

06-28-1999

RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office**PATENTS ONLY** *max 6-24-99*

101077343

Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Delta Food Group, Inc.
100 Commerce Drive
Aston, PA 19014Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

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

Name: The Bryn Mawr Trust CompanyInternal Address: Att: Carmen L. FiorentinoStreet Address: 801 Lancaster AvenueCity: Bryn Mawr State: PA ZIP: 19010Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
- ☒ Security Agreement ☐ Change of Name
- ☐ Other _____

Execution Date: 6/9/99

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

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) 08988758
60044988
(08908232 \ 09067609
06082165 PCT US 9808565
09111897 PCT US 9826538
PCT US 9714271 60134977
09051739 09198983 09228358

B. Patent No.(s)
4978483
5209879
5271881
5455342
5460756

Additional numbers attached? ☐ Yes ☒ No

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

Name: William M. Shields, EsquireInternal Address: Suite 1500Monteverde, McAlee, FitzPatrick, Tanker & Hurd ☒ EnclosedStreet Address: One Penn Center1617 JFK BoulevardCity: Philadelphia State: PA ZIP: 191036. Total number of applications and patents involved: 187. Total fee (37 CFR 3.41):..... \$ 720.00☐ 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.

WILLIAM M. SHIELDS
Name of Person SigningWilliam M. Shields
Signature6/29/99
DateTotal number of pages comprising cover sheet: 8**PATENT**

RIDER TO SECURITY AGREEMENT - PATENTS

THIS RIDER TO SECURITY AGREEMENT ("Rider") is effective as of the 9th day of June, 1999 by and between **DELTA FOOD GROUP, INC.**, a Delaware corporation ("Grantor") with an address at 100 Commerce Drive, Aston, PA 19014, and **THE BRYN MAWR TRUST COMPANY** (the "Bank"), with an address at 801 Lancaster Avenue, Bryn Mawr, PA 19010. This Rider is incorporated into and made part of that certain Security Agreement ("Security Agreement") between the Grantor and the Bank, of even date herewith, and also into certain other financing documents and security agreements executed by and between the Grantor and the Bank or by and between the Borrower (as defined in the Security Agreement) and the Bank (all such documents including this Rider are collectively referred to as "Loan Documents"). All capitalized terms not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the other Loan Documents.

As collateral security for the Obligations (as defined in the Security Agreement) under the Loan Documents, the Grantor has agreed to grant a security interest in and to assign to the Bank the Patent Collateral (as hereinafter defined). The Bank desires to have its lien and security interest in such Patent Collateral confirmed by a document identifying such security interest and in such form as may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made a part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Security Agreement and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, the Grantor does hereby assign and grant to the Bank a lien and security interest in (a) all of the Grantor's right, title and interest in and to (i) the United States Letters Patent and the inventions described and claimed therein set forth on Schedule "A" hereto, and any future patents (hereinafter referred to collectively as the "Patents"); (ii) the applications for Letters Patent and the inventions described and claimed therein set forth on Schedule "A" hereto, and any United States Letters Patent which may be issued upon any of said applications and any future patent applications (hereinafter referred to collectively as the "Applications"); (iii) any reissue, extension, division or continuation of the Patents or the Applications (such reissues, extensions, divisions and continuations being herein referred to collectively as the "Reissued Patents"); (iv) all licensing agreements, future royalties or other fees paid or payment or payments made or to be made to the Grantor in respect to the Patents; and (v) proceeds of any and all of the foregoing (the Patents, Applications, Reissued Patents and Royalties and proceeds being herein referred to collectively as the "Patent Rights"), and (b) all rights, interests, claims and demands that the Grantor has or may have in existing and future profits and damages for past and future infringements of the Patent Rights (such rights, interests, claims and demand being herein called the "Claims") (the Patent Rights and Claims collectively referred to as the "Patent Collateral").

2. **Representations and Warranties.** The Grantor warrants and represents to the Bank that: (a) the Grantor is the true and lawful exclusive owner of the Patent Rights set forth on Schedule "A," including all rights and interests herein granted; (b) to the best of Grantor's knowledge, the Patent Collateral is valid and enforceable; (c) the Grantor has full power and authority to execute and deliver this Rider; (d) the Grantor has no notice of any suits or actions commenced or threatened against it, with reference to the Patent Rights and the interests granted herein; and (e) the Patent Rights and all interests granted herein are so granted free from all liens, charges, claims, options, licenses, pledges and encumbrances of every kind and character (except for a security interest subordinate to the Bank's security interest given to certain guarantors of the Grantor's Obligations to the Bank and except for licenses and other rights granted in the ordinary course of Grantor's business).

3. **Covenants.** The Grantor further covenants that: (a) until all of the Obligations have been satisfied in full, it will not enter into any agreement including, without limitation, license agreements, which are inconsistent with the Grantor's obligations under this Rider; and (b) if the Grantor acquires rights to any new Patent Collateral material to Grantor's business, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Bank prompt written notice thereof along with an amended Schedule "A".

4. **Maintenance of Patent Collateral.** The Grantor further covenants that: until all of the Obligations have been satisfied in full, it will (i) not enter into any agreement, including without limitation, license agreements, which are inconsistent with the Grantor's undertakings and covenants under this Rider or which restrict or impair the Bank's rights hereunder, and (ii) maintain the Patent Collateral in full force and effect.

5. **Negative Pledge.** The Grantor agrees not to sell, assign or further encumber its rights and interest in the Patent Collateral without prior written consent of the Bank.

6. **Remedies Upon Default.** (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the Loan Documents, the Grantor hereby covenants and agrees that the Bank, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in Pennsylvania, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Patent Collateral covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the Loan Documents and while such default or Event of Default exists, the Grantor hereby authorizes and empowers the Bank to make, constitute and appoint any officer or agent of the Bank as the Bank may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Bank to use the Patent Collateral or to grant or issue any exclusive or non-exclusive license under the Patent Collateral to anyone else, or necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or wilful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, DC. Contemporaneously herewith, the Grantor shall also execute and deliver to the Bank such documents as the Bank shall reasonably require to permanently assign all rights in the Patent Collateral to the Bank, which documents shall be held by the Bank, in escrow, until the occurrence of an Event of Default hereunder or under the Loan Documents. After such occurrence, the Bank may, at its sole option, record such escrowed documents with the Patent and Trademark Office.

7. **Prosecution of Patent Applications.** (a) The Grantor shall, at its own expense, and subject to Grantor's reasonable business judgment, diligently file and prosecute all patent applications relating to the inventions described and claimed in the Patent Collateral in the United States Patent and Trademark Office, and shall pay or cause to be paid in their customary fashion all fees and disbursements in connection therewith, and shall not abandon any such application prior to the exhaustion of all administrative and judicial remedies or disclaim or dedicate any Patent. The Grantor shall not abandon any Patent Collateral unless such abandonment is consistent with Grantor's reasonable business judgment and the Grantor promptly notifies the Bank of such abandonment.

(b) Any and all fees, costs and expenses, including reasonable attorney's fees and expenses incurred by the Bank in connection with the preparation, modification, enforcement or termination of this Rider and all other documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or costs otherwise incurred in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral shall be paid by the Grantor on demand by the Bank.

(c) The Grantor shall have the right to bring suit in the name of the Grantor to enforce the Patent Collateral, in which case the Bank may, at the Bank's option, be joined as a nominal party to such suit if the Bank shall be satisfied that such joinder is necessary and that the Bank is not thereby incurring any risk of liability by such joinder. The Grantor shall promptly, upon demand, reimburse and indemnify, defend and hold harmless the Bank for all damages, costs and expenses, including reasonable attorney's fees, incurred by the Bank pursuant to this paragraph and all other actions and conduct of the Grantor with respect to the Patent Rights during the term of this Rider.

8. **Subject to Security Agreement.** This Rider shall be subject to the terms, provisions and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. **Inconsistent with Security Agreement.** All rights and remedies herein granted to the Bank shall be in addition to any rights and remedies granted to the Bank under the Loan Documents. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

10. **Termination of Agreement.** Upon payment and performance of all Obligations under the Loan Documents and full satisfaction of all of the Grantor's liabilities and obligations to the Bank, the Bank shall execute and deliver to the Grantor all documents necessary to terminate the Bank's security interest in the Patent Collateral.

11. **Fees and Expenses.** Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Bank in connection with the preparation of this Rider and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral, in each case in accordance with the terms of this Rider, shall be borne and paid by the Grantor on demand by the Bank and until so paid shall be added to the principal amount of the Obligations to the Bank and shall bear interest at the contract rate therefor.

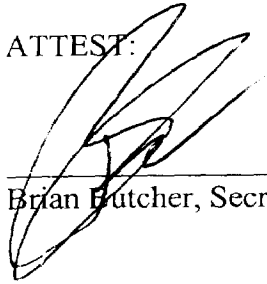
12. **Additional Remedies.** Upon the occurrence of an Event of Default under the Loan Documents, the Bank may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Bank's name, but at the Grantor's expense, and Grantor hereby agrees to reimburse the Bank in full for all reasonable expenses, including reasonable attorneys' fees, incurred by the Bank in protecting, defending and maintaining the Patent Collateral.

13. **GOVERNING LAW.** THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.

14. **Counterparts.** This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

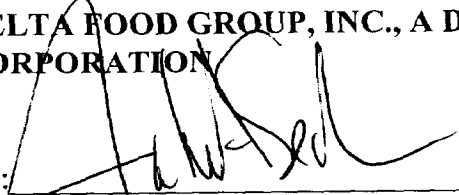
ATTEST:



Brian Butcher, Secretary

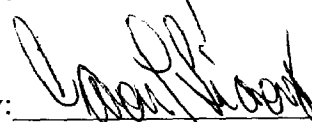
DELTA FOOD GROUP, INC., A DELAWARE CORPORATION

By:


John A. Sedor, President and Chief Executive Officer

THE BRYN MAWR TRUST COMPANY

By:


Carmen L. Fiorentino, Group Vice President

SCHEDULE "A"
TO
PATENT ASSIGNMENT

ISSUED PATENTS

<u>PATENT</u>	<u>PATENT INFORMATION NO.</u>	<u>REG. DATE</u>
Apparatus and Method for Making Microcapsules	4,978,483	12/18/1990
Method for Inducing Transformations in Waxes	5,209,879	05/11/1993
Apparatus and Method for Making Microcapsules	5,271,881	12/21/1993
Method and Apparatus for the Modification of Starch and Other Polymers	5,455,342	10/03/1995
Method for Entrapment of Liquids in Transformed Waxes	5,460,756	10/24/1995

PENDING PATENT APPLICATIONS

<u>Titles</u>	<u>Appin. Numbers</u>	<u>Filing Dates</u>	<u>Where Filed</u>
Seeded Microcapsules	08/908,232	8/07/1997	U.S.
Seeded Microcapsules	06/082,165	4/17/1998	U.S.
Seeded Microcapsules	09/111,897	7/08/1998	U.S.
Dietary Fiber Products and Process and Apparatus for Producing Same	PCT/US97/14271	8/14/1997	PCT
Dietary Fiber Products and Process and Apparatus for Producing Same	09/051,739	4/24/1998	U.S.
Process and Apparatus for Producing Dietary Fiber Products	08/988,758	2/11/1997	U.S.

PENDING PATENT APPLICATIONS (Cont'd)

<u>Titles</u>	<u>Appin. Numbers</u>	<u>Filing Dates</u>	<u>Where Filed</u>
Apparatus and Method for Reduction of Fat Content and Caloric Content in Food Ingredients	60/044,988	4/28/1997	U.S.
Apparatus and Process for the Reduction of Fat and Caloric Content in Food	09/067,609	4/28/1998	U.S.
Apparatus and Process for the Reduction of Fat and Caloric Content in Food	PCT/US98/08565	4/28/1998	U.S.
Apparatus and Process for the Reduction of Fat and Caloric Content in Food	24982	4/28/1998	Uruguay
Apparatus and Process for the Reduction of Fat and Caloric Content in Food	980101968	4/28/1998	Argentina
Apparatus and Process for the Reduction of Fat and Caloric Content in Food	761/cal/98	4/28/1998	India
Apparatus and Process for the Reduction of Fat and Caloric Content in Food	87106524	4/28/1998	Taiwan
Process and Apparatus for Producing Dietary Fiber Products	PCT/US98/26538	12/11/1998	PCT
Method for Increasing the Active Loading of Compressible Composition Forms	60/134,977	5/20/1999	US
Seeded Microcapsules (Leavening)	09/198,983	11/24/98	US
Seeded Microcapsules (Tabletting)	09/228,358	1/6/99	US
Dietary Fiber Products and Apparatus for Producing Same	97/938,283.5	8/14/97	EUR

COMMONWEALTH OF PENNSYLVANIA

:

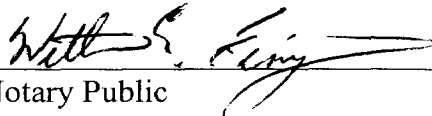
SS

COUNTY OF MONTGOMERY

:

On this the 9th day of June, 1999, before me, a Notary Public, the undersigned officer, personally appeared Carmen L. Fiorentino, who acknowledged himself to be a Group Vice President of The Bryn Mawr Trust Company and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:

NOTARIAL SEAL
WILLIAM E. FINIGAN, Notary Public
Aston Twp., Delaware County
My Commission Expires March 6, 2000

COMMONWEALTH OF PENNSYLVANIA

:

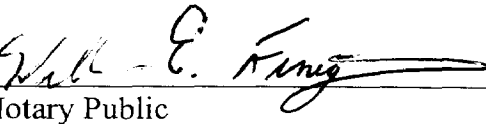
SS

COUNTY OF MONTGOMERY

:

On this the 9th day of June, 1999, before me, a Notary Public, the undersigned officer, personally appeared John A. Sedor and Brian Butcher, who acknowledged themselves to be the President/Chief Executive Officer and Secretary, respectively, of Delta Food Group, Inc., a Delaware corporation, and that they, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:

NOTARIAL SEAL
WILLIAM E. FINIGAN, Notary Public
Aston Twp., Delaware County
My Commission Expires March 6, 2000