

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	RELEASE BY SECURED PARTY

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Heller Financial Leasing, Inc. acquired by General Electric Capital Corporation		02/25/2005	CORPORATION: DELAWARE

**RECEIVING PARTY DATA**

<b>Name:</b>	Williams Foods, Inc.
<b>Street Address:</b>	13301 West 99th Street
<b>City:</b>	Lenexa
<b>State/Country:</b>	KANSAS
<b>Postal Code:</b>	66215
<b>Entity Type:</b>	CORPORATION: MISSOURI

**PROPERTY NUMBERS Total: 89**

Property Type	Number	Word Mark
Registration Number:	2066497	AMERICA'S #1 SPICE VALUE
Serial Number:	75314583	BAG `N BAKE
Registration Number:	2156820	BLUE TICK DRESSING
Registration Number:	2216769	BOG BOTTOM
Serial Number:	76196619	BOG BOTTOM BBQ
Registration Number:	1535550	BUTTER MAGIC
Registration Number:	1864845	CAROLINA CEDAR SPRAY
Serial Number:	76196618	CAROLINA EGRET EGGS
Registration Number:	1983949	CAROLINA FIRE FLIES
Registration Number:	1986983	CAROLINA JUNE BUGS
Registration Number:	2233718	CAROLINA MUDD PUPPIES
Registration Number:	1986981	CAROLINA NIGHT CRAWLERS
Registration Number:	1849998	CAROLINA PINE TAR

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Registration Number:	1845810	CAROLINA RED TIDE
Serial Number:	76196617	CAROLINA SAND FIDDLERS
Registration Number:	1849999	CAROLINA SWAMP STUFF
Registration Number:	1845809	CAROLINA TADPOLE TEA
Registration Number:	2149478	CEDAR SPRAY
Registration Number:	2241851	COCOA PLEASURES
Registration Number:	1434862	COUNTRY STORE
Serial Number:	75231631	COFFEE PLEASURES
Registration Number:	1433102	COUNTRY STORE
Registration Number:	1921292	DELUXE ENGLISH MUFFINS
Registration Number:	2046218	
Registration Number:	1863857	DUCK PUDDLE FARM
Registration Number:	1645429	EL SCORCHO!
Serial Number:	75304198	GIFTS FROM THE HEARTLAND
Serial Number:	75304200	GIFTS FROM THE HEARTLAND
Serial Number:	71434432	GRANDMA'S SPANISH SEASONING
Registration Number:	1934046	HERBE ROYALE
Registration Number:	2221760	HOME PORT GALLEY
Registration Number:	1900050	ISLAND PLEASURE
Registration Number:	2383660	ISLAND PLEASURE
Registration Number:	1905768	JOHN WAGNER & SONS, INC.
Registration Number:	2216773	LIME DANCE
Registration Number:	2228879	Longbay
Registration Number:	1661274	MAGNIFLAVOR
Registration Number:	2248630	MILK WEED
Registration Number:	2062036	MILK WEED
Registration Number:	2136743	
Registration Number:	2230811	MOBAY
Serial Number:	76227673	MUNCH-A-RONI
Registration Number:	1927112	NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AMERICAN A REVOLUTIONARY SALAD DRESSING
Registration Number:	1857811	NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AN AMERICAN SALAD DRESSING WITH A MULTINATIONAL TASTE FOR A MULTINATIONAL COUNTRY
Registration Number:	2149474	PINE TAR
Registration Number:	2149477	RED TIDE

Registration Number:	2213509	SCORPION
Registration Number:	2242205	SEASON `N BAKE
Serial Number:	76196620	SEAWEED SLOSH
Registration Number:	1939889	SPICE RACK
Registration Number:	1926607	SPIN-4-SPICE
Registration Number:	1838448	SUN BIRD
Registration Number:	2121797	SUN BIRD
Registration Number:	1124991	SUN-BIRD
Registration Number:	1582810	SUN-BIRD
Registration Number:	1451080	SUN-BIRD
Registration Number:	2216770	SWAMP MARY
Registration Number:	1977299	SWAMP SAUCE
Registration Number:	2149473	TADPOLE TEA
Registration Number:	2216772	TAHITIAN RED WAVE
Registration Number:	1903708	THE BIG DIFFERENCE IN ENGLISH MUFFINS
Serial Number:	75464060	THE BIG DIFFERENCE IN ENGLISH MUFFINS.
Registration Number:	1554940	THE BROWN ADOBE THE NEW MEXICAN CONNECTION
Serial Number:	75489611	THE RESTAURANT MARKETPLACE
Registration Number:	1439394	THE ULTIMATE ENGLISH MUFFIN
Registration Number:	2239636	W
Serial Number:	75315543	W
Serial Number:	75315544	W
Serial Number:	75315536	W
Serial Number:	75315534	W
Registration Number:	2237163	WAGNER GOURMET FOODS
Registration Number:	2241077	WAGNER GOURMET FOODS SINCE 1847
Registration Number:	2140193	WAGNER'S
Registration Number:	1905767	WAGNER'S
Registration Number:	1937821	WAGNER'S
Serial Number:	72198447	WAGNER'S
Registration Number:	1504172	WILLIAMS
Registration Number:	2250942	WOLFERTMAN'S
Registration Number:	2169739	WOLFERTMAN'S
Serial Number:	71593511	WOLFERTMAN'S "GOOD THINGS TO EAT"
Registration Number:	2243589	WOLFERTMAN'S A TRADITION OF FINE FOOD SINCE 1888

**TRADEMARK**

**REEL: 003694 FRAME: 0650**

Registration Number:	2254234	WOLFERSMAN'S A TRADITION OF FINE FOOD SINCE 1888
Registration Number:	1792771	WOLFERSMAN'S FINE BREADS SINCE 1888
Registration Number:	1827599	WOLFERSMAN'S FINE BREADS SINCE 1888
Registration Number:	1792772	WOLFERSMAN'S FINE BREADS SINCE 1888
Registration Number:	2166021	WOLFERSMAN'S GOOD THINGS TO EAT SINCE 1888
Registration Number:	2169740	WOLFERSMAN'S GOOD THINGS TO EAT SINCE 1888
Registration Number:	1605803	WOLFERSMAN'S ORIGINAL ENGLISH MUFFINS
Serial Number:	76227672	MUNCHILLA

**CORRESPONDENCE DATA**

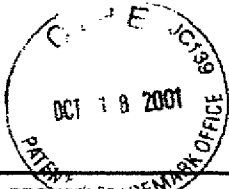
Fax Number: (816)983-8080  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: 816-983-8000  
Email: pto-kc@blackwellsanders.com  
Correspondent Name: Kristine L. Kappel  
Address Line 1: 4801 Main Street, Suite 1000  
Address Line 4: Kansas City, MISSOURI 64112

ATTORNEY DOCKET NUMBER:	60208-2
NAME OF SUBMITTER:	Kristine L. Kappel
Signature:	/Kristine L. Kappel/
Date:	01/11/2008

**Total Attachments: 52**

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Form: PTO-1594 TRADEMARK OFFICE REC 1  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
Tab settings

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): Williams Foods, Inc. 10-18-01  
 Individual(s)  Association  
 General Partnership  Limited Partnership  
 Corporation-State Missouri  
 Other \_\_\_\_\_  
Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)  
Name: Heller Financial Leasing, Inc.  
Internal Address: \_\_\_\_\_  
Street Address: 500 West Monroe St.  
City: Chicago State: IL Zip: 60661  
 Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State Delaware  
 Other \_\_\_\_\_  
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: September 14, 2001

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s)  
See Attached  
Additional number(s) attached  Yes  No

B. Trademark Registration No.(s)  
See Attached

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Sean M. Gillen, Esq.  
Internal Address: Kutak Rock LLP  
Street Address: 1650 Farnam St.  
City: Omaha State: NE Zip: 68102

6. Total number of applications and registrations involved: 12  
7. Total fee (37 CFR 3.41).....\$ 2,315.00  
 Enclosed  
 Authorized to be charged to deposit account  
8. Deposit account number: \_\_\_\_\_  
(Attach duplicate copy of this page if paying by deposit account)

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.*  
Sean M. Gillen \_\_\_\_\_  
Name of Person Signing Signature Date October 17, 2001

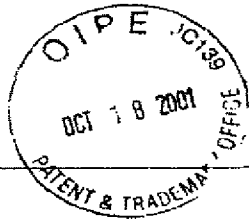
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Total number of pages including cover sheet, attachments, and document:

10/26/2001 BBYRNE 00000661 75035078  
01 FC:481 40.00 DP  
02 FC:482 2275.00 DP

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

TRADEMARK  
REEL: 2429 FRAME: 0786  
TRADEMARK  
REEL: 003694 FRAME: 0653



<u>Mark</u>	<u>Classes</u>	<u>App. #</u>	<u>Reg. #</u>
AMERICA'S #1 SPICE VALUE	30	75/035,078	2,066,497
BAG 'N BAKE	16	75/314,583	
BLUE TICK DRESSING	30	75/291,066	2,156,820
BOG BOTTOM	30	75/381,685	2,216,769
BOG BOTTOM BBQ	30	76/196,619	
BUTTER MAGIC	29	73/746,406	1,535,550
CAROLINA CEDAR SPRAY (stylized)	30	74/442,101	1,864,845
CAROLINA EGRET EGGS	30	76/196,618	
CAROLINA FIRE FLIES (stylized)	30	74/686,839	1,983,949
CAROLINA JUNE BUGS (stylized)	30	74/686,979	1,986,983
CAROLINA MUDD PUPPIES	30	75/382,217	2,233,718
CAROLINA NIGHT CRAWLERS (stylized)	30	74/686,841	1,986,981
CAROLINA PINE TAR (stylized)	30	74/442,208	1,849,998
CAROLINA RED TIDE (stylized)	30	74/442,490	1,845,810
CAROLINA SAND FIDDLERS	30	76/196,617	
CAROLINA SWAMP SNACKS	30		
CAROLINA SWAMP STUFF	16		
CAROLINA SWAMP STUFF (stylized)	30	74/442,489	1,849,999
CAROLINA TADPOLE TEA (stylized)	30	74/442,488	1,845,809
CEDAR SPRAY	30	75/291,149	2,149,478
COCOA PLEASURES	30	75/231,634	2,241,851
COFFEE PLEASURES	30	75/231,631	
COUNTRY STORE	29	73/597,839	1,434,862

COUNTRY STORE	29	73/565,186	1,433,102
DELUXE ENGLISH MUFFINS	30	74/426,483	1,921,292
DESIGN ONLY (spice jar)	30	74/436,931	2,046,218
DUCK PUDDLE FARM	30	74/466,562	1,863,857
EL SCORCHO! (stylized)	30	74/065,321	1,645,429
GIFTS FROM THE HEARTLAND	29	75/304,198	
GIFTS FROM THE HEARTLAND	39	75/304,200	
GRANDMA'S SPANISH SEASONING (and design)	30	71/434,432	394,876
HERBE ROYALE	30	74/484,171	1,934,046
HOME PORT	29, 30		
HOME PORT GALLEY	29	75/451,557	2,221,760
ISLAND PLEASURE	30	74/462,032	1,900,050
ISLAND PLEASURE	32	75/382,221	2,383,660
JOHN WAGNER & SONS, INC.	29	74/466,561	1,905,768
LIME DANCE	32	75/381,899	2,216,773
LongBAY	29	75/472,353	2,228,879
MAGNIFLAVOR	1	74/023,744	1,661,274
MILK WEED	30	75/290,950	2,248,630
MILK WEED (stylized)	30	74/686,838	2,062,036
MISCELLANEOUS DESIGN (Lion Logo)	30	75/151,475	2,136,743
MOBAY	30	75/472,354	2,230,811
MUNCH-A-RONI	30	76/227,673	
MUNCHILLA	30	76/227,672	
NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AMERICAN A REVOLUTIONARY SALAD DRESSING (and design)	30	74/489,109	1,927,112
NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AN AMERICAN SALAD DRESSING WITH A MULTINATIONAL TASTE FOR A MULTINATIONAL COUNTRY (and design)	30	74/368,070	1,857,811
PINE TAR	30	75/290,951	2,149,474



RED TIDE	30	75/291,012	2,149,477
SCORPION	30	75/381,893	2,213,509
SEASON 'N BAKE	16	75/314,047	2,242,205
SEAWEED SLOSH	30	76/196,620	
SPICE RACK	30	74/615,251	1,939,889
SPIN-4-SPICE	30	74/420,109	1,926,607
SUN BIRD (and design)	30	74/070,412	1,838,448
SUN BIRD (stylized)	29, 30	75/233,015	2,121,797
SUN-BIRD	30	73/184,723	1,124,991
SUN-BIRD (stylized)	29, 30	73/809,414	1,582,810
SUN-BIRD (stylized)	29	73/635,462	1,451,080
SWAMP MARY	32	75/381,699	2,216,770
SWAMP SAUCE	30	74/554,097	1,977,229
TADPOLE TEA	30	75/290,949	2,149,473
TAHITIAN RED WAVE	30	75/381,891	2,216,772
THE BIG DIFFERENCE IN ENGLISH MUFFINS	30	74/391,246	1,903,708
THE BIG DIFFERENCE IN ENGLISH MUFFINS (and design)	30	75/464,060	
THE BROWN ADOBE THE NEW MEXICAN CONNECTION (and design)	30	73/772,061	1,554,940
THE RESTAURANT MARKETPLACE	35	75/489,611	
THE ULTIMATE ENGLISH MUFFIN	30	73/614,800	1,439,394
W (stylized)	29	75/315,535	2,239,636
W (stylized)	16	75/315,543	
W (stylized)	8, 21	75/315,544	
W (stylized)	25	75/315,536	
W (stylized)	30	75/315,534	
WAGNER GOURMET FOODS	29, 30	75/151,229	2,237,163
WAGNER GOURMET FOODS SINCE 1847 (and design)	29, 30	75/231,632	2,241,077
WAGNER'S	29, 30	75/151,084	2,140,193
WAGNER'S	29, 30	74/466,560	1,905,767
WAGNER'S (and design)	29, 30	74/490,904	1,937,821

WAGNER'S (stylized)	30	72/198,447	833,756
WILLIAMS (stylized)	30	73/656,077	1,504,172
WOLFERMAN'S	16, 39	75/348,794	2,250,942
WOLFERMAN'S	29,30	75/348,795	2,169,739
WOLFERMAN'S "GOOD THINGS TO EAT" (stylized)	29, 30	71/593,511	577,179
WOLFERMAN'S A TRADITION OF FINE FOOD SINCE 1888 (and design)	29	75/315,541	2,243,589
WOLFERMAN'S A TRADITION OF FINE FOOD SINCE 1888 (and design)	30	75/315,533	2,254,234
WOLFERMAN'S FINE BREADS SINCE 1888	29, 30	74/283,761	1,792,771
WOLFERMAN'S FINE BREADS SINCE 1888 (and design)	30	74/180,641	1,827,599
WOLFERMAN'S FINE BREADS SINCE 1888 (and design)	29	74/283,762	1,792,772
WOLFERMAN'S GOOD THINGS TO EAT SINCE 1888	16	75/348,796	2,166,021
WOLFERMAN'S GOOD THINGS TO EAT SINCE 1888	35	75/348,797	2,169,740
WOLFERMAN'S ORIGINAL ENGLISH MUFFINS (stylized)	30	73/770,347	1,605,803



## MASTER SECURITY AGREEMENT

This Master Security Agreement (this "Agreement") is entered into as of September 14, 2001, by and between WILLIAMS FOODS, INC., a Missouri corporation whose business address is 13301 West 99th Street, Lenexa, Kansas 66215, ("Borrower"), and HELLER FINANCIAL LEASING, INC., a Delaware corporation, whose address is 500 West Monroe Street, Chicago, IL 60661 ("Lender"). Capitalized terms used in this Agreement and not otherwise defined shall have the meanings set forth in Section 15 of this Agreement.

1. **Secure Payment.** To secure payment of all Indebtedness, Borrower hereby grants and conveys to Lender a continuing lien and security interest in the Collateral, provided, however, if Lender assigns any Notes, then, the term "Indebtedness" as used herein with respect to any assignee shall mean only the Indebtedness evidenced by or related to Notes held by the assignee, and the term Collateral as used herein with respect to such assignee shall mean only the Collateral described on the Schedules that specifically refer to the Notes held by such assignee. Each advance of principal under a Note shall be on and subject to the terms and conditions set forth in the Loan Documents.

2. **Representations, Warranties and Covenants.** Borrower represents, warrants and covenants to Lender that the following statements are true, correct and complete and, unless specifically limited, shall remain so until payment in full of all Indebtedness:

(a) **Perform Obligations.** Borrower shall pay and perform all Indebtedness as and when due. Borrower shall use the loan proceeds evidenced by the Notes for business purposes only, in accordance with the terms of the Loan Documents.

(b) **Collateral Free and Clear.** Borrower shall keep the Collateral free and clear of any and all Liens, except for Permitted Liens.

(c) **Possession and Operation of Collateral.** Borrower shall retain possession of the Collateral at all times and shall not sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of the Collateral or any part thereof without the prior written consent of Lender. Borrower shall at all times keep the Collateral at the locations specified on the Schedules (except for removals therefrom in the usual course of business for temporary periods); provided, however, that Borrower shall be allowed to dispose of up to an aggregate of \$100,000 of Collateral (valued as of the date hereof) which becomes obsolete without the prior written consent of Lender. Borrower shall keep the Collateral, at Borrower's sole cost and expense, in good repair and condition and not misuse, abuse, waste, or allow it to deteriorate except for normal wear and tear. Borrower shall make the Collateral available for inspection by Lender at all reasonable times. The Collateral at all times shall be operated by competent, properly trained and, if applicable, legally licensed operators. In the event the Collateral or any part thereof is vehicles, Borrower shall at all times operate such vehicles only in the United States and if any vehicle is not in use, Borrower shall keep it at the location specified in the Schedules.

(d) **Insurance.** With respect to its business and properties, Borrower maintains, and shall continue to maintain, adequate insurance for public liability, property damage and product liability, against loss or damage of the kinds customarily carried or maintained by companies of established reputation engaged in similar businesses and in amounts acceptable to Lender. Borrower shall cause Lender to be named as loss payee on all insurance policies relating to any Collateral and shall cause Lender to be named as additional insured under all liability policies, in each case pursuant to appropriate endorsements in form and substance satisfactory to Lender. No notice of cancellation has been received with respect to such policies and Borrower is, and shall continue to be, in full compliance with all requirements and conditions contained in such policies. Borrower shall give immediate written notice to Lender and to insurers of loss or damage to the Collateral and shall promptly file

proofs of loss with insurers. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, coupled with an interest, for the purpose of obtaining, adjusting and canceling any such insurance and endorsing settlement drafts. Borrower hereby assigns to Lender, as additional security for the Indebtedness, all sums which may become payable under such insurance.

(e) In the event Borrower fails to provide Lender with evidence of the insurance coverage required by this Agreement, Lender may purchase insurance at Borrower's expense to protect Lender's interests in the Collateral. This insurance may, but need not, protect Borrower's interests. The coverage purchased by Lender may not pay any claim made by Borrower or any claim that is made against Borrower in connection with the Collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by this Agreement. If Lender purchases insurance for the Collateral, Borrower shall be responsible for the costs of that insurance, including interest and other charges imposed by Lender in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Indebtedness. The costs of the insurance may be more than the cost of insurance Borrower is able to obtain on its own.

(f) **If Collateral Attaches to Real Estate.** If the Collateral or any part thereof has been attached to or is to be attached to real estate, a description of the real estate and the name and address of the record owner is set forth on the Schedules and Borrower shall promptly following request therefor furnish Lender with a disclaimer or waiver of any interest in the Collateral satisfactory to Lender. Notwithstanding the foregoing, the Collateral shall remain personal property and shall not be affixed to realty without the prior written consent of Lender.

(g) **Financial Statements.** If at any time Borrower or any Corporate Guarantor is required to file Forms 10-K and 10-Q with the SEC, Borrower shall cause to be delivered to Lender copies of such forms within ten days of the filing thereof. If Borrower or any Corporate Guarantor is not required to file such forms, Borrower shall deliver and shall cause each Corporate Guarantor to deliver to Lender for Borrower and each such Corporate Guarantor respectively: (i) as soon as practicable, and in any event within 60 days after the end of each fiscal quarter, unaudited financial statements including in each instance, balance sheets, income statements, and statements of cash flow, on a consolidated and consolidating basis, as appropriate, and separate profit and loss statements as of and for the quarterly period then ended and for the fiscal year to date, prepared in accordance with GAAP, and certified by Borrower's CFO to be true and correct, and (ii) as soon as practicable, and in any event within 90 days after the end of each fiscal year, annual audited financial statements, including balance sheets, income statements and statements of cash flow for the fiscal year then ended, on a consolidated and consolidating basis, as appropriate, which have been prepared by its independent accountants in accordance with GAAP. Such audited financial statements shall be accompanied by the independent accountant's opinion, which opinion shall be in form generally recognized as "unqualified." Borrower shall cause each Individual Guarantor to deliver such financial information as Lender shall require from time to time.

(h) **Authorization.** Borrower is now, and shall at all times remain, duly licensed, qualified to do business and in good standing in every jurisdiction where failure to be so licensed or

qualified and in good standing would have a material adverse effect on its business, properties or assets. The execution and delivery of the Loan Documents have been duly authorized by Borrower and the Loan Documents constitute the legal valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms. Borrower shall not, without 30 days prior written notice to Lender, (1) change its name or its structure such that any financing statement or other record notice becomes misleading or (2) change its principal place of business or chief executive or accounting offices from the address stated herein.

(l) Litigation. Except as disclosed by Borrower to Lender in writing as of the date of this Agreement, there are no judgments outstanding against or affecting Borrower, its officers, directors or affiliates or any part of the Collateral and no Litigation exists. Borrower shall furnish to Lender all information regarding any material Litigation as Lender shall reasonably request and in any event Borrower shall promptly notify Lender in writing of Litigation against it if the outcome of such Litigation may materially or adversely affect the finances or operations of Borrower (for purposes of this provision, \$100,000.00 shall be deemed material).

(j) No Conflicts. Borrower represents and warrants that Borrower is not in violation of any material term or provision of its by-laws, or of any material agreement or instrument applicable to it or any Applicable Law. The execution, delivery, and performance of the Loan Documents do not and shall not violate, constitute a default under, or otherwise conflict with any such term or provision or result in the creation of any Lien upon any of the properties or assets of Borrower, except for the security interest created hereunder.

(k) Compliance with Laws. In all material respects, Borrower is, as of the date of each Schedule, in compliance with all existing Applicable Laws, and shall remain at all times in compliance with all Applicable Laws.

(i) Taxes. Should any stamp, excise, or other tax, including mortgage, conveyance, deed, intangible, or recording taxes become payable in respect of any Loan Documents, Borrower shall pay the taxes (including interest and penalties, if any) and shall hold Lender harmless with respect thereto.

(m) Regulations. No proceeds of the loans or any other financial accommodations under the Loan Documents shall be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System.

(n) No Liability. Borrower acknowledges and agrees that Lender shall not be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than as a result of Lender's gross negligence or willful misconduct.

(o) Setoff. Without limiting any other right of Lender, whenever Lender has the right to declare any Indebtedness to be immediately due and payable (whether or not it has so declared), Lender is hereby authorized at any time to the fullest extent permitted by law, to set off and apply against any and all of the Indebtedness, any and all monies then or thereafter owed to Borrower by Lender in any capacity, whether or not the obligation to pay such monies owed by Lender is then due. Lender shall be deemed to have exercised such right of set-off immediately at the time of such election even though any charge therefor is made or entered on Lender's records subsequent thereto.

(p) Books and Records. Borrower shall maintain, at all times, true and complete books, records and accounts in which true and correct entries are made of its transactions in accordance with GAAP and consistent with those applied in the preparation of Borrower's financial statements. At all reasonable times, upon reasonable notice, and during normal business hours, Borrower shall permit Lender or its agents to audit, examine and make extracts from

or copies of any of its books, ledgers, reports, correspondence, and other records.

(q) Indemnity. Borrower shall indemnify, defend and hold harmless Lender, its parent, officers, directors, agents, employees, and consultants from and against any loss, expense (including reasonable attorneys' fees and costs), damage or liability arising directly or indirectly from (i) any breach of any representation, warranty or covenant contained herein and in the other Loan Documents, (ii) any claim or cause of action that would deny Lender the full benefit or protection of any provision herein and in the Loan Documents and (iii) the ownership, possession, lease, operation, use, condition, sale, return, or other disposition of the Collateral, except to the extent the loss, expense, damage or liability arises solely and directly from Lender's gross negligence or willful misconduct. If after receipt of any payment of all or any part of the Indebtedness, Lender is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, an impermissible set-off or for any other reason, the Loan Documents shall continue in full force and effect and Borrower shall be liable to Lender for the amount of such payment surrendered together with interest at the applicable rate. The provisions of this paragraph shall survive termination of the Loan Documents.

(r) Collateral Documentation. Borrower shall deliver to Lender prior to any advance of principal under a Note, satisfactory documentation regarding the Collateral to be financed, including, but not limited to, invoices, canceled checks evidencing payments therefore, or other documentation as may be reasonably requested by Lender. Immediately prior to any advance, Borrower shall satisfy Lender that Borrower's business and financial information is as represented and there has been no material change in Borrower's business, financial condition or operations since the date of the most recent audited financial statement delivered under this Agreement.

(s) Expenses and Attorneys' Fees. Borrower shall be liable for all charges, costs, expenses and attorneys' fees incurred by Lender (including allocated costs of internal counsel): (i) in perfecting, defending, protecting or terminating its security interest in the Collateral, or any part thereof, including all costs of registration or of titling the Collateral; (ii) in the negotiation, execution, delivery, administration, amendment or enforcement of the Loan Documents or any provision thereof or the collection of any amounts due under any Note or other Loan Document; (iii) in any lawsuit or other legal proceeding in any way connected with any of the Loan Documents, including, any contract or tort or other actions, any arbitration or other alternative dispute resolution proceeding, all appeals and judgment enforcement actions and any bankruptcy proceeding (including any relief from stay and/or adequate protection motions, cash collateral disputes, assumption/rejection motions and disputes or objections to any proposed disclosure statement or reorganization plan). The provisions of this paragraph shall survive the termination of the Loan Documents and any judgment with respect to the Indebtedness or any part thereof.

(l) Complete Information. No representation or warranty made by Borrower in this Agreement and no other document or statement furnished to Lender by or on behalf of Borrower contains any material misstatement of a material fact or omits to state any material fact necessary in order to make the statements contained herein or therein not misleading.

(u) Financial Covenants. (i) If EBITDA (as defined below) for the 12 months ending December 31, 2001 is less than \$4,880,000.00, as determined by Lender from Borrower's audited fiscal year-end financial statements, then Borrower shall pay to Lender a non-refundable covenant fee equal to one percent (1%) of the original principal amount of the Note dated as of the date hereof (the "Covenant Fee"). The Covenant Fee, if required, shall be due on April 1, 2002 and shall be in addition to all other payments to be made and obligations to be performed by Borrower.

(ii) So long as any indebtedness remains outstanding, Borrower shall:

(A) Tangible Net Worth. Maintain Tangible Net Worth of not less than the following:

<u>Period Ending</u>	<u>Minimum Tangible Net Worth</u>
December 31, 2001	\$6,250,000.00
March 31, 2002	\$3,275,000.00
June 30, 2002	\$2,000,000.00
September 30, 2002	\$2,100,000.00
December 31, 2002 and each fiscal year end thereafter	\$7,800,000.00

(B) Leverage Ratio. Maintain a ratio of total Debt to Tangible Net Worth of not more than the following:

<u>Period Ending</u>	<u>Maximum Leverage Ratio</u>
December 31, 2001	2.5 to 1.0
March 31, 2002	5.0 to 1.0
June 30, 2002	8.0 to 1.0
September 30, 2002	11.5 to 1.0
December 31, 2002 and each fiscal year end thereafter	2.0 to 1.0

(C) Capital Expenditures. Not make Capital Expenditures which exceed an aggregate amount of (1) \$400,000.00 for the fiscal year ending December 31, 2001, and (2) \$750,000.00 for the fiscal year ending December 31, 2002 and all fiscal years thereafter.

(D) Debt Service Coverage. Maintain a ratio of EBITDA to principal and interest paid on the Obligations, all other Senior Debt and all capital expenditures not financed by Lender, calculated quarterly and based upon the prior four fiscal quarters (rolling), at least (1) 2.0 to 1.0 during each fiscal quarter during its fiscal year ending December 31, 2001, and (2) 1.5 to 1.0 during each fiscal quarter thereafter with the exception of the September 30, 2002 fiscal quarter end, for which quarter the ratio shall be 1.35:1.0.

(E) Minimum Stockholders Equity. Maintain a minimum stockholders equity of not less than the following:

<u>Period Ending</u>	<u>Minimum Stockholders Equity</u>
December 31, 2001	\$4,900,000.00
March 31, 2002	\$1,750,000.00
June 30, 2002	\$300,000.00
September 30, 2002	\$250,000.00
December 31, 2002 and each fiscal year end thereafter	\$5,900,000.00

(F) Senior Debt to EBITDA. Maintain a ratio of Senior Debt to EBITDA, as of each fiscal quarter, of not more than the following:

<u>Relevant Period Ending</u>	<u>Maximum Senior Debt to EBITDA</u>
December 31, 2001 (FYE)	1.60 to 1.0
Quarter Ending March 31, 2002 (and each quarter ending on March 31 of each year thereafter)	2.30 to 1.0
Quarter Ending June 30, 2002	

(and each quarter ending on June 30 of each year thereafter)	2.50 to 1.0
Quarter Ending September 30, 2002 (and each quarter ending on September 30 of each year thereafter)	3.20 to 1.0
Quarter Ending December 31, 2002 (and each quarter ending on December 31 of each year thereafter)	1.30 to 1.0

With respect to the above calculations and the application of the terms Senior Debt and EBITDA, all quarterly calculations done shall be based upon the prior four fiscal quarters (rolling).

As used in this Section 2(u), the following terms shall have the following meanings: "Capital Expenditures" means expenditures made and liabilities incurred for the direct or indirect acquisition of any fixed assets or improvements, replacements, substitutions or additions thereto which have a useful life of more than one year, including, without limitation, payments with respect to capitalized lease obligations. "Debt" means, with respect to the Borrower, without duplication, (i) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which the Borrower is liable, contingently or otherwise, as an obligor, guarantor or otherwise, or in respect of which the Borrower otherwise assures a creditor against loss, (ii) all other obligations or items which, in accordance with GAAP, would be shown on the liability side of a balance sheet as of the date of incurrence thereof, (iii) obligations under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases in respect of which obligations the Borrower is liable, contingently or otherwise, as an obligor, guarantor or otherwise, or in respect of which obligations the Borrower otherwise assures a creditor against loss, and (iv) unfunded vested benefits under each Plan maintained for employees of the Borrower. "EBITDA" means, for any period, net income for any Person as determined in accordance with GAAP for such period plus all amounts deducted in the computation thereof on account of (a) interest expense, (b) depreciation and amortization expenses and other non-cash charges and (c) income and profits taxes. "GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination. "Obligations" means all debts, liabilities, obligations, covenants and duties owing, arising, due or payable from the Borrower to Lender of any kind or nature, present or future, whether or not evidenced by any note, letter of credit, guaranty or other instrument, whether arising under this Agreement or any of the other Loan Documents or otherwise and whether direct or indirect (including, without limitation, those acquired by assignment), absolute or contingent, primary or secondary, joint, several or joint and several due or to become due, now existing or hereafter arising and however acquired, and all replacements, renewals, extensions and other modifications of any of the foregoing. The term "Obligations" includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and any other sums chargeable to the Borrower under any of the Loan Documents. The term also includes any of the foregoing that arise after the filing of a petition by or against the Borrower under any bankruptcy or similar law, even if the Obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise. "Person" means an individual, corporation, partnership, trust, governmental entity or any other entity, organization or group whatsoever. "Senior Debt" means all interest bearing Debt which is not subordinated to the Obligations pursuant to the terms of a subordination agreement in form and substance acceptable to Lender in its sole discretion. "Tangible Net Worth" means, at any date of

determination, the Borrower's total tangible assets minus the Borrower's total liabilities plus Debt which is, in the reasonable opinion of the Lender, adequately subordinated to any Senior Debt, each as determined in accordance with GAAP.

(iii) Borrower shall be permitted to pay income taxes payable by Conrad Hock, Jr. on account of the one-time withdrawal from his Investment Retirement Account, the proceeds of which have been loaned to Borrower in the form of subordinated debt, provided that (A) Borrower's payment of such income taxes will not cause a breach the financial covenant contained in (ii)(D) above, as of December 31, 2001, and (B) the payment of such taxes shall be deducted from the calculation of Borrower's EBITDA for the purposes of determining Borrower's compliance with such covenant pursuant to this subsection (iii).

(v) Trademarks. Borrower shall, at its own cost, unless otherwise consented to in writing by Lender: (i) take all actions necessary to properly maintain and renew all registrations for Trademarks which are or may become subject to this Agreement for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said registrations for Trademarks (including the filing of a declaration of incontestability under § 15 of the United States Trademark Act where possible) which may be necessary or appropriate under applicable law; (ii) file new applications to register and protect under applicable law all Trademarks acquired by Borrower but for which applications have not previously been filed or to take all other actions necessary to cause registrations for Trademarks to be issued as a result of said applications; and (iii) protect such Trademarks from infringement, unfair competition or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for said infringement and to defend such Trademarks from claims of infringement, unfair competition or damage including the defense or any legal actions making such claims.

3. Prepayment. Borrower may not prepay the Indebtedness, whether in whole or in part, at any time during the term of this Agreement except as set forth in the Notes.

4. Events of Default. Each of the following events shall constitute an Event of Default: (a) Borrower fails to pay any part of the indebtedness within ten calendar days of its due date, (b) any warranty or representation of Borrower in any Loan Document is materially untrue, misleading or inaccurate at the time it is made, (c) Borrower shall fail to pay or perform as and when due any obligations of Borrower arising under Sections 2(b), 2(c), 2(d) or 2(u), (d) Borrower or any Guarantor shall fail to pay or perform any obligations to Lender arising under or in connection with this Agreement or any of the other Loan Documents (other than obligations covered by subsections (a), (b), (c), (m), (n), (o), (p), (q) or (r) of this section) and such failure is not remedied to Lender's satisfaction within 10 days of Lender's written notice thereof to Borrower, (e) Borrower or any Guarantor breaches or defaults in the payment or performance of any debt or other obligation owed by it to Lender or any affiliate of Lender, and Lender has (without being obligated to do so) declared such event, an Event of Default hereunder, (f) Borrower breaches or defaults in the payment or performance of any debt or other obligation, whether now or hereafter existing, with an outstanding principal balance in excess of \$1,000,000.00, and the same is subsequently accelerated, or any Guarantor breaches or defaults in the payment or performance of any debt or other obligation, whether now or hereafter existing, with an outstanding principal balance in excess of \$1,000,000.00, and the same is subsequently accelerated, (g) there shall be a change in the beneficial ownership and control, directly or indirectly, of the majority of the outstanding voting securities or other interests entitled to elect or appoint members of the board of directors or other managing body of

Borrower or any Corporate Guarantor (a "change of control"), or there is any merger, consolidation, dissolution, liquidation, winding up or sale or other transfer of all or substantially all of the assets of Borrower or any Corporate Guarantor pursuant to which there is a change of control or cessation of Borrower or the Corporate Guarantor or the business of either, (h) death or incompetency of any individual Guarantor or Borrower if Borrower is a natural person, (i) any money judgment is entered or filed against Borrower or any Guarantor in excess of \$1,000,000.00, (j) the appointment of a receiver for all or any part of the property of Borrower or any Guarantor, or any assignment for the benefit of creditors by Borrower or any Guarantor, (k) the filing of a petition by Borrower or any Guarantor under any bankruptcy, insolvency or similar law, or the filing of any such petition against Borrower or any Guarantor if the same is not dismissed within 45 days of such filing, (l) any event shall occur which creates a Material Adverse Effect, (m) the taxable income of Conrad Hock, Jr. paid by Borrower (other than certain conditional bonuses approved by Lender) shall exceed (i) \$131,250.00 for the fourth fiscal quarter of fiscal year ending December 31, 2001 or (ii) \$525,000.00 in any fiscal year thereafter, (n) a default or an event of default (however defined) occurs under the Bank Loan Facility, (o) Borrower, as lessee, makes lease payments to Conrad Hock, Jr. or Conrad Hock Jr. Revocable Trust, as applicable, as lessor, with respect to the two facilities in Lenexa, KS leased by Borrower, in excess of \$65,000.00, in aggregate, in any month, (p) Borrower fails to obtain or Bank fails to make any of the scheduled advances under the Bank Loan Facility, including, without limitation, an over-advance in the amount of \$1,500,000.00 for the months of June, 2001, July, 2001, August, 2001, September, 2001, October, 2001, November, 2001 and December, 2001, (q) Borrower pays any dividends or distributions to any shareholders other than for the payment of taxes or (r) Borrower or Guarantor or any other creditor breaches or defaults in the performance of any agreement or covenant contained in the Debt Subordination Agreement.

5. Remedies. Upon the occurrence of an Event of Default, in addition to all rights and remedies of a Lender under the UCC and under any other applicable law, Lender may, at its option, at any time (a) declare the indebtedness to be immediately due and payable without notice to Borrower or any Guarantor; (b) without demand or legal process, enter any premises where the Collateral may be and take possession and/or remove the Collateral all without charge to or liability on the part of Lender, (c) require Borrower to assemble the Collateral, crate, pack, ship, and deliver the Collateral to Lender in such manner and at such place as Lender may require, all at Borrower's sole cost and expense, (d) render the Collateral unusable at the Borrower's premises and dispose of such Collateral on such premises without liability for rent or costs (e) sell the Collateral at public or private sales, in whole or in part, and have the right to bid and purchase at said sale, and/or (f) lease or otherwise dispose of all or part of the Collateral, applying proceeds therefrom to the Indebtedness. Any notice which Lender is required to give to Borrower under any Applicable Law of the time and place of any public sale or the time after which any private sale or other intended disposition of the Collateral is to be made shall be deemed to constitute reasonable notice if such notice given to the last known address of Borrower at least five days prior to such action. Borrower shall remain fully liable for any deficiency, with interest thereon at the applicable rate set forth in the related Notes.

6. Cumulative Remedies. Lender's remedies hereunder or otherwise are cumulative, are in addition to any other remedies provided for by law or in equity and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of Lender to exercise, and no delay in exercising any right or remedy, shall operate as a waiver thereof or in any way modify or be deemed to modify the terms of this Agreement or the other Loan Documents or the indebtedness, nor shall any single or partial exercise by Lender of any right or remedy preclude any other or further exercise of the same or any other right or remedy. Lender shall not be under any obligation

to marshal any assets in favor of Borrower, any Guarantor or any other person or against or in payment of any or all of the indebtedness. If Borrower shall fail to comply with any provision of any of the Loan Documents, Lender shall have the right, but shall not be obligated, to take action to address such non-compliance, in whole or in part, and all expenses and obligations incurred or assumed by Lender together with interest thereon at the applicable rate shall be added to the indebtedness and paid by Borrower upon demand.

7. **Assignment.** Lender may transfer or assign all or any part of the indebtedness and the Loan Documents without releasing Borrower or the Collateral, and upon such transfer or assignment the assignee or holder shall be entitled to all the rights, powers, privileges and remedies of Lender to the extent assigned or transferred. The obligations of Borrower shall not be subject, as against any such assignee or assignee, to any defense, set-off, or counter-claim available to Borrower against Lender and any such defense, set-off, or counter-claim may be asserted only against Lender.

8. **Governing Law.** THE LOAN DOCUMENTS SHALL BE GOVERNED BY AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

9. **Consent to Jurisdiction.** BORROWER HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IRREVOCABLY AGREES THAT, SUBJECT TO LENDER'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. BORROWER EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON BORROWER BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO BORROWER, AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.

10. **Further Assurance; Notice.** Borrower shall, at its expense, execute, and deliver such documents and do such further acts as Lender may from time to time reasonably require to assure and confirm the rights created or intended to be created under the Loan Documents to facilitate the performance of the Loan Documents or to assure the validity, perfection, continuing first priority or enforceability of any security interest created hereunder. Borrower agrees to execute any instrument or instruments necessary or expedient for filing, recording, registering, perfecting, notifying, foreclosing, and/or liquidating of Lender's interest in the Collateral upon request of, and as determined by, Lender, and Borrower hereby specifically authorizes Lender to prepare and file UCC financing statements and other documents necessary to perfect Lender's interests hereunder, and to execute same for and on behalf of Borrower as Borrower's attorney-in-fact, irrevocably and coupled with an interest, for such purposes. Any written notice to be given under this Agreement shall be in writing addressed to the respective party as set forth in the heading to this Agreement (or such other address as may have been designated in a written notice) and shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission if transmitted on a business day before 4:00 p.m. Central Standard time or, if not, on the next succeeding business day; (c) if delivered by overnight courier, two days after delivery to such courier properly addressed; or (d) if by U.S. Mail, four business days after depositing in the United States mail, with postage prepaid and properly addressed.

11. **Joint and Several Obligation.** If this Agreement is executed by more than one person as Borrower, each such person hereby

acknowledges it is jointly and severally liable for and unconditionally guarantees the prompt and full payment and performance of all obligations of each other Borrower hereunder and under the other Loan Documents.

12. **Waiver of Jury Trial.** BORROWER AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THE LOAN DOCUMENTS. BORROWER AND LENDER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THE LOAN DOCUMENTS AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. BORROWER AND LENDER WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

13. **Entire Agreement.** THE LOAN DOCUMENTS EMBODY THE ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERTAKINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THIS AGREEMENT MAY NOT BE AMENDED OR MODIFIED EXCEPT BY INSTRUMENT IN WRITING EXECUTED BY ALL PARTIES HERETO.

14. **Execution in Counterparts.** This Agreement and each Schedule may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument and any of the parties hereto may execute this Agreement or any Schedule by signing any such counterpart, provided that only the original of this Agreement or any Schedule marked "Original: 1 of 3" on the execution page thereof shall constitute chattel paper under the UCC.

15. **Certain Defined Terms.** The following terms used in this Agreement shall have the following meanings:

"Applicable Laws" means any and all existing and future laws, rules, regulations, ordinances, decrees and codes relating to Borrower's business and operations including, without limitation, all Environmental Laws.

"Bank" means (a) with respect to Schedule No. 1, Southwest Bank of St. Louis, a Missouri bank, having a place of business at 13205 Manchester Road, St. Louis, MO 63179-0178, and (b) with respect to any other Schedule, the Bank identified on such Schedule.

"Bank Loan Facility" means (a) with respect to Schedule No. 1, the financial accommodations to be provided by Bank, including, without limitation, (i) a \$10,000,000.00 general line of credit, (ii) a \$1,700,000.00 line of credit relating to Borrower's facilities located in Ivyland, PA and (iii) a \$1,500,000.00 seasonal over-advance for the months of June, 2001, July, 2001, August, 2001, September, 2001, October, 2001, November, 2001 and December, 2001, and (b) with respect to any other Schedule, as identified on such Schedule.

"Collateral" means the property described on each Schedule, together with all attachments, accessories, substitutions, additions, and replacements therefor and all proceeds thereof, including insurance proceeds, and any and all accounts, chattel paper, contract rights and general intangibles arising from the sale, lease or other disposition thereof.

"Corporate Guarantor" means any guarantor of all or any part of the indebtedness that is not an Individual Guarantor.

"Debt Subordination Agreement" means the Debt Subordination Agreement dated as of the date hereof, executed by Borrower and Conrad Hock, Jr., and any other debt subordination agreement delivered in connection with a Note, and any amendment or supplement thereto.

"Environmental Laws" means all present and future federal, state, and local laws, rules, regulations, orders, and decrees relating to pollution, hazardous substances, waste disposal or the protection of human health or safety, plant life or animal life, national resources or the environment, all as amended from time to time.

"GAAP" means generally accepted accounting principles, applied consistently with past periods.

"Guarantor" means collectively, Individual Guarantors and Corporate Guarantors.

"Individual Guarantor" means any guarantor of all or any part of the indebtedness that is a natural person.

"Indebtedness" means all obligations, liabilities and indebtedness of every nature of Borrower from time to time owed to Lender evidenced by the Notes or otherwise incurred pursuant to this Agreement or the other Loan Documents, now existing or hereafter arising including, without limitation, all interest, fees, cost and expenses accrued or incurred after the filing of any petition under any bankruptcy or insolvency law.

"Lien or Liens" means any lien, mortgage, pledge, security interest, charge or encumbrance of any kind, whether voluntary or involuntary, (including any conditional sale or other title retention agreement, any lease in the nature thereof, and any agreement to give any security interest).

"Litigation" means any and all actions, charges, claims, demands, suits, proceedings, or governmental investigations now pending or threatened against Borrower or any of Borrower's property.

"Loan Documents" means this Agreement, the Schedules, the Notes, the Conditions Rider, if any, and any other documents and instruments executed contemporaneously with or delivered pursuant to this Agreement or the Notes, all as amended, modified, extended or renewed from time to time.

"Material Adverse Effect" means a material adverse effect upon (a) the business, operations, prospects, properties, assets or condition (financial or otherwise) of Borrower or any Guarantor or (b) the ability of Borrower or any Guarantor to perform its obligations under any Loan Document to which it is a party or (c) the ability of Lender to enforce its security interests or collect any of the Indebtedness.

"Note" or "Notes" means any and all promissory notes which Borrower has executed and delivered or will execute and deliver to Lender and which are identified on a Schedule evidencing Indebtedness.

"Permitted Liens" means the following types of Liens, claims, charges, taxes, and assessments of any kind: (a) Liens (other than Liens relating to Environmental Laws) for taxes, assessments or other governmental charges not yet due and payable; (b) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen and other similar Liens imposed by law, which are incurred in the ordinary course of business for sums not more than 30 days delinquent; (c) Liens in favor of Lender; and (d) Liens set forth on any Schedule.

"Schedule" or "Schedules" means any and all Schedules which Borrower has executed and delivered or will execute and deliver to Lender in connection with this Agreement. Schedules shall be numbered consecutively beginning with "1".

"SEC" means the Securities and Exchange Commission.

"Trademarks" means all trademarks, trademark registrations and trademark applications and the goodwill underlying those trademarks of the Grantor, including but not limited to those set forth in the Schedules, and (a) any similar marks or amendments, modifications and renewals thereof and the goodwill represented by those trademarks thereon and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (b) all rights to income, royalties, profits, damages, or other rights relating to said trademarks including the right to sue for past, present or future infringement; and (c) any other rights and benefits relating to said trademarks including any rights as a licensor of said trademark.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of Illinois, as amended from time to time, and any successor statute.

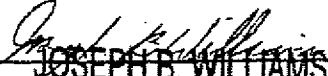
[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS]



IN WITNESS WHEREOF, Lender and Borrower have each signed this Master Security Agreement as of the day and year first above written.

LENDER

HELLER FINANCIAL LEASING, INC., a Delaware corporation

By:   
Name: JOSEPH B. WILLIAMS  
Title: VICE PRESIDENT

BORROWER

WILLIAMS FOODS, INC., a Missouri corporation

By: \_\_\_\_\_  
Conrad Hock, Jr., Chief Executive Officer

Original: 1 of 3

[EXECUTION PAGE OF MASTER SECURITY AGREEMENT]

TRADEMARK  
REEL: 2429 FRAME: 0797  
TRADEMARK  
REEL: 003694 FRAME: 0664

IN WITNESS WHEREOF, Lender and Borrower have each signed this Master Security Agreement as of the day and year first above written.

**LENDER**

HELLER FINANCIAL LEASING, INC., a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BORROWER**

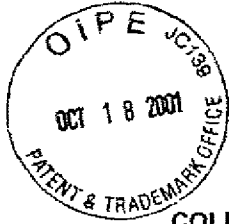
WILLIAMS FOODS, INC., a Missouri corporation

By: *Conrad Hock, Jr.*  
Conrad Hock, Jr., Chief Executive Officer

Original: 1 of 3

[EXECUTION PAGE OF MASTER SECURITY AGREEMENT]

TRADEMARK  
REEL: 2429 FRAME: 0798  
TRADEMARK  
REEL: 003694 FRAME: 0665



EXECUTION COPY

Loan No.: 196-0180-001

**COLLATERAL SCHEDULE No. 1**

**to Master Security Agreement**

Collateral Schedule No. 1 annexed to and made a part of a certain Master Security Agreement dated September 14, 2001 (the "Agreement"), or related documentation by and between the undersigned. (Capitalized terms used in this Collateral Schedule and not otherwise defined shall having the meaning ascribed to them in the Agreement.) This Collateral Schedule incorporates all of the terms and conditions of the Loan Documents. Borrower agrees the Collateral set forth below together with all additions, attachments, accessories and accessions thereto, replacements or substitutions therefor and all products and proceeds thereof, if any, including insurance proceeds and any and all accounts, chattel paper, contract rights and general intangibles arising from the sale, lease or other disposition thereof or thereto (for purposes of this Collateral Schedule, collectively, the "Scheduled Collateral") is given to secure payment of (i) all indebtedness arising under or in connection with that certain Note dated September 14, 2001, in the amount of \$7,000,000.00, made by Borrower in favor of Lender and any renewals, extensions and modifications thereof or thereto (for purposes of this Collateral Schedule, collectively, the "Scheduled Note") and (ii) payment and performance of all other obligations constituting any part of the indebtedness; provided, however, that if Lender transfers the Scheduled Note, then, the term "indebtedness" with respect to any transferee shall mean only the indebtedness evidenced by or related to the Scheduled Note and any other Note held by the transferee and the term "Collateral" as used in the Agreement with respect to such transferee shall mean only the Scheduled Collateral and any Collateral described on any Schedule that specifically identifies any other Note held by the transferee.

Attached as Exhibit A, which is incorporated herein by reference, is the list of collateral in which Lender shall have a first priority perfected security interest (the "Lender Priority Collateral") for this Collateral Schedule No. 1. Attached as Exhibit B, which is incorporated herein by reference, is the list of collateral in which Lender shall have a second priority perfected security interest (the "Lender Secondary Collateral") for this Collateral Schedule No. 1. Attached as Exhibit C, which is incorporated herein by reference, is the list of collateral in which Lender and Bank shall have pro rata rights pursuant to the Intercreditor Agreement (the "Pro Rata Collateral") for this Collateral Schedule No. 1. The Lender Priority Collateral, the Lender Secondary Collateral and the Pro Rata Collateral are referred to herein collectively as the "Collateral" for this Collateral Schedule No. 1.

Permitted Liens shall include the Liens of Bank; provided, however, that Bank shall subordinate its interest in the Lender Priority Collateral pursuant to the Intercreditor Agreement dated as of the date hereof between Lender and Bank.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS]

"Lender"

"Borrower"

HELLER FINANCIAL LEASING, INC., a Delaware corporation

WILLIAMS FOODS, INC., a Missouri corporation

By: Joseph B. Williams  
JOSEPH B. WILLIAMS

By: \_\_\_\_\_  
Conrad Hock, Jr., Chief Executive Officer

Name: \_\_\_\_\_  
VICE PRESIDENT

Title: \_\_\_\_\_

Original: 1 of 3

[EXECUTION PAGE OF COLLATERAL SCHEDULE NO. 1 TO MASTER SECURITY AGREEMENT]

TRADEMARK  
REEL: 2429 FRAME: 0800  
TRADEMARK  
REEL: 003694 FRAME: 0667

"Lender"

HELLER FINANCIAL LEASING, INC., a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

"Borrower"

WILLIAMS FOODS, INC., a Missouri corporation

By:  \_\_\_\_\_

Conrad Hock, Jr., Chief Executive Officer

Original: 1 of 3

[EXECUTION PAGE OF COLLATERAL SCHEDULE NO. 1 TO MASTER SECURITY AGREEMENT]

TRADEMARK  
REEL: 2429 FRAME: 0801  
TRADEMARK  
REEL: 003694 FRAME: 0668

EXHIBIT A TO COLLATERAL SCHEDULE NO. 1

LIST OF LENDER PRIORITY COLLATERAL

The following properties, assets and rights of Borrower, wherever located, whether now owned or hereafter acquired or arising: (a) all equipment, furniture, fixtures, improvements, plant and office equipment as well as all other fixed assets of the Borrower excepting the interests of Southwest in Borrower's Bucks County, Pennsylvania facility; (b) any intellectual property, including, without limitation, foreign and domestic copyrights, copyright applications, copyrightable materials, of any kind or nature, all trademarks, trademark registrations and trademark applications and the goodwill underlying those trademarks of Borrower, including but not limited to those set forth in Attachment 1 attached hereto and by this reference incorporated herein, and any similar marks or amendments, modifications and renewals thereof and the goodwill represented by those trademarks thereon and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; all rights to income, royalties, profits, damages, or other rights relating to said trademarks including the right to sue for past, present or future infringement; and any other rights and benefits relating to said trademarks including any rights as a licensor of said trademark, trade names, trade dress, patents, patent applications, or any other item of like kind or similar nature, now owned or hereafter acquired by Borrower, whether or not formally perfected, registered, filed or otherwise with any state, federal or foreign agency or department, including all common-law rights relating to any of the foregoing, software, engineering drawings, customer lists; (c) all general intangibles related to any of the foregoing; (d) all additions, attachments, accessories and accessions to any of the foregoing; (e) replacements or substitutions for any of the foregoing and (f) all Proceeds (as defined in Section 9-102(a)(64) of the UCC) of any of the foregoing.

**ATTACHMENT 1 TO EXHIBIT A**

**LIST OF TRADEMARKS**

[SEE ATTACHED]

TRADEMARK RIGHTS (Grouped by client reference number)

Client	Mark	Int. Cl.	Client File #	Classes	App. #	App. Date	Reg. #	Reg. Date	TM Status	Sub Status	Mark Type	US
Williams Foods, Inc.			13301 West 99th Street Lenexa									KS 66215
1,328	AMERICANS #1 SPICE VALUE	(851) US	4555000-20-88	30	757035,078	12/20/1995	2,066,497	06/03/1997	Registered	Principal I	Word Mark	
877	BAG 'N BAKE	(599) US	4555000-20-11	16	757314,583	06/25/1997			Abandon		Word Mark	
1,289	BLUE TICK DRESSING	(816) US	4555000-20-60	30	757291,066	05/13/1997	2,156,820	05/12/1998	Registered	Principal I	Word Mark	
1,290	BOG BOTTOM	(817) US	4555000-20-61	30	757381,685	10/30/1997	2,216,769	01/05/1999	Registered	Lapse	Word Mark	
1,360	BOG BOTTOM BBQ	(866) US	4555000-20-94	30	767196,619	01/19/2001			Pending A Filed		Word Mark	
872	BUTTER MAGIC	(595) US	4555000-20-08	29	737746,406	08/15/1988	1,535,550	04/18/1989	Registered	Incontestable	Word Mark	
1,180	CAROLINA CEDAR SPRAY (stylized)	(745) US	4555000-20-49	30	747442,101	09/30/1993	1,864,845	11/29/1994	Expired	Principal I	Stylized Mark	
1,377	CAROLINA EGRET EGGS	(877) US	4555000-20-98	30	767196,618	01/19/2001			Pending A Filed		Word Mark	
1,291	CAROLINA FIRE FLIES (stylized)	(818) US	4555000-20-62	30	747686,839	06/12/1995	1,983,949	07/02/1996	Registered	Principal I	Stylized Mark	
1,292	CAROLINA JUNE BUGS (stylized)	(819) US	4555000-20-63	30	747686,979	06/12/1995	1,986,983	07/16/1996	Registered	Principal I	Stylized Mark	
1,293	CAROLINA MUDD PUPPIES (stylized)	(820) US	4555000-20-64	30	757382,217	10/30/1997	2,233,718	03/23/1999	Registered	Principal I	Word Mark	
1,294	CAROLINA NIGHT CRAWLERS (stylized)	(821) US	4555000-20-65	30	747686,841	06/12/1995	1,986,981	07/16/1996	Registered	Principal I	Stylized Mark	
1,181	CAROLINA PINE TAR (stylized)	(746) US	4555000-20-50	30	747442,208	09/30/1993	1,849,998	08/16/1994	Expired	Principal I	Stylized Mark	
1,184	CAROLINA RED TIDE (stylized)	(748) US	4555000-20-53	30	747442,490	09/30/1993	1,845,810	07/19/1994	Expired	Principal I	Stylized Mark	
1,376	CAROLINA SAND FIDDLERS	(878) US	4555000-20-97	30	767196,617	01/19/2001			Pending A Filed		Word Mark	
1,361	CAROLINA SWAMP SNACKS	(867) US	4555000-20-95	30					Not Pursu		Word Mark	
1,363	CAROLINA SWAMP STUFF	(869) US	4555000-20-96	16					Proposed In		Word Mark	
1,288	CAROLINA SWAMP STUFF (stylized)	(749) US	4555000-20-59	30	747442,489	09/30/1993	1,849,999	08/16/1994	Registered	Principal I	Stylized Mark	
1,185	CAROLINA TADPOLE TEA (stylized)	(750) US	4555000-20-54	30	747442,488	09/30/1993	1,845,809	07/19/1994	Expired	Principal I	Stylized Mark	
1,296	CEDAR SPRAY	(822) US	4555000-20-66	30	757291,149	05/13/1997	2,149,478	04/07/1998	Registered	Principal I	Word Mark	
1,297	COCOA PLEASURES	(823) US	4555000-20-67	30	757231,634	01/27/1997	2,241,851	04/27/1999	Registered	Principal I	Word Mark	
1,186	COFFEE PLEASURES	(751) US	4555000-20-55	30	757231,631	01/27/1997			Abandon	Principal I	Word Mark	
978	COUNTRY STORE	(656) CO	4555000-20-17	29	342274	06/06/1991			Abandon		Word Mark	
1,032	COUNTRY STORE	(656) US	4555000-20-45	29	737597,839	03/23/1986	1,434,862	03/23/1987	Registered	Principal I	Word Mark	
1,033	COUNTRY STORE	(656) US	4555000-20-46	29	737565,186	10/25/1985	1,433,102	03/17/1987	Registered	Lapse	Word Mark	
976	DELUXE ENGLISH MUFFINS	(654) CA	4555000-20-15		877288	03/16/1998			Abandon		Word Mark	
1,003	DELUXE ENGLISH MUFFINS	(654) US	4555000-20-42	30	747426,483	08/20/1993	1,921,292	09/19/1995	Registered	Lapse	Word Mark	
1,310	DESIGN ONLY (spice jar)	(853) US	4555000-20-90	30	747436,931	09/20/1993	2,016,218	03/18/1997	Registered	Lapse	Design Mark	
1,179	DUCK PUDDLE FARM	(744) US	4555000-20-48	30	747466,562	12/07/1993	1,863,857	11/22/1994	Registered	Principal I	Word Mark	
1,299	EL SCORCHO! (stylized)	(823) US	4555000-20-69	30	747065,321	06/04/1990	1,645,429	05/21/1991	Expired	Lapse	Stylized Mark	
990	GIFTS FROM THE HEARTLAND	(661) US	4555000-20-30	29	757304,198	06/05/1997			Abandon		Word Mark	

TRADEMARK

REEL: 2429 FRAME: 0804

TRADEMARK

REEL: 003694 FRAME: 0671



TRADemarks (Grouped by client reference number)

Client Reference Number	Country	Trademark	Registration Number	Class	Priority	Effective Date	Registration Date	Status	Word Mark
991	US	GIFTS FROM THE HEARTLAND	4555000-20-31	39		06/05/1997		Abandoned	
1,034	US	GRANDMA'S SPANISH SEASONING (and design)	4555000-20-47	30		07/29/1940	394,876	Registered Lapse	Word and Design
1,129	US	HERBE ROYALE	4555000-20-89	30		01/13/1994	1,934,046	Registered Lapse	Word Mark
1,189	US	HOME PORT	4555000-20	29, 30				Not Pursued	Word Mark
1,300	US	HOME PORT GALLEY	4555000-20-70	29		03/17/1998	2,221,760	Registered Principal	Word Mark
1,182	US	ISLAND PLEASURE	4555000-20-51	30		11/10/1993	1,900,030	Cancelled Lapse	Word Mark
1,183	US	ISLAND PLEASURE	4555000-20-52	32		10/30/1997	2,383,660	Registered Lapse	Word Mark
1,301	US	JOHN WAGNER & SONS, INC.	4555000-20-71	29		12/07/1993	1,905,768	Expired Lapse	Word Mark
1,302	US	LIME DANCE	4555000-20-72	32		10/30/1997	2,216,773	Registered Lapse	Word Mark
1,303	US	LONGBAY	4555000-20-73	29		04/22/1998	2,228,879	Registered Lapse	Word Mark
873	US	MAGNIFLAVOR	4555000-20-09	1		01/29/1990	1,661,274	Registered Incontestable	Word Mark
1,304	US	MILK WEEB	4555000-20-74	30		05/13/1997	2,248,630	Registered Principal	Word Mark
1,305	US	MILK WEEB (stylized)	4555000-20-75	30		06/12/1995	2,062,036	Registered Lapse	Stylized Mark
1,298	US	MISCELLANEOUS DESIGN (Lion Logo)	4555000-20-68	30		08/16/1996	2,136,743	Registered Principal	Design Mark
1,306	US	MOBAY	4555000-20-76	30		04/22/1998	2,230,811	Registered Lapse	Word Mark
1,398	US	MUNCH-A-RONI	4555000-20-99	30		03/20/2001		Pending A Filed	Word Mark
1,399	US	MUNCHILLA	4555000-20-100	30		03/20/2001		Pending A Filed	Word Mark
1,030	US	NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AMERICAN A REVOLUTIONARY SALAD DRESSING (and design)	4555000-20-43	30		02/14/1994	1,927,112	Registered Lapse	Word and Design
1,031	US	NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AMERICAN SALAD DRESSING WITH A MULTINATIONAL TASTE FOR A MULTINATIONAL COUNTRY (and design)	4555000-20-58	30		05/13/1997	2,149,474	Registered Principal	Word Mark
1,286	US	PINE TAR	4555000-20-56	30		05/13/1997	2,149,477	Registered Principal	Word Mark
1,284	US	RED TIDE	4555000-20-77	30		10/30/1997	2,213,509	Registered Lapse	Word Mark
1,307	US	SCORPION	4555000-20-12	16		06/24/1997	2,242,205	Registered Supplemental	Word Mark
878	US	SEASON 'N BAKE	4555000-20-93	30		01/19/2001		Pending A Filed	Word Mark
1,350	US	SEAWEEB SLOSH	4555000-20-91	30		12/27/1994	1,919,889	Registered Principal	Word Mark
1,331	US	SPICE RACK	4555000-20-92	30		08/03/1993	1,926,607	Registered Lapse	Word Mark
1,332	US	SPIN-4-SPICE	4555000-20-03	30		06/18/1990	1,838,448	Registered Principal	Word and Design
749	US	SUN BIRD (and design)	4555000-20-06	29, 30		04/01/1996		Registered	Word and Design

Client Reference Number	Trademark	Class	Country	Serial Number	Priority	Registration Date	Registration Status	Design Type	
748	SUN BIRD (stylized)	(513)	US	4555000-20-01	29, 30	757233,015	01/29/1997	2,121,797	Registered Principal I Stylized Mark
749	SUN-BIRD	(515)	US	4555000-20-02	30	73184,723	09/05/1978	1,124,991	Registered Incontestable Word Mark
751	SUN-BIRD (stylized)	(514)	US	4555000-20-04	29, 30	737809,414	06/27/1989	1,582,810	Expired Incontestable Stylized Mark
753	SUN-BIRD (stylized)	(514)	US	4555000-20-05	29	737635,462	12/15/1986	1,451,080	Cancelled Stylized Mark
1,308	SWAMP MARY	(834)	US	4555000-20-78	32	757381,699	10/30/1997	2,216,770	Registered Lapse Word Mark
1,309	SWAMP SAUCE	(835)	US	4555000-20-79	30	747554,097	07/27/1994	1,977,229	Registered Principal I Word Mark
1,285	TADPOLE TEA	(811)	US	4555000-20-57	30	757290,949	05/11/1997	2,149,473	Registered Principal I Word Mark
1,310	TAHITIAN RED WAVE	(836)	US	4555000-20-80	30	757381,891	10/30/1997	2,216,772	Registered Lapse Word Mark
977	THE BIG DIFFERENCE IN ENGLISH MUFFINS	(655)	CA	4555000-20-16		872289	03/16/1998	TMA515,686	Registered Lapse Word Mark
1,000	THE BIG DIFFERENCE IN ENGLISH MUFFINS	(655)	US	4555000-20-39	30	747391,246	05/17/1993	1,903,708	Registered Principal I Word Mark
1,001	THE BIG DIFFERENCE IN ENGLISH MUFFINS (and design)	(669)	US	4555000-20-40	30	757464,060	04/07/1998		Abandoned Word and Design
1,311	THE BROWN ADOBE THE NEW MEXICAN CONNECTION (and design)	(837)	US	4555000-20-81	30	73772,061	12/28/1988	1,554,940	Registered Lapse Word and Design
883	THE RESTAURANT MARKETPLACE	(604)	US	4555000-20-13	35	757489,611	05/22/1998		Abandoned Lapse Word Mark
998	THE ULTIMATE ENGLISH MUFFIN	(666)	US	4555000-20-38	30	757614,800	08/15/1986	1,439,394	Registered Lapse Word Mark
920	W (stylized)	(631)	US	4555000-20-18	29	757315,535	06/26/1997	2,239,636	Registered Principal I Stylized Mark
987	W (stylized)	(631)	US	4555000-20-26	16	757315,543	06/26/1997		Abandoned Stylized Mark
988	W (stylized)	(631)	US	4555000-20-27	8, 21	757315,544	06/26/1997		Abandoned Stylized Mark
989	W (stylized)	(631)	US	4555000-20-28	25	757315,536	06/26/1997		Abandoned Stylized Mark
1,029	W (stylized)	(631)	US	4555000-20-29	30	757315,534	06/26/1997		Abandoned Stylized Mark
1,312	WAGNER GOURMET FOODS	(838)	US	4555000-20-82	29, 30	757151,229	08/16/1996	2,237,163	Registered Principal I Word Mark
1,313	WAGNER GOURMET FOODS SINCE 1847 (and design)	(839)	US	4555000-20-83	29, 30	757231,632	01/27/1997	2,241,077	Registered Principal I Word and Design
1,314	WAGNER'S	(840)	US	4555000-20-84	29, 30	757151,084	08/16/1996	2,140,193	Registered Principal I Word Mark
1,315	WAGNER'S	(840)	US	4555000-20-85	29, 30	747466,560	12/07/1993	1,905,767	Registered Principal I Word Mark
1,316	WAGNER'S (and design)	(842)	US	4555000-20-86	29, 30	747490,904	02/14/1994	1,937,821	Registered Lapse Word and Design
1,317	WAGNER'S (stylized)	(841)	US	4555000-20-87	30	721198,447	07/23/1984	833,736	Registered Lapse Stylized Mark
874	WILLIAMS (stylized)	(598)	US	4555000-20-10	30	737656,077	04/20/1987	1,504,172	Registered Incontestable Stylized Mark
982	WOLFERMAN'S	(659)	US	4555000-20-21	16, 39	757348,794	08/28/1997	2,250,942	Registered Principal I Word Mark
983	WOLFERMAN'S	(659)	US	4555000-20-22	29, 30	757348,795	08/28/1997	2,169,739	Registered Principal I Word Mark
992	WOLFERMAN'S "GOOD THINGS TO EAT" (stylized)	(662)	US	4555000-20-52	29, 30	717593,511	03/06/1990	577,179	Registered Lapse Stylized Mark
984	WOLFERMAN'S (stylized)	(660)	JP	4555000-20-23	29	685661/990	06/15/1990	2532675	Registered Lapse Stylized Mark
985	WOLFERMAN'S (stylized)	(660)	JP	4555000-20-24	31	685681/990	06/15/1990	2497988	Registered Lapse Stylized Mark
986	WOLFERMAN'S (stylized)	(660)	JP	4555000-20-25	30	685671/990	06/15/1990	2503215	Registered Lapse Stylized Mark

**TM RIGHTS (Grouped by Client Reference Number)**

Client	Reg. No.	Reg. Date	Reg. Class	Reg. Type	Reg. Status	Sub Status	Mark Type
979 WOLFERMAN'S A TRADITION (657) US OF FINE FOOD SINCE 1888 (and design)	4555000-20-19	75/315,341	06/26/1997	2,243,589	05/04/1999	Registered	Principal
	4555000-20-20	75/315,531	06/26/1997	2,254,234	06/15/1999	Registered	Principal
	4555000-20-35	74/283,761	06/11/1992	1,792,771	09/14/1993	Expired	Lapse
	4555000-20-36	74/180,641	07/01/1991	1,827,599	03/22/1994	Expired	Lapse
	4555000-20-37	74/283,762	06/11/1992	1,792,772	09/14/1993	Expired	Lapse
	4555000-20-33	75/348,796	08/28/1997	2,166,021	06/16/1998	Registered	Lapse
	4555000-20-34	75/348,797	08/28/1997	2,169,740	06/30/1998	Registered	Lapse
	4555000-20-41	75/770,347	12/19/1988	1,605,803	07/10/1990	Expired	
	670) US						Stylized Mark
	ENGLISH MUFFINS (stylized)						

Client: Williams Foods/Wolfe  
 ID: MARK  
 975 WOLFERMAN'S "GOOD THINGS TO EAT"  
 13301 West 99th Street  
 Add.# 872287  
 Adm. Date 03/16/1998  
 Lenexa KS 66215 US  
 Reg. Date 03/16/1998  
 TM Status Pending A Lapse  
 Sub Status  
 Mark Type Word Mark

**EXHIBIT B TO COLLATERAL SCHEDULE NO. 1**

**LIST OF LENDER SECONDARY COLLATERAL**

(a) All property owned by Borrower and located at the Bucks County, Pennsylvania facility owned by Williams Foods Realty, Inc.; (b) All accounts, accounts receivable, other receivables, any right to payment of a monetary obligation, whether or not earned by performance, leases and lease payments, contract rights, any other obligations or indebtedness owed to Borrower from whatever source arising, all other rights of Borrower to receive performance or any payments in money or kind whether or not earned by performance, all guaranties security interests and supporting obligations of any the foregoing and insurance policies and proceeds relating thereto, and all rights of Borrower as an unpaid seller of goods and services, including, but not limited to, the rights to stoppage in transit, replevin, reclamation, and resale, all rights to payment for money or funds advanced or sold; (c) All inventory, merchandise, raw materials, goods in process, work in progress, finished goods, component materials, and all supplies, incidentals, office supplies, packaging materials and materials used or consumed in the operation of the business of Borrower or which contribute to the finished products or to the sale, promotion and shipment thereof, all property held by Borrower for sale or lease or to be furnished under a contract of service, or furnished by Borrower under a contract for service and all documents evidencing any part of any of the foregoing; (d) All chattel paper, instruments, notes, promissory notes, deposit accounts, investment property, securities, letters of credit, letter-of-credit rights, documents, payment intangibles, financial assets, all supporting obligations for any of the foregoing and any other current assets of Borrower; (e) All general intangibles related to any of the above (other than any general intangibles constituting Lender priority Collateral); and (f) All Proceeds (as defined in Section 9-102(a)(64) of the UCC) of all of the foregoing.

EXHIBIT C TO COLLATERAL SCHEDULE NO. 1

LIST OF PRO RATA COLLATERAL

The following properties, assets and rights of Borrower, wherever located, whether now owned or hereafter acquired or arising: (a) all proceeds, distribution and rights of any nature under policy #4279227 issued by Massachusetts Mutual Life Insurance Company on the life of Conrad Hock, Jr. and any replacement policies therefor, (b) and any payments or sums recovered or obtained by Bank or Lender pursuant to any subordination or similar agreements executed by Conrad Hock, Jr. subordinating obligations of Borrower to him in favor of Bank and/or Lender, (c) any security interest or pledge by anyone in favor of Bank and/or Lender in any of the Common Stock (voting or nonvoting) of Borrower and (d) any other property of Borrower other than the Lender Priority Collateral or Lender Secondary Collateral.

01-356054.08

TRADEMARK  
REEL: 2429 FRAME: 0809  
TRADEMARK  
REEL: 003694 FRAME: 0676



<u>Mark</u>	<u>Classes</u>	<u>App. #</u>	<u>Reg. #</u>
AMERICA'S #1 SPICE VALUE	30	75/035,078	2,066,497
BAG 'N BAKE	16	75/314,583	
BLUE TICK DRESSING	30	75/291,066	2,156,820
BOG BOTTOM	30	75/381,685	2,216,769
BOG BOTTOM BBQ	30	76/196,619	
BUTTER MAGIC	29	73/746,406	1,535,550
CAROLINA CEDAR SPRAY (stylized)	30	74/442,101	1,864,845
CAROLINA EGRET EGGS	30	76/196,618	
CAROLINA FIRE FLIES (stylized)	30	74/686,839	1,983,949
CAROLINA JUNE BUGS (stylized)	30	74/686,979	1,986,983
CAROLINA MUDD PUPPIES	30	75/382,217	2,233,718
CAROLINA NIGHT CRAWLERS (stylized)	30	74/686,841	1,986,981
CAROLINA PINE TAR (stylized)	30	74/442,208	1,849,998
CAROLINA RED TIDE (stylized)	30	74/442,490	1,845,810
CAROLINA SAND FIDDLERS	30	76/196,617	
CAROLINA SWAMP SNACKS	30		
CAROLINA SWAMP STUFF	16		
CAROLINA SWAMP STUFF (stylized)	30	74/442,489	1,849,999
CAROLINA TADPOLE TEA (stylized)	30	74/442,488	1,845,809
CEDAR SPRAY	30	75/291,149	2,149,478
COCOA PLEASURES	30	75/231,634	2,241,851
COFFEE PLEASURES	30	75/231,631	
COUNTRY STORE	29	73/597,839	1,434,862

COUNTRY STORE	29	73/565,186	1,433,102
DELUXE ENGLISH MUFFINS	30	74/426,483	1,921,292
DESIGN ONLY (spice jar)	30	74/436,931	2,046,218
DUCK PUDDLE FARM	30	74/466,562	1,863,857
EL SCORCHO! (stylized)	30	74/065,321	1,645,429
GIFTS FROM THE HEARTLAND	29	75/304,198	
GIFTS FROM THE HEARTLAND	39	75/304,200	
GRANDMA'S SPANISH SEASONING (and design)	30	71/434,432	394,876
HERBE ROYALE	30	74/484,171	1,934,046
HOME PORT	29, 30		
HOME PORT GALLEY	29	75/451,557	2,221,760
ISLAND PLEASURE	30	74/462,032	1,900,050
ISLAND PLEASURE	32	75/382,221	2,383,660
JOHN WAGNER & SONS, INC.	29	74/466,561	1,905,768
LIME DANCE	32	75/381,899	2,216,773
LONGBAY	29	75/472,353	2,228,879
MAGNIFLAVOR	1	74/023,744	1,661,274
MILK WEED	30	75/290,950	2,248,630
MILK WEED (stylized)	30	74/686,838	2,062,036
MISCELLANEOUS DESIGN (Lion Logo)	30	75/151,475	2,136,743
MOBAY	30	75/472,354	2,230,811
MUNCH-A-RONI	30	76/227,673	
MUNCHILLA	30	76/227,672	
NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AMERICAN A REVOLUTIONARY SALAD DRESSING (and design)	30	74/489,109	1,927,112
NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AN AMERICAN SALAD DRESSING WITH A MULTINATIONAL TASTE FOR A MULTINATIONAL COUNTRY (and design)	30	74/368,070	1,857,811
PINE TAR	30	75/290,951	2,149,474

RED TIDE	30	75/291,012	2,149,477
SCORPION	30	75/381,893	2,213,509
SEASON 'N BAKE	16	75/314,047	2,242,205
SEA WEED SLOSH	30	76/196,620	
SPICE RACK	30	74/615,251	1,939,889
SPIN-4-SPICE	30	74/420,109	1,926,607
SUN BIRD (and design)	30	74/070,412	1,838,448
SUN BIRD (stylized)	29, 30	75/233,015	2,121,797
SUN-BIRD	30	73/184,723	1,124,991
SUN-BIRD (stylized)	29, 30	73/809,414	1,582,810
SUN-BIRD (stylized)	29	73/635,462	1,451,080
SWAMP MARY	32	75/381,699	2,216,770
SWAMP SAUCE	30	74/554,097	1,977,229
TADPOLE TEA	30	75/290,949	2,149,473
TAHITIAN RED WAVE	30	75/381,891	2,216,772
THE BIG DIFFERENCE IN ENGLISH MUFFINS	30	74/391,246	1,903,708
THE BIG DIFFERENCE IN ENGLISH MUFFINS (and design)	30	75/464,060	
THE BROWN ADOBE THE NEW MEXICAN CONNECTION (and design)	30	73/772,061	1,554,940
THE RESTAURANT MARKETPLACE	35	75/489,611	
THE ULTIMATE ENGLISH MUFFIN	30	73/614,800	1,439,394
W (stylized)	29	75/315,535	2,239,636
W (stylized)	16	75/315,543	
W (stylized)	8, 21	75/315,544	
W (stylized)	25	75/315,536	
W (stylized)	30	75/315,534	
WAGNER GOURMET FOODS	29, 30	75/151,229	2,237,163
WAGNER GOURMET FOODS SINCE 1847 (and design)	29, 30	75/231,632	2,241,077
WAGNER'S	29, 30	75/151,084	2,140,193
WAGNER'S	29, 30	74/466,560	1,905,767
WAGNER'S (and design)	29, 30	74/490,904	1,937,821



WAGNER'S (stylized)	30	72/198,447	833,756
WILLIAMS (stylized)	30	73/656,077	1,504,172
WOLFERMAN'S	16, 39	75/348,794	2,250,942
WOLFERMAN'S	29,30	75/348,795	2,169,739
WOLFERMAN'S "GOOD THINGS TO EAT" (stylized)	29, 30	71/593,511	577,179
WOLFERMAN'S A TRADITION OF FINE FOOD SINCE 1888 (and design)	29	75/315,541	2,243,589
WOLFERMAN'S A TRADITION OF FINE FOOD SINCE 1888 (and design)	30	75/315,533	2,254,234
WOLFERMAN'S FINE BREADS SINCE 1888	29, 30	74/283,761	1,792,771
WOLFERMAN'S FINE BREADS SINCE 1888 (and design)	30	74/180,641	1,827,599
WOLFERMAN'S FINE BREADS SINCE 1888 (and design)	29	74/283,762	1,792,772
WOLFERMAN'S GOOD THINGS TO EAT SINCE 1888	16	75/348,796	2,166,021
WOLFERMAN'S GOOD THINGS TO EAT SINCE 1888	35	75/348,797	2,169,740
WOLFERMAN'S ORIGINAL ENGLISH MUFFINS (stylized)	30	73/770,347	1,605,803



EXECUTION COPY

## MASTER SECURITY AGREEMENT

This Master Security Agreement (this "Agreement") is entered into as of September 14, 2001, by and between WILLIAMS FOODS, INC., a Missouri corporation whose business address is 13301 West 99th Street, Lenexa, Kansas 66215, ("Borrower"), and HELLER FINANCIAL LEASING, INC., a Delaware corporation, whose address is 500 West Monroe Street, Chicago, IL 60661 ("Lender"). Capitalized terms used in this Agreement and not otherwise defined shall have the meanings set forth in Section 15 of this Agreement.

1. Secure Payment. To secure payment of all indebtedness, Borrower hereby grants and conveys to Lender a continuing lien and security interest in the Collateral, provided, however, if Lender assigns any Notes, then, the term "indebtedness" as used herein with respect to any assignee shall mean only the indebtedness evidenced by or related to Notes held by the assignee, and the term Collateral as used herein with respect to such assignee shall mean only the Collateral described on the Schedules that specifically refer to the Notes held by such assignee. Each advance of principal under a Note shall be on and subject to the terms and conditions set forth in the Loan Documents.

2. Representations, Warranties and Covenants. Borrower represents, warrants and covenants to Lender that the following statements are true, correct and complete and, unless specifically limited, shall remain so until payment in full of all indebtedness:

(a) Perform Obligations. Borrower shall pay and perform all indebtedness as and when due. Borrower shall use the loan proceeds evidenced by the Notes for business purposes only, in accordance with the terms of the Loan Documents.

(b) Collateral Free and Clear. Borrower shall keep the Collateral free and clear of any and all Liens, except for Permitted Liens.

(c) Possession and Operation of Collateral. Borrower shall retain possession of the Collateral at all times and shall not sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of the Collateral or any part thereof without the prior written consent of Lender. Borrower shall at all times keep the Collateral at the locations specified on the Schedules (except for removals therefrom in the usual course of business for temporary periods); provided, however, that Borrower shall be allowed to dispose of up to an aggregate of \$100,000 of Collateral (valued as of the date hereof) which becomes obsolete without the prior written consent of Lender. Borrower shall keep the Collateral, at Borrower's sole cost and expense, in good repair and condition and not misuse, abuse, waste, or allow it to deteriorate except for normal wear and tear. Borrower shall make the Collateral available for inspection by Lender at all reasonable times. The Collateral at all times shall be operated by competent, properly trained and, if applicable, legally licensed operators. In the event the Collateral or any part thereof is vehicles, Borrower shall at all times operate such vehicles only in the United States and if any vehicle is not in use, Borrower shall keep it at the location specified in the Schedules.

(d) Insurance. With respect to its business and properties, Borrower maintains, and shall continue to maintain, adequate insurance for public liability, property damage and product liability, against loss or damage of the kinds customarily carried or maintained by companies of established reputation engaged in similar businesses and in amounts acceptable to Lender. Borrower shall cause Lender to be named as loss payee on all insurance policies relating to any Collateral and shall cause Lender to be named as additional insured under all liability policies, in each case pursuant to appropriate endorsements in form and substance satisfactory to Lender. No notice of cancellation has been received with respect to such policies and Borrower is, and shall continue to be, in full compliance with all requirements and conditions contained in such policies. Borrower shall give immediate written notice to Lender and to insurers of loss or damage to the Collateral and shall promptly file

proofs of loss with insurers. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, coupled with an interest, for the purpose of obtaining, adjusting and canceling any such insurance and endorsing settlement drafts. Borrower hereby assigns to Lender, as additional security for the indebtedness, all sums which may become payable under such insurance.

(e) In the event Borrower fails to provide Lender with evidence of the insurance coverage required by this Agreement, Lender may purchase insurance at Borrower's expense to protect Lender's interests in the Collateral. This insurance may, but need not, protect Borrower's interests. The coverage purchased by Lender may not pay any claim made by Borrower or any claim that is made against Borrower in connection with the Collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by this Agreement. If Lender purchases insurance for the Collateral, Borrower shall be responsible for the costs of that insurance, including interest and other charges imposed by Lender in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the indebtedness. The costs of the insurance may be more than the cost of insurance Borrower is able to obtain on its own.

(f) If Collateral Attaches to Real Estate. If the Collateral or any part thereof has been attached to or is to be attached to real estate, a description of the real estate and the name and address of the record owner is set forth on the Schedules and Borrower shall promptly following request therefor furnish Lender with a disclaimer or waiver of any interest in the Collateral satisfactory to Lender. Notwithstanding the foregoing, the Collateral shall remain personal property and shall not be affixed to realty without the prior written consent of Lender.

(g) Financial Statements. If at any time Borrower or any Corporate Guarantor is required to file Forms 10-K and 10-Q with the SEC, Borrower shall cause to be delivered to Lender copies of such forms within ten days of the filing thereof. If Borrower or any Corporate Guarantor is not required to file such forms, Borrower shall deliver and shall cause each Corporate Guarantor to deliver to Lender for Borrower and each such Corporate Guarantor respectively: (i) as soon as practicable, and in any event within 60 days after the end of each fiscal quarter, unaudited financial statements including in each instance, balance sheets, income statements, and statements of cash flow, on a consolidated and consolidating basis, as appropriate, and separate profit and loss statements as of and for the quarterly period then ended and for the fiscal year to date, prepared in accordance with GAAP, and certified by Borrower's CFO to be true and correct, and (ii) as soon as practicable, and in any event within 90 days after the end of each fiscal year, annual audited financial statements, including balance sheets, income statements and statements of cash flow for the fiscal year then ended, on a consolidated and consolidating basis, as appropriate, which have been prepared by its independent accountants in accordance with GAAP. Such audited financial statements shall be accompanied by the independent accountant's opinion, which opinion shall be in form generally recognized as "unqualified." Borrower shall cause each Individual Guarantor to deliver such financial information as Lender shall require from time to time.

(h) Authorization. Borrower is now, and shall at all times remain, duly licensed, qualified to do business and in good standing in every jurisdiction where failure to be so licensed or

qualified and in good standing would have a material adverse effect on its business, properties or assets. The execution and delivery of the Loan Documents have been duly authorized by Borrower and the Loan Documents constitute the legal valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms. Borrower shall not, without 30 days prior written notice to Lender, (1) change its name or its structure such that any financing statement or other record notice becomes misleading or (2) change its principal place of business or chief executive or accounting offices from the address stated herein.

(j) Litigation. Except as disclosed by Borrower to Lender in writing as of the date of this Agreement, there are no judgments outstanding against or affecting Borrower, its officers, directors or affiliates or any part of the Collateral and no Litigation exists. Borrower shall furnish to Lender all information regarding any material Litigation as Lender shall reasonably request and in any event Borrower shall promptly notify Lender in writing of Litigation against it if the outcome of such Litigation may materially or adversely affect the finances or operations of Borrower (for purposes of this provision, \$100,000.00 shall be deemed material).

(j) No Conflicts. Borrower represents and warrants that Borrower is not in violation of any material term or provision of its by-laws, or of any material agreement or instrument applicable to it or any Applicable Law. The execution, delivery, and performance of the Loan Documents do not and shall not violate, constitute a default under, or otherwise conflict with any such term or provision or result in the creation of any Lien upon any of the properties or assets of Borrower, except for the security interest created hereunder.

(k) Compliance with Laws. In all material respects, Borrower is, as of the date of each Schedule, in compliance with all existing Applicable Laws, and shall remain at all times in compliance with all Applicable Laws.

(l) Taxes. Should any stamp, excise, or other tax, including mortgage, conveyance, deed, intangible, or recording taxes become payable in respect of any Loan Documents, Borrower shall pay the taxes (including interest and penalties, if any) and shall hold Lender harmless with respect thereto.

(m) Regulations. No proceeds of the loans or any other financial accommodations under the Loan Documents shall be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System.

(n) No Liability. Borrower acknowledges and agrees that Lender shall not be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than as a result of Lender's gross negligence or willful misconduct.

(o) Setoff. Without limiting any other right of Lender, whenever Lender has the right to declare any indebtedness to be immediately due and payable (whether or not it has so declared), Lender is hereby authorized at any time to the fullest extent permitted by law, to set off and apply against any and all of the indebtedness, any and all monies then or thereafter owed to Borrower by Lender in any capacity, whether or not the obligation to pay such monies owed by Lender is then due. Lender shall be deemed to have exercised such right of set-off immediately at the time of such election even though any charge therefor is made or entered on Lender's records subsequent thereto.

(p) Books and Records. Borrower shall maintain, at all times, true and complete books, records and accounts in which true and correct entries are made of its transactions in accordance with GAAP and consistent with those applied in the preparation of Borrower's financial statements. At all reasonable times, upon reasonable notice, and during normal business hours, Borrower shall permit Lender or its agents to audit, examine and make extracts from

or copies of any of its books, ledgers, reports, correspondence, and other records.

(q) Indemnity. Borrower shall indemnify, defend and hold harmless Lender, its parent, officers, directors, agents, employees, and consultants from and against any loss, expense (including reasonable attorneys' fees and costs), damage or liability arising directly or indirectly from (i) any breach of any representation, warranty or covenant contained herein and in the other Loan Documents, (ii) any claim or cause of action that would deny Lender the full benefit or protection of any provision herein and in the Loan Documents and (iii) the ownership, possession, lease, operation, use, condition, sale, return, or other disposition of the Collateral, except to the extent the loss, expense, damage or liability arises solely and directly from Lender's gross negligence or willful misconduct. If after receipt of any payment of all or any part of the Indebtedness, Lender is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, an impermissible set-off or for any other reason, the Loan Documents shall continue in full force and effect and Borrower shall be liable to Lender for the amount of such payment surrendered together with interest at the applicable rate. The provisions of this paragraph shall survive termination of the Loan Documents.

(r) Collateral Documentation. Borrower shall deliver to Lender prior to any advance of principal under a Note, satisfactory documentation regarding the Collateral to be financed, including, but not limited to, invoices, canceled checks evidencing payments therefor, or other documentation as may be reasonably requested by Lender. Immediately prior to any advance, Borrower shall satisfy Lender that Borrower's business and financial information is as represented and there has been no material change in Borrower's business, financial condition or operations since the date of the most recent audited financial statement delivered under this Agreement.

(s) Expenses and Attorneys' Fees. Borrower shall be liable for all charges, costs, expenses and attorneys' fees incurred by Lender (including allocated costs of internal counsel): (i) in perfecting, defending, protecting or terminating its security interest in the Collateral, or any part thereof, including all costs of registration or of titling the Collateral; (ii) in the negotiation, execution, delivery, administration, amendment or enforcement of the Loan Documents or any provision thereof or the collection of any amounts due under any Note or other Loan Document; (iii) in any lawsuit or other legal proceeding in any way connected with any of the Loan Documents, including, any contract or tort or other actions, any arbitration or other alternative dispute resolution proceeding, all appeals and judgment enforcement actions and any bankruptcy proceeding (including any relief from stay and/or adequate protection motions, cash collateral disputes, assumption/rejection motions and disputes or objections to any proposed disclosure statement or reorganization plan). The provisions of this paragraph shall survive the termination of the Loan Documents and any judgment with respect to the indebtedness or any part thereof.

(t) Complete Information. No representation or warranty made by Borrower in this Agreement and no other document or statement furnished to Lender by or on behalf of Borrower contains any material misstatement of a material fact or omits to state any material fact necessary in order to make the statements contained herein or therein not misleading.

(u) Financial Covenants. (i) If EBITDA (as defined below) for the 12 months ending December 31, 2001 is less than \$4,860,000.00, as determined by Lender from Borrower's audited fiscal year-end financial statements, then Borrower shall pay to lender a non-refundable covenant fee equal to one percent (1%) of the original principal amount of the Note dated as of the date hereof (the "Covenant Fee"). The Covenant Fee, if required, shall be due on April 1, 2002 and shall be in addition to all other payments to be made and obligations to be performed by Borrower.

(ii) So long as any indebtedness remains outstanding, Borrower shall:

(A) Tangible Net Worth. Maintain Tangible Net Worth of not less than the following:

<u>Period Ending</u>	<u>Minimum Tangible Net Worth</u>
December 31, 2001	\$6,250,000.00
March 31, 2002	\$3,275,000.00
June 30, 2002	\$2,000,000.00
September 30, 2002	\$2,100,000.00
December 31, 2002 and each fiscal year end thereafter	\$7,600,000.00

(B) Leverage Ratio. Maintain a ratio of total Debt to Tangible Net Worth of not more than the following:

<u>Period Ending</u>	<u>Maximum Leverage Ratio</u>
December 31, 2001	2.5 to 1.0
March 31, 2002	5.0 to 1.0
June 30, 2002	8.0 to 1.0
September 30, 2002	11.5 to 1.0
December 31, 2002 and each fiscal year end thereafter	2.0 to 1.0

(C) Capital Expenditures. Not make Capital Expenditures which exceed an aggregate amount of (1) \$400,000.00 for the fiscal year ending December 31, 2001, and (2) \$750,000.00 for the fiscal year ending December 31, 2002 and all fiscal years thereafter.

(D) Debt Service Coverage. Maintain a ratio of EBITDA to principal and interest paid on the Obligations, all other Senior Debt and all capital expenditures not financed by Lender, calculated quarterly and based upon the prior four fiscal quarters (rolling), at least (1) 2.0 to 1.0 during each fiscal quarter during its fiscal year ending December 31, 2001, and (2) 1.5 to 1.0 during each fiscal quarter thereafter with the exception of the September 30, 2002 fiscal quarter end, for which quarter the ratio shall be 1.35:1.0.

(E) Minimum Stockholders Equity. Maintain a minimum stockholders equity of not less than the following:

<u>Period Ending</u>	<u>Minimum Stockholders Equity</u>
December 31, 2001	\$4,900,000.00
March 31, 2002	\$1,750,000.00
June 30, 2002	\$300,000.00
September 30, 2002	\$250,000.00
December 31, 2002 and each fiscal year end thereafter	\$5,900,000.00

(F) Senior Debt to EBITDA. Maintain a ratio of Senior Debt to EBITDA, as of each fiscal quarter, of not more than the following:

<u>Relevant Period Ending</u>	<u>Maximum Senior Debt to EBITDA</u>
December 31, 2001 (FYE) Quarter Ending March 31, 2002 (and each quarter ending on March 31 of each year thereafter)	1.60 to 1.0
Quarter Ending June 30, 2002	2.30 to 1.0

(and each quarter ending on June 30 of each year thereafter)	2.50 to 1.0
Quarter Ending September 30, 2002 (and each quarter ending on September 30 of each year thereafter)	3.20 to 1.0
Quarter Ending December 31, 2002 (and each quarter ending on December 31 of each year thereafter)	1.30 to 1.0

With respect to the above calculations and the application of the terms Senior Debt and EBITDA, all quarterly calculations done shall be based upon the prior four fiscal quarters (rolling).

As used in this Section 2(u), the following terms shall have the following meanings: "Capital Expenditures" means expenditures made and liabilities incurred for the direct or indirect acquisition of any fixed assets or improvements, replacements, substitutions or additions thereto which have a useful life of more than one year, including, without limitation, payments with respect to capitalized lease obligations. "Debt" means, with respect to the Borrower, without duplication, (i) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which the Borrower is liable, contingently or otherwise, as an obligor, guarantor or otherwise, or in respect of which the Borrower otherwise assures a creditor against loss, (ii) all other obligations or items which, in accordance with GAAP, would be shown on the liability side of a balance sheet as of the date of incurrence thereof, (iii) obligations under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases in respect of which obligations the Borrower is liable, contingently or otherwise, as an obligor, guarantor or otherwise, or in respect of which obligations the Borrower otherwise assures a creditor against loss, and (iv) unfunded vested benefits under each Plan maintained for employees of the Borrower. "EBITDA" means, for any period, net income for any Person as determined in accordance with GAAP for such period plus all amounts deducted in the computation thereof on account of (a) interest expense, (b) depreciation and amortization expenses and other non-cash charges and (c) income and profits taxes. "GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination. "Obligations" means all debts, liabilities, obligations, covenants and duties owing, arising, due or payable from the Borrower to Lender of any kind or nature, present or future, whether or not evidenced by any note, letter of credit, guaranty or other instrument, whether arising under this Agreement or any of the other Loan Documents or otherwise and whether direct or indirect (including, without limitation, those acquired by assignment), absolute or contingent, primary or secondary, joint, several or joint and several due or to become due, now existing or hereafter arising and however acquired, and all replacements, renewals, extensions and other modifications of any of the foregoing. The term "Obligations" includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and any other sums chargeable to the Borrower under any of the Loan Documents. The term also includes any of the foregoing that arise after the filing of a petition by or against the Borrower under any bankruptcy or similar law, even if the Obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise. "Person" means an individual, corporation, partnership, trust, governmental entity or any other entity, organization or group whatsoever. "Senior Debt" means all interest bearing Debt which is not subordinated to the Obligations pursuant to the terms of a subordination agreement in form and substance acceptable to Lender in its sole discretion. "Tangible Net Worth" means, at any date of

determination, the Borrower's total tangible assets minus the Borrower's total liabilities plus Debt which is, in the reasonable opinion of the Lender, adequately subordinated to any Senior Debt, each as determined in accordance with GAAP.

(iii) Borrower shall be permitted to pay income taxes payable by Conrad Hock, Jr. on account of the one-time withdrawal from his Investment Retirement Account, the proceeds of which have been loaned to Borrower in the form of subordinated debt, provided that (A) Borrower's payment of such income taxes will not cause a breach of the financial covenant contained in (ii)(D) above, as of December 31, 2001, and (B) the payment of such taxes shall be deducted from the calculation of Borrower's EBITDA for the purposes of determining Borrower's compliance with such covenant pursuant to this subsection (iii).

(v) Trademarks. Borrower shall, at its own cost, unless otherwise consented to in writing by Lender: (i) take all actions necessary to properly maintain and renew all registrations for Trademarks which are or may become subject to this Agreement for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said registrations for Trademarks (including the filing of a declaration of incontestability under § 15 of the United States Trademark Act where possible) which may be necessary or appropriate under applicable law; (ii) file new applications to register and protect under applicable law all Trademarks acquired by Borrower but for which applications have not previously been filed or to take all other actions necessary to cause registrations for Trademarks to be issued as a result of said applications; and (iii) protect such Trademarks from infringement, unfair competition or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for said infringement and to defend such Trademarks from claims of infringement, unfair competition or damage including the defense or any legal actions making such claims.

3. Prepayment. Borrower may not prepay the indebtedness, whether in whole or in part, at any time during the term of this Agreement except as set forth in the Notes.

4. Events of Default. Each of the following events shall constitute an Event of Default: (a) Borrower fails to pay any part of the indebtedness within ten calendar days of its due date, (b) any warranty or representation of Borrower in any Loan Document is materially untrue, misleading or inaccurate at the time it is made, (c) Borrower shall fail to pay or perform as and when due any obligations of Borrower arising under Sections 2(b), 2(c), 2(d) or 2(u), (d) Borrower or any Guarantor shall fail to pay or perform any obligations to Lender arising under or in connection with this Agreement or any of the other Loan Documents (other than obligations covered by subsections (a), (b), (c), (m), (n), (o), (p), (q) or (r) of this section) and such failure is not remedied to Lender's satisfaction within 10 days of Lender's written notice thereof to Borrower, (e) Borrower or any Guarantor breaches or defaults in the payment or performance of any debt or other obligation owed by it to Lender or any affiliate of Lender, and Lender has (without being obligated to do so) declared such event, an Event of Default hereunder, (f) Borrower breaches or defaults in the payment or performance of any debt or other obligation, whether now or hereafter existing, with an outstanding principal balance in excess of \$1,000,000.00, and the same is subsequently accelerated, or any Guarantor breaches or defaults in the payment or performance of any debt or other obligation, whether now or hereafter existing, with an outstanding principal balance in excess of \$1,000,000.00, and the same is subsequently accelerated, (g) there shall be a change in the beneficial ownership and control, directly or indirectly, of the majority of the outstanding voting securities or other interests entitled to elect or appoint members of the board of directors or other managing body of

Borrower or any Corporate Guarantor (a "change of control"), or there is any merger, consolidation, dissolution, liquidation, winding up or sale or other transfer of all or substantially all of the assets of Borrower or any Corporate Guarantor pursuant to which there is a change of control or cessation of Borrower or the Corporate Guarantor or the business of either, (h) death or incompetency of any individual Guarantor or Borrower if Borrower is a natural person, (i) any money judgment is entered or filed against Borrower or any Guarantor in excess of \$1,000,000.00, (j) the appointment of a receiver for all or any part of the property of Borrower or any Guarantor, or any assignment for the benefit of creditors by Borrower or any Guarantor, (k) the filing of a petition by Borrower or any Guarantor under any bankruptcy, insolvency or similar law, or the filing of any such petition against Borrower or any Guarantor if the same is not dismissed within 45 days of such filing, (l) any event shall occur which creates a Material Adverse Effect, (m) the taxable income of Conrad Hock, Jr. paid by Borrower (other than certain conditional bonuses approved by Lender) shall exceed (i) \$131,250.00 for the fourth fiscal quarter of fiscal year ending December 31, 2001 or (ii) \$525,000.00 in any fiscal year thereafter, (n) a default or an event of default (however defined) occurs under the Bank Loan Facility, (o) Borrower, as lessee, makes lease payments to Conrad Hock, Jr. or Conrad Hock Jr. Revocable Trust, as applicable, as lessor, with respect to the two facilities in Lenexa, KS leased by Borrower, in excess of \$65,000.00, in aggregate, in any month, (p) Borrower fails to obtain or Bank fails to make any of the scheduled advances under the Bank Loan Facility, including, without limitation, an over-advance in the amount of \$1,500,000.00 for the months of June, 2001, July, 2001, August, 2001, September, 2001, October, 2001, November, 2001 and December, 2001, (q) Borrower pays any dividends or distributions to any shareholders other than for the payment of taxes or (r) Borrower or Guarantor or any other creditor breaches or defaults in the performance of any agreement or covenant contained in the Debt Subordination Agreement.

5. Remedies. Upon the occurrence of an Event of Default, in addition to all rights and remedies of a Lender under the UCC and under any other applicable law, Lender may, at its option, at any time (a) declare the indebtedness to be immediately due and payable without notice to Borrower or any Guarantor; (b) without demand or legal process, enter any premises where the Collateral may be and take possession and/or remove the Collateral all without charge to or liability on the part of Lender, (c) require Borrower to assemble the Collateral, crate, pack, ship, and deliver the Collateral to Lender in such manner and at such place as Lender may require, all at Borrower's sole cost and expense, (d) render the Collateral unusable at the Borrower's premises and dispose of such Collateral on such premises without liability for rent or costs (e) sell the Collateral at public or private sales, in whole or in part, and have the right to bid and purchase at said sale, and/or (f) lease or otherwise dispose of all or part of the Collateral, applying proceeds therefrom to the indebtedness. Any notice which Lender is required to give to Borrower under any Applicable Law of the time and place of any public sale or the time after which any private sale or other intended disposition of the Collateral is to be made shall be deemed to constitute reasonable notice if such notice given to the last known address of Borrower at least five days prior to such action. Borrower shall remain fully liable for any deficiency, with interest thereon at the applicable rate set forth in the related Notes.

6. Cumulative Remedies. Lender's remedies hereunder or otherwise are cumulative, are in addition to any other remedies provided for by law or in equity and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of Lender to exercise, and no delay in exercising any right or remedy, shall operate as a waiver thereof or in any way modify or be deemed to modify the terms of this Agreement or the other Loan Documents or the indebtedness, nor shall any single or partial exercise by Lender of any right or remedy preclude any other or further exercise of the same or any other right or remedy. Lender shall not be under any obligation

to marshal any assets in favor of Borrower, any Guarantor or any other person or against or in payment of any or all of the indebtedness. If Borrower shall fail to comply with any provision of any of the Loan Documents, Lender shall have the right, but shall not be obligated, to take action to address such non-compliance, in whole or in part, and all expenses and obligations incurred or assumed by Lender together with interest thereon at the applicable rate shall be added to the indebtedness and paid by Borrower upon demand.

7. **Assignment.** Lender may transfer or assign all or any part of the indebtedness and the Loan Documents without releasing Borrower or the Collateral, and upon such transfer or assignment the assignee or holder shall be entitled to all the rights, powers, privileges and remedies of Lender to the extent assigned or transferred. The obligations of Borrower shall not be subject, as against any such assignee or assignee, to any defense, set-off, or counter-claim available to Borrower against Lender and any such defense, set-off, or counter-claim may be asserted only against Lender.

8. **Governing Law.** THE LOAN DOCUMENTS SHALL BE GOVERNED BY AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

9. **Consent to Jurisdiction.** BORROWER HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IRREVOCABLY AGREES THAT, SUBJECT TO LENDER'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. BORROWER EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON BORROWER BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO BORROWER, AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.

10. **Further Assurance; Notice.** Borrower shall, at its expense, execute, and deliver such documents and do such further acts as Lender may from time to time reasonably require to assure and confirm the rights created or intended to be created under the Loan Documents to facilitate the performance of the Loan Documents or to assure the validity, perfection, continuing first priority or enforceability of any security interest created hereunder. Borrower agrees to execute any instrument or instruments necessary or expedient for filing, recording, registering, perfecting, notifying, foreclosing, and/or liquidating of Lender's interest in the Collateral upon request of, and as determined by, Lender, and Borrower hereby specifically authorizes Lender to prepare and file UCC financing statements and other documents necessary to perfect Lender's interests hereunder, and to execute same for and on behalf of Borrower as Borrower's attorney-in-fact, irrevocably and coupled with an interest, for such purposes. Any written notice to be given under this Agreement shall be in writing addressed to the respective party as set forth in the heading to this Agreement (or such other address as may have been designated in a written notice) and shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission if transmitted on a business day before 4:00 p.m. Central Standard time or, if not, on the next succeeding business day; (c) if delivered by overnight courier, two days after delivery to such courier properly addressed; or (d) if by U.S. Mail, four business days after depositing in the United States mail, with postage prepaid and properly addressed.

11. **Joint and Several Obligation.** If this Agreement is executed by more than one person as Borrower, each such person hereby

acknowledges it is jointly and severally liable for and unconditionally guarantees the prompt and full payment and performance of all obligations of each other Borrower hereunder and under the other Loan Documents.

12. **Waiver of Jury Trial.** BORROWER AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THE LOAN DOCUMENTS. BORROWER AND LENDER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THE LOAN DOCUMENTS AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. BORROWER AND LENDER WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

13. **Entire Agreement.** THE LOAN DOCUMENTS EMBODY THE ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERTAKINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THIS AGREEMENT MAY NOT BE AMENDED OR MODIFIED EXCEPT BY INSTRUMENT IN WRITING EXECUTED BY ALL PARTIES HERETO.

14. **Execution in Counterparts.** This Agreement and each Schedule may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument and any of the parties hereto may execute this Agreement or any Schedule by signing any such counterpart, provided that only the original of this Agreement or any Schedule marked "Original: 1 of 3" on the execution page thereof shall constitute chattel paper under the UCC.

15. **Certain Defined Terms.** The following terms used in this Agreement shall have the following meanings:

"Applicable Laws" means any and all existing and future laws, rules, regulations, ordinances, decrees and codes relating to Borrower's business and operations including, without limitation, all Environmental Laws.

"Bank" means (a) with respect to Schedule No. 1, Southwest Bank of St. Louis, a Missouri bank, having a place of business at 13205 Manchester Road, St. Louis, MO 63179-0178, and (b) with respect to any other Schedule, the Bank identified on such Schedule.

"Bank Loan Facility" means (a) with respect to Schedule No. 1, the financial accommodations to be provided by Bank, including, without limitation, (i) a \$10,000,000.00 general line of credit, (ii) a \$1,700,000.00 line of credit relating to Borrower's facilities located in Ivyland, PA and (iii) a \$1,500,000.00 seasonal over-advance for the months of June, 2001, July, 2001, August, 2001, September, 2001, October, 2001, November, 2001 and December, 2001, and (b) with respect to any other Schedule, as identified on such Schedule.

"Collateral" means the property described on each Schedule, together with all attachments, accessories, substitutions, additions, and replacements therefor and all proceeds thereof, including insurance proceeds, and any and all accounts, chattel paper, contract rights and general intangibles arising from the sale, lease or other disposition thereof.

"Corporate Guarantor" means any guarantor of all or any part of the indebtedness that is not an Individual Guarantor.

"Debt Subordination Agreement" means the Debt Subordination Agreement dated as of the date hereof, executed by Borrower and Conrad Hock, Jr., and any other debt subordination agreement delivered in connection with a Note, and any amendment or supplement thereto.

"Environmental Laws" means all present and future federal, state, and local laws, rules, regulations, orders, and decrees relating to pollution, hazardous substances, waste disposal or the protection of human health or safety, plant life or animal life, national resources or the environment, all as amended from time to time.

"GAAP" means generally accepted accounting principles, applied consistently with past periods.

"Guarantor" means collectively, Individual Guarantors and Corporate Guarantors.

"Individual Guarantor" means any guarantor of all or any part of the Indebtedness that is a natural person.

"Indebtedness" means all obligations, liabilities and indebtedness of every nature of Borrower from time to time owed to Lender evidenced by the Notes or otherwise incurred pursuant to this Agreement or the other Loan Documents, now existing or hereafter arising including, without limitation, all interest, fees, cost and expenses accrued or incurred after the filing of any petition under any bankruptcy or insolvency law.

"Lien or Liens" means any lien, mortgage, pledge, security interest, charge or encumbrance of any kind, whether voluntary or involuntary, (including any conditional sale or other title retention agreement, any lease in the nature thereof, and any agreement to give any security interest).

"Litigation" means any and all actions, charges, claims, demands, suits, proceedings, or governmental investigations now pending or threatened against Borrower or any of Borrower's property.

"Loan Documents" means this Agreement, the Schedules, the Notes, the Conditions Rider, if any, and any other documents and instruments executed contemporaneously with or delivered pursuant to this Agreement or the Notes, all as amended, modified, extended or renewed from time to time.

"Material Adverse Effect" means a material adverse effect upon (a) the business, operations, prospects, properties, assets or condition (financial or otherwise) of Borrower or any Guarantor or (b) the ability of Borrower or any Guarantor to perform its obligations under any Loan Document to which it is a party or (c) the ability of Lender to enforce its security interests or collect any of the Indebtedness.

"Note" or "Notes" means any and all promissory notes which Borrower has executed and delivered or will execute and deliver to Lender and which are identified on a Schedule evidencing Indebtedness.

"Permitted Liens" means the following types of Liens, claims, charges, taxes, and assessments of any kind: (a) Liens (other than Liens relating to Environmental Laws) for taxes, assessments or other governmental charges not yet due and payable; (b) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen and other similar Liens imposed by law, which are incurred in the ordinary course of business for sums not more than 30 days delinquent; (c) Liens in favor of Lender; and (d) Liens set forth on any Schedule.

"Schedule" or "Schedules" means any and all Schedules which Borrower has executed and delivered or will execute and deliver to Lender in connection with this Agreement. Schedules shall be numbered consecutively beginning with "1".

"SEC" means the Securities and Exchange Commission.

"Trademarks" means all trademarks, trademark registrations and trademark applications and the goodwill underlying those trademarks of the Grantor, including but not limited to those set forth in the Schedules, and (a) any similar marks or amendments, modifications and renewals thereof and the goodwill represented by those trademarks thereon and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (b) all rights to income, royalties, profits, damages, or other rights relating to said trademarks including the right to sue for past, present or future infringement; and (c) any other rights and benefits relating to said trademarks including any rights as a licensor of said trademark.


"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of Illinois, as amended from time to time, and any successor statute.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, Lender and Borrower have each signed this Master Security Agreement as of the day and year first above written.

LENDER

HELLER FINANCIAL LEASING, INC., a Delaware corporation

By:   
Name: JOSEPH B. WILLIAMS  
Title: VICE PRESIDENT

BORROWER

WILLIAMS FOODS, INC., a Missouri corporation

By: \_\_\_\_\_  
Conrad Hock, Jr., Chief Executive Officer

Original: 1 of 3

[EXECUTION PAGE OF MASTER SECURITY AGREEMENT]

TRADEMARK  
REEL: 2429 FRAME: 0821  
TRADEMARK  
REEL: 003694 FRAME: 0687



IN WITNESS WHEREOF, Lender and Borrower have each signed this Master Security Agreement as of the day and year first above written.

**LENDER**

**HELLER FINANCIAL LEASING, INC.**, a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BORROWER**

**WILLIAMS FOODS, INC.**, a Missouri corporation

By: Conrad Hock, Jr.  
Conrad Hock, Jr., Chief Executive Officer

Original: 1 of 3

[EXECUTION PAGE OF MASTER SECURITY AGREEMENT]

**TRADEMARK**  
**REEL: 2429 FRAME: 0822**  
**TRADEMARK**  
**REEL: 003694 FRAME: 0688**



EXECUTION COPY

Loan No.: 196-0180-001

**COLLATERAL SCHEDULE No. 1  
to Master Security Agreement**

Collateral Schedule No. 1 annexed to and made a part of a certain Master Security Agreement dated September 14, 2001 (the "Agreement"), or related documentation by and between the undersigned. (Capitalized terms used in this Collateral Schedule and not otherwise defined shall having the meaning ascribed to them in the Agreement.) This Collateral Schedule incorporates all of the terms and conditions of the Loan Documents. Borrower agrees the Collateral set forth below together with all additions, attachments, accessories and accessions thereto, replacements or substitutions therefor and all products and proceeds thereof, if any, including insurance proceeds and any and all accounts, chattel paper, contract rights and general intangibles arising from the sale, lease or other disposition thereof or thereto (for purposes of this Collateral Schedule, collectively, the "Scheduled Collateral") is given to secure payment of (i) all indebtedness arising under or in connection with that certain Note dated September 14, 2001, in the amount of \$7,000,000.00, made by Borrower in favor of Lender and any renewals, extensions and modifications thereof or thereto (for purposes of this Collateral Schedule, collectively, the "Scheduled Note") and (ii) payment and performance of all other obligations constituting any part of the Indebtedness; provided, however, that if Lender transfers the Scheduled Note, then, the term "Indebtedness" with respect to any transferee shall mean only the indebtedness evidenced by or related to the Scheduled Note and any other Note held by the transferee and the term "Collateral" as used in the Agreement with respect to such transferee shall mean only the Scheduled Collateral and any Collateral described on any Schedule that specifically identifies any other Note held by the transferee.

Attached as Exhibit A, which is incorporated herein by reference, is the list of collateral in which Lender shall have a first priority perfected security interest (the "Lender Priority Collateral") for this Collateral Schedule No. 1. Attached as Exhibit B, which is incorporated herein by reference, is the list of collateral in which Lender shall have a second priority perfected security interest (the "Lender Secondary Collateral") for this Collateral Schedule No. 1. Attached as Exhibit C, which is incorporated herein by reference, is the list of collateral in which Lender and Bank shall have pro rata rights pursuant to the intercreditor Agreement (the "Pro Rata Collateral") for this Collateral Schedule No. 1. The Lender Priority Collateral, the Lender Secondary Collateral and the Pro Rata Collateral are referred to herein collectively as the "Collateral" for this Collateral Schedule No. 1.

Permitted Liens shall include the Liens of Bank; provided, however, that Bank shall subordinate its interest in the Lender Priority Collateral pursuant to the intercreditor Agreement dated as of the date hereof between Lender and Bank.

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"Lender"

HELLER FINANCIAL LEASING, INC., a Delaware corporation

By: *Joseph D. Williams*  
Name: JOSEPH D. WILLIAMS  
Title: VICE PRESIDENT

"Borrower"

WILLIAMS FOODS, INC., a Missouri corporation

By: \_\_\_\_\_  
Conrad Hock, Jr., Chief Executive Officer

Original: 1 of 3

[EXECUTION PAGE OF COLLATERAL SCHEDULE NO. 1 TO MASTER SECURITY AGREEMENT]

TRADEMARK  
REEL: 2429 FRAME: 0824  
TRADEMARK  
REEL: 003694 FRAME: 0690

"Lender"

HELLER FINANCIAL LEASING, INC., a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

"Borrower"

WILLIAMS FOODS, INC., a Missouri corporation

By: Conrad Hock, Jr.

Conrad Hock, Jr., Chief Executive Officer

Original: 1 of 3

(EXECUTION PAGE OF COLLATERAL SCHEDULE NO. 1 TO MASTER SECURITY AGREEMENT)

TRADEMARK  
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TRADEMARK  
REEL: 003694 FRAME: 0691

EXHIBIT A TO COLLATERAL SCHEDULE NO. 1

LIST OF LENDER PRIORITY COLLATERAL

The following properties, assets and rights of Borrower, wherever located, whether now owned or hereafter acquired or arising: (a) all equipment, furniture, fixtures, improvements, plant and office equipment as well as all other fixed assets of the Borrower excepting the interests of Southwest in Borrower's Bucks County, Pennsylvania facility; (b) any intellectual property, including, without limitation, foreign and domestic copyrights, copyright applications, copyrightable materials, of any kind or nature, all trademarks, trademark registrations and trademark applications and the goodwill underlying those trademarks of Borrower, including but not limited to those set forth in Attachment 1 attached hereto and by this reference incorporated herein, and any similar marks or amendments, modifications and renewals thereof and the goodwill represented by those trademarks thereon and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; all rights to income, royalties, profits, damages, or other rights relating to said trademarks including the right to sue for past, present or future infringement; and any other rights and benefits relating to said trademarks including any rights as a licensor of said trademark, trade names, trade dress, patents, patent applications, or any other item of like kind or similar nature, now owned or hereafter acquired by Borrower, whether or not formally perfected, registered, filed or otherwise with any state, federal or foreign agency or department, including all common-law rights relating to any of the foregoing, software, engineering drawings, customer lists; (c) all general intangibles related to any of the foregoing; (d) all additions, attachments, accessories and accessions to any of the foregoing; (e) replacements or substitutions for any of the foregoing and (f) all Proceeds (as defined in Section 9-102(a)(64) of the UCC) of any of the foregoing.

**ATTACHMENT 1 TO EXHIBIT A**

**LIST OF TRADEMARKS**

[SEE ATTACHED]

Client	Mark	Int'l Status	Sub-Status	Mark Type							
1,328	AMERICAS #1 SPICE VALUE	(851) US	4555000-20-88	30	75/035,078	12/20/1995	2,066,497	06/03/1997	Registered	Principal	Word Mark
877	BAG 'N BAKE	(599) US	4555000-20-11	16	75/314,583	06/23/1997			Abandon		Word Mark
1,289	BLUE TICK DRESSING	(816) US	4555000-20-40	30	75/291,066	05/13/1997	2,156,820	05/12/1998	Registered	Principal	Word Mark
1,290	BOG BOTTOM	(817) US	4555000-20-61	30	75/381,685	10/30/1997	2,216,769	01/05/1999	Registered	Lapse	Word Mark
1,360	BOG BOTTOM BBQ	(866) US	4555000-20-94	30	76/196,619	01/19/2001			Pending A Filed		Word Mark
872	BUTTER MAGIC	(593) US	4555000-20-08	29	73/746,406	08/15/1988	1,535,550	04/18/1989	Registered	Incontestable	Word Mark
1,180	CAROLINA CEDAR SPRAY (stylized)	(745) US	4555000-20-49	30	74/442,101	09/30/1993	1,864,845	11/29/1994	Expired	Principal	Stylized Mark
1,377	CAROLINA EGRET EGGS	(877) US	4555000-20-98	30	76/196,618	01/19/2001			Pending A Filed		Word Mark
1,291	CAROLINA FIRE FLIES (stylized)	(818) US	4555000-20-62	30	74/686,839	06/12/1995	1,983,949	07/02/1996	Registered	Principal	Stylized Mark
1,292	CAROLINA JUNE BUGS (stylized)	(819) US	4555000-20-63	30	74/686,979	06/12/1995	1,986,983	07/16/1996	Registered	Principal	Stylized Mark
1,293	CAROLINA MUDD PUPPIES (stylized)	(820) US	4555000-20-64	30	75/382,217	10/30/1997	2,233,718	03/23/1999	Registered	Principal	Word Mark
1,294	CAROLINA NIGHT CRAWLERS (stylized)	(821) US	4555000-20-65	30	74/686,841	06/12/1995	1,986,981	07/16/1996	Registered	Principal	Stylized Mark
1,181	CAROLINA PINE TAR (stylized)	(746) US	4555000-20-50	30	74/442,208	09/30/1993	1,849,998	08/16/1994	Expired	Principal	Stylized Mark
1,184	CAROLINA RED TIDE (stylized)	(748) US	4555000-20-53	30	74/442,490	09/30/1993	1,845,810	07/19/1994	Expired	Principal	Stylized Mark
1,376	CAROLINA SAND FIDDLERS	(878) US	4555000-20-97	30	76/196,617	01/19/2001			Pending A Filed		Word Mark
1,361	CAROLINA SWAMP SNACKS	(867) US	4555000-20-95	30					Not Pursued		Word Mark
1,363	CAROLINA SWAMP STUFF	(869) US	4555000-20-96	16					Proposed	N	Word Mark
1,288	CAROLINA SWAMP STUFF (stylized)	(749) US	4555000-20-59	30	74/442,489	09/30/1993	1,849,999	08/16/1994	Registered	Principal	Stylized Mark
1,185	CAROLINA TADPOLE TEA (stylized)	(750) US	4555000-20-54	30	74/442,488	09/30/1993	1,845,809	07/19/1994	Expired	Principal	Stylized Mark
1,296	CEDAR SPRAY	(822) US	4555000-20-66	30	75/291,149	05/13/1997	2,149,478	04/07/1998	Registered	Principal	Word Mark
1,297	COCOA PLEASURES	(823) US	4555000-20-67	30	75/231,634	01/27/1997	2,241,851	04/27/1999	Registered	Principal	Word Mark
1,186	COFFEE PLEASURES	(751) US	4555000-20-55	30	75/231,631	01/27/1997			Abandon	Principal	Word Mark
978	COUNTRY STORE	(656) CO	4555000-20-17	29	342274	06/06/1991			Abandon		Word Mark
1,032	COUNTRY STORE	(656) US	4555000-20-45	29	73/597,839	05/23/1986	1,434,862	03/31/1987	Registered	Principal	Word Mark
1,033	COUNTRY STORE	(656) US	4555000-20-46	29	73/565,186	10/25/1985	1,433,102	03/17/1987	Registered	Lapse	Word Mark
976	DELUXE ENGLISH MUFFINS	(654) CA	4555000-20-15		872288	03/16/1998			Abandon		Word Mark
1,003	DELUXE ENGLISH MUFFINS	(654) US	4555000-20-42	30	74/426,483	08/20/1993	1,921,292	09/19/1995	Registered	Lapse	Word Mark
1,330	DESIGN ONLY (spice jar)	(853) US	4555000-20-90	30	74/436,931	09/20/1993	2,046,218	03/18/1997	Registered	Lapse	Design Mark
1,179	DUCK PUDDLE FARM	(744) US	4555000-20-48	30	74/466,562	12/07/1993	1,863,857	11/22/1994	Registered	Principal	Word Mark
1,299	EL SCORCHOI (stylized)	(822) US	4555000-20-69	30	74/465,321	06/04/1998	1,645,429	05/21/1991	Expired	Lapse	Stylized Mark
990	GIFTS FROM THE HEARTLAND	(661) US	4555000-20-30	29	75/304,198	06/05/1997			Abandon		Word Mark

Client Reference Number	US	Abandon	Registered	Word Mark
991 GIFTS FROM THE HEARLAND	(661) US	75/304,200	06/05/1997	Word Mark
1,034 GRANDMA'S SPANISH SEASONING (and design)	(685) US	71/434,432	07/29/1940	Word and Design
1,129 HERBIE ROYALE	(852) US	74/484,171	01/31/1994	Word Mark
1,189 HOME PORT	(754) US	75/451,557	03/17/1998	Word Mark
1,300 HOME PORT GALLEY	(826) US	74/462,032	11/10/1993	Word Mark
1,182 ISLAND PLEASURE	(747) US	75/382,221	10/30/1997	Word Mark
1,183 ISLAND PLEASURE	(747) US	74/466,561	12/07/1993	Word Mark
1,301 JOHN WAGNER & SONS, INC.	(827) US	75/381,899	10/30/1997	Word Mark
1,302 LIME DANCER	(828) US	75/472,353	04/22/1998	Word Mark
1,303 LONGBAY	(829) US	74/4023,744	01/29/1990	Word Mark
873 MAGNIFLAVOR	(596) US	75/290,950	05/13/1997	Word Mark
1,304 MILK WEBB	(830) US	74/686,818	06/12/1995	Word Mark
1,305 MILK WEBB (stylized)	(831) US	75/151,475	08/16/1996	Word Mark
1,298 MISCELLANEOUS DESIGN (Lion Logo)	(824) US	75/1472,354	04/22/1998	Word Mark
1,306 MOBAY	(832) US	76/227,673	03/20/2001	Word Mark
1,398 MUNCH-A-RONI	(894) US	76/227,672	03/20/2001	Word Mark
1,399 MUNCHILLA	(895) US	74/489,109	02/14/1994	Word and Design
1,030 NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AMERICAN A REVOLUTIONARY SALAD DRESSING (and design)	(684) US	74/368,070	03/15/1993	Word and Design
1,031 NOT FRENCH NOT ITALIAN NOT RUSSIAN FINALLY AN AMERICAN SALAD DRESSING WITH A MULTINATIONAL TASTE FOR A MULTINATIONAL COUNTRY (and design)	(684) US	75/290,951	05/13/1997	Word and Design
1,286 PINE TAR	(812) US	75/291,012	05/13/1997	Word Mark
1,284 RED TIDE	(810) US	75/381,893	10/30/1997	Word Mark
1,307 SCORPION	(833) US	75/314,047	06/24/1997	Word Mark
878 SEASON 'N BAKE	(603) US	76/196,620	01/19/2001	Word Mark
1,350 SEAWEBB SLOSH	(862) US	74/615,251	12/27/1994	Word Mark
1,331 SPICE RACK	(854) US	74/420,109	08/03/1993	Word Mark
1,332 SPIN-4-SPICE	(853) US	74/070,412	06/18/1990	Word and Design
749 SUN BIRD (and design)	(516) US	84863	04/01/1996	Word and Design
877 SUN BIRD (and design)	(516) EU			Word and Design



**TRADEMARKS (Grouped by Serial Reference Number)**

Serial Number	Classification	Mark Description	Registration Date	Registration Status	Registration Type	Registration Number	Registration Class	Registration Office	Registration Status	Registration Type	Registration Number	Registration Class	Registration Office	Registration Status	Registration Type	Registration Number	Registration Class	Registration Office
748	(513) US	SUN BIRD (stylized)	01/29/1997	Registered	Principal	2,121,797	29, 30	US	12/16/1997	Registered	Principal	1	Stylized Mark					
749	(515) US	SUN-BIRD	09/05/1978	Registered	Incontestable	1,124,991	30	US	09/11/1979	Registered	Incontestable	1	Word Mark					
751	(514) US	SUN-BIRD (stylized)	06/27/1989	Expired	Incontestable	1,582,810	29, 30	US	02/13/1990	Expired	Incontestable	1	Stylized Mark					
753	(514) US	SUN-BIRD (stylized)	12/15/1986	Cancelled		1,451,080	29	US	08/04/1987	Cancelled		1	Stylized Mark					
1,308	(834) US	SWAMP MARY	10/30/1997	Registered	Lapse	2,216,770	32	US	01/05/1999	Registered	Lapse	1	Word Mark					
1,309	(835) US	SWAMP SAUCE	07/27/1994	Registered	Principal	1,977,229	30	US	05/28/1996	Registered	Principal	1	Word Mark					
1,285	(811) US	TADPOLE TEA	05/11/1997	Registered	Principal	2,149,473	30	US	04/07/1998	Registered	Principal	1	Word Mark					
1,310	(836) US	TAHITIAN RED WAVE	10/30/1997	Registered	Lapse	2,216,772	30	US	01/05/1999	Registered	Lapse	1	Word Mark					
977	(655) CA	THE BIG DIFFERENCE IN ENGLISH MUFFINS	03/16/1998	Registered	Lapse	TMA-515,686	30-16	CA	08/27/1999	Registered	Lapse	1	Word Mark					
1,000	(655) US	THE BIG DIFFERENCE IN ENGLISH MUFFINS	05/17/1993	Registered	Principal	1,903,708	30	US	07/04/1995	Registered	Principal	1	Word Mark					
1,001	(669) US	THE BIG DIFFERENCE IN ENGLISH MUFFINS (and design)	04/07/1998	Abandoned			30	US		Abandoned		1	Word and Design					
1,311	(837) US	THE BROWN ADOBB THE NEW MEXICAN CONNECTION (and design)	12/28/1988	Registered	Lapse	1,554,940	30	US	09/05/1989	Registered	Lapse	1	Word and Design					
883	(604) US	THE RESTAURANT MARKETPLACE	05/22/1998	Abandoned			35	US		Abandoned		1	Word Mark					
998	(666) US	THE ULTIMATE ENGLISH MUFFIN	08/15/1986	Registered	Lapse	1,439,394	30	US	05/12/1987	Registered	Lapse	1	Word Mark					
920	(631) US	W (stylized)	06/26/1997	Registered	Principal	2,239,636	29	US	04/13/1999	Registered	Principal	1	Stylized Mark					
987	(631) US	W (stylized)	06/26/1997	Abandoned			16	US		Abandoned		1	Stylized Mark					
988	(631) US	W (stylized)	06/26/1997	Abandoned			8, 21	US		Abandoned		1	Stylized Mark					
989	(631) US	W (stylized)	06/26/1997	Abandoned			25	US		Abandoned		1	Stylized Mark					
1,029	(631) US	W (stylized)	06/26/1997	Abandoned			30	US		Abandoned		1	Stylized Mark					
1,312	(838) US	WAGNER GOURMET FOODS	08/16/1996	Registered	Principal	2,237,163	29, 30	US	04/06/1999	Registered	Principal	1	Word Mark					
1,313	(839) US	WAGNER GOURMET FOODS SINCE 1847 (and design)	01/27/1997	Registered	Principal	2,241,077	29, 30	US	04/20/1999	Registered	Principal	1	Word and Design					
1,314	(840) US	WAGNERS	08/16/1996	Registered	Principal	2,140,193	29, 30	US	03/03/1998	Registered	Principal	1	Word Mark					
1,315	(840) US	WAGNERS	12/07/1993	Registered	Principal	1,905,767	29, 30	US	07/18/1995	Registered	Principal	1	Word Mark					
1,316	(842) US	WAGNERS (and design)	02/14/1994	Registered	Lapse	1,917,821	29, 30	US	11/28/1995	Registered	Lapse	1	Word and Design					
1,317	(841) US	WAGNERS (stylized)	07/23/1964	Registered	Lapse	833,756	30	US	08/15/1967	Registered	Lapse	1	Stylized Mark					
874	(598) US	WILLIAMS (stylized)	04/20/1987	Registered	Incontestable	1,504,172	30	US	09/13/1988	Registered	Incontestable	1	Stylized Mark					
982	(659) US	WOLFERMAN'S	08/28/1997	Registered	Principal	2,230,942	16, 39	US	06/08/1999	Registered	Principal	1	Stylized Mark					
983	(659) US	WOLFERMAN'S	08/28/1997	Registered	Principal	2,169,739	29, 30	US	06/30/1998	Registered	Principal	1	Word Mark					
992	(662) US	WOLFERMAN'S "GOOD THINGS TO EAT" (stylized)	03/06/1950	Registered	Lapse	577,179	29, 30	US	07/14/1953	Registered	Lapse	1	Stylized Mark					
984	(660) JP	WOLFERMAN'S (stylized)	06/15/1990	Registered	Lapse	2,332,675	29	JP	04/28/1993	Registered	Lapse	1	Stylized Mark					
985	(660) JP	WOLFERMAN'S (stylized)	06/15/1990	Registered	Lapse	2,497,988	31	JP	01/29/1993	Registered	Lapse	1	Stylized Mark					
1,668	(660) JP	WOLFERMAN'S (stylized)	06/15/1990	Registered	Lapse	2,503,215	30	JP	02/26/1993	Registered	Lapse	1	Stylized Mark					

**T.M. RIGHTS (Grouped by client reference number)**

Report Date: 09/06/2009

Client ID	Trademark	Class	Serial No.	Reg. No.	Reg. Date	Status	Mark Type	
979	WOLFERMAN'S A TRADITION (and design)	US	4555000-20-19	29	75015,341	06/26/1997	2,243,589 Registered Principal	Word and Design
980	WOLFERMAN'S A TRADITION (and design)	US	4555000-20-20	30	75015,333	06/26/1997	2,254,234 Registered Principal	Word and Design
995	WOLFERMAN'S FINE BREADS (and design)	US	4555000-20-35	29, 30	74283,761	06/11/1992	1,792,771 Expired	Word Mark
996	WOLFERMAN'S FINE BREADS (and design)	US	4555000-20-36	30	74180,641	07/01/1991	1,827,599 Expired	Word and Design
997	WOLFERMAN'S FINE BREADS (and design)	US	4555000-20-37	29	74283,762	06/11/1992	1,792,772 Expired	Word and Design
993	WOLFERMAN'S GOOD THINGS TO EAT SINCE 1888	US	4555000-20-33	16	75048,796	08/28/1997	2,166,021 Registered	Word Mark
994	WOLFERMAN'S GOOD THINGS TO EAT SINCE 1888	US	4555000-20-34	35	75048,797	08/28/1997	2,169,740 Registered	Word Mark
1,092	WOLFERMAN'S ORIGINAL ENGLISH MUFFINS (stylized)	US	4555000-20-41	30	73770,347	12/19/1988	1,605,803 Expired	Stylized Mark

Client: Williams Foods/Wolfe  
 ID: Mark  
 975 WOLFERMAN'S "GOOD THINGS TO EAT"  
 PID CT Client File  
 (653) CA 4555000-20-14  
 Class 872287  
 Address 13301 West 99th Street  
 Lenexa, KS 66215 US  
 Reg. Date 03/16/1998  
 TM Status Sub Status Mark Type  
 Pending A. Lapse Word Mark

EXHIBIT B TO COLLATERAL SCHEDULE NO. 1

LIST OF LENDER SECONDARY COLLATERAL

(a) All property owned by Borrower and located at the Bucks County, Pennsylvania facility owned by Williams Foods Realty, Inc.; (b) All accounts, accounts receivable, other receivables, any right to payment of a monetary obligation, whether or not earned by performance, leases and lease payments, contract rights, any other obligations or indebtedness owed to Borrower from whatever source arising, all other rights of Borrower to receive performance or any payments in money or kind whether or not earned by performance, all guaranties security interests and supporting obligations of any the foregoing and insurance policies and proceeds relating thereto, and all rights of Borrower as an unpaid seller of goods and services, including, but not limited to, the rights to stoppage in transit, replevin, reclamation, and resale, all rights to payment for money or funds advanced or sold; (c) All inventory, merchandise, raw materials, goods in process, work in progress, finished goods, component materials, and all supplies, incidentals, office supplies, packaging materials and materials used or consumed in the operation of the business of Borrower or which contribute to the finished products or to the sale, promotion and shipment thereof, all property held by Borrower for sale or lease or to be furnished under a contract of service, or furnished by Borrower under a contract for service and all documents evidencing any part of any of the foregoing; (d) All chattel paper, instruments, notes, promissory notes, deposit accounts, investment property, securities, letters of credit, letter-of-credit rights, documents, payment intangibles, financial assets, all supporting obligations for any of the foregoing and any other current assets of Borrower; (f) All general intangibles related to any of the above (other than any general intangibles constituting Lender priority Collateral); and (f) All Proceeds (as defined in Section 9-102(a)(54) of the UCC) of all of the foregoing.

**EXHIBIT C TO COLLATERAL SCHEDULE NO. 1**

**LIST OF PRO RATA COLLATERAL**

The following properties, assets and rights of Borrower, wherever located, whether now owned or hereafter acquired or arising: (a) all proceeds, distribution and rights of any nature under policy #4279227 issued by Massachusetts Mutual Life Insurance Company on the life of Conrad Hock, Jr. and any replacement policies therefor, (b) and any payments or sums recovered or obtained by Bank or Lender pursuant to any subordination or similar agreements executed by Conrad Hock, Jr. subordinating obligations of Borrower to him in favor of Bank and/or Lender, (c) any security interest or pledge by anyone in favor of Bank and/or Lender in any of the Common Stock (voting or nonvoting) of Borrower and (d) any other property of Borrower other than the Lender Priority Collateral or Lender Secondary Collateral.

01-356054.08

**RECORDED: 10/18/2001**

**RECORDED: 01/11/2008**

**TRADEMARK  
REEL: 2429 FRAME: 0833  
TRADEMARK  
REEL: 003694 FRAME: 0699**