

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
The Grove, Inc.		07/19/2006	CORPORATION: LOUISIANA

RECEIVING PARTY DATA

Name:	Star Foods, LLC
Street Address:	211 N. Clinton
Internal Address:	#2N
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60661
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 9

Property Type	Number	Word Mark
Registration Number:	2671158	THE GROVE NATURAL SNACKS
Registration Number:	2666146	THE GROVE
Registration Number:	2607010	THE GROVE NATURAL SNACKS
Registration Number:	2607013	THE GROVE NATURAL SNACKS
Serial Number:	76349265	THE GROVE
Serial Number:	76349266	THE GROVE, INC.
Serial Number:	75543549	GROVE
Registration Number:	1668638	THE GROVE
Serial Number:	73815590	THE GROVE NATURAL SNACKS

CORRESPONDENCE DATA

Fax Number: (312)207-6400
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: (312) 207-1000

OP \$240.00 2671158

Email: ipdocket@sachnoff.com
Correspondent Name: Katherine R. Mathews
Address Line 1: Sachnoff & Weaver, Ltd.
Address Line 2: 10 S. Wacker Drive
Address Line 4: Chicago, ILLINOIS 60606-7507

ATTORNEY DOCKET NUMBER:	203966.0009
NAME OF SUBMITTER:	Katherine R. Mathews
Signature:	/Katherine R. Mathews/
Date:	10/10/2006

Total Attachments: 17

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SECURED PARTY'S RIGHTS UNDER THIS AGREEMENT ARE SUBJECT TO THE TERMS OF A SUBORDINATION AGREEMENT DATED AS OF JULY 19, 2006 IN FAVOR OF SENIOR BANK.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is made as of July 19, 2006, by The Grove, Inc., a Louisiana corporation ("Debtor") in favor of Star Foods, LLC, a Delaware limited liability company ("Secured Party").

RECITALS

A. Secured Party and Debtor have entered into that certain Asset Purchase Agreement as of the date hereof (the "**Asset Purchase Agreement**"), pursuant to which Secured Party has conveyed to Debtor the Purchased Assets. All capitalized terms not defined herein shall have the same meanings as ascribed to them in the Asset Purchase Agreement.

B. Debtor has executed that certain promissory note (the "**Note**") as of the date hereof, which evidences Debtor's obligation to pay Secured Party a portion of the Purchase Price, and interest thereon, on a deferred basis. To secure such payments, Secured Party has required Debtor to grant a security interest in the Collateral pursuant to the terms of this Agreement.

C. Debtor has executed that certain earnout agreement (the "**Earnout Agreement**") as of the date hereof, which obligates Debtor to pay Secured Party an additional portion of the Purchase Price and, upon certain events, to make various other payments. To secure all such payments, Secured Party has required Debtor to grant a security interest in the Collateral pursuant to the terms of this Agreement.

1. **Definitions.** As used in this Agreement:

1.1 "**Change in Control**" shall mean (i) the acquisition, directly or indirectly, in one transaction or a series of related transactions, by any person or group (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) of the beneficial ownership of securities of Debtor possessing fifty percent (50%) or more of the total combined voting power of all outstanding securities of Debtor; (ii) a merger or consolidation of Debtor with another corporation in which Debtor is not the surviving entity, but is instead merged into or consolidated with another party to such transaction and Debtor ceases to exist on consummation of such merger or consolidation; (iii) a transaction or a series of related transactions in which Debtor is the surviving party and, as a result thereof, (A) the holders of the outstanding voting securities of the Debtor

immediately prior to such transaction(s) are, in the aggregate, diluted such that they hold less than fifty percent (50%) of the total combined voting power of all outstanding voting securities of Debtor or (B) all of Debtor's voting securities will, on consummation of such transaction(s), are owned by another entity, (iv) the sale, transfer or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of Debtor, or (v) the approval by the shareholders of a plan or proposal for the liquidation or dissolution of Debtor.

1.2 **"Commercial Code"** shall mean the Uniform Commercial Code in effect in Illinois from time to time.

1.3 **"Collateral"**

For the purposes of this paragraph, the following words shall have the following meanings:

"Acquired Intellectual Property" shall mean Copyrights, Patents, Trademarks and trade secrets in which Debtor has no interest as of the date hereof, and which are hereafter acquired or licensed for use in Debtor's business but only to the extent such Acquired Intellectual Property relates to Snack Food Products;

"Copyrights" shall mean any copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications, including, without limitation, the copyright registrations and applications listed on Schedule I attached hereto, and all renewals of any of the foregoing, and all income, royalties, damages and payments incurred but only after the occurrence of an Event of Default and payable to Debtor under or with respect to any of the foregoing, including, without limitation, the right to sue third parties for past, present and future infringements of any of the foregoing;

"Developed Intellectual Property" shall mean Copyrights, Patents, Trademarks and trade secrets which are not in existence as of the date hereof, and which are developed for use in Debtor's business;

"Existing Intellectual Property" shall mean the "Purchased Assets" as that term is defined in the Asset Purchase Agreement;

"Patents" shall mean any patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Schedule II attached hereto, and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments incurred but only after the occurrence of an Event of Default and payable

to Debtor under or with respect to any of the foregoing including, without limitation, the right to sue third parties for past, present and future infringements of any of the foregoing;

“**Snack Food Products**” shall mean foods consisting of nuts, trail mixes or dried fruit as the main ingredient; and

“**Trademarks**” shall mean any trademarks, trade names, corporate names, company names, domain names, trade dress, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, the trademarks and applications listed in Schedule III attached hereto and renewals thereof, and all income, royalties, damages and payments incurred but only after the occurrence of an Event of Default and payable to Debtor under or with respect to any of the foregoing, including, without limitation, the right to sue third parties for past, present and future infringements of any of the foregoing.

“Collateral” shall consist of the following:

Acquired Intellectual Property;
Developed Intellectual Property;
Existing Intellectual Property; and
Any and all proceeds generated or derived from the sale or other disposition of any of the items set forth in (i), (ii) and (iii).

1.4 “**Event of Default**” shall mean any event described in Section 7.

1.5 “**Force Majeure Event**” shall mean the total or partial curtailment, suspension or otherwise shutdown of the national air transportation system due to governmental action, to acts of God, to acts of war, to acts of terrorism or sabotage or to similar emergency.

1.6 “**Lien**” shall mean any security interest, mortgage, deed of trust, assignment for security, pledge, lien, claim, charge or encumbrance of, or on any of, the Collateral.

1.7 “**Obligations**” shall mean (i) the payment of all principal and interest due under the Note, as well as any and all additional amounts due or payable by virtue of the prepayment thereof as required under the Note; and (ii) all payment and performance obligations of Debtor under the Earnout Agreement.

1.8 “**Permitted Liens**” shall mean any Liens in favor of Senior Bank that secure obligations under the Senior Loan Agreement.

1.9 “**Person**” shall mean any individual, partnership, limited liability company, corporation, trust, joint venture, joint stock company, association, unincorporated organization, government or agency or political subdivision thereof, or other entity.

1.10 “**Senior Bank**” shall mean Fifth Third Bank, and any subsequent third party financial institution utilized in connection with a duly authorized financing (including a refinancing of same) of Debtor’s commercial indebtedness under the terms of a Senior Loan Agreement.

1.11 “**Senior Loan Agreement**” shall mean that certain Business Loan Agreement dated _____ between Debtor (as borrower) and Fifth Third Bank (as lender), as the same may be hereafter amended, and any subsequent senior secured agreement with a third party financial institution in connection with a duly authorized financing (including the refinancing of same) of any of Debtor’s commercial indebtedness.

1.12 “**Subordination Agreement**” shall mean that certain Subordination and Standstill Agreement dated July 19, 2006, by and among Secured Party, Fifth Third Bank, Debtor and Michelle Dukler, attached hereto as Exhibit A, as the same may be hereafter amended, and any subsequent subordination agreement with a third party financial institution in connection with a duly authorized financing (including the refinancing of same) of any of Debtor’s commercial indebtedness, or of Michelle Dukler’s indebtedness, in form and substance reasonably acceptable to Secured Party.

2. Grant. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby collaterally assigns, pledges and grants to Secured Party, its successors and assigns, a continuing security interest in and to, all of Debtor’s right, title or interest in and to the Collateral, to secure the timely payment and performance of the Obligations.

3. Representations and Warranties of Debtor. Debtor hereby represents and warrants to Secured Party that, with respect to the Collateral (other than the Purchased Assets except as provided in Section 3.7):

3.1 Such Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

3.2 Such Collateral is valid and enforceable;

3.3 Debtor has made all necessary filings and registrations to record and to protect its interest in such Collateral, including, without limitation, filings and registrations of all interests in the Collateral in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and in corresponding offices throughout the world as reasonably necessary;

3.4 Debtor is the exclusive owner of the Collateral, subject to no Liens except for the Lien created by this Agreement and the Permitted Liens, and, upon execution of this Agreement evidencing the grant of the Collateral to Secured Party, Secured Party shall have a security interest in the Collateral subject to no Liens other than the Permitted Liens and the Lien created by this Agreement;

3.5 Debtor has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every item of Collateral in full force and effect throughout the world, as applicable; and

3.6 The schedules hereto contain true and complete listings and descriptions of all of the Collateral.

3.7 With respect to the Purchased Assets, Debtor hereby presents and warrants that, following the consummation of the sale and conveyance of the Purchased Assets, to the best of its knowledge, information and belief, Debtor shall be the exclusive owner of the Purchased Assets, subject to no Liens except for the Lien created by this Agreement and the Permitted Liens, and, upon execution of this Agreement evidencing the grant of the Collateral to Secured Party, Secured Party shall have a security interest in the Collateral subject to no Liens other than the Permitted Liens and the Lien created by this Agreement

4. Covenants.

4.1 Debtor, following the consummation of the sale and conveyance of the Purchased Assets, shall make all necessary filings and registrations to record and to protect its interest in such Collateral, including, without limitation, filings and registrations of all interests in the Collateral in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and in corresponding offices throughout the world as reasonably required.

4.2 Debtor shall not, and Debtor shall not permit any of its licensees to, unless Debtor shall either (i) reasonably and in good faith determine (and notice of such determination shall have been delivered to Secured Party) that any of the Collateral is of negligible economic value to Debtor, or (ii) have a valid business purpose to do otherwise:

(a) fail to continue to use any of the Collateral in order to maintain all of the Collateral in full force free from any claim of abandonment for non-use;

(b) fail to maintain the quality of products and services offered under all of the Collateral;

(c) fail to employ all of the Collateral registered with any federal or state or foreign authority with an appropriate notice of such registration;

(d) adopt or use any Collateral which is confusingly similar or a colorable imitation of any of the Collateral; and

(e) do or permit any act or knowingly omit to do any act whereby any of the Collateral may lapse or become invalid or unenforceable.

4.3 Debtor shall not create, incur or suffer to exist any Lien other than the Permitted Lien and the Lien created by this Agreement without the prior written consent of Secured Party.

4.4 Debtor shall notify Secured Party immediately if it knows, or has reason to know, that any application or registration relating to any material item of the Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, 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 or the United States Copyright Office, as applicable, or any foreign counterpart thereof or any court) regarding Debtor's ownership of any of the Collateral, its right to register the same or to keep and maintain and enforce the same.

4.5 Debtor shall, as soon as possible, provide Secured Party with written notice of any filing by Debtor or any of its agents, employees, designees or licensees of any application for the registration of any Collateral with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, or any similar office or agency in any other country or any political subdivision thereof.

4.6 Debtor shall take all reasonably necessary steps, including in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office, as applicable, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of the Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing Section 4.2).

4.7 Promptly after the close of each fiscal year, Debtor agrees to provide Secured Party with copies of (a) the audited financial statements, and (b) such additional information as necessary or appropriate to confirm and verify Debtor's calculations of the Earnout Payments as defined in the Earnout Agreement. The information set forth in (a) shall be reported on by the Debtors independent public accountants and, in each case, shall set forth in comparative form the figures for (or, in the case of the balance sheet, as of the end of) the previous fiscal year. Upon Secured Party's request, Debtor shall provide unaudited copies of Debtor's consolidating income statement and balance sheet.

4.8 Secured Party hereby covenants and agrees that its Lien shall at all times be and remain subordinate to any Permitted Lien, and will sign such subordination agreements as necessary and appropriate to reflect and evidence such subordination.

5. Reasonable Care. Debtor shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which Debtor accords its own intellectual property.

6. Further Assurances. Each of the parties hereto agrees to execute and deliver all such further documents and instruments, and to take all such further action as may be necessary or desirable to carry out the intent of this Agreement. Debtor further agrees that at any time and from time to time, at the expense of Debtor, Debtor will promptly execute and deliver all such further instruments and documents, and take all such further action, as may be necessary or desirable, or that Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce the rights and remedies hereunder with respect to any Collateral.

7. Events of Default. The occurrence of any of the following shall constitute an “**Event of Default**” under this Agreement:

7.1 Failure by Debtor to pay any amount owed under the Note or the Earnout Agreement when due or in the payment or performance of any of the other Obligations, if such failure continues for a period of thirty (30) days after written notice of such failure is given to Debtor.

7.2 Any proceeding involving Debtor is commenced by or against Debtor under any bankruptcy law or statute of the federal government or any state government or any similar federal or state statute specifically pertaining to corporate insolvency, the readjustment of debt, dissolution or liquidation or corporate reorganization.

7.3 Debtor makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature; or if a trustee of any substantial part of the assets of Debtor is applied for or appointed.

7.4 The entry of any material judgment, decree, levy, attachment, garnishment or other process or the filing of any material Lien against, any of the Collateral or any collateral under a separate security agreement securing any of the Obligations and such judgment or other process shall not have been, within thirty (30) days from the entry thereof, (i) bonded over to the satisfaction of Secured Party and appealed, (ii) vacated, or (iii) discharged. Materiality is defined as any above referenced event that would prevent or materially affect or impair the business, property, financial condition or results of operations of Debtor.

7.5 Debtor defaults under any of the "Senior Loan Documents," as said term is defined in the Subordination Agreement, and fails to cure within the applicable time period prescribed therein.

8. Force Majeure. The performance of Debtor's obligations under this Agreement shall be suspended upon the occurrence of a Force Majeure Event and throughout its duration; provided that Debtor promptly gives Secured Party notice thereof and, in any event, within fifteen (15) days of discovery thereof, and uses its best efforts to cure the delay. In the event of such Force Majeure Event, the time of performance or cure shall be extended for a period equal to the duration of the Force Majeure Event plus sixty (60) days thereafter. Notwithstanding anything to the contrary in this Agreement or the other Transaction Documents, Debtor's non-performance due to Force Majeure within the respective periods prescribed herein and therein shall not constitute a breach of this Agreement or be deemed an Event of Default under this Agreement or the other Transaction Documents.

9. Remedies.

9.1 Upon the occurrence and during the continuance of an Event of Default, Secured Party shall have all rights, powers and remedies provided at law or in equity, including, without limitation, those of a secured party under the Uniform Commercial Code. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default that is not cured as provided herein, and subject to the rights of the Senior Bank pursuant to the Subordination Agreement, the Secured Party may, at its sole option, declare all Obligations to be immediately due and payable. Upon the occurrence and during the continuance of an Event of Default under either Section 7.2 or Section 7.3, all Obligations of Debtor shall be automatically due and payable, all without demand, notice or further action of any kind required on the part of Secured Party. Debtor hereby waives any and all presentment, demand, notice of dishonor, protest, and all other notices and demands in connection with the enforcement of Secured Party's rights under the Note, the Asset Purchase Agreement, the Earnout Agreement or hereunder.

9.2 It shall be deemed commercially reasonable to conduct a private sale or other disposition of the Collateral even though a higher price might have been obtained for the Collateral at a public sale under compliance with any applicable laws or regulations.

9.3 The proceeds of any sale or disposition of the Collateral may be applied by Secured Party first to the payment of expenses of collection, including without limitation reasonable attorneys' fees, second to the payment of the outstanding principal and accrued interest due under the Note, as well as any and all additional amounts due or payable by virtue of the prepayment thereof as required under the Note, in such order of application as provided by the Note, and third to the payment of any other outstanding Obligations, with any balance of such proceeds to be returned to Debtor.

10. Notices. All notices required hereunder shall be in writing and shall be delivered pursuant to the notice provisions in the Asset Purchase Agreement.

11. Amendment, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Debtor here from shall in any event be effective unless the same shall be in writing and signed by Secured Party and Debtor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

12. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until all of the Obligations have been paid and/or performed in full and (b) be binding upon Secured Party and Debtor, and their successors and permitted assigns. Neither party may assign or transfer their respective obligations under this Agreement without the prior written consent of the other party.

13. Expenses and Attorneys' Fees. Except as otherwise expressly provided in this Agreement, each of the parties hereto shall be responsible for its own fees, expenses and other charges incurred in connection with the transactions contemplated hereby.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15. No Strict Construction. Each of the parties has been represented by separate counsel with respect to this Agreement and the language herein represents the language chosen by the parties after consultation with such counsel. Thus, no rule of strict construction shall be applied against either party in interpreting this Agreement.

16. Waiver. The waiver by any party hereto of any breach, default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall not be deemed to extend to any prior or subsequent breach, default, misrepresentation or breach of warranty or covenant hereunder and shall not affect in any way any rights arising by virtue of any such prior or subsequent occurrence.

17. Governing Law; Jurisdiction. This Agreement shall be construed and governed in accordance with the internal laws of the State of Illinois, without regard to its choice of law principles. Each of the parties hereby submits to the exclusive jurisdiction and venue of the federal and state courts presiding in Cook County, Illinois, with respect to any dispute concerning or arising out of this Agreement. In any legal proceeding arising out of this Agreement, the legal fees and expenses of the prevailing party shall be reimbursed by the other party.

18. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior communications, writings and other documents, with regard thereto. No modification, amendment or waiver of any provision hereof shall be binding upon any party hereto

unless it is in writing and executed by all of the parties hereto or, in the case of a waiver, by the party waiving compliance.

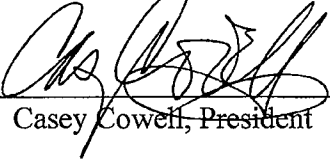
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IN WITNESS WHEREOF, the parties have executed this Security Agreement on the date first above written.

STAR FOODS, LLC, as Secured Party

THE GROVE, INC., as Debtor

By: Durandal, Inc., Manager

By:  _____
Casey Cowell, President

By: _____
Michelle Dukler, President

IN WITNESS WHEREOF, the parties have executed this Security Agreement on the date first above written.

STAR FOODS, LLC, as Secured Party

THE GROVE, INC., as Debtor

By: Durandal, Inc., Manager

By: _____
Casey Cowell, President

By: 
Michelle Dukler, President

Exhibit A
.Subordination Agreement

Exhibit A to
Grove Security Agreement

TRADEMARK
REEL: 003405 FRAME: 0471

SCHEDULE I – COPYRIGHTS

None At Present

Schedule I to
Grove Security Agreement






TRADEMARK
REEL: 003405 FRAME: 0472



SCHEDULE II – PATENTS

None existing at present.

SCHEDULE III – TRADEMARKS

All Trademarks used in Debtor's business, regardless of registration.

Trademark	Goods	Status
<p>US marks:</p>		
<p>The Grove & Design  Reg 2666146</p>	<p>Retail store services/online retail</p>	<p>Registered 2002</p>
<p>The Grove Natural Snacks  Reg 2671158</p>	<p>Dried fruits and processed nuts</p>	<p>Registered 2003</p>
<p>The Grove Natural Snacks & Design  Reg 2607010</p>	<p>Candied fruits</p>	<p>Registered 2002</p>
<p>The Grove Natural Snacks & Design  Reg 2607013</p>	<p>Dried fruits and processed nuts</p>	<p>Registered 2002</p>
<p>The Grove & Design  Ser 76349265</p>	<p>Candied fruits</p>	<p>Pending –suspended</p>

Trademark	Goods	Status
US marks:		
The Grove & Design  Ser 76349266	Dried Fruits & processed nuts	Pending – suspended
The Grove & Design Ser 75543549	Retail store services and online sales	Pending – suspended
The Grove & Design Reg 1668638	Dried fruits and processed nuts	cancelled
The Grove Natural Snacks & Design Ser 73815590	Candied fruits	abandoned
Turkey Jerkey	Spiced poultry	abandoned
State marks:		
Design KY Reg 9085	Foods and ingredients of foods	Renewed 2/00
The Grove Natural Snacks & design  CO ID 19891080132	Foods and ingredients of foods	Renewed 7/99