respect to the Collateral reasonably requested by Secured Party; (ii) allow Secured Party or its representatives to inspect the Collateral, at any time and wherever located, and to inspect and copy, or furnish Secured Party or its representatives with copies of, all records relating to the Collateral and the Obligations; (iii) promptly furnish Secured Party or its representatives such information as Secured Party may reasonably request to identify the Collateral, at the time and in the form requested by Secured Party; and (iv) deliver upon request to Secured Party shipping and delivery receipts evidencing the shipment of goods and invoices evidencing the receipt of, and the payment for, the Collateral.

**F. Additional Documents.** Debtors shall sign and deliver any papers deemed necessary or desirable in the judgment of Secured Party to obtain, maintain, and perfect the security interest hereunder and to enable Secured Party to comply with any federal or state law in order to obtain or perfect Secured Party's interest in the Collateral or to obtain proceeds of the Collateral.

**G. Parties Liable on the Collateral.** Debtors shall preserve the liability of all obligors on any Collateral, shall preserve the priority of all security therefor, and shall deliver to Secured Party the original certificates of title on all motor vehicles or other titled vehicles constituting the Collateral. Secured Party shall have no duty to preserve



such liability or security, but may do so at the expense of Debtors, without waiving Debtors' default.

H. **Records of the Collateral.** Debtors at all times shall maintain accurate books and records covering the Collateral. Debtors immediately will mark all books and records with an entry showing the absolute assignment of all Collateral to Secured Party, and Secured Party is hereby given the right to audit the books and records of Debtors relating to the Collateral at any time and from time to time. The amounts shown as owed to Debtors on Debtors' books and on any assignment schedule will be the undisputed amounts owing and unpaid.

I. **Disposition of the Collateral.** If disposition of any Collateral gives rise to an account, chattel paper or instrument, Debtors immediately shall notify Secured Party, and upon request of Secured Party shall assign or indorse the same to Secured Party. No Collateral may be sold, leased, manufactured, processed or otherwise disposed of by Debtors in any manner without the prior written consent of Secured Party, except the Collateral sold, leased, manufactured, processed or consumed in the ordinary course of business.

J. **Accounts.** Each account held as Collateral shall not be evidenced by any instrument or chattel paper.

K. **Notice/Location of the Collateral.** Debtors shall give Secured Party written notice of each office of Debtors in which records of Debtors pertaining to accounts held as Collateral are kept, and each location at which the Collateral is or will be kept, and of any change of any such location. If no such notice is given, all records of Debtors pertaining to the Collateral and all Collateral of Debtors are and shall be kept at the address of Debtors set forth herein.

L. **Change of Name/Status and Notice of Changes.** Upon 30 days' prior written notice to Secured Party, any Debtor may change its name or use any trade name not currently used by such Debtor in connection with the operation of its business. Without the written consent of Secured Party, no Debtor shall change its corporate status or engage in any business not reasonably related to its business as presently conducted. Debtors shall notify Secured Party immediately of (i) any material change in the Collateral, (ii) a change in Debtors' residence or location, (iii) a change in any matter warranted or represented by Debtors in this Agreement, or in any of the Loan Documents or furnished to Secured Party pursuant to this Agreement, and (iv) the occurrence of an Event of Default.

M. **Use and Removal of the Collateral.** Debtors shall not, unless previously indicated as a fixture, permit the Collateral to be affixed to real or personal property without the prior written consent of Secured Party. Debtors shall not permit any of the Collateral to be removed from the locations specified herein without the prior written

consent of Secured Party, except for the sale of inventory in the ordinary course of business.

**N. Possession of the Collateral.** Debtors shall deliver all investment securities and other instruments, documents and chattel paper which are part of the Collateral and in Debtors' possession to Secured Party immediately, or if hereafter acquired, immediately following acquisition, appropriately indorsed to Secured Party's order, or with appropriate, duly executed powers. Debtors waive presentment, notice of acceleration, demand, notice of dishonor, protest, and all other notices with respect thereto.

**O. Consumer Credit.** If any Collateral or proceeds includes Obligations of third parties to Debtors, the transactions giving rise to the Collateral shall conform in all respects to the applicable state or federal law including but not limited to consumer credit law. Debtors shall hold harmless and indemnify Secured Party against any cost, loss or expense arising from Debtors' breach of this covenant.

**P. Power of Attorney.** Debtors appoint Secured Party and any officer thereof as Debtors' attorney-in-fact with full power in Debtors' name and behalf to do for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all document and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of Debtors, at any time following the occurrence of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of the Collateral in such manner as is consistent with the UCC. Notwithstanding the foregoing, Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of the power granted to Secured Party pursuant to this paragraph and nothing in this paragraph shall be construed to obligate Secured Party to take any action hereunder nor shall Secured Party be liable to Debtors for failure to take any action hereunder, except for Secured Party's own gross negligence or willful misconduct. This appointment shall be deemed a power coupled with an interest and shall not be terminable as long as the Obligations are outstanding.

**Q. Waivers by Debtors.** Debtors waive notice of the creation, advance, increase, existence, extension or renewal of, and of any indulgence with respect to, the Obligations; waives presentment, demand, notice of dishonor, and protest; waives notice of the amount of the Obligations outstanding at any time, notice of any change in financial condition of any person liable for the Obligations or any part thereof. Debtors waive any right to require that any action be brought against any other person or to require that resort be had to any other security or to any balance of any deposit account. Debtors further waive any right of subrogation or to enforce any right of action against any other Debtors until the Obligations are paid in full.

**R. Other Parties and Other Collateral.** No renewal or extension of or any other indulgence with respect to the Obligations or any part thereof, no release of any security, no release of any person (including any maker, endorser, guarantor or surety) liable on the Obligations, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security therefor or guaranty thereof or under this Agreement shall in any manner impair or affect the rights of Secured Party under the law, hereunder, or under any other agreement pertaining to the Collateral. Secured Party need not file suit or assert a claim for personal judgment against any person for any part of the Obligations or seek to realize upon any other security for the Obligations, before foreclosing or otherwise realizing upon the Collateral. Debtors waive any right to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that Secured Party shall have no duty or Obligations to Debtors to apply to the Obligations any such other security or proceeds thereof.

**S. Collection and Segregation of Accounts and Right to Notify.** Secured Party hereby authorizes Debtors to collect the Collateral, subject to the direction and control of Secured Party, but Secured Party may curtail or terminate said authority at any time after the occurrence of an Event of Default. Upon notice by Secured Party, upon the occurrence of an Event of Default, whether oral or in writing, to Debtors, Debtors shall forthwith upon receipt of all checks, drafts, cash, and other remittances in payment of or on account of the Collateral, deposit the same in one or more special accounts maintained with Secured Party over which Secured Party alone shall have the power of withdrawal. The remittance of the proceeds of such Collateral shall not, however, constitute payment or liquidation of such Collateral until Secured Party shall receive good funds for such proceeds. Funds placed in such special accounts shall be held by Secured Party as security for all Obligations secured hereunder. These proceeds shall be deposited in precisely the form received, except for the endorsement of Debtors where necessary to permit collection of items, which endorsement Debtors agree to make, and which endorsement Secured Party is also hereby authorized, as attorney-in-fact, to make on behalf of Debtors. In the event Secured Party has notified Debtors to make deposits to a special account, pending such deposit, Debtors agree that it will not commingle any such checks, drafts, cash or other remittances with any funds or other property of Debtors, but will hold them separate and apart therefrom, and upon an express trust for Secured Party until deposit thereof is made in the special account. Secured Party will, from time to time, apply the whole or any part of the Collateral funds on deposit in this special account against such Obligations as are secured hereby as Secured Party may in its sole discretion elect. At the sole election of Secured Party, any portion of said funds on deposit in the special account which Secured Party shall elect not to apply to the Obligations, which may be paid over by Secured Party to Debtors. At any time after the occurrence of an Event of Default, Secured Party may notify persons obligated on any Collateral to make payments directly to Secured Party and Secured Party may take control of all proceeds of any Collateral. Until Secured Party elects to exercise such rights, Debtors, as agent of Secured Party, shall collect and enforce all payments owed on the Collateral.

T. **Other Actions.** To further the attachment, perfection and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in the Collateral, and without limitation on Debtors' other obligations in this Agreement, Debtors agree, in each case at Debtors' expense, to take the following actions with respect to the following Collateral:

i. **Promissory Notes and Tangible Chattel Paper.** If Debtors shall at any time hold or acquire any Promissory Notes or tangible Chattel Paper, Debtors shall forthwith endorse, assign and deliver the same to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify.

ii. **Deposit Accounts.** For each Deposit Account that Debtors at any time open or maintain, Debtors shall, at Secured Party's request and option, pursuant to an agreement in form and substance satisfactory to Secured Party, either (a) cause the depositary bank to comply at any time with instructions from Secured Party to such depositary bank directing the disposition of funds from time to time credited to such Deposit Account, without further consent of Debtors, or (b) arrange for Secured Party to become the customer of the depositary bank with respect to the Deposit Account, with Debtors being permitted, only with the consent of Secured Party, to exercise rights to withdraw funds from such Deposit Account. The provisions of this paragraph shall not apply to (i) any Deposit Account for which Debtors, the depositary bank and Secured Party have entered into a cash collateral agreement specially negotiated among Debtors, the depositary bank and Secured Party for the specific purpose set forth therein, (ii) a Deposit Account for which Secured Party is the depositary bank and is in automatic control, and (iii) Deposit Accounts specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Debtors' salaried employees.

iii. **Investment Property.** If Debtors shall at any time hold or acquire any certificated securities, Debtors shall forthwith endorse, assign and deliver the same to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify. If any Securities now or hereafter acquired by Debtors are uncertificated and are issued to Debtors or its nominee directly by the issuer thereof, Debtors shall immediately notify Secured Party thereof and, at Secured Party's request and option, pursuant to an agreement in form and substance satisfactory to Secured Party, either (a) cause the issuer to agree to comply with instructions from Secured Party as to such securities, without further consent of Debtors or such nominee, or (b) arrange for Secured Party to become the registered owner of the securities. If any Securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by Debtors are held by Debtors or their nominee through a securities intermediary or commodity intermediary, Debtors shall immediately notify Secured Party thereof and, at Secured Party's

request and option, pursuant to an agreement in form and substance satisfactory to Secured Party, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from Secured Party to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by Secured Party to such commodity intermediary, in each case without further consent of Debtors or such nominee, or (ii) in the case of financial assets or other investment property held through a securities intermediary, arrange for Secured Party to become the entitlement holder with respect to such investment property, with Debtors being permitted, only with the consent of Secured Party, to exercise rights to withdraw or otherwise deal with such investment property. The provisions of this paragraph shall not apply to any financial assets credited to a securities account for which Secured Party is the securities intermediary.

iv. **Collateral in the Possession of a Bailee.** If any Collateral is at any time in the possession of a bailee, Debtors shall promptly notify Secured Party thereof and, at Secured Party's request and option, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to Secured Party, that the bailee holds such Collateral for the benefit of Secured Party, and that such bailee agrees to comply, without further consent of Debtors, with instructions from Secured Party as to such Collateral.

v. **Electronic Chattel Paper and Transferable Records.** If Debtors at any time hold or acquire an interest in any electronic Chattel Paper or any "transferable record," as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, Debtors shall promptly notify Secured Party thereof and, at the request and option of Secured Party, shall take such action as Secured Party may reasonably request to vest in Secured Party control, under Section 9-105 of the Uniform Commercial Code, of such electronic Chattel Paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record.

vi. **Letter-of-Credit Rights.** If Debtors are at any time a beneficiary under a letter of credit, Debtors shall promptly notify Secured Party thereof and, at the request and option of Secured Party, Debtors shall, pursuant to an agreement in form and substance satisfactory to Secured Party, either (i) arrange for the issuer and any confirmer or other nominated person of such letter of credit to consent to an assignment to Secured Party of the proceeds of the letter of credit, or (ii) arrange for Secured Party to become the transferee beneficiary of the letter of credit, with Secured Party agreeing, in each case, that the proceeds of the letter to credit are to be applied as provided in the Loan Agreement.

vii. **Commercial Tort Claims.** If Debtors shall at any time hold or acquire a commercial tort claim in addition to any listed in Section 2, Debtors shall immediately notify Secured Party in a writing signed by Debtors of the particular thereof and grant to Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to Secured Party.

viii. **Other Actions as to Any and All Collateral.** Debtors further agree, at the request and option of Secured Party, to take any and all other actions Secured Party may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in any and all of the Collateral, including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that Debtors' signature thereon is required therefore, (b) causing Secured Party's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of Secured Party to enforce, Secured Party's security interest in such Collateral, (c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Secured Party to enforce, Secured Party's security interest in such Collateral, (d) obtaining governmental and other third party waivers, consents and approvals in form and substance satisfactory to Secured Party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, (e) obtaining waivers from mortgagees and landlords in form and substance satisfactory to Secured Party and (f) taking all actions under any earlier versions of the Uniform Commercial Code or under any other law, as reasonably determined by Secured Party to be applicable in any relevant Uniform Commercial Code or other jurisdiction, including any foreign jurisdiction.

7. **Rights and Powers of Secured Party.**

A. **General.** Secured Party, after the occurrence of an Event of Default, without liability to Debtors may: require Debtors to give possession or control of any Collateral to Secured Party; indorse as Debtors' agent any Instruments, Documents or Chattel Paper in the Collateral or representing proceeds of the Collateral; contact account debtors directly to verify information furnished by Debtors; take control of proceeds, including stock received as dividends or by reason of stock splits; release the Collateral in its possession to any Debtors, temporarily or otherwise; take control of funds generated by the Collateral, such as cash dividends, interest and proceeds or refunds from insurance, and use same to reduce any part of the Obligations and exercise all other rights which an owner of such Collateral may exercise, including the right to vote or dispose of the Collateral; at any time transfer any of the Collateral or evidence thereof into its own

name or that of its nominee; and demand, collect, convert, redeem, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon the Collateral, in its own name or in the name of Debtors, as Secured Party may determine. Secured Party shall not be liable for failure to collect any account or instruments, or for any act or omission on the part of Secured Party, its officers, agents or employees, except for its or their own willful misconduct or gross negligence. The foregoing rights and powers of Secured Party will be in addition to, and not a limitation upon, any rights and powers of Secured Party given by law, elsewhere in this Agreement, the Loan Agreement, the Loan Documents, or otherwise.

**B. Convertible Collateral.** Upon the occurrence of an Event of Default, Secured Party may present for conversion any Collateral which is convertible into any other Instrument or investment Security or a combination thereof with cash, but Secured Party shall not have any duty to present for conversion any Collateral unless it shall have received from Debtors detailed written instructions to that effect at a time reasonably far in advance of the final conversion date to make such conversion possible.

**8. Default.**

**A. Event of Default.** An event of default ("Event of Default") shall occur if Debtors or any other obligor on all or part of the Obligations shall fail to timely and properly pay or observe, keep or perform any term, covenant, agreement or condition in the Notes, this Agreement, the Loan Agreement, or in any other agreement between Debtors and Secured Party or between Secured Party and any other obligor on the Obligations, including, but not limited to, any other instrument, loan agreement, security agreement, mortgage, promissory note, guaranty, certificate, assignment, instrument, document or other agreement concerning or related to the Obligations (collectively, the "Loan Documents") and such default is not cured within the time period permitted under the Loan Agreement, if any.

**B. Rights and Remedies.** If any Event of Default shall occur, then, in each and every such case, Secured Party may, without presentment, demand, or protest; notice of default, dishonor, demand, non-payment, or protest; notice of intent to accelerate all or any part of the Obligations; notice of acceleration of all or any part of the Obligations; or notice of any other kind, all of which Debtors hereby expressly waive, (except for any notice required under this Agreement, any other Loan Document or applicable law); at any time thereafter exercise and/or enforce any of the following rights and remedies at Secured Party's option:

**i. Possession and Collection of the Collateral.** At its option: (a) take possession or control of, store, lease, operate, manage, sell, or instruct any agent or broker to sell or otherwise dispose of, all or any part of the Collateral; (b) notify all parties under any account or contract right forming all or any part of the Collateral to make any payments otherwise due to Debtors directly to Secured Party; (c) in Secured Party's own name, or in the name of Debtors, demand,

collect, receive, sue for, and give receipts and releases for, any and all amounts due under such accounts and contract rights; (d) indorse as the agent of Debtors any Check, Note, Chattel Paper, Documents, or Instruments forming all or any part of the Collateral; (e) make formal application for transfer to Secured Party (or to any assignee of Secured Party or to any purchaser of any of the Collateral) of all of Debtors' permits, licenses, approvals, agreements, and the like relating to the Collateral or to Debtors' business; (f) take any other action which Secured Party deems necessary or desirable to protect and realize upon its security interest in the Collateral; and (g) in addition to the foregoing, and not in substitution therefor, exercise any one or more of the rights and remedies exercisable by Secured Party under any other provision of this Agreement, under any of the other Loan Documents, or as provided by applicable law (including, without limitation, the UCC). In taking possession of the Collateral Secured Party may enter Debtors' premises and otherwise proceed without legal process, if this can be done without breach of the peace. Debtors shall, upon Secured Party's demand, promptly make the Collateral or other security available to Secured Party at a place designated by Secured Party, which place shall be reasonably convenient to both parties.

Secured Party shall not be liable for, nor be prejudiced by, any loss, depreciation or other damages to the Collateral, unless caused by Secured Party's willful and malicious act. Secured Party shall have no duty to take any action to preserve or collect the Collateral.

ii. **Receiver.** Obtain the appointment of a receiver for all or any of the Collateral, Debtors hereby consent to the appointment of such a receiver and agree not to oppose any such appointment.

iii. **Right of Set Off.** Without notice or demand to Debtors, set off and apply against any and all of the Obligations any and all deposits (general or special, time or demand, provisional or final) and any other indebtedness, at any time held or owing by Secured Party or any of Secured Party's agents or affiliates to or for the credit of the account of Debtors or any guarantor or endorser of Debtors' Obligations.

Secured Party shall be entitled to immediate possession of all books and records evidencing any Collateral or pertaining to Chattel Paper covered by this Agreement and it or its representatives shall have the authority to enter upon any premises upon which any of the same, or any Collateral, may be situated and remove the same therefrom without liability. Secured Party may surrender any insurance policies in the Collateral and receive the unearned premium thereon. Debtors shall be entitled to any surplus and shall be liable to Secured Party for any deficiency. The proceeds of any disposition after default available to satisfy the Obligations shall be applied to the Obligations in such order and in such manner as Secured Party in its discretion shall decide.



Debtors specifically understand and agree that any sale by Secured Party of all or part of the Collateral pursuant to the terms of this Agreement may be effected by Secured Party at times and in manners which could result in the proceeds of such sale as being significantly and materially less than might have been received if such sale had occurred at different times or in different manners, and Debtors hereby release Secured Party and its officers and representatives from and against any and all Obligations and liabilities arising out of or related to the timing or manner of any such sale.

If, in the opinion of Secured Party, there is any question that a public sale or distribution of any Collateral will violate any state or federal securities law, Secured Party may offer and sell such Collateral in a transaction exempt from registration under federal securities law, and any such sale made in good faith by Secured Party shall be deemed "commercially reasonable".

9. **General.**

A. **Parties Bound.** Secured Party's rights hereunder shall inure to the benefit of its successors and assigns. In the event of any assignment or transfer by Secured Party of any of the Obligations or the Collateral, Secured Party thereafter shall be fully discharged from any responsibility with respect to the Collateral so assigned or transferred, but Secured Party shall retain all rights and powers hereby given with respect to any of the Obligations or the Collateral not so assigned or transferred. All representations, warranties and agreements of Debtors if more than one are joint and several and all shall be binding upon the personal representatives, heirs, successors and assigns of Debtors.

B. **Waiver.** No delay of Secured Party in exercising any power or right shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right. No waiver by Secured Party of any right hereunder or of any default by Debtors shall be binding upon Secured Party unless in writing, and no failure by Secured Party to exercise any power or right hereunder or waiver of any default by Debtors shall operate as a waiver of any other or further exercise of such right or power or of any further default. Each right, power and remedy of Secured Party as provided for herein or in any of the Loan Documents, or which shall now or hereafter exist at law or in equity or by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by Secured Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by Secured Party of any or all other such rights, powers or remedies.

C. **Agreement Continuing.** This Agreement shall constitute a continuing agreement, applying to all future as well as existing transactions, whether or not of the character contemplated at the date of this Agreement, and if all transactions between Secured Party and Debtors shall be closed at any time, shall be equally applicable to any new transactions thereafter. Provisions of this Agreement, unless by their terms

exclusive, shall be in addition to other agreements between the parties. Time is of the essence of this Agreement.

D. **Definitions.** Unless the context indicates otherwise, definitions in the UCC apply to words and phrases in this Agreement; if UCC definitions conflict, Article 9 definitions apply.

E. **Notices.** Notice shall be deemed reasonable if mailed postage prepaid at least five (5) days before the related action (or if the UCC elsewhere specifies a longer period, such longer period) to the address of Debtors given above, or to such other address as any party may designate by written notice to the other party. Each notice, request and demand shall be deemed given or made, if sent by mail, upon the earlier of the date of receipt or five (5) days after deposit in the U.S. Mail, first class postage prepaid, or if sent by any other means, upon delivery.

F. **Modifications.** No provision hereof shall be modified or limited except by a written agreement expressly referring hereto and to the provisions so modified or limited and signed by Debtors and Secured Party. The provisions of this Agreement shall not be modified or limited by course of conduct or usage of trade.

G. **Applicable Law and Partial Invalidity.** This Agreement has been delivered in the State of South Carolina and shall be construed in accordance with the laws of that State. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement. The invalidity or unenforceability of any provision of any Loan Document to any person or circumstance shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

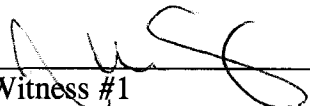
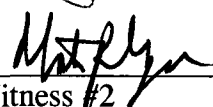
H. **Financing Statement.** To the extent permitted by applicable law, a carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral shall be sufficient as a financing statement.

I. **Controlling Document.** To the extent that this Security Agreement conflicts with or is in any way incompatible with any other Loan Document concerning the Obligations, the Notes shall control over any other document, and if such Notes does not address an issue, then each other document shall control to the extent that it deals most specifically with an issue.

J. **Execution Under Seal.** This Agreement is being executed under seal by Debtors.


IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed under seal by their duly authorized representatives as of the date first above written.

**WITNESSES:**

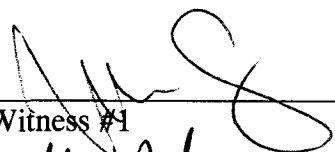
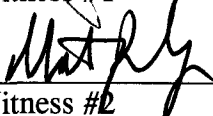
  
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Witness #1  
  
\_\_\_\_\_  
Witness #2

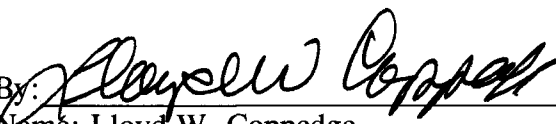
**DEBTORS:**

**RIVER CITY CAFE, LLC, a South Carolina  
limited liability company**

By:   
\_\_\_\_\_  
Name: Lloyd W. Coppedge  
\_\_\_\_\_  
Its: Manager  
\_\_\_\_\_  
[SEAL]

**ULTIMATE CALIFORNIA PIZZA, LLC, a  
South Carolina limited liability company**

  
\_\_\_\_\_  
Witness #1  
  
\_\_\_\_\_  
Witness #2

By:   
\_\_\_\_\_  
Name: Lloyd W. Coppedge  
\_\_\_\_\_  
Its: Manager  
\_\_\_\_\_  
[SEAL]

**Schedule A**

**SCHEDULE OF PATENTS, COPYRIGHTS, TRADEMARKS AND SERVICEMARKS**

- River City Café, U.S. Registration No. 3,178,909, registered December 5, 2006
- THE ULTIMATE CALIFORNIA PIZZA, U.S. Registration No. 2,099,090, registered September 23, 1997