

09-09-2003

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



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

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

1. Name of conveying party(ies):

MARLOW FOODS LIMITED

8.18.03

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State, Other registered in England as company number 175 2242

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

2. Name and address of receiving party(ies)

Name: HSBC Bank PLC

Internal Address: Leeds City Office

Street Address: PO BOX 105, 33 Park Row

City: Leeds, UK State: Zip: LS1 1LD

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other PLC - England

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

3. Nature of conveyance:

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

Execution Date: June 26, 2003

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

A. Trademark Application No.(s)

76414173

B. Trademark Registration No.(s)

2695008

Additional number(s) attached Yes No

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

Name: HSBC Bank PLC

Internal Address: Leeds City Office

Street Address: PO BOX 105, 33 Park Row Leeds, West Yorkshire UK

City: State: Zip: LS1 1LD

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

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

DO NOT USE THIS SPACE

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.

Dawn Reinhardt Name of Person Signing

Dawn Reinhardt Signature

8/8/03 Date

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

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



08-18-2003

U.S. Patent & TMOs/TM Mail RptDt. #77

TRADEMARK REEL: 002818 FRAME: 0980

09/08/2003 LUMMELER 0000079 76414173

01 FC4521 02 FC4522

Domestic Representative:

Charles B. Lee, Jr., Esq.
Parker Poe Adams & Bernstein
Three Wachovia Center
401 South Tryon Street
Suite 3000
Charlotte, NC 28202

INTELLECTUAL PROPERTY COLLATERAL SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY COLLATERAL SECURITY AGREEMENT dated as of June 26, 2003 (this "Agreement"), is made by and between **MARLOW FOODS LIMITED**, registered in England under company number 1752242 (the "Grantor"), and **HSBC BANK PLC**, a banking association chartered under the laws of England and Wales, in its capacity as Security Trustee for the Security Beneficiaries (as these terms are defined in the Credit Agreement) (in such capacity, the "Secured Party").

Statement of Purpose

A. The Secured Party and EVER 1929 LIMITED ("Borrower") have entered into that certain Multicurrency Term and Revolving Facility Agreement dated as of May 23, 2003 (as amended, modified, restated, extended, renewed, replaced and substituted, the "Credit Agreement"). The Secured Party, the Borrower and the Grantor have entered into a Debenture dated as of May 23, 2003 (the "Debenture") to secure the Borrower's and the Grantor's obligations under the Credit Agreement. The Credit Agreement will confer a direct pecuniary benefit on the Grantor.

B. Grantor has entered into a Pledge Agreement of even date herewith, to secure Borrower's obligations under the Credit Agreement.

C. The Secured Party was not willing to enter into the Credit Agreement without the execution and delivery by the Grantor of this Agreement to secure Borrower's obligations under the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby agree as follows:

SECTION 1. The Security Interests. In order to secure the Credit Agreement and the other Loan Documents in accordance with the terms thereof, and to secure the prompt payment and performance of all of the Secured Obligations, the Grantor hereby grants, assigns, transfers, mortgages, hypothecates, pledges and sets over to the Secured Party, a continuing security interest in and to all of the Grantor's now existing or hereafter acquired, right, title and interest in and to all the following: Patents, Patent rights and Patent applications, Copyrights and Copyright applications, Trademarks, Trademark rights, trade names, trade name rights, service marks, service mark rights, applications for registration of Trademarks, trade names and service marks, and Trademark, trade name and service mark registrations and Patent Licenses, Trademark Licenses and Copyright Licenses, including, without limitation, those trademarks described in Schedule I or Schedule II attached hereto and any and all proceeds of the foregoing (being collectively referred to herein as the "Collateral").

"Secured Obligations" means all current and future indebtedness of the Borrower and/or the Grantor to the Secured Party including without limitation all current and future obligations under the Credit Agreement, the Debenture, the Guaranty and/or the other Loan Documents and

any replacements, substitutions, amendments, modifications, renewals or extensions of any of the foregoing.

SECTION 2. Representations and Warranties. The Grantor represents and warrants as follows:

(a) The Grantor has the corporate or other applicable power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the Security Interests in the Collateral pursuant to this Agreement and has taken all necessary corporate or other applicable action to authorize its execution, delivery and performance of, and grant of the Security Interests in the Collateral pursuant to this Agreement.

(b) This Agreement constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of Secured Party's rights generally.

(c) To the Grantor's best knowledge, the execution, delivery and performance of this Agreement will not violate any provision of any Applicable Law or contractual obligation of the Grantor and will not result in the creation or imposition of any Lien on any of the properties or revenues of the Grantor pursuant to any Applicable Law or contractual obligation of the Grantor, except as contemplated hereby.

(d) No consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any stockholder or Secured Party of the Grantor), is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement, except for the filing, recording or registration of such documents with such Governmental authorities as may be required to perfect the security interests granted hereby under applicable law.

(e) To the Grantor's best knowledge, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Grantor after due inquiry, threatened by or against the Grantor or against the Collateral, with respect to this Agreement or any of the transactions contemplated hereby.

(f) The Grantor is the owner of, and has good and marketable title to, the Collateral, free and clear of any Liens.

(g) To the Grantor's best knowledge, the Grantor has not performed or failed to perform any acts that would prevent or hinder the Secured Party from enforcing any of the terms of this Agreement. To the Grantor's best knowledge, no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction.

SECTION 3. Further Assurances; Covenants.

(a) The Grantor agrees that, until all of the Secured Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with the Grantor's obligations under this Agreement, with out the Secured Party's written consent.

(b) The Grantor will safeguard, maintain and preserve the Intellectual Property in accordance with the requirements of the Credit Agreement and the Debenture.

(c) The Grantor shall notify the Secured Party promptly of its acquisition after the date hereof of any Patent, Patent application, registered Trademark, registered Copyright or application for the registration of any Trademark or Copyright. In no event shall the Grantor, either itself or through any agent, employee or licensee, file an application for any Patent or for the registration of any Trademark with the United States Patent and Trademark Office or any Copyright with the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, unless simultaneously therewith it informs the Secured Party, and, upon issuance of such Patent, Trademark or Copyright, executes and delivers any and all agreements, instruments, documents and papers the Secured Party may reasonably request to evidence the Security Interests in such Patent, Trademark or Copyright and the goodwill and general intangibles of the Grantor relating thereto or represented thereby. The Grantor hereby constitutes the Secured Party its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed, and such power, being coupled with an interest, shall be irrevocable until the Credit Agreement and the credit facilities thereunder have been terminated and the Secured Obligations are paid in full.

(d) Upon the occurrence and during the continuation of an Event of Default, the Grantor use its best efforts to obtain any consents, waivers or agreements necessary to enable Secured Party to exercise its remedies with respect to the Collateral.

(e) The Grantor hereby assigns, transfers and conveys to the Secured Party, effective upon the occurrence and during the continuance of any Event of Default, the nonexclusive right and license to use all Collateral owned or used by the Grantor, together with any goodwill associated therewith, all to the extent necessary to enable the Secured Party to realize on the Collateral and any successor or assign to enjoy the benefits of the Collateral. This right and license shall inure to the benefit of all successors, assigns and transferees of the Secured Party and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise. Such right and license is granted free of charge, without requirement that any monetary payment whatsoever be made to the Grantor by the Secured Party.

SECTION 4. Remedies Upon Event of Default. If any Event of Default has occurred and is continuing, the Secured Party may exercise on behalf of itself all rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) and, in addition:

(a) the Secured Party may license, or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Patents or Trademarks

included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Secured Party shall in its sole discretion determine;

(b) the Secured Party may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Grantor in, to and under any Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof; provided, however, that no such actions shall result in the failure of such Patent Licenses or Trademark Licenses to remain in compliance with all Applicable Law, and the Grantor hereby releases the Secured Party free and harmless from and against any claims arising out of, any lawful action so taken or omitted to be taken with respect thereto except with respect to the gross negligence or willful misconduct of the Secured Party; and

(c) upon request by the Secured Party, the Grantor will execute and deliver to the Secured Party a power of attorney, in form and substance satisfactory to the Secured Party, for the implementation of any lease, assignment, license, sublicense, grant or option, sale or other disposition of a Patent or Trademark. In the event of any such disposition pursuant to this Section, the Grantor shall supply its know-how and expertise relating to the manufacture and sale of the products bearing Trademarks or the products or services made or rendered in connection with such Patents, and its customer lists and other records relating to such Patents or Trademarks and to the distribution of said products, to the Secured Party.

SECTION 5. Distributions of Collateral Proceeds Upon Exercise of Remedies. The proceeds of any collection, sale or other realization of all or any part of the Collateral, and of all proceeds of the enforcement of any Lien created under this Agreement or any other Loan Document, together with any sums then held by the Secured Party as part of the Collateral, shall be applied first in an amount to cover the costs of the fees, costs and expenses incurred by, and all other amounts owed or payable to, the Secured Party through the date of such enforcement or sale, including reasonable compensation for and expenses of the Secured Party's representatives and counsel, and all reasonable charges, expenses, liabilities and advances incurred or made by the Secured Party in connection with such enforcement or sale, whether provided for under this Agreement or otherwise; then to the Secured Party in an aggregate amount equal to the sum of the unpaid Secured Obligations; and any surplus then remaining shall be paid to the Grantor or the person who may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 6. Governing Law. This Agreement shall be governed by the laws of the State of New York without reference to principles of conflicts of law other than Section 5-1401 and 5-1402 of the New York General Obligations law.

SECTION 7. Consent to Jurisdiction. The Grantor hereby irrevocably consents to the personal jurisdiction of the courts located in London, England in any action, claim or other proceeding arising out of or any dispute in connection with this Agreement, any rights or obligations hereunder, or the performance of such rights and obligations. The Grantor hereby irrevocably consents to the service of a summons and complaint and other process in any action, claim or proceeding brought by the Secured Party in connection with this Agreement, any rights or obligations hereunder, or the performance of such rights and obligations, on behalf of itself or its property, in the manner provided with respect to the Principal Borrower in the Credit

Agreement. Nothing in this Section shall affect the right of the Secured Party to serve legal process in any other manner permitted by Applicable Law or affect the right of the Secured Party to bring any action or proceeding against the Grantor or its properties in the courts of any other jurisdictions.

SECTION 8. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE SECURED PARTY AND THE GRANTOR HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF OR ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS.

SECTION 9. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Secured Party in order to carry out the intentions of the parties hereto as nearly as may be possible; and (b) the invalidity or unenforceability of any provisions hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 10. Headings. The various headings of this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions hereof.

SECTION 11. Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

SECTION 12. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SECTION 13. Special Limitation on Secured Obligations. Notwithstanding anything else to the contrary contained anywhere else in this Agreement, the term "Secured Obligations" shall not exceed, with respect to the Grantor, as of any date of determination that amount equal to the maximum amount which could then be claimed against the Grantor without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the United States Federal Bankruptcy Code (11. U.S.C. Section 101 *et seq.*) or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or law.

SECTION 14. Notices. All written notices delivered pursuant to this Agreement shall be governed by the provisions of the Credit Agreement with the address of the Secured Party being as set forth in the Credit Agreement and the address of the Grantor being as follows (or such other address as shall be designated by such party in a written notice to each other party hereto):

Marlow Foods Limited

c/o STATION ROAD STOKESLEY, MIDDLESBROUGH
CLEVELAND TS9 7AB
Attention: RICHARD DOWSON

Telephone No.: 01 642 717215
Facsimile No.: 01 642 717229

SECTION 15. Release of Collateral. Upon the written request of the Grantor, the Secured Party shall release of record the Secured Party's Lien upon termination of the Credit Agreement and indefeasible payment in full of all Secured Obligations. All reasonable expenses incurred by the Secured Party in connection with any release of the Lien on the Collateral shall immediately be reimbursed by the Grantor.

SECTION 16. Primacy of Credit Agreement and Debenture. In the event of a direct, express conflict between the terms of this Agreement and the terms of the Credit Agreement or the Debenture, the applicable, express term of the Credit Agreement or Debenture, as applicable, shall prevail.

[SEE ATTACHED SIGNATURE PAGE]

IN WITNESS WHEREOF, the Grantor and the Secured Party have caused this Agreement to be executed under seal by their duly authorized officers, all as of the day and year first written above.

GRANTOR:

MARLOW FOODS LIMITED

By: *R. Howell*
Name: RICHARD HOWELL
Title: DIRECTOR / SECRETARY

SECURED PARTY:

HSBC BANK PLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Grantor and the Secured Party have caused this Agreement to be executed under seal by their duly authorized officers, all as of the day and year first written above.

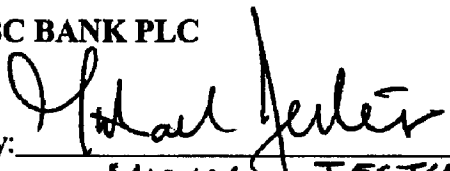
GRANTOR:

MARLOW FOODS LIMITED

By: _____
Name: _____
Title: _____

SECURED PARTY:

HSBC BANK PLC

By: 
Name: MICHAEL JESTER
Title: DIRECTOR

SCHEDULE I

Copyrights and Related Rights

None.

SCHEDULE II
(to Security Agreement)

Patents and Related Rights

Trademarks and Related Rights

<u>Nature of Interest</u>	<u>Registered Trademark</u>	<u>Reg. Number</u>	<u>Property Covered</u>	<u>Date Registered</u>	<u>Docket Number</u>	<u>Country of Registration</u>
Owner	Quorn	-	IC 5, 16, 29, 30, 42	-	filed 28 May, 2002	US
Owner	Quorn (logo)	2695008	IC 16, 29, 30, 42	11 March, 2003	filed 21 Nov. 2001	US