

07-25-2000



101413285

UNITED STATES PATENT AND TRADEMARK OFFICE

RECORDATION FORM COVER SHEET

1.14.02

TRADEMARKS ONLY

To the Honorable Commissioner of Patents and Trademarks:

Please record the attached original document or copy thereof.

1. Name and address of conveying party:

Grandy's, Inc.
450 Newport Center Drive
Newport Beach, CA 92260

A California corporation

2. Name and address of receiving party:

Fleet National Bank, as Collateral Agent
100 Federal Street
Boston, MA 02110

A national banking association

3. Nature of conveyance: Trademark Collateral Security and Pledge Agreement, attached hereto as Exhibit 1.

Execution date: June 28, 2000

4. Application numbers and registration numbers:

A. Trademark registration numbers:

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
Grandy's Country Cookin' (stylized)	1,248,703	August 16, 1983
Granny Figure Design	1,362,672	September 24, 1985
Grandy's	1,376,411	December 17, 1985
Big Dish O'Catfish	2,005,427	October 1, 1996

07/24/2000 MTHRI1 00000070 1248703

01 FC:481 40.00 DP
02 FC:482 100.00 DP

BUSDOCS:876401.1

TRADEMARK
REEL: 002108 FRAME: 0512

B. Trademark application numbers:

<u>Trademark</u>	<u>Application No.</u>	<u>Filing Date</u>
Homestyle in a Hurry	75/802245	September 20, 1999

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

Melanie J. Brockway, Esq.
Bingham Dana LLP
150 Federal Street
Boston, Massachusetts 02110


6. Total number of applications and registrations involved: 5

7. Total fee enclosed: \$140

8. Deposit account number: Not applicable

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.


Melanie J. Brockway, Esq.
July 12, 2000

Total number of pages submitted (including cover sheet and any attached Schedules, and conveyance document and any attached Schedules):

Mail documents to be recorded with required cover sheet information to:

United States Patent and Trademark Office
Office of Public Records
Crystal Gateway 4
Room 335
Washington, D.C. 20231

TRADEMARK COLLATERAL
SECURITY AND PLEDGE AGREEMENT

TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT dated as of June 28, 2000 (as amended and in effect from time to time, the "Trademark Agreement"), among **GRANDY'S, INC.**, a California corporation ("Grandy's"), **SPECTRUM FOODS, INC.**, a California corporation ("Spectrum"), **SPOONS RESTAURANTS, INC.**, a Texas corporation ("Spoons") and **LOCAL FAVORITE, INC.**, a California corporation ("National Sports Grill"), each having its principal place of business at 450 Newport Center Drive, Newport Beach, California 92260 (each an "Assignor", and collectively, the "Assignors"), and **FLEET NATIONAL BANK**, a national banking association having an office at 100 Federal Street, Boston, Massachusetts 02110, as collateral agent (hereinafter, in such capacity, the "Collateral Agent") for Secured Parties (as hereinafter defined).

WHEREAS, pursuant to a Revolving Credit and Term Loan Agreement, dated as of June 28, 2000 (as amended and in effect from time to time, the "Credit Agreement"), among NBACo, Inc. ("NBACo"), each of the Assignors (collectively with NBACo, the "Borrowers"), the lending institutions party thereto (the "Banks"), and Fleet National Bank, as agent (the "Agent") for itself and the Banks, the Banks have agreed, upon the terms and subject to the conditions contained therein, to make loans and otherwise to extend credit to the Borrowers; and

WHEREAS, pursuant to a Purchase Agreement, dated as of June 28, 2000 (as amended and in effect from time to time, the "Subordinated Agreement"), between BET Associates, L.P. (the "Subordinating Creditor") and NBACo, the Subordinating Creditor has agreed to extend credit to NBACo; and

WHEREAS, pursuant to a guaranty included in the Subordinated Agreement, each Assignor has guaranteed the obligations of NBACo under the Subordinated Agreement and the other Subordinated Debt Documents to which NBACo is a party; and

WHEREAS, the Collateral Agent, the Agent and the Subordinating Creditor have entered into that certain Intercreditor and Collateral Agency Agreement, dated as of June 28, 2000 (the "Intercreditor Agreement"), providing for, among other things, the appointment of the Collateral Agent to administer and enforce the Security Documents and Collateral as provided therein; and

WHEREAS, it is a condition precedent to the Credit Agreement and the Subordinated Agreement that each Assignor shall have entered into this Agreement and granted security interests as provided herein; and

WHEREAS, each Assignor wishes to grant a security interest in favor of the Collateral Agent, for the benefit of itself and the Agent, the Banks and the Subordinating Creditor (collectively, the "Secured Parties"); and

WHEREAS, the rights and obligations of each of the Secured Parties are further governed by and subject to the Intercreditor Agreement;

WHEREAS, the Assignors have executed and delivered to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, the Security Agreement (as defined in the Credit Agreement), pursuant to which the Assignors have granted to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, a security interest in certain of the Assignors' personal property and fixture assets, including without limitation the trademarks, service marks, trademark and service mark registrations, and trademark and service mark registration applications listed on Schedule A attached hereto, all to secure the payment and performance of the Secured Obligations (as defined in the Intercreditor Agreement); and

WHEREAS, this Trademark Agreement is supplemental to the provisions contained in the Security Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINITIONS.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Credit Agreement. In addition, the following terms shall have the meanings set forth in this §1 or elsewhere in this Trademark Agreement referred to below:

Assignment of Marks. See §2.1.

Associated Goodwill. All goodwill of each Assignor and its business, products and services appurtenant to, associated with or symbolized by the Trademarks and the use thereof.

Pledged Trademarks. All of each Assignor's right, title and interest in and to all of the Trademarks, the Trademark Registrations, the Trademark License Rights, the Trademark Rights, the Associated Goodwill, the Related Assets, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

PTO. The United States Patent and Trademark Office.

Related Assets. All assets, rights and interests of each Assignor that uniquely reflect or embody the Associated Goodwill, including the following:

(a) all patents, inventions, copyrights, trade secrets, confidential information, formulae, methods or processes, compounds, recipes, know-how, methods and operating systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision and sale of goods or services under or in association with any of the Trademarks; and

(b) the following documents and things in the possession or under the control of any Assignor, or subject to its demand for possession or control, related to the production, delivery, provision and sale by any Assignor, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of any Assignor in connection with the Trademarks or Trademark Rights, whether prior to, on or subsequent to the date hereof:

(i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers, dealers or distributors of any Assignor, its affiliates or franchisees or licensees or contractors, for products or services sold under or in connection with the Trademarks or Trademark Rights, including all lists and documents containing information regarding each customer's, dealer's or distributor's name and address, credit, payment, discount, delivery and other sale terms, and history, pattern and total of purchases by brand, product, style, size and quantity;

(ii) all agreements (including franchise agreements), product and service specification documents and operating, production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Trademarks or Trademark Rights;

(iii) all documents and agreements relating to the identity and locations of all sources of supply, all terms of purchase and delivery, for all materials, components, raw materials and other supplies and services used in the manufacture, production, provision, delivery and sale of products or services under or in connection with the Trademarks or Trademark Rights; and

(iv) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by any Assignor (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Trademarks or Trademark Rights.

Trademark Agreement. See preamble.

Trademark License Rights. Any and all past, present or future rights and interests of any Assignor pursuant to any and all past, present and future franchising or licensing agreements in favor of any Assignor, or to which any Assignor is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of any Assignor or the Collateral Agent to enforce, and sue and recover for, any breach or violation of any such agreement to which any Assignor is a party.

Trademark Registrations. All past, present or future federal, state, local and foreign registrations of the Trademarks, all past, present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of any Assignor or the Collateral Agent, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Trademark Rights. Any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of any Assignor or the Collateral Agent for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights.

Trademarks. All of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and other source and product or service identifiers, used or associated with or appurtenant to the products, services and businesses of any Assignor, that (i) are set forth on Schedule A hereto, or (ii) have been adopted, acquired, owned, held or used by any Assignor or are now owned, held or used by any Assignor, in any Assignor's business, or with any Assignor's products and services, or in which any Assignor has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and used by any Assignor in any Assignor's business or with any Assignor's products and services, or in which any Assignor in the future acquires any right, title or interest.

use. With respect to any Trademark, all uses of such Trademark by, for or in connection with any Assignor or its business or for the direct or indirect benefit of any Assignor or its business, including all such uses by such Assignor itself, by any of the affiliates of any Assignor, or by any franchisee, licensee or contractor of any Assignor.

Unless otherwise provided herein, the rules of interpretation set forth in §1.2 of the Credit Agreement shall be applicable to this Trademark Agreement.

2. GRANT OF SECURITY INTEREST.

2.1. Security Interest. As collateral security for the payment and performance in full of all of the Secured Obligations, each Assignor hereby unconditionally grants to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, a continuing security interest in and first priority lien on all of such Assignor's right, title and interest to the Pledged Trademarks, and pledges and mortgages (but does not transfer title to) such Assignor's right, title and interest to the Pledged Trademarks to the Collateral Agent for the benefit of the Collateral Agent and the Secured Parties.

2.2. Conditional Assignment. In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Pledged Trademarks provided in §2.1, each Assignor grants, assigns, transfers, conveys and sets over to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, such Assignor's entire right, title and interest in and to the Pledged Trademarks effective only (i) upon or after the occurrence and during the continuance of an Event of Default and (ii) either (A) upon written demand of the Collateral Agent at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by the Collateral Agent) upon an Event of Default for which acceleration of the Secured Obligations is automatic under the Credit Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Security Agreement and applicable law (including the transfer or other disposition of the Collateral by any Assignor to the Collateral Agent or its nominee in lieu of foreclosure); and provided that, with respect to any application to register a mark under 15 U.S.C. §1051(b) for which neither an amendment to allege use nor a statement of use has been filed with the PTO, such grant, assignment, transfer and conveyance shall be and become of force and effect only in connection with an assignment, transfer or conveyance of the business of the relevant Assignor or the portion of such business to which the mark pertains such that the assignment, transfer or conveyance satisfies 15 U.S.C. §1060(a) so as not to render such application invalid.

2.3 Form of Assignment of Marks. Each Assignor agrees to execute and deliver to the Collateral Agent, upon the request of the Collateral Agent given after the occurrence and during the continuance of an Event of Default, an assignment of federally registered trademarks substantially in the form of Exhibit 1 attached hereto (the "Assignment of Marks"). Each Assignor hereby authorizes the Collateral Agent to complete as assignee and record with the PTO the Assignment of Marks upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Collateral Agent's remedies under the Trademark Agreement and the Security Agreement. In addition, each Assignor hereby constitutes and appoints the Collateral Agent as its attorney-in-fact to execute and deliver the Assignment of Marks as provided in §10 below.

2.4. Supplemental to Security Agreement. Pursuant to the Security Agreement each Assignor has granted to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, a continuing security interest in and lien on such Assignor's right, title and interest to the Collateral (including the Pledged Trademarks). The Security Agreement, and all rights and interests of the Collateral Agent in and to the Collateral (including the Pledged Trademarks) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Trademark Agreement, the grant, assignment, transfer and conveyance of the Pledged Trademarks hereunder, or the recordation of this Trademark Agreement (or any document hereunder) with the PTO or any other relevant authority, adversely affect or impair, in any way or to any extent, the Security Agreement, the security interest of the Collateral Agent in the Collateral (including the Pledged Trademarks) pursuant to the Security Agreement and this Trademark Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Pledged Marks), or any present or future rights and interests of the Collateral Agent in and to the Collateral under or in connection with the Security Agreement, this Trademark Agreement or the Uniform Commercial Code. Any and all rights and interests of the Collateral Agent in and to the Pledged Trademarks (and any and all obligations of each Assignor with respect to the Pledged Trademarks) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Collateral Agent (and the obligations of each Assignor) in, to or with respect to the Collateral (including the Pledged Trademarks) provided in or arising under or in connection with the Security Agreement and shall not be in derogation thereof.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Each Assignor represents, warrants and covenants that: (i) Schedule A sets forth a true and complete list of all Trademarks and Trademark Registrations now owned, licensed, controlled or used by any Assignor; (ii) the Trademarks and Trademark Registrations are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of the Trademarks or Trademark Registrations; (iii) to the best of each Assignor's knowledge, each of the Trademarks and Trademark Registrations is valid and enforceable; (iv) to the best of each Assignor's knowledge, there is no infringement by others of the Trademarks, Trademark Registrations or Trademark Rights; (v) no written claim has been made that the use of any of the Trademarks does or may violate the rights of any third person, and to the best of each Assignor's knowledge, there is no infringement by any Assignor of the trademark rights of others; (vi) the Assignors are the sole and exclusive owners of the entire and unencumbered right, title and interest in and to each of the Trademarks (other than ownership and other rights reserved by third party owners with respect to Trademarks that any Assignor is licensed to use), free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by any Assignor not to sue third persons, other than the security interest and assignment created by the Security Agreement and this Trademark Agreement; (vii)

each Assignor has the unqualified right to enter into this Trademark Agreement and to perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents, consultants, licensors and licensees that will enable them to comply with the covenants herein contained; (viii) each Assignor has used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with its use of the Trademarks; (ix) each Assignor has used, and will continue to use for the duration of this Trademark Agreement, consistent standards of quality in its manufacture and provision of products and services sold or provided under the Trademarks; (x) this Trademark Agreement, together with the Security Agreement, will create in favor of the Collateral Agent a valid and perfected first priority security interest in the Pledged Trademarks upon making the filings referred to in clause (xi) of this §3; and (xi) except for the filing of financing statements with the Secretary of State of California or the Secretary of State of Texas, as applicable, under the Uniform Commercial Code and the recording of this Trademark Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (A) for the grant by each Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Trademark Agreement by each Assignor, or (B) for the perfection of or the exercise by the Collateral Agent of any of its rights and remedies hereunder.

4. INSPECTION RIGHTS.

Each Assignor hereby grants to the Collateral Agent and each of the Secured Parties and their respective employees and agents the right to visit such Assignor's restaurants and other facilities that prepare, manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at such reasonable times and intervals as the Collateral Agent or such Secured Party may reasonably request.

5. NO TRANSFER OR INCONSISTENT AGREEMENTS.

Without the Collateral Agent's prior written consent, and except for licenses of Pledged Trademarks in the ordinary course of any Assignor's business or as otherwise permitted by the Credit Agreement no Assignor will (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Pledged Trademarks, or (ii) enter into any agreement (for example, a license agreement) that is inconsistent with the any Assignor's obligations under this Trademark Agreement or the Security Agreement.

6. AFTER-ACQUIRED TRADEMARKS, ETC.

6.1. After-acquired Trademarks. If, before the Secured Obligations shall have been finally paid and satisfied in full, any Assignor shall obtain any right, title or interest in or to any other or new Trademarks, Trademark Registrations or Trademark Rights, the provisions of this Trademark Agreement shall automatically apply thereto and the Assignors shall promptly provide to the Collateral Agent notice thereof in

writing and execute and deliver to the Collateral Agent such documents or instruments as the Collateral Agent may reasonably request further to implement, preserve or evidence the Collateral Agent's interest therein.

6.2. Amendment to Schedule. Each Assignor authorizes the Collateral Agent to modify this Trademark Agreement and the Assignment of Marks, without the necessity of any Assignor's further approval or signature, by amending Schedule A hereto and the Annex to the Assignment of Marks to include any future or other Trademarks, Trademark Registrations or Trademark Rights under §2 or §6.

7. TRADEMARK PROSECUTION.

7.1. Assignors Responsible. Each Assignor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary actions in connection with the Pledged Trademarks, and shall hold each of the Collateral Agent and the Secured Parties harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Collateral Agent or any Secured Party in connection with the Collateral Agent's interest in the Pledged Trademarks or any other action or failure to act in connection with this Trademark Agreement or the transactions contemplated hereby. In respect of such responsibility, the Assignors shall retain qualified counsel.

7.2. Assignors' Duties, etc. Each Assignor shall have the right and the duty, through qualified counsel, to prosecute diligently any trademark registration applications included within the Trademark Registrations pending as of the date of this Trademark Agreement or applied for thereafter, to preserve and maintain all rights in the Trademark Registrations listed on Schedule B, including the filing of appropriate renewal applications and other instruments to maintain in effect such Trademark Registrations and the payment when due of all registration renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of such Trademark Registrations. Any expenses incurred in connection with such applications and actions shall be borne jointly and severally by the Assignors. No Assignor shall abandon any Trademark Registration listed on Schedule B, without the consent of the Collateral Agent, which consent shall not be unreasonably withheld.

7.3. Assignors' Enforcement Rights. Each Assignor shall have the right and the duty to bring suit or other action in such Assignor's own name to maintain and enforce the Trademarks, the Trademark Registrations and the Trademark Rights. Such Assignor may require the Collateral Agent to join in such suit or action as necessary to assure such Assignor's ability to bring and maintain any such suit or action in any proper forum if (but only if) the Collateral Agent is completely satisfied that such joinder will not subject the Collateral Agent or any Secured Party to any risk of liability. Each Assignor shall promptly, upon demand, reimburse and indemnify the Collateral Agent for all damages, costs and expenses, including legal fees, incurred by the Collateral Agent pursuant to this §7.3.

7.4. Protection of Trademarks, etc. In general, each Assignor shall take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be necessary to properly maintain, protect, preserve, care for and enforce any material Pledged Trademarks, including, without limitation, the Trademark Registrations listed on Schedule B. No Assignor shall take or fail to take any action, nor permit any action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of any material Pledged Trademarks.

7.5. Notification by Assignors. Promptly upon obtaining knowledge thereof, the Assignors will notify the Collateral Agent in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Trademarks or Trademark Registrations or any Assignor's rights, title or interests in and to the Pledged Trademarks, and of any event that does or reasonably could materially adversely affect the value of any of the Pledged Trademarks, the ability of any Assignor or the Collateral Agent to dispose of any of the Pledged Trademarks or the rights and remedies of the Collateral Agent in relation thereto (including but not limited to the levy of any legal process against any of the Pledged Trademarks).

8. REMEDIES.

Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have, in addition to all other rights and remedies given it by this Trademark Agreement (including, without limitation, those set forth in §2.2, the Credit Agreement, the Security Agreement and the other Loan Documents) those rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the Commonwealth of Massachusetts, and, without limiting the generality of the foregoing, the Collateral Agent may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to any Assignor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Pledged Trademarks, or any interest that any Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Trademarks all expenses incurred by the Collateral Agent in attempting to enforce this Trademark Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Secured Obligations as set forth in or by reference in the Security Agreement. Notice of any sale, license or other disposition of the Pledged Trademarks shall be given to the Assignors at least ten (10) days before the time that any intended public sale or other public disposition of the Pledged Trademarks is to be made or after which any private sale or other private disposition of the Pledged Trademarks may be made, which each Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Collateral Agent may, to the extent permitted under applicable law, purchase or license the whole or any part of the Pledged Trademarks or interests therein sold, licensed or otherwise disposed of.

9. COLLATERAL PROTECTION.

After the occurrence and during the continuance of an Event of Default, if any Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of any Assignor hereunder shall be breached in any material respect, the Collateral Agent, in its own name or that of any Assignor (in the sole discretion of the Collateral Agent), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Assignors agree jointly and severally promptly to reimburse the Collateral Agent for any reasonable cost or expense incurred by the Collateral Agent in so doing.

10. POWER OF ATTORNEY.

If any Event of Default shall have occurred and be continuing, each Assignor does hereby make, constitute and appoint the Collateral Agent (and any officer or agent of the Collateral Agent as the Collateral Agent may select in its exclusive discretion) as such Assignor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse such Assignor's name on all applications, documents, papers and instruments necessary for the Collateral Agent to use the Pledged Trademarks, or to grant or issue any exclusive or nonexclusive license of any of the Pledged Trademarks to any third person, or to take any and all actions necessary for the Collateral Agent to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Trademarks or any interest of such Assignor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that such Assignor is obligated to execute and do hereunder. Such Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases each of the Collateral Agent and the Secured Parties from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Collateral Agent under this power of attorney (except for the Collateral Agent's gross negligence or willful misconduct). This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Trademark Agreement. The Collateral Agent shall make reasonable efforts to give prior notice to each Assignor of any action it intends to take pursuant to this §10; however, failure to give such notice shall have no effect on the validity of such action.

11. FURTHER ASSURANCES.

Each Assignor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, using reasonable effects to obtain consents of third parties), as the Collateral Agent may reasonably request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Trademark Agreement, or to assure and confirm to the Collateral Agent the grant, perfection and priority of the Collateral Agent's security interest in the Pledged Trademarks.

12. TERMINATION.

At such time as all of the Secured Obligations have been finally paid and satisfied in full, this Trademark Agreement shall terminate and the Collateral Agent shall, upon the written request and at the expense of the Assignors (the Assignors being jointly and severally liable for such expense), execute and deliver to the Assignors all deeds, assignments and other instruments as may be necessary or proper to release the security interest in the Pledged Trademarks hereunder and to reassign to each Assignor any Pledged Trademarks conditionally assigned pursuant to §2.2 hereof previously granted, assigned, transferred and conveyed to the Collateral Agent by the Assignors pursuant to this Trademark Agreement, as fully as if this Trademark Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by the Collateral Agent pursuant hereto or the Security Agreement.

13. COURSE OF DEALING.

No course of dealing between any Assignor and the Collateral Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Collateral Agent, any right, power or privilege hereunder or under the Security Agreement or any other agreement 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.

14. EXPENSES.

Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and expenses incurred by the Collateral Agent in connection with the preparation of this Trademark Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Pledged Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Pledged Trademarks, shall be borne and paid by the Assignors, such liability to be borne jointly and severally.

15. OVERDUE AMOUNTS.

Until paid, all amounts due and payable by any Assignor hereunder shall be a debt secured by the Pledged Trademarks and other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Credit Agreement.

16. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER THE COLLATERAL AGENT NOR ANY SECURED PARTY

ASSUMES ANY LIABILITIES OF ANY ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING SUCH ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PLEDGED TRADEMARKS OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF SUCH ASSIGNOR, AND THE ASSIGNORS SHALL INDEMNIFY THE COLLATERAL AGENT AND THE SECURED PARTY FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE COLLATERAL AGENT OR ANY SECURED PARTY WITH RESPECT TO SUCH LIABILITIES, SUCH LIABILITY TO INDEMNIFY TO BE BORNE JOINTLY AND SEVERALLY BY THE ASSIGNORS.

17. NOTICES.

All notices and other communications made or required to be given pursuant to this Trademark Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, or sent by telegraph, teletype or telex and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Assignors, at 450 Newport Center Drive, Newport Beach, California 92260, Attention: Anwar Soliman, or at such other address for notice as the Assignors shall last have furnished in writing to the person giving the notice; and

(b) if to the Collateral Agent, at 100 Federal Street, Boston, Massachusetts 02110, Attention: Thomas P. Tansi, Vice President, or at such other address for notice as the Collateral Agent shall last have furnished in writing to the person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (ii) if sent by registered or certified first-class mail, postage prepaid, two (2) Business Days after the posting thereof, and (iii) if sent by telegraph, teletype, or telex, at the time of the dispatch thereof, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

18. AMENDMENT AND WAIVER.

This Trademark Agreement is subject to modification only by a writing signed by the Collateral Agent (with the consent of the Secured Parties) and the Assignors, except as provided in §6.2. The Collateral Agent shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Collateral

Agent and the Secured Parties. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

19. GOVERNING LAW; CONSENT TO JURISDICTION.

THIS TRADEMARK AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS. Each Assignor agrees that any suit for the enforcement of this Trademark Agreement may be brought in the courts of the Commonwealth of Massachusetts or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignors by mail at the address specified in §17. Each Assignor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

20. WAIVER OF JURY TRIAL.

EACH ASSIGNOR AND THE COLLATERAL AGENT WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS TRADEMARK AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, each Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Each Assignor (i) certifies that neither the Collateral Agent or any Secured Party nor any representative, agent or attorney of the Collateral Agent or any Secured Party has represented, expressly or otherwise, that the Collateral Agent or any Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in entering into the Credit Agreement and the other Loan Documents to which the Collateral Agent or any Secured Party is a party, the Collateral Agent and the Secured Parties are relying upon, among other things, the waivers and certifications contained in this §20.

21. MISCELLANEOUS.

The headings of each section of this Trademark Agreement are for convenience only and shall not define or limit the provisions thereof. This Trademark Agreement and all rights and obligations hereunder shall be binding upon each Assignor and its respective successors and assigns, and shall inure to the benefit of the Collateral Agent, the Secured Parties and their respective successors and assigns. In the event of any irreconcilable conflict between the provisions of this Trademark Agreement and the Credit Agreement, or between this Trademark Agreement and the Security Agreement, the provisions of the Credit Agreement or the Security Agreement, as the case may be, shall control. If any term of this Trademark Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Trademark Agreement shall be construed and be enforceable as if such

invalid, illegal or unenforceable term had not been included herein. Each Assignor acknowledges receipt of a copy of this Trademark Agreement.

occurred and be continuing and that during the continuance thereof the Subsidiary Grantors shall not sell, convey, lease, assign, transfer or otherwise dispose of any Guaranteed Obligations Collateral (which notice may be given by telephone if promptly confirmed in writing), the Subsidiary Grantors may use and dispose of the Guaranteed Obligations Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document. Without limiting the generality of the foregoing, each Subsidiary Grantor agrees that it shall not, at any time after June 10, 2000 (or such later date as the Collateral Agent may agree), permit any Inventory having an aggregate value of more than \$5,000,000 to be in the possession or control of any warehouseman, bailee, agent or processor at any time unless such warehouseman, bailee, agent or processor shall have been notified of the Security Interest and shall have agreed in writing to hold the Inventory subject to the Security Interest and the instructions of the Collateral Agent.

SECTION 4.10. Limitation on Modification of Accounts. None of the Subsidiary Grantors will, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any of the Accounts Receivable, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its good faith business judgment.

SECTION 4.11. Insurance. The Subsidiary Grantors, at their own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with Section 5.07 of the Credit Agreement. Each Subsidiary Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Subsidiary Grantor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Guaranteed Obligations Collateral under policies of insurance, endorsing the name of such Subsidiary Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Subsidiary Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the

Collateral Agent may, without waiving or releasing any obligation or liability of the Subsidiary Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this Section 4.11, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Subsidiary Grantors to the Collateral Agent and shall be additional Guaranteed Obligations secured hereby.

SECTION 4.12. Legend. If requested by the Collateral Agent, each Subsidiary Grantor shall legend, in form and manner satisfactory to the Collateral Agent, its Accounts Receivable and its books, records and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Accounts Receivable have been assigned to the Collateral Agent for the benefit of the Secured Parties and that the Collateral Agent has a security interest therein.

SECTION 4.13. Covenants Regarding Patent, Trademark and Copyright Guaranteed Obligations Collateral.

(a) Each Subsidiary Grantor agrees that it will not, nor will it permit any of its licensees to, do any act, or omit to do any act, whereby any Patent which is material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by such Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(b) Each Subsidiary Grantor (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(c) Each Subsidiary Grantor (either itself or through licensees) will, for each work covered by a Copyright material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its rights under applicable copyright laws.

(d) Each Subsidiary Grantor shall notify the Collateral Agent immediately if it knows or has reason to know that any Patent, Trademark or Copyright material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, may become abandoned, lost or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Subsidiary Grantor's ownership of any such Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(e) In no event shall any Subsidiary Grantor, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trademark or Copyright material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, (or for the registration of any such Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly informs the Collateral Agent, and, upon request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and each Subsidiary Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) Each Subsidiary Grantor will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to

the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancelation proceedings against third parties.

(g) In the event that any Subsidiary Grantor has reason to believe that any Guaranteed Obligations Collateral consisting of a Patent, Trademark or Copyright material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, has been or is about to be infringed, misappropriated or diluted by a third party, such Subsidiary Grantor promptly shall notify the Collateral Agent and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Guaranteed Obligations Collateral.

(h) Upon and during the continuance of an Event of Default, each Subsidiary Grantor shall use its best efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License to effect the assignment of all of such Subsidiary Grantor's right, title and interest thereunder to the Collateral Agent or its designee.

ARTICLE V

Collections

SECTION 5. Securities Accounts. The Subsidiary Grantors shall within 75 days (or such longer period as may be agreed by the Administrative Agent) cause any financial intermediary through which they hold Permitted Investments to enter into a control agreement in respect of such Permitted Investments for the benefit of the Secured Parties in a form reasonably acceptable to the Collateral Agent; provided, that (i) no such control agreement shall be required for any bank account so long as such bank account does not hold more than \$1 million, (ii) the Subsidiary Grantors shall use their reasonable best efforts to enter into such a control agreement with respect to any bank account holding more than \$1 million but less than

\$10 million (but the time limit stated above shall not apply) and (iii) the Subsidiary Grantors shall in any event not allow \$10 million or more to remain for more than five days in any bank account that is not subject to such a control agreement.

ARTICLE VI

Remedies

SECTION 6.01. Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, each Subsidiary Grantor agrees to deliver each item of Guaranteed Obligations Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Guaranteed Obligations Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Guaranteed Obligations Collateral by the applicable Subsidiary Grantors to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Guaranteed Obligations Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Guaranteed Obligations Collateral and without liability for trespass to enter any premises where the Guaranteed Obligations Collateral may be located for the purpose of taking possession of or removing the Guaranteed Obligations Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Subsidiary Grantor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Guaranteed Obligations Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Guaranteed Obligations Collateral for their own account for

investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Guaranteed Obligations Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Subsidiary Grantor, and each Subsidiary Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Subsidiary Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Subsidiary Grantors 10 days' written notice (which each Subsidiary Grantor agrees is reasonable notice within the meaning of Section 9-504(3) of the Uniform Commercial Code as in effect in the State of New York or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Guaranteed Obligations Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Guaranteed Obligations Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Guaranteed Obligations Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Guaranteed Obligations Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Guaranteed Obligations Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Guaranteed Obligations Collateral is made on credit or for future delivery, the Guaranteed Obligations Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Guaranteed Obligations Collateral so sold and,

in case of any such failure, such Guaranteed Obligations Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Subsidiary Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Guaranteed Obligations Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Subsidiary Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Subsidiary Grantor therefor. For purposes hereof, a written agreement to purchase the Guaranteed Obligations Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Subsidiary Grantor shall be entitled to the return of the Guaranteed Obligations Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Guaranteed Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Guaranteed Obligations Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver.

SECTION 6.02. Application of Proceeds. The Collateral Agent shall apply the proceeds of any collection or sale of the Guaranteed Obligations Collateral, as well as any Guaranteed Obligations Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in its capacity as such hereunder or under any other Loan Document) in connection with such collection or sale or otherwise in connection with this Agreement or any of the Guaranteed Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Subsidiary Grantor and any other costs or expenses incurred in connection with the

exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Guaranteed Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Guaranteed Obligations owed to them on the date of any such distribution); and

THIRD, to the Subsidiary Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of the Guaranteed Obligations Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of any such proceeds, moneys or balances by the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Guaranteed Obligations Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 6.03. Grant of License to Use Intellectual Property. For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Article at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Subsidiary Grantor hereby grants to the Collateral Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Subsidiary Grantors) to use or sub-license any of the Guaranteed Obligations Collateral consisting of Intellectual Property now owned or hereafter acquired by such Subsidiary Grantor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent shall be exercised, at the option of the Collateral Agent, solely upon the occurrence and during the continuation of an Event of Default; provided that any sub-license or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Subsidiary Grantors notwithstanding any subsequent cure of an Event of Default.

ARTICLE VII

Miscellaneous

SECTION 7.01. Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it at its address or telecopy number set forth on Schedule I, with a copy to the Borrower.

SECTION 7.02. Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Subsidiary Grantors hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Guaranteed Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Guaranteed Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Subsidiary Grantor in respect of the Guaranteed Obligations or this Agreement.

SECTION 7.03. Survival of Agreement. All covenants, agreements, representations and warranties made by any Subsidiary Grantor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Secured Parties and shall survive the making by the Lenders of the Loans and other extensions of credit contemplated by the Credit Agreement, regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect until this Agreement shall terminate.

SECTION 7.04. Binding Effect; Several Agreement. This Agreement shall become effective as to any Subsidiary Grantor when a counterpart hereof executed on behalf of such Subsidiary Grantor shall have been delivered to the

Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Subsidiary Grantor and the Collateral Agent and their respective successors and assigns, and shall inure to the benefit of such Subsidiary Grantor, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Subsidiary Grantor shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Guaranteed Obligations Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Subsidiary Grantor and may be amended, modified, supplemented, waived or released with respect to any Subsidiary Grantor without the approval of any other Subsidiary Grantor and without affecting the obligations of any other Subsidiary Grantor hereunder.

SECTION 7.05. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Subsidiary Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.06. Collateral Agent's Fees and Expenses; Indemnification. (a) Each Subsidiary Grantor jointly and severally agrees to pay upon demand to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees, disbursements and other charges of its counsel and of any experts or agents, which the Collateral Agent may incur in connection with (i) the administration of this Agreement (including the customary fees and charges of the Collateral Agent for any audits conducted by it or on its behalf with respect to the Accounts Receivable or Inventory), (ii) the custody or preservation of, or the sale of, collection from or other realization upon any of the Guaranteed Obligations Collateral, (iii) the exercise, enforcement or protection of any of the rights of the Collateral Agent hereunder or (iv) the failure of any Subsidiary Grantor to perform or observe any of the provisions hereof.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Subsidiary Grantor jointly and severally agrees to indemnify the Collateral Agent and the other Indemnitees (as defined in Section 9.03 of the Credit Agreement) against, and hold each

of them harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable fees, disbursements and other charges of counsel, incurred by or asserted against any of them arising out of, in any way connected with, or as a result of, the execution, delivery or performance of this Agreement or any agreement or instrument contemplated hereby or any claim, litigation, investigation or proceeding relating hereto or to the Guaranteed Obligations Collateral, whether or not any Indemnatee is a party thereto; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses resulted from the bad faith, gross negligence or willful misconduct of such Indemnatee.

(c) Any such amounts payable as provided hereunder shall be additional Guaranteed Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Guaranteed Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this Section 7.06 shall be payable within 10 days of written demand therefor.

SECTION 7.07. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7.08. Waivers; Amendment. (a) No failure or delay of the Collateral Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent hereunder and of the Collateral Agent, the Issuing Bank, the Administrative Agent and the Lenders under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provisions of this Agreement or any other Loan Document or consent to any departure by any Subsidiary Grantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to

or demand on any Subsidiary Grantor in any case shall entitle such Subsidiary Grantor or any other Subsidiary Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Subsidiary Grantor or Subsidiary Grantors with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.02 of the Credit Agreement.

SECTION 7.09. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.09.

SECTION 7.10. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract (subject to Section 7.04), and shall become effective as provided in Section 7.04. Delivery of an executed signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 7.12. Headings. Article and Section headings used herein are for the purpose of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.13. Jurisdiction; Consent to Service of Process. (a) Each Subsidiary Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Collateral Agent, the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against any Subsidiary Grantor or its properties in the courts of any jurisdiction.

(b) Each Subsidiary Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process by mail in the manner provided for notices in Section 7.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.14. Termination. This Agreement and the Security Interest shall terminate when all the Guaranteed Obligations have been paid in full, the Lenders

have no further commitment to lend, the L/C Exposure has been reduced to zero and the Issuing Bank has no further commitment to issue Letters of Credit under the Credit Agreement, at which time the Collateral Agent shall execute and deliver to the Subsidiary Grantors, at the Subsidiary Grantors' expense, all Uniform Commercial Code termination statements and similar documents which the Subsidiary Grantors shall reasonably request to evidence such termination. Upon the written request of a Subsidiary Grantor, the Collateral Agent will execute appropriate financing statement amendments to confirm that assets otherwise listed thereon are Excluded Collateral. Any execution and delivery of termination statements or documents pursuant to this Section 7.14 shall be without recourse to or warranty by the Collateral Agent. A Subsidiary Guarantor shall automatically be released from its obligations hereunder and the Security Interest in the Guaranteed Obligations Collateral of such Subsidiary Guarantor shall be automatically released in the event that all the capital stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of to a person that is not the Borrower or an Affiliate of the Borrower in accordance with the terms of the Credit Agreement; provided that the Required Lenders shall have consented to such sale, transfer or other disposition (to the extent required by the Credit Agreement) and the terms of such consent did not provide otherwise.

SECTION 7.15. Additional Subsidiary Grantors.

Pursuant to Section 5.12 of the Credit Agreement, each Subsidiary Loan Party that was not in existence or was not a Subsidiary Loan Party on the date of the Credit Agreement is required to enter into this Agreement as a Subsidiary Guarantor. Upon execution and delivery by the Collateral Agent and a Subsidiary of an instrument in the form of Annex 3 hereto, such Subsidiary shall become a Subsidiary Grantor hereunder with the same force and effect as if originally named as a Subsidiary Grantor herein. The execution and delivery of any such instrument shall not require the consent of any Subsidiary Grantor hereunder. The rights and obligations of each Subsidiary Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Subsidiary Grantor as a party to this Agreement.

SECTION 7.16. Compliance with Laws.

Notwithstanding anything herein which may be construed to the contrary, no action shall be taken by any of the Collateral Agent and the Secured Parties with respect to the Licenses or any license, permit, certificate or authorization of the Federal Communications Commission ("FCC") or any other federal, state or local regulatory or

IN WITNESS WHEREOF, this Trademark Agreement has been executed as of the day and year first above written.

GRANDY'S, INC.
SPECTRUM FOODS, INC.
SPOONS RESTAURANTS, INC.
LOCAL FAVORITE, INC.

By: [Signature]
Name:
Title:

FLEET NATIONAL BANK, as Collateral Agent

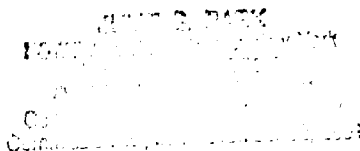
By: [Signature]
Name:
Title:

CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF NY)
COUNTY OF NY) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 26th day of June, 2000, personally appeared Ken DiLillo to me known personally, and who, being by me duly sworn, deposes and says that he is the Treasurer & Asst. Sec. of each of the Assignors and that said instrument was signed and sealed on behalf of each such corporation by authority of its Board of Directors, and said Ken DiLillo acknowledged said instrument to be the free act and deed of said corporation.

[Signature]
Notary Public
My commission expires: NOV. 22, 2001



Schedule A to Trademark Security Agreement

Trademarks

FEDERAL REGISTRATIONS GRANDY'S, INC.

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
1,248,703	GRANDY'S COUNTRY COOKIN' (Stylized)	42	August 16, 1983
1,362,672	Granny Figure Design	42	September 24, 1985
1,376,411	GRANDY'S	42	December 17, 1985
2,005,427	BIG DISH O'CATFISH	42	October 1, 1996

<u>App. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u>
75/802245	HOMESTYLE IN A HURRY	42	September 20, 1999

FOREIGN REGISTRATIONS GRANDY'S, INC.

AUSTRALIA

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u> <u>(Issue Date)</u>
B491,766	GRANDY'S	42	July 22, 1988 (September 11, 1990)
A491,767	Granny Figure Design	42	July 22, 1988 (September 11, 1990)

BAHAMAS

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date (Issue Date)</u>
14,497	GRANDY'S	39 (paper)	March 19, 1991 (August 8, 1991)
14,498	GRANDY'S	42 (foods)	March 19, 1991 (January 8, 1992)
14,499	Granny Figure Design	39 (paper)	March 19, 1991 (August 8, 1991)
14,500	Granny Figure Design	42 (foods)	March 19, 1991 (January 8, 1992)

BRUNEI

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
17,384	GRANDY'S	30	May 12, 1990

CANADA

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
289,703	GRANDY'S COUNTRY COOKIN' (Stylized)	restaurant services	April 13, 1984
429,573	GRANDY'S	restaurant services	June 24, 1994
433,399	Granny Figure Design	restaurant services	September 16, 1994
476,423	GRANDY'S	restaurant services	May 15, 1997
477,968	Granny Figure Design	restaurant services	June 17, 1997

<u>App. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u>
1002029	GRANDY'S	restaurant services	January 14, 1999

DOMINICAN REPUBLIC

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
51,154**	GRANDY'S & Granny Figure Design	53* (meats)	August 14, 1991
51,158**	GRANDY'S & Granny Figure Design	55* (vegetables)	August 14, 1991
51,178**	GRANDY'S & Granny Figure Design	57* (bread, pastry)	August 14, 1991

** American Restaurant Group, Inc.

003800-0013-08547-A06NAKPV-OTH

TRADEMARK
REEL: 002108 FRAME: 0545

HONG KONG

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u> <u>(Issue Date)</u>
3315/89	GRANDY'S	29	June 25, 1988 (October 31, 1989)
3316/89	GRANDY'S	30	June 25, 1988 (October 31, 1989)

JAPAN

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
2,695,718	GRANDY'S	30* (bread)	September 30, 1994
3,239,408	Granny Figure Design	42	December 25, 1996
3,294,192	GRANDY'S	42	April 25, 1997
4,080,497	GRANDY'S in Katakana	42	November 7, 1997

MALAYSIA

<u>App. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u>
88/03197	Granny Figure Design	29	July 2, 1988
88/03199	GRANDY'S	29	July 2, 1988
88/03200	GRANDY'S	30	July 2, 1988
98/07642	GRANDY'S	43 (IC 42)	June 29, 1998

MEXICO

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u> <u>(Issue Date)</u>
413,855	GRANDY'S	42	December 16, 1991 (May 19, 1992)
473,957	Granny Figure Design	42	May 17, 1993 (September 20, 1994)
500,503	GRANDY'S (Stylized)	42	June 29, 1995 (August 9, 1995)
565,631	Granny Figure Design	42	October 20, 1997 (November 28, 1997)
597,124	GRANDY'S	42	October 28, 1998 (January 7, 1999)

NEW ZEALAND

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u> <u>(Issue Date)</u>
185,676	GRANDY'S	42	July 18, 1988 (September 18, 1991)
185,677	Granny Figure Design	42	July 18, 1988 (September 18, 1991)

SINGAPORE

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u> <u>(Issue Date)</u>
93/93	GRANDY'S	42	January 7, 1993 (September 30, 1995)

SOUTH KOREA

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
23,719	GRANDY'S (Stylized)	112* (restaurant services)	May 9, 1994

TAIWAN

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
510,890	Granny Figure Design	25* (meats, fruits, and vegetables)	January 16, 1991
510,891	GRANDY'S	25* (meats, fruits, and vegetables)	January 16, 1991
512,788	Granny Figure Design	19* (beverages)	February 1, 1991
513,422	Granny Figure Design	50* (packaging)	February 1, 1991
514,026	Granny Figure Design	24* (cakes, breads)	February 16, 1991
670,278	GRANDY'S (Stylized)	19* (beverages)	February 16, 1995

THAILAND

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u> <u>(Issue Date)</u>
Bor1158	GRANDY'S in Thai	42	February 5, 1993 (July 15, 1994)
Bor2588	GRANDY'S	42	February 5, 1993 (February 24, 1995)

* Taiwan classification

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FEDERAL REGISTRATIONS
LOCAL FAVORITE, INC.

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
1,802,447	NATIONAL SPORTS GRILL	42	November 2, 1993
1,828,680	NATIONAL SPORTS GRILL & Design	42	March 29, 1994

FOREIGN REGISTRATIONS
LOCAL FAVORITE, INC.

AUSTRALIA

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
313663	NATIONAL SPORTS GRILL	42	February 3, 2000
313664	NATIONAL SPORTS GRILL & Design	42	February 3, 2000

NEW ZEALAND

<u>App. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u>
313663**	NATIONAL SPORTS GRILL	42	August 2, 1999
313664**	NATIONAL SPORTS GRILL & Design	42	August 2, 1999

** American Restaurant Group, Inc.

003800-0013-08547-A06NAKPV-OTH

TRADEMARK
REEL: 002108 FRAME: 0549

PHILIPPINES

<u>App. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u>
4-1999-05519*	NATIONAL SPORTS GRILL	42	July 30, 1999
4-1999-05520*	NATIONAL SPORTS GRILL & Design	42	July 30, 1999

SINGAPORE

<u>App. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u>
6823/99*	NATIONAL SPORTS GRILL	42	July 2, 1999
6824/99*	NATIONAL SPORTS GRILL & Design	42	July 2, 1999

* American Restaurant Group, Inc.

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TRADEMARK
REEL: 002108 FRAME: 0550

FEDERAL REGISTRATIONS
SPECTRUM FOODS, INC.

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
1,102,381#	HARRY'S BAR AND AMERICAN GRILL	42	September 12, 1978
1,329,080#	THE HEART AND RIBS OF THE CITY	42	April 2, 1985
1,377,661#	CHIANTI	42	January 7, 1986
1,380,835#	CHIANTI CUCINA	42	January 28, 1986
1,421,507#	MACARTHUR PARK	42	December 16, 1986
1,436,050#	SPIEDINI	42	April 7, 1987
1,450,085#	INTERNATIONAL IMITATION HEMINGWAY COMPETITION	41	July 28, 1987
1,453,651#	GUAYMAS	42	August 18, 1987
1,508,504#	BIG RIB RED	33	October 11, 1988
1,551,392#	SPUNTINO & Design	42	August 8, 1989
1,568,949#	TUTTO MARE	42	November 28, 1989
1,580,334#	MACARTHUR PARK	30	January 30, 1990
1,808,144#	TABLE ONE	42	November 30, 1993
1,809,721#	TABLE ONE & Design	42	December 7, 1993

003800-0013-08547-A06NAKPV-OTH

TRADEMARK
REEL: 002108 FRAME: 0551

FOREIGN REGISTRATIONS
SPECTRUM FOODS, INC.

MEXICO

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date (Issue Date)</u>
440,869 17, 1993	TUTTO MARE	42	May (August 31, 1993)
533,302 September 5, 1996	TUTTO MARE	42	 (September 30, 1996)

FEDERAL REGISTRATIONS
SPOONS RESTAURANTS, INC.

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
1,199,137	SPOONS	42	June 22, 1982
1,284,693	OH, THOSE SWEET BABY BONES	42	July 3, 1984
1,325,147	HERSHEL'S	42	March 12, 1985
1,329,028	SPOONBURGER	42	April 2, 1985
1,363,818	SPOONS RIBS BURGERS TACOS GRILL BAR & Design	42	October 1, 1985
1,368,344	HERSHEL'S NEW YORK STYLE HOT BAKERY DELI & Design	42	October 29, 1985
1,844,914	KIDA-DILLO	42	July 12, 1994
1,862,940	SPOONS FRESH FAST FUN GRILL BAR & Design	42	November 15, 1994
1,887,595	SPOONS FRESH FAST FUN CALIFORNIA GRILL & Design	42	April 4, 1995

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CANADA

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
315,064	SPOONBURGER		June 6, 1986

MEXICO

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>App. Date</u> <u>(Issue Date)</u>
440,870	SPOONS	42	May 17, 1993 (August 31, 1993)
441,775	SPOONS & Design	42	May 17, 1993 (September 10, 1993)
535,553	SPOONS	42	September 5, 1996 (October 31, 1996)
538,208	SPOONS & Design	42	October 9, 1996 (November 29, 1996)

Schedule B to Trademark Security Agreement

Material Trademarks

FEDERAL REGISTRATIONS GRANDY'S, INC.

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
1,376,411	GRANDY'S	42	December 17, 1985

FEDERAL REGISTRATIONS LOCAL FAVORITE, INC.

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
1,802,447	NATIONAL SPORTS GRILL	42	November 2, 1993
1,828,680	NATIONAL SPORTS GRILL & Design	42	March 29, 1994

FEDERAL REGISTRATIONS SPECTRUM FOODS, INC.

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
1,102,381#	HARRY'S BAR AND AMERICAN GRILL	42	September 12, 1978
1,377,661#	CHIANTI	42	January 7, 1986
1,421,507#	MACARTHUR PARK	42	December 16, 1986
1,436,050#	SPIEDINI	42	April 7, 1987
1,453,651#	GUAYMAS	42	August 18, 1987
1,568,949#	TUTTO MARE	42	November 28, 1989

FEDERAL REGISTRATIONS
SPOONS RESTAURANTS, INC.

<u>Reg. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Reg. Date</u>
1,199,137	SPOONS	42	June 22, 1982

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TRADEMARK
REEL: 002108 FRAME: 0555

EXHIBIT 1

ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS (U.S.)

WHEREAS, _____, a corporation organized and existing under the laws of the State of _____, having a place of business at _____ (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex; and

WHEREAS, _____, a _____ organized and existing under the laws of the State of _____, having a place of business at _____ (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (a) the registrations of and registration applications for the Marks, (b) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (c) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks and Service Marks (U.S.) is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Trademarks and Service Marks (U.S.) below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this ___ day of _____, 20__.

GRANDY'S, INC.
SPECTRUM FOODS, INC.
SPOONS RESTAURANTS, INC.
LOCAL FAVORITE, INC.

By: _____
Name:
Title:

ANNEX

SCHEDULE A

Trademarks and Trademark Registrations

<u>Trademark</u> or <u>Service Mark</u>	Registrations -- United States Patent and Trademark Office <u>Registration No.</u>	<u>Registration Date</u>
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<u>Trademark</u> or <u>Service Mark</u>	Pending Applications -- United States Patent and Trademark Office <u>Serial No.</u>	<u>Filing Date</u>
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