

03-14-2002



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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) 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): The Krystal Company
Individual(s) Association General Partnership Limited Partnership Corporation-State Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: Bank of America, as Administrative Internal Agent Address: Street Address: 231 S. LaSalle Street City: Chicago State: IL Zip: 60697
Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other National Banking Association
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: January 28, 2002

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 76/286,901; 75/510,206; 75/563,773; 75/710,783 75/936,962; 76/191,224 B. Trademark Registration No.(s) 343,677; 567,919; 1,330,234
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: J. Craig Lee Internal Address: Paul, Hastings, Janofsky & Walker LLP Street Address: 600 Peachtree Street, NE Suite 2400 City: Atlanta State: GA Zip: 30308

6. Total number of applications and registrations involved: 31
7. Total fee (37 CFR 3.41): \$ 790.00 Enclosed Authorized to be charged to deposit account
8. Deposit account number: 16-0752
(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. J. Craig Lee Name of Person Signing Signature Date 2/14/02

Total number of pages including cover sheet, attachments, and document: 17

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

03/13/2002 TDIAZ1 00000152 76286901

01 FC:481 40.00 DP 02 FC:482 750.00 DP

TRADEMARK REEL: 002461 FRAME: 0156

Exhibit A
to
TRADEMARK RECORDATION FORM

The Krystal Company/Bank of America, N.A.

4. B. TRADEMARK REGISTRATION NUMBERS		
1,330,251	1,330,262	1,331,146
1,643,777	1,643,778	1,652,807
1,682,140	1,787,005	1,809,407
1,876,821	1,943,491	1,981,558
2,013,581	2,033,261	2,120,676
2,232,312	2,234,282	2,281,199
2,282,541	2,305,146	2,407,561
2,465,899		

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is entered into as of January 28, 2002, by and between **THE KRYSTAL COMPANY**, a Tennessee corporation (the "Pledgor"), and **BANK OF AMERICA, N.A.**, as administrative agent (in such capacity, the "Agent") on behalf of the Lenders (as defined below).

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Pledgor, the guarantors signatory thereto, ORIX Financial Services, Inc., as documentation agent, the Agent, and the lenders signatory thereto (the "Lenders," the Agent and the Lenders, collectively, the "Lender Group"), the members of the Lender Group have agreed to make certain Loans and arrange for the issuance of Letters of Credit from time to time for the account of the Pledgor pursuant to the terms and conditions thereof; and

WHEREAS, the Lender Group is willing to make Loans and other financial accommodations to the Pledgor as provided for in the Credit Agreement and the other Credit Documents, but only upon the condition, among others, that the Pledgor shall have executed and delivered this Agreement, in order to secure the payment and performance of, among other things, all now existing or hereafter arising Obligations (as defined in the Credit Agreement) of the Pledgor under the Credit Agreement and the other Credit Documents;

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

1. Defined Terms.

(a) Capitalized terms used herein shall have the meanings ascribed to such terms in the Credit Agreement to the extent not otherwise defined or limited herein.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and paragraph references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Incorporation of the Credit Agreement. The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in its entirety by this reference thereto.

4. Grant of Security Interest in Trademarks, Patents, Copyrights and Licenses. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, the Pledgor hereby grants to the Agent, for the benefit of the Lender Group, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of the Pledgor's now owned or existing and hereafter acquired or arising:

(a) (i) trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule 1 attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (C) the right to sue for past, present and future infringements and dilutions thereof, (D) the goodwill of the Pledgor's business symbolized by the foregoing and connected therewith, and (E) all of the Pledgor's rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, registered trademarks and trademark applications, service marks, registered service marks and service mark applications, together with the items described in clauses (A)-(E) in this Paragraph 4(a)(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and (ii) all proceeds of any and all of the foregoing, including, without limitation, license royalties and proceeds of infringement suits.

(b) (i) patents and patent applications, including, without limitation, the patents and patent applications listed on Schedule 2 attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (C) the right to sue for past, present and future infringements and dilutions thereof, and (D) all of the Pledgor's rights corresponding thereto throughout the world (all of the foregoing patents and patent applications, together with the items described in clauses (A)-(D) in this Paragraph 4(b)(i), are sometimes hereinafter individually and/or collectively referred to as the "Patents"); and (ii) all proceeds of any and all of the foregoing, including, without limitation, license royalties and proceeds of infringement suits.

(c) (i) copyrights and copyright registrations, including, without limitation, the copyright registrations listed on Schedule 3 attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (C) the right to sue for past, present and future infringements and dilutions thereof, (D) the goodwill of the Pledgor's business symbolized by the foregoing

and connected therewith, and (E) all of the Pledgor's rights corresponding thereto throughout the world (all of the foregoing copyrights and copyright registrations, together with the items described in clauses (A)-(E) in this Paragraph 4(c)(i), are sometimes hereinafter individually and/or collectively referred to as the "Copyrights"); and (ii) all proceeds of any and all of the foregoing, including, without limitation, licensed royalties and proceeds of infringement suits.

(d) rights under or interest in any patent, trademark or copyright license agreements with any other party, whether the Pledgor is a licensee or licensor under any such license agreement, including, without limitation, the license agreements listed on Schedule 4 attached hereto and made a part hereof, and the right to use the foregoing in connection with the enforcement of the Agent's rights under the Credit Agreement, including without limitation, the right to prepare for sale and sell any and all Inventory now or hereafter owned by the Pledgor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Paragraph 4(d), the Licenses shall not include any license agreement in effect as of the date hereof which by its terms prohibits the grant of the security contemplated by this Agreement; provided, however, that upon the termination of such prohibitions for any reason whatsoever, the provisions of this Paragraph 4 shall be deemed to apply thereto automatically.

5. Restrictions on Future Agreements. The Pledgor shall not, without the Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and the Pledgor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including, without limitation, licensees, or fail to take any action, which would in any material respect adversely affect the validity or enforcement of the rights transferred to the Agent on behalf of the Lender Group under this Agreement or the rights associated with the Trademarks, Patents, Copyrights or Licenses. Notwithstanding Pledgor's duties and obligations contained in the immediately preceding sentence or otherwise, Pledgor shall have no obligation or duty to maintain Trademarks, Patents, Copyrights or Licenses that are no longer economically desirable.

6. New Trademarks, Copyrights, Patents and Licenses. The Pledgor represents and warrants that, from and after the date hereof, (a) the Trademarks listed on Schedule 1 include all of the trade names, registered trademarks, trademark applications, registered service marks and service mark applications now owned or held by the Pledgor, (b) the Patents listed on Schedule 2 include all of the patents and patent applications now owned or held by the Pledgor, (c) the Copyrights listed on Schedule 3 include all of the copyright registrations now owned or held by the Pledgor, (d) the Licenses listed on Schedule 4 include all of the patent, trademark or copyright license agreements under which the Pledgor is the licensee or licensor, and (e) no Liens, claims or security interests in such Trademarks, Patents, Copyrights or Licenses have been granted by the Pledgor to any Person other than the Agent for the benefit of the Lender Group and except as disclosed in the Credit Agreement. If, prior to the termination of this Agreement, the Pledgor shall (i) obtain rights to or become entitled to the benefit of any new trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) obtain rights to or become entitled to the benefit of any patent or patent application or any reissue, division, continuation, renewal, extension or

continuation-in-part of any Patent or any improvement on any Patent, (iii) obtain rights to or become entitled to the benefit of any new copyright registrations, (iv) obtain rights to or become entitled to the benefit of any new trademark, patent or copyright license agreements, whether as licensee or licensor, or license renewals, or (v) enter into any new license agreement, the provisions of Paragraph 4 above shall automatically apply thereto (to the extent permitted by licensors under agreements in connection with the granting of such licenses). The Pledgor shall give to the Agent prompt written notice of events described in clauses (i), (ii), (iii), (iv) and (v) of the preceding sentence upon request by the Agent from time to time. The Pledgor hereby authorizes the Agent to modify this Agreement unilaterally (i) by amending Schedule 1 to include any future trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications that are Trademarks under Paragraph 4 above or under this Paragraph 6, (ii) by amending Schedule 2 to include any future patents and patent applications, which are Patents under Paragraph 4 above or under this Paragraph 6, (iii) by amending Schedule 3 to include any future copyrights and copyright registrations, which are Copyrights under Paragraph 4 above or under this Paragraph 6, (iv) by amending Schedule 4 to include any future trademark, patent or copyright license agreements that are Licenses under Paragraph 4 above or under this Paragraph 6, and (v) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule 1 thereto, as the case may be, such future trademarks, tradenames, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and containing on Schedule 2 thereto, as the case may be, such future patents and patent applications, and containing on Schedule 3, as the case may be, such future copyrights and copyright registrations, and containing on Schedule 4 thereto, as the case may be, such future license agreements.

7. Royalties. The Pledgor hereby agrees that the use by the Agent of the Trademarks, Patents, Copyrights and Licenses as authorized hereunder in connection with the Agent's exercise of its rights and remedies under Paragraph 16 or pursuant to any Credit Document shall be coextensive with the Pledgor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from any member of the Lender Group to the Pledgor.

8. Further Assignments and Security Interest. The Pledgor agrees (a) not to sell or assign any of its interests in, or grant any license under, the Trademarks, Copyrights or Patents without the prior written consent of the Agent, provided, however, the Pledgor shall be permitted to grant either nonexclusive licenses or exclusive licenses that are limited in term and limited to certain markets, class of customers, territories, products or services and which do not restrict Pledgor's ability to use its Trademarks in the operation of its "quick service restaurant businesses" of its Trademarks, Copyrights and Patents to its franchisees and other licensees in the normal course of its business without the Agent's prior written consent, and (b) not to sell or assign its respective interests in the Licenses without the prior and express written consent of the Agent. Pledgor shall provide written notice to the Agent of any license granted to any licensee (excluding rights and licenses granted to Krystal franchisees) within thirty (30) days of such grant.

9. Nature and Continuation of the Agent's Security Interest; Termination of the Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks, Patents, Copyrights and Licenses and shall terminate only when the Obligations have been paid in full in cash and the Credit Agreement has been terminated. When this Agreement has terminated, the Agent shall promptly execute and deliver to the Pledgor, at the Pledgor's expense, all termination statements and other instruments as may be necessary or proper to terminate the Agent's security interest in the Trademarks, Patents, Copyrights and Licenses, subject to any disposition thereof which may have been made by the Agent or the Lenders, or any of them, pursuant to this Agreement.

10. Duties of the Pledgor. The Pledgor shall have the duty, to the extent desirable in the normal conduct of the Pledgor's business, (a) to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, (b) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter until the termination of this Agreement, and (c) to take all reasonable and necessary action to preserve and maintain all of the Pledgor's rights in the Trademarks, Patents, Copyrights and Licenses. The Pledgor further agrees (i) not to abandon any Trademark, Patent, Copyright or License that is necessary or economically desirable in the operation of the Pledgor's business without the prior written consent of the Agent, and (ii) to use its commercially reasonable efforts to maintain in full force and effect the Trademarks, Patents, Copyrights and Licenses that are or shall be necessary or economically desirable in the operation of the Pledgor's business. Any expenses incurred in connection with the foregoing shall be borne by the Pledgor. Neither the Agent nor any other Lender shall have any duty with respect to the Trademarks, Patents, Copyrights or Licenses. Without limiting the generality of the foregoing, the Agent shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks, Patents, Copyrights or Licenses against any other Person, but the Agent may do so at its option from and after the occurrence and during the continuance of a Default or an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of the Pledgor and shall be added to the Obligations secured hereby.

11. Indemnification by the Pledgor. The Pledgor hereby agrees to indemnify and hold harmless the Agent and each other Lender for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (including, without limitation, attorneys' fees) of any kind whatsoever which may be imposed on, incurred by or asserted against the Agent or any other Lender in connection with or in any way rising out of any suits, proceedings or other actions, relating to any or all of the Trademarks, Patents, Copyrights or Licenses (including, without limitation, whether brought by the Pledgor or any other Person, suits, proceedings or other actions in which an allegation of liability, strict or otherwise, is or may be made by any Person who alleges or may allege having suffered damages as a consequence of alleged improper, imprudent, reckless, negligent, willful, faulty, defective or substandard design, testing, specification, manufacturing supervision, manufacturing defect, manufacturing deficiency, publicity or advertisement or improper use, howsoever arising or by whomsoever caused, of any inventions disclosed and claimed in the Patents or any of them) made at any time prior to or relating to any period prior to the foreclosure by the Agent on the

security interests granted herein; unless with respect to any of the above, such Person to be indemnified is judicially determined to have acted or failed to act with gross negligence or willful misconduct. The indemnification in this paragraph shall survive the termination of this Agreement.

12. The Agent's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, the Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks, Patents, Copyrights and Licenses and, if the Agent shall commence any such suit, the Pledgor shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents reasonably required by the Agent in aid of such enforcement. The Pledgor shall, upon demand, promptly reimburse the Agent for all reasonable costs and expenses incurred by the Agent in the exercise of its rights under this Paragraph 12 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Agent).

13. Waivers. The Agent's failure, at any time or times hereafter, to require strict performance by the Pledgor of any provision of this Agreement shall not waive, affect or diminish any right of the Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Pledgor and the Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Pledgor contained in this Agreement shall be deemed to have been suspended or waived by the Agent unless such suspension or waiver is in writing signed by an officer of the Agent, and directed to the Pledgor and specifying such suspension or waiver.

14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

15. Modification. Neither this Agreement nor any provision hereof may be altered, amended or modified in any way, except as specifically provided in Paragraph 6 hereof or in a written instrument signed by the parties hereto.

16. Power of Attorney; Cumulative Remedies.

(a) The Pledgor hereby irrevocably designates, constitutes and appoints the Agent (and all officers and agents of the Agent designated by the Agent in its sole and absolute discretion) as the Pledgor's true and lawful attorney-in-fact, and authorizes the Agent and any of the Agent's designees, in the Pledgor's or the Agent's name, upon the occurrence and during the continuation of an Event of Default to take any action and execute any instrument necessary or reasonably advisable to accomplish the purposes of this Agreement, including, without

limitation, to (i) endorse the Pledgor's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use of the Trademarks, Patents, Copyrights or Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks, Patents, Copyrights or Licenses to any Person, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks, Patents, Copyrights or Licenses to any Person, and (iv) take any other actions with respect to the Trademarks, Patents, Copyrights or Licenses as the Agent deems in its best interest for the payment of the Obligations. The Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated. The Pledgor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent or any other Lender under the Credit Agreement or any other Credit Document, but rather is intended to facilitate the exercise of such rights and remedies.

(b) The Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks, Patents, Copyrights or Licenses may be located or deemed located or any other applicable jurisdiction. Upon the occurrence and continuance of an Event of Default and the election by the Agent to exercise any of its remedies under the Uniform Commercial Code, as in effect in any jurisdiction, with respect to the Trademarks, Patents, Copyrights or Licenses, the Pledgor agrees to assign, convey and otherwise transfer title in and to the Trademarks, Patents, Copyrights and Licenses, to the Agent or any transferee of the Agent and to execute and deliver to the Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Agent's sole discretion, to effect such assignment, conveyance and transfer. All of the Agent's rights and remedies with respect to the Trademarks, Patents, Copyrights and Licenses, whether established hereby, by the Credit Agreement or by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and continuance of an Event of Default, the Agent may exercise any of the rights and remedies provided in this Agreement, the Credit Agreement or any of the other Credit Documents. To the extent permitted by applicable law, the Pledgor agrees that any notification of intended disposition of any of the Trademarks, Patents, Copyrights or Licenses required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; provided, however, that the Agent may give any shorter notice that is commercially reasonable under the circumstances.

17. Successors and Assigns. This Agreement shall be binding upon the Pledgor and its successors and assigns, and shall inure to the benefit of the Agent, the Lenders and their nominees, successors and assigns. The Pledgor's successors and assigns shall include, without limitation, a receiver or a trustee of the Pledgor; provided, however, that the Pledgor shall not voluntarily assign or transfer its rights or obligations hereunder without the prior written consent of the Agent and the Required Lenders.

18. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Georgia applicable to agreements made and to be performed in Georgia.

19. Notices. All notices or other communications hereunder shall be given in the manner set forth in the Credit Agreement and to the addresses set forth in the Credit Agreement if to the Agent or to the Pledgor.

20. Paragraph Titles. The paragraph titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

21. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of a counterpart hereof via facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

22. Agent. Each reference herein to any right granted to, benefit conferred upon or power exercisable by the "Agent" shall be a reference to the Agent for the benefit of itself and the Lenders, and each action taken or right exercised hereunder shall be deemed to have been so taken or exercised by the Agent for the benefit of itself and the other Lenders.

23. Merger. This Agreement, together with the other Credit Documents, represents the final agreement of the Pledgor and the Agent with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Pledgor and the Agent.

24. Effectiveness. This Agreement shall become effective on the day and year first written above.

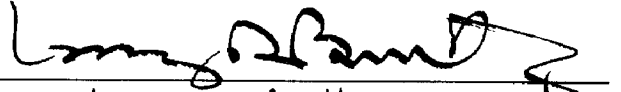
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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

PLEDGOR:

Sworn to and subscribed
before me this 28th day
of January, 2002

THE KRYSTAL COMPANY, a Tennessee
corporation



By: Larry D. Bentley
Title: Vice President & Chief Financial Officer



NOTARY PUBLIC
My Commission Expires:
Notary Public, DeKalb County, Georgia
My Commission Expires April 28, 2002

AGENT:

Sworn to and subscribed
before me this 28th day
of January, 2002

BANK OF AMERICA, N.A.,
as Agent


By: Tim G. Loyd
Title: Senior Vice President


NOTARY PUBLIC
My Commission Expires:
Notary Public, DeKalb County, Georgia
My Commission Expires April 28, 2002

SCHEDULE 1**Trademarks****U.S. REGISTRATIONS**

Mark	Reg. No.	Ser. No.	Reg. Date [Filing Date]
THE KRYSTAL	343,677	71/380,952	3/2/37
THE KRYSTAL	567,919	71/601,218	12/16/52
KRYSTAL	1,330,234	73/490,050	4/9/85
KRYSTAL	1,330,251	73/491,387	4/9/85
KRYSTAL KWIK	1,330,262	73/501,931	4/9/85
KRYSTAL	1,331,146	73/491,385	4/16/85
PLAIN PUPS	1,643,777	74/911,998	5/7/91
CHILI CHEESE PUPS	1,643,778	74/012,041	5/7/91
CHILI PUPS	1,652,807	73/839,598	7/30/91
KRYS-KROSS	1,682,140	74/075,075	4/7/92
KRYSTAL	1,787,005	74/337,580	8/10/93
CORN PUPS (stylized)	1,809,407	74/278,630	12/7/93
KRYSTAL	1,876,821	74/484,271	1/31/95
KRYSTAL	1,943,491	74/516,536	12/6/95
KRYSTAL'S XL	1,981,558	74/537,239	6/18/96
KRYSTAL SUNRISER	2,013,581	75/005,549	11/5/96
KRYSTAL	2,033,261	74/516,549	1/28/97
KRYSTAL	2,120,676	74/484,253	12/16/97
KRYSTAL CHIK	2,232,312	75/458,107	3/16/99
THE BEST THINGS IN LIFE ARE SQUARE	2,234,282	75/458,106	3/23/99
KRYSTAL	2,281,199	75/510,205	9/28/99

Mark	Reg. No.	Ser. No.	Reg. Date [Filing Date]
KRYSTAL	2,282,541	75/352,556	10/5/99
KRYSTAL	2,305,146	75/347,993	1/4/00
KRYSTAL	2,407,561	75/352,557	11/28/00
MINI PUPS	2,465,899	75/222,523	7/3/01
CHIK (Stylized)		75/510,206	[6/29/98]
HASH BROWN KRYSPERS		75/563,773	[10/5/98]
TAKE ALONG A SACKFUL		75/710,783	[5/20/99]
KRYSTAL DRIVE IN		75/936,962	[3/6/00]
KRYSTAL HOW MANY DO YOU NEED		76/191,224	[1/8/01]
LITTLE FOOD, BIG TASTE		76/286,901	[7/17/01]

EUROPEAN COMMUNITY REGISTRATIONS

Mark	Reg. No.	Ser. No.	Reg. Date [Filing Date]
KRYSTAL	001310200	001310200	9/9/99

CANADIAN REGISTRATIONS

Mark	Reg. No.	Ser. No.	Reg. Date [Filing Date]
KRYSTAL	431750	431,750	8/12/94

MEXICAN REGISTRATIONS

Mark	Reg. No.	Ser. No.	Reg. Date [Filing Date]
KRYSTAL	515226	160373	1/29/96
KRYSTAL	515227	160374	1/29/96

SCHEDULE 2

Patents

None.

Revised January 24, 2002

TRADEMARK
REEL: 002461 FRAME: 0170

SCHEDULE 3

Copyrights

None.

Revised January 24, 2002

TRADEMARK
REEL: 002461 FRAME: 0171

SCHEDULE 4

Licenses

1. Franchise and Development Agreements between The Krystal Company and its franchisees.
2. License Agreement dated September 17, 2001 between The Krystal Company and Pierre Foods, Inc.
3. Amended and Restated Krystal License Agreement between The Krystal Company and Jimmy Dean Foods.
4. License Agreement dated December 28, 2001 between Crystac Property I LLC, as lessor, and The Krystal Company, as lessee.
5. License Agreement dated December 28, 2001 between Crystac Property II LLC, as lessor, and The Krystal Company, as lessee.