

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT												
NATURE OF CONVEYANCE:	SECURITY INTEREST												
CONVEYING PARTY DATA													
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:30%;">Name</th> <th style="width:20%;">Formerly</th> <th style="width:15%;">Execution Date</th> <th style="width:35%;">Entity Type</th> </tr> </thead> <tbody> <tr> <td>JTM Foods, Inc.</td> <td></td> <td>01/04/2011</td> <td>CORPORATION: PENNSYLVANIA</td> </tr> <tr> <td>JTM Holdings LLC</td> <td></td> <td>01/04/2011</td> <td>LIMITED LIABILITY COMPANY: DELAWARE</td> </tr> </tbody> </table>		Name	Formerly	Execution Date	Entity Type	JTM Foods, Inc.		01/04/2011	CORPORATION: PENNSYLVANIA	JTM Holdings LLC		01/04/2011	LIMITED LIABILITY COMPANY: DELAWARE
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CORRESPONDENCE DATA													
<p>Fax Number: (412)562-1041 <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i></p> <p>Phone: 412-562-1622 Email: vicki.cremonese@bipc.com Correspondent Name: Duane A. Stewart III Address Line 1: 301 Grant Street Address Line 2: 20th Floor Address Line 4: Pittsburgh, PENNSYLVANIA 15219</p>													
ATTORNEY DOCKET NUMBER:	0060363-001008												
NAME OF SUBMITTER:	Duane A. Stewart III												

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**TRADEMARK
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Signature:	/Duane A. Stewart III/
Date:	02/01/2011
<p>Total Attachments: 17</p> <p>source=citizens bank-JTM Foods Security Agreement#page1.tif source=citizens bank-JTM Foods Security Agreement#page2.tif source=citizens bank-JTM Foods Security Agreement#page3.tif source=citizens bank-JTM Foods Security Agreement#page4.tif source=citizens bank-JTM Foods Security Agreement#page5.tif source=citizens bank-JTM Foods Security Agreement#page6.tif source=citizens bank-JTM Foods Security Agreement#page7.tif source=citizens bank-JTM Foods Security Agreement#page8.tif source=citizens bank-JTM Foods Security Agreement#page9.tif source=citizens bank-JTM Foods Security Agreement#page10.tif source=citizens bank-JTM Foods Security Agreement#page11.tif source=citizens bank-JTM Foods Security Agreement#page12.tif source=citizens bank-JTM Foods Security Agreement#page13.tif source=citizens bank-JTM Foods Security Agreement#page14.tif source=citizens bank-JTM Foods Security Agreement#page15.tif source=citizens bank-JTM Foods Security Agreement#page16.tif source=citizens bank-JTM Foods Security Agreement#page17.tif</p>	

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, is dated as of the 4th day of January, 2011, by and between JTM FOODS, INC., a Pennsylvania corporation, JTM HOLDINGS LLC, a Delaware limited liability company (together with JTM Foods, Inc., the "Borrowers"), and CITIZENS BANK OF PENNSYLVANIA, a banking organization formed under the laws of the Commonwealth of Pennsylvania (the "Bank") (the Borrowers also are collectively referred to herein as the "Loan Parties" or individually as a "Loan Party");

RECITALS:

WHEREAS, Borrowers and the Bank are entering into that certain Revolving Credit and Term Loan Agreement, dated as of the date hereof, as the same may be amended, modified or supplemented from time to time (the "Credit Agreement"), pursuant to which the Bank has agreed to make revolving credit and term loans to Borrowers (the "Loans");

WHEREAS, as a condition to entering into the Credit Agreement, the Bank has required that the Loan Parties enter into this Security Agreement (the "Security Agreement") in order to, *inter alia*, reflect the security for Borrowers' obligations under the Credit Agreement.

NOW, THEREFORE, for and in consideration of the Secured Obligations (as defined in this Security Agreement), and of the premises and intending to be legally bound, the parties covenant and agree as follows:

Section 1. Definitions. In addition to the words and terms defined elsewhere in this Security Agreement, the following words and terms shall have the following meanings, unless the context otherwise clearly requires:

"Accounts" shall have the meaning given to that term in the Code and shall include without limitation all rights of the Loan Parties, whenever acquired, to payment for goods sold or leased or for services rendered, whether or not earned by performance.

"Agreement" shall mean the Revolving Credit and Term Loan Agreement dated as of the date hereof, by and between the Borrowers and the Bank as the same may be amended, modified or supplemented from time to time.

"Chattel Paper" shall have the meaning given to that term in the Code and shall include without limitation all writings owned by the Borrowers, whenever acquired, which evidence both a monetary obligation and a security interest in or a lease of specific goods.

"Code" shall mean the Uniform Commercial Code as revised and as in effect on the date of this Security Agreement and as amended from time to time, of the state or states having jurisdiction with respect to all or any portion of the Collateral from time to time.

"Collateral" shall mean all of any Borrowers' right, title and interest in, to and under the following described property of such Borrowers (each capitalized term used in this Section 1 shall have in this Security Agreement the meaning given to it by the Code):

(i) all now existing and hereafter acquired or arising Accounts, Goods, General Intangibles, Payment Intangibles, Deposit Accounts, Chattel Paper (including, without limitation, Electronic Chattel Paper), Documents, Instruments, Software, Investment Property, letters of credit, Letter of Credit Rights, advices of credit, money, Commercial Tort Claims as listed on Schedule A hereto (as such Schedule is amended or supplemented from time to time), Equipment, and Inventory, Fixtures, and Supporting Obligations, together with all products of and Accessions to any of the foregoing and all Proceeds of any of the foregoing (including without limitation all insurance policies and proceeds thereof);

(ii) to the extent, if any, not included in clause (i) above, each and every other item of personal property and fixtures, whether now existing or hereafter arising or acquired, including, without limitation, all licenses, contracts and agreements, and all collateral for the payment or performance of any contract or agreement, together with all products and Proceeds (including all insurance policies and proceeds) of any Accessions to any of the foregoing; and

(iii) all present and future business records and information, including computer tapes and other storage media containing the same and computer programs and software (including without limitation, source code, object code and related manuals and documentation and all licenses to use such software) for accessing and manipulating such information.

"Commercial Tort Claims" shall have the meaning given to that term in the Code.

"Deposit Accounts" shall have the meaning given to that term in the Code.

"Documents" shall have the meaning given to that term in the Code and shall include without limitation all warehouse receipts (as defined by the Code) and other documents of title (as defined by the Code) owned by the Borrowers, whenever acquired.

"Electronic Chattel Paper" shall have the meaning given to that term in the Code.

"Equipment" shall have the meaning given to that term in the Code and shall include without limitation all goods owned by any Borrower, whenever acquired and wherever located, used or bought for use primarily in the business or for the benefit of any Borrower and not included in Inventory of the Borrowers, together with all attachments, accessories and parts used or intended to be used with any of those goods or Fixtures, whether now or in the future installed therein or thereon or affixed thereto, as well as all substitutes and replacements thereof in whole or in part.

"Event of Default" shall mean (i) any of the Events of Default described in the Agreement, (ii) any of the events of default described in any of the Loan Documents, or (iii)

any default by any of the Loan Parties in the performance of its obligations under this Security Agreement.

"Fixtures" shall have the meaning given to that term in the Code, and shall include without limitation leasehold improvements.

"General Intangibles" shall have the meaning given to that term in the Code and shall include, without limitation, all leases under which any Borrower now or in the future leases and/or obtains a right to occupy or use real or personal property, or both, all of the other contract rights of the Borrowers, whenever acquired, and customer lists, choses in action, claims (including claims for indemnification), books, records, patents and patent applications, copyrights and copyright applications, domain names, trademarks (including but not limited to United States Trademark Registration Nos. 1,887,335 and 1,872,710), tradenames, tradestyles, trademark applications, blueprints, drawings, designs and plans, trade secrets, methods, processes, contracts, licenses, license agreements, formulae, tax and any other types of refunds, returned and unearned insurance premiums, rights and claims under insurance policies, and computer information, software, records and data, now owned or acquired after the date of this Security Agreement by any Borrower.

"Goods" shall have the meaning given to that term in the Code.

"Instrument" shall have the meaning given to that term in the Code and shall include, without limitation, all negotiable instruments (as defined in the Code), all certificated securities (as defined in the Code) and all other writings which evidence a right to the payment of money now or after the date of this Security Agreement owned by any Borrower.

"Inventory" shall have the meaning given to that term in the Code and shall include without limitation all goods owned by the Borrowers, whenever acquired and wherever located, held for sale or lease or furnished or to be furnished under contracts of service, and all raw materials, work in process and materials owned by the Borrowers and used or consumed in any Borrower's business, whenever acquired and wherever located.

"Investment Property" shall have the meaning given to that term in the Code.

"Letter of Credit Rights" shall have the meaning given to that term in the Code.

"Loan Documents" shall mean collectively, the Agreement, this Security Agreement, the Notes, the Management Fee Subordination Agreement, the Pledge Agreement and all other agreements, documents and instruments executed and delivered in connection with the Agreement, as each may be amended, supplemented or modified from time to time.

"Note", "Notes", shall mean collectively, the Revolving Credit Note and the Term Note, each executed and delivered by the Borrowers in connection with the Agreement, and any other promissory note or notes issued by any of the Loan Parties to evidence borrowings by any of the Loan Parties from the Bank as any of the foregoing may be amended, modified, or

supplemented from time to time, together with any extensions, refinancings, refundings or renewals thereof, in whole or in part.

"Payment Intangibles" shall have the meaning given to that term in the Code.

"Proceeds" shall have the meaning given to that term in the Code and shall include without limitation whatever is received when Collateral or Proceeds is sold, exchanged, collected or otherwise disposed of, whether cash or non-cash, and includes without limitation proceeds of insurance payable by reason of loss of or damage to Collateral.

"Secured Obligations" shall mean (i) all indebtedness, both principal and interest, of the Loan Parties to the Bank now or after the date of this Security Agreement evidenced by any Note, including without limitation the Revolving Credit Note and the Term Note executed and delivered by the Borrowers in connection with the Agreement, (ii) all other debts, liabilities, duties and obligations of the Loan Parties to the Bank now existing and after the date of this Security Agreement contracted or incurred, arising under or in connection with the Loan Documents including, without limitation, all reimbursement and other obligations arising under or with respect to the Letters of Credit and all obligations under or in connection with any Hedging Obligations or Rate Protection Agreements (as such terms are defined in the Agreement), (iii) all costs and expenses incurred by the Bank in the collection of any of the indebtedness described in this paragraph or in connection with the enforcement of any of the duties and obligations of the Loan Parties to the Bank described in this paragraph, including reasonable attorneys' and paralegals' fees and expenses, and (iv) all future advances made by the Bank for the maintenance, protection, preservation or enforcement of, or realization upon, the Collateral or any portion of the Collateral, including advances for storage, transportation charges, taxes, insurance, repairs and the like.

"Security Agreement" shall mean this Security Agreement as the same may be amended, modified or supplemented from time to time.

"Software" shall have the meaning given to that term in the Code.

"Supporting Obligations" shall have the meaning given to that term in the Code.

Section 2. Security Interest. As security for the full and timely payment of the Secured Obligations in accordance with the terms of the Secured Obligations and of the Agreement and the performance of the obligations of each of the Loan Parties under the Agreement, the Notes, this Security Agreement, and the other Loan Documents, each of the Loan Parties agrees that the Bank shall have, and each of the Loan Parties grants to and creates in favor of the Bank, a security interest under the Code in and to such of the Collateral as is now owned or acquired after the date of this Security Agreement by such Loan Party. The security interest granted to the Bank in this Security Agreement shall be a first priority security interest in the Collateral, prior and superior to the rights of all third parties in the Collateral existing on the date of this Security Agreement or arising after the date of this Security Agreement, except as may be otherwise permitted by the terms of the Agreement.

Section 3. Rights and Remedies of a Secured Party. In addition to all rights and remedies given to the Bank by the Agreement, this Security Agreement, the Notes, and the other Loan Documents, the Bank shall have all the rights and remedies of a secured party under the Code.

Section 4. Provisions Applicable to the Collateral. The parties agree that the following provisions shall be applicable to the Collateral:

(a) Each of the Loan Parties covenants and agrees that at all times during the term of this Security Agreement it shall keep accurate and complete books and records concerning the Collateral that is now owned or acquired after the date of this Security Agreement by such Loan Party, in accordance with GAAP (as such principles may change from time to time) applied on a consistent basis (except for changes in which the Loan Parties' certified public accountants concur) at 2126 East 33rd Street, Erie, PA 16510 and at no other location without the prior written consent of the Bank.

(b) The Bank or its representatives shall have the right at all times during regular business hours of the Loan Parties to examine and inspect the Collateral, to conduct field examinations of the Collateral and to review the books and records of the Loan Parties concerning the Collateral that is now owned or acquired after the date of this Security Agreement by the Loan Parties and to copy the same and make excerpts therefrom, provided, however, that in the absence of an event of Default, the Loan Parties obligation to pay the costs of a field examination of the collateral shall be limited to one such field examination per calendar year. In the event the Bank desires to conduct an audit of the books and records and Collateral of any Loan Party (as opposed to a visit to a Loan Party which shall not be limited hereby), the bank shall make a reasonable effort to notify the Loan Parties prior to any such audit and, in the absence of an Event of Default or Potential Default shall make a reasonable effort to limit such audits to two times each calendar year.

(c) The Borrowers shall at all times during the term of this Security Agreement keep the Collateral now owned or acquired after the date of this Security Agreement by the Borrowers at its various locations described in Exhibit "A" of this Security Agreement, and at no other location without the prior written consent of the Bank, except for dispositions of (i) Inventory of JTM Foods in the ordinary course of business, (ii) assets of any Borrower reasonably determined by such Borrower to be worn out, obsolete or of no further value to or use in the business or operations of such Borrower and (iii) other tangible properties or tangible assets the book value of which does not exceed \$50,000 in the aggregate during any fiscal year.

(d) The Loan Parties currently maintain their chief executive offices at 2126 East 33rd Street, Erie, PA 16510 and shall not move the location of their chief executive offices without prior written notification to the Bank. Further, the Loan Parties shall not change their state of formation unless it is pursuant to paragraph (p) of this Section 4, which, among other things, may be conditioned on the execution and delivery of such documents and financing statements as the Bank shall deem necessary or desirable to continue perfecting the security interest granted to the Bank herein.

(e) Without the prior written consent of the Bank, the Borrowers shall not sell, lease or otherwise dispose of any Collateral, except as permitted by the Credit Agreement and reasonably deemed by the Borrowers to be no longer material to or useful in the conduct of its business.

(f) The Loan Parties shall promptly notify the Bank in writing upon acquiring or otherwise obtaining any Collateral after the date hereof consisting of Deposit Accounts, Investment Property, Letter-of-Credit Rights or Electronic Chattel Paper, and upon the request of the Bank, will promptly execute such other documents, and do such other acts or things deemed appropriate by the Bank to deliver to the Bank control with respect to such Collateral.

(g) Each Loan Party shall promptly notify the Bank in writing upon acquiring or otherwise obtaining any Collateral after the date hereof consisting of Documents or Instruments and, upon the request of the Bank, will promptly execute such other documents, and do such other acts or things deemed appropriate by the Bank to deliver to the Bank possession of such Documents which are negotiable and Instruments, and with respect to nonnegotiable Documents, to have such nonnegotiable Documents issued in the name of the Bank.

(h) With respect to Collateral in the possession of a third party, other than Goods covered by a Document, the Loan Parties shall obtain an acknowledgement from the third party that it is holding the Collateral for the benefit of the Bank.

(i) Each of the Loan Parties agrees to take action reasonably requested by the Bank to insure the attachment, perfection and first priority of, and the ability of the Bank to enforce, the security interests in any and all of the Collateral.

(j) Promptly upon request of the Bank from time to time, the Loan Parties shall furnish the Bank with such information and documents regarding the Collateral and the Loan Parties' financial condition, business, assets or liabilities, at such times and in such form and detail as the Bank may reasonably request.

(k) Promptly upon request of the Bank from time to time, each of the Loan Parties shall stamp on its records concerning the Collateral, and add on all Chattel Paper and Instruments constituting a portion of the Collateral, a notation, in form satisfactory to the Bank, of the security interest of the Bank hereunder and deliver to the Bank without limitation, (i) all invoices and customer statements rendered to account debtors, documents, contracts, chattel paper, instruments and other writings pertaining to such Loan Party's contracts or the performance of such Loan Party's contracts, (ii) evidence of such Loan Party's accounts and statements showing the aging, identification, reconciliation and collection thereof and (iii) reports as to such Loan Party's inventory and sales, shipment, damage or loss thereof, all of the foregoing to be certified by authorized officers or other employees of such Loan Party.

(l) Notwithstanding the security interest in the Collateral granted to and created in favor of the Bank under this Security Agreement, each of the Loan Parties shall have the right until one or more Events of Default shall occur, at its own cost and expense, to collect the Accounts and the Chattel Paper and to enforce its contract rights.

(m) The Bank shall have the right at any time after the occurrence of and during the continuation of an Event of Default, in its sole discretion, to give notice of the Bank's security interest to account debtors obligated to any of the Loan Parties to take over and direct collection of the Accounts and the Chattel Paper, to notify such account debtors to make payment directly to the Bank and to enforce payment of the Accounts and the Chattel Paper and to enforce any Loan Party's contract rights. It is understood and agreed by each of the Loan Parties that the Bank shall have no liability whatsoever under this Security Agreement except for its own gross negligence or willful misconduct.

(n) The Bank shall cause to be opened and maintained a noninterest bearing deposit account (the "Cash Collateral Account") and after the occurrence of and during the continuation of an Event of Default, the Bank shall have the right to deposit, and require the Loan Parties to deposit, therein all cash proceeds of Collateral. All cash proceeds of the Collateral received directly by the Borrowers shall be held by the Loan Parties in trust for the benefit of the Bank, shall be segregated from all other funds of the Loan Parties and shall, within one business day after receipt, be paid over to the Bank in the same form as so received (with any necessary endorsement or assignment) for deposit in the Cash Collateral Account. The Bank shall have sole dominion and control over all items and funds in the Cash Collateral Account and such items and funds may be withdrawn only by the Bank, it being the intention of the parties to this Security Agreement that the Loan Parties shall have no control over or withdrawal rights in respect of the Cash Collateral Account. The Bank may, in its discretion, release to the Borrowers from time to time all or any part of the collected funds deposited in the Cash Collateral Account but the Bank shall have the right at any time to apply all or any part of the collected funds on deposit in the Cash Collateral Account to the payment of the Secured Obligations, whether on account of principal or interest or otherwise as the Bank in its discretion may elect, until the Secured Obligations are fully paid.

(o) Borrowers shall not invoice an account debtor, maintain their records relating to any Account or conduct any of their businesses in any name other than JTM Foods or JTM Holdings LLC, except such new name as it may establish in accordance with paragraph (p) of this Section 4.

(p) If any of the Loan Parties desire to change its state of formation, establish a new location other than as set forth in Section 4(d), or a new location for its chief executive offices, or to establish a new name other than as set forth in Section 4(o) in which it may invoice account debtors, maintain records concerning Collateral or conduct any of its businesses it shall first, with respect to each such new location or name:

(1) give Bank 10 Business Days prior written notice of its intention to do so and provide Bank with such information in connection therewith as Bank may reasonably request; and

(2) take such action, satisfactory to Bank including, without limitation, all action required by Section 6 hereof, as may be necessary to maintain at all times the first priority security interest of Bank in the Collateral hereunder.

(q) If any of the Loan Parties shall acquire any interest in any Commercial Tort Claim (whether from another person or because such Commercial Tort Claim shall have come into existence), such Loan Party shall immediately notify Bank in a writing signed by such Loan Party of the details thereof and grant to the Bank in such writing a security interest therein and in the Proceeds thereof, with such writing to be in form and substance reasonably satisfactory to Bank.

Section 5. Actions with Respect to Accounts. Each of the Loan Parties irrevocably makes, constitutes and appoints the Bank (and any of the Bank's designated officers, employees or agents) as its true and lawful attorney-in-fact with the power, such power being coupled with an interest, to sign its name and to take any of the following actions after the occurrence of and during the continuation of an Event of Default, in its name or the name of the Bank, as the Bank may determine, at any time without notice to any of the Loan Parties and at the Loan Parties' expense:

(a) Verify the validity and amount of, or any other matter relating to, the Collateral by mail, telephone, telegraph or otherwise;

(b) Notify all account debtors that the Accounts have been assigned to the Bank and that the Bank has a security interest in the Accounts;

(c) Direct all account debtors to make payment of all Accounts directly to the Bank;

(d) Take control in any manner of any cash or non-cash items of payment or proceeds of Accounts;

(e) Notify the United States Postal Service to change the address for delivery of mail addressed to any of the Loan Parties to such address as the Bank may designate;

(f) Receive, open and dispose of all mail addressed to any of the Loan Parties;

(g) Take control in any manner of any rejected, returned, stopped in transit or repossessed goods relating to Accounts;

(h) Enforce payment of and collect any Accounts, by legal proceedings or otherwise, and for such purpose the Bank may:

(1) Demand payment of any Accounts or direct any account debtors to make payment of Accounts directly to the Bank;

(2) Receive and collect all monies due or to become due to any of the Loan Parties;

(3) Exercise all of the Loan Parties' rights and remedies with respect to the collection of Accounts;

(4) Settle, adjust, compromise, extend, renew, discharge or release Accounts;

- (5) Sell or assign Accounts on such terms, for such amount and at such times as the Bank deems advisable;
- (6) Prepare, file and sign each of the Loan Parties' name or names on any Proof of Claim or similar documents in any proceeding filed under federal or state bankruptcy, insolvency, reorganization or other similar law as to any account debtor;
- (7) Prepare, file and sign each of the Loan Parties' name or names on any Notice of Lien, Claim of Mechanic's Lien, Assignment or Satisfaction of Lien or Mechanic's Lien or similar document in connection with the Collateral;
- (8) Endorse the name of the Borrowers upon any chattel papers, documents, instruments, invoices, freight bills, bills of lading or similar documents or agreements relating to Accounts or goods pertaining to Accounts or upon any checks or other media of payment or evidence of a security interest that may come into the Bank's possession;
- (9) Sign the name of each of the Loan Parties to verifications of Accounts and notices of Accounts sent by account debtors to each of the Loan Parties; or
- (10) Take all other actions necessary or desirable to protect the Loan Parties' interest in the Accounts.

Each of the Loan Parties ratifies and approves all acts of said attorneys and agrees that said attorneys shall not be liable for any acts of commission or omission, nor for any error of judgment or mistake of fact or law. This power, being coupled with an interest, is irrevocable until the Secured Obligations are paid in full and each of the Loan Parties shall have performed all of its obligations under this Security Agreement. Each of the Loan Parties further agrees to use its best efforts to assist the Bank in the collection and enforcement of the Accounts and will not hinder, delay or impede the Bank in any manner in its collection and enforcement of the Accounts.

Section 6. Preservation and Protection of Security Interest. Each of the Loan Parties represents and warrants that it has, and covenants and agrees that, it has, good and marketable title to the Collateral from time to time owned or acquired by it free and clear of all mortgages, pledges, liens, security interests, charges or other encumbrances, except those in favor of the Bank and those permitted under the Agreement, and shall defend the Collateral against the claims and demands of all persons, firms and entities whomsoever. Each of the Loan Parties covenants and agrees that it shall not, without the prior written consent of the Bank (i) borrow against the Collateral or any portion of the Collateral from any other person, firm or entity except as and to the extent otherwise permitted under the Agreement, (ii) grant or create or permit to attach or exist any mortgage, pledge, lien, charge or other encumbrance, or security interest on, of or in any of the Collateral or any portion of the Collateral except those in favor of the Bank and those permitted under the Agreement, (iii) permit any levy or attachment to be made against the Collateral or any portion of the Collateral except as may be otherwise permitted under the Agreement or (iv) permit any financing statements to be on file with respect to any of the Collateral, except financing statements in favor of the Bank and financing statements permitted under the Agreement. Each of the Loan Parties shall faithfully preserve and protect the Bank's

security interest in the Collateral and shall, at its own cost and expense, cause, or assist the Bank to cause that security interest to be perfected and continue perfected so long as the Secured Obligations or any portion of the Secured Obligations are outstanding, unpaid or executory. For purposes of the perfection of the Bank's security interest in the Collateral in accordance with the requirements of this Security Agreement, any of the Loan Parties shall from time to time at the request of the Bank file or record, or cause to be filed or recorded, such instruments, documents and notices, including assignments, financing statements and continuation statements, as the Bank may deem necessary or advisable from time to time in order to perfect and continue perfected such security interest. Each of the Loan Parties shall do all such other acts and things and shall execute and deliver all such other instruments and documents, including further security agreements, pledges, endorsements, assignments and notices, as the Bank in its discretion, may deem necessary or advisable from time to time in order to perfect and preserve the priority of such security interest as a first lien security interest in the Collateral prior to the rights of all third persons, firms and entities, except as may be otherwise provided in the Agreement. Each of the Loan Parties irrevocably appoints the Bank (and any of the Bank's designated officers, employees and/or agents) as the attorney-in-fact of each of the Loan Parties with the power, such power being coupled with an interest, to do all acts and things which the Bank may deem necessary or advisable from time to time to preserve, perfect and continue perfected the Bank's security interest in the Collateral in accordance with the requirements of this Security Agreement, including, but not limited to, signing any financing statements or amendments to financing statements evidencing the Bank's security interest in the Collateral for and on behalf of the Loan Parties. Each of the Loan Parties agrees that a carbon, photographic or other reproduction of this Security Agreement or a financing statement is sufficient as a financing statement and may be filed instead of the original.

Section 7. Insurance. Risk of loss of, damage to or destruction of the Collateral is on each of the Loan Parties. Each of the Loan Parties shall insure the Collateral against such risks and casualties and in such amounts and with such insurance companies as is ordinarily carried by corporations or other entities engaged in the same or similar businesses and similarly situated or as otherwise required by the Bank in its commercially reasonable discretion. Each of the Loan Parties' policies of insurance shall contain loss payable clauses in favor of such Loan Party and the Bank as their respective interests may appear and shall contain provision for notification of the Bank thirty (30) days prior to the termination of such policy. All such policies, or certificates evidencing the same, shall be deposited with the Bank. If any of the Loan Parties fails to effect and keep in full force and effect such insurance or fails to pay the premiums when due, the Bank may (but shall not be obligated to) do so for the account of such Loan Party and add the cost thereof to the Secured Obligations. Each of the Loan Parties assigns and sets over to the Bank all monies which may become payable on account of such insurance and directs the insurers to pay the Bank any amount due which are in excess of \$200,000 per occurrence or \$400,000 in the aggregate; provided, however, that in the absence of an Event of Default, the Bank shall, in the case of destroyed equipment, to the extent applicable, permit such Loan Party to use such proceeds to replace destroyed equipment with like equipment so long as such replacement is made within 90 calendar days after such equipment has been destroyed, and provided further that if an Event of Default has occurred and is continuing, the Borrowers assign all monies which may become payable on account of such insurance and direct the insurer to pay the Secured Party all amounts due thereunder. The Bank is irrevocably appointed attorney-in-fact of each of the Loan Parties with the power, such being power coupled with an interest, to endorse any draft

or check which may be payable to any of the Loan Parties in order to collect the proceeds of such insurance.

Section 8. Maintenance and Repair. The Borrowers shall maintain the Equipment, Inventory and Fixtures, and every portion thereof, in good condition, repair and working order, reasonable wear and tear alone excepted, and shall pay and discharge all taxes, levies and other impositions assessed or levied thereon as well as the cost of repairs to or maintenance of the same. If the Borrowers fail to do so, the Bank may (but shall not be obligated to) pay the cost of such repairs or maintenance and such taxes, levies or impositions for the account of the Borrowers and add the amount of such payments to the Secured Obligations.

Section 9. Preservation of Rights Against Third Parties; Preservation of Collateral in Bank's Possession. Until such time as the Bank exercises its right to effect direct collection of the Accounts, Payment Intangibles and the Chattel Paper and to effect the enforcement of the Loan Parties' contract rights, each of the Loan Parties assumes full responsibility for taking any and all steps to preserve rights in respect of the Accounts and the Chattel Paper and its contracts against prior parties. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of such of the Collateral as may come into its possession from time to time if the Bank takes such action for that purpose as any of the Loan Parties shall request in writing, provided that such requested action shall not, in the judgment of the Bank, impair the Bank's security interest in the Collateral or its right in, or the value of, the Collateral, and provided further that the Bank receives such written request in sufficient time to permit the Bank to take the requested action.

Section 10. Events of Default and Remedies.

(a) If any one or more of the Events of Default shall occur or shall exist, the Bank may then, or at any time thereafter, so long as such default shall continue, foreclose its lien or security interest in the Collateral in any way permitted by law, or upon ten (10) days prior written notice to each of the Loan Parties, sell any or all Collateral at private sale at any time or place in one or more sales, at such price or prices and upon such terms, either for cash or on credit, as the Bank, in its sole discretion, may elect, or sell any or all Collateral at public auction, either for cash or on credit, as the Bank, in its sole discretion, may elect, and at any such sale, the Bank may bid for and become the purchaser of any or all such Collateral. Pending any such action the Bank may liquidate the Collateral.

(b) If any one or more of the Events of Default shall occur or shall exist, the Bank may then, or at any time thereafter, so long as such default shall continue, grant extensions to, or adjust claims of, or make compromises or settlements with, debtors, guarantors or any other parties with respect to Collateral or any securities, guarantees or insurance applying thereon, without notice to or the consent of each of the Loan Parties, without affecting the Loan Parties' liability under this Security Agreement, the Agreement, the Notes or any of the other Loan Documents. Each of the Loan Parties waives notice of acceptance, of nonpayment, protest or notice of protest of any Accounts or Chattel Paper or any of its contract rights and any other notices to which any of the Loan Parties may be entitled.

(c) If any one or more of the Events of Default shall occur or shall exist and be continuing, then in any such event, the Bank shall have such additional rights and remedies in respect of the Collateral or any portion thereof as are provided by the Code and such other rights and remedies in respect thereof which it may have at law or in equity or under the Agreement, including without limitation the right to enter any premises where Collateral is located and take possession and control thereof without demand or notice and without prior judicial hearing or legal proceedings, which each of the Loan Parties expressly waives.

(d) The Bank shall apply the Proceeds of any sale or liquidation of the Collateral, and, subject to Section 7, any Proceeds received by the Bank from insurance, first to the payment of the reasonable costs and expenses incurred by the Bank in connection with such sale or collection, including without limitation reasonable attorneys' fees and legal expenses, second to the payment of the Secured Obligations, whether on account of principal or interest or otherwise as the Bank in its sole discretion may elect, and then to pay the balance, if any, to each of the Loan Parties or as otherwise required by law. If such Proceeds are insufficient to pay the amounts required by law, the Loan Parties shall be liable for any deficiency.

(e) Upon the occurrence of any Event of Default, each of the Loan Parties shall promptly upon demand by the Bank assemble the Collateral and make it available to the Bank at a place or places to be designated by the Bank. The right of the Bank under this paragraph to have the Collateral assembled and made available to it is of the essence of this Security Agreement and the Bank may, at its election, enforce such right by an action in equity for injunctive relief or specific performance.

(f) If any one or more of the Events of Default shall occur or shall exist and be continuing, then in any event, the Bank has the right to use and operate under all trade names under which each of the Loan Parties does business.

Section 11. Defeasance. Notwithstanding anything to the contrary contained in this Security Agreement upon payment and performance in full of the Secured Obligations and termination of the Agreement, this Security Agreement shall terminate and be of no further force and effect and the Bank shall thereupon terminate its security interest in the Collateral. Until such time, however, this Security Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns, provided that, without the prior written consent of the Bank, the Loan Parties may not assign this Security Agreement or any of its rights under this Security Agreement or delegate any of its duties or obligations under this Security Agreement and any such attempted assignment or delegation shall be null and void. This Security Agreement is not intended and shall not be construed to obligate the Bank to take any action whatsoever with respect to the Collateral or to incur expenses or perform or discharge any obligation, duty or disability of the Loan Parties.

Section 12. Miscellaneous.

(a) The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall for any reason be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or

enforceability of such provision in any other jurisdiction or any other provision of this Security Agreement in any jurisdiction.

(b) No failure or delay on the part of the Bank in exercising any right, remedy, power or privilege under this Security Agreement and the Agreement shall operate as a waiver thereof or of any other right, remedy, power or privilege of the Bank under this Security Agreement, the Agreement, the Notes or any of the other Loan Documents; nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other right, remedy, power or privilege or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges of the Bank under this Security Agreement, the Agreement, the Notes and the other Loan Documents are cumulative and not exclusive of any rights or remedies which it may otherwise have.

(c) All notices, statements, requests and demands given to or made upon either party in accordance with the provisions of this Security Agreement shall be deemed to have been given or made when personally delivered or when deposited in the United States mail, postage prepaid or with private overnight courier service, charges prepaid, or where transmitted, in the case of telegraphic or facsimile notice, addressed, if to the Loan Parties, at 2126 East 33rd Street, Erie, PA 16510 with a copy to Baker & Hostetler LLP, PNC Center, 1900 E. 9th St., Suite 3200, Cleveland, Ohio 44114, Attention: Phillip Callesen and, if to the Bank, at 525 William Penn Place, 29th Floor, Pittsburgh Pennsylvania 15219, Attention: Commercial Banking Department, or in accordance with the latest unrevoked written direction from either party to the other party.

(d) The section headings contained in this Security Agreement are for reference purposes only and shall not control or affect its construction or interpretation in any respect.

(e) Unless the context otherwise requires, all terms used in this Security Agreement which are defined by the Code shall have the meanings stated in the Code.

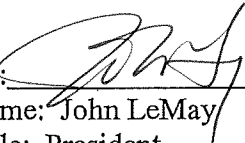
(f) The Code shall govern the settlement, perfection and the effect of attachment and perfection of the Bank's security interest in the Collateral, and the rights, duties and obligations of the Bank and the Borrowers with respect to the Collateral. This Security Agreement shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and the execution and delivery of this Security Agreement and, to the extent not inconsistent with the preceding sentence, the terms and provisions of this Security Agreement shall be governed by and construed in accordance with the laws of that Commonwealth, except the rules applicable to the conflict of laws.

(g) Each of the Loan Parties consents to the exclusive jurisdiction and venue of the Federal and State courts located in Allegheny County, Pennsylvania in any action on, relating to or mentioning this Security Agreement.

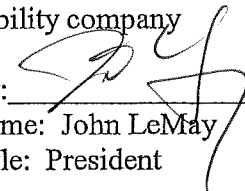
(h) This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one in the same instrument, and any of the parties hereto may execute this Security Agreement by signing any such counterpart.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed and delivered this Security Agreement as of the day and year set forth at the beginning of this Security Agreement.

JTM FOODS, INC., a Pennsylvania corporation

By: 
Name: John LeMay
Title: President

JTM HOLDINGS LLC, a Delaware limited liability company

By: 
Name: John LeMay
Title: President

CITIZENS BANK OF PENNSYLVANIA

By: _____
Name: Donald P. Haddad
Title: Senior Vice President

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JTM FOODS, INC., a Pennsylvania corporation

By: _____
Name: John LeMay
Title: President

JTM HOLDINGS LLC, a Delaware limited liability company

By: _____
Name: John LeMay
Title: President

CITIZENS BANK OF PENNSYLVANIA


By:  _____
Name: Donald P. Haddad
Title: Senior Vice President

EXHIBIT A

LOCATIONS OF COLLATERAL

1. 2126 East 33rd Street, Erie, PA 16510

**SCHEDULE A
TO
SECURITY AGREEMENT
COMMERCIAL TORT CLAIMS**

None.