

06-04-1998



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100727742
RECORDATION SHEET

TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year

- Merger
- Change of Name
- Other _____

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
05011998

Name Golden State Foods Corp.

Formerly _____

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other _____
- Citizenship/State of Incorporation/Organization Delaware

Receiving Party

Mark if additional names of receiving parties attached

Name Bankers Trust Company as Collateral Agent for the Secured Creditors

DBA/AKA/TA _____

Composed of _____

Address (line 1) One Bankers Trust Plaza

Address (line 2) 130 Liberty Street

Address (line 3) New York

New York

10006

City

State/Country

Zip Code

- Individual
- General Partnership
- Limited Partnership

- Corporation
- Association

Other Banking Corporation

Citizenship/State of Incorporation/Organization New York

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231
REEL: 1738 FRAME: 0842

Domestic Representative Name and Address Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s) Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1677904"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1681467"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)

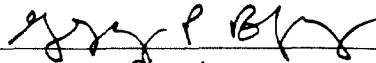
Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Gregory P. Rodgers



5-15-98

Name of Person Signing

Signature

Date Signed

[EXECUTION COPY]

TRADEMARK COLLATERAL SECURITY AGREEMENT
AND CONDITIONAL ASSIGNMENT

This TRADEMARK COLLATERAL SECURITY AGREEMENT AND CONDITIONAL ASSIGNMENT (as amended, modified or supplemented from time to time, this "**Agreement**") is dated as of May __, 1998 and entered into by and among each of the undersigned grantors (each being referred to individually as a "**Grantor**" and collectively as the "**Grantors**"), and BANKERS TRUST COMPANY, as collateral agent for and representative of (in such capacity herein called "**Collateral Agent**") the Secured Creditors (as hereinafter defined).

PRELIMINARY STATEMENTS

A. Golden State Enterprises, Inc. ("Holdings"), a Delaware corporation, and GSF Acquisition, Inc., a Delaware corporation (to be merged with and into Golden State Foods Corp., with Golden State Foods Corp. being the survivor of such merger) ("Company"), have entered into a Credit Agreement dated as of May __, 1998 (said Credit Agreement, as it may hereafter be amended, amended and restated, supplemented or otherwise modified from time to time, being the "**Credit Agreement**"; capitalized terms defined therein and not otherwise defined herein being used herein as therein defined) with the lenders from time to time party thereto (the "Banks"), Bankers Trust Company, as Administrative Agent, The Chase Manhattan Bank, as Syndication Agent, CIBC Inc., as Documentation Agent, and Bankers Trust Company, Chase Securities Inc. and CIBC Oppenheimer Corp., as Co-Arrangers, pursuant to which the Banks have made certain commitments, subject to the terms and conditions set forth in the Credit Agreement, to extend certain credit facilities to Company.

B. It is contemplated that Company may from time to time enter into Interest Rate Protection Agreements with one or more Banks or their Affiliates (collectively, the "**Interest Rate Exchangers**") and Company desires that its obligations under such agreements (and the other Grantors desire that their respective guaranties of such obligations), including the obligation to make payments in the event of early termination thereunder (all of such obligations being the "**Interest Rate Obligations**"), be given the benefits of the security interest created hereby.

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TRADEMARK
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C. It is further contemplated that Company may from time to time enter into Other Hedging Agreements with one or more Banks or their Affiliates (collectively, the "**Hedging Agreement Creditors**", and, together with the Collateral Agent, the Administrative Agent, the Syndication Agent, the Documentation Agent, the Co-Arrangers, the Banks, the Issuing Banks and the Interest Rate Exchangers, the "**Secured Creditors**") and Company desires that its obligations under such agreements (and the other Grantors desire that their respective guaranties of such obligations), including the obligation to make payments in the event of early termination thereunder (all of such obligations being the "**Other Hedging Obligations**"), be given the benefits of the security interest created hereby.

D. Each Grantor owns and uses in its business, and will in the future adopt and so use, various intangible assets, including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto (collectively, the "**Trademarks**").

E. Collateral Agent desires to become a secured creditor with respect to and, under the circumstances described herein, an assignee of all of the existing and future Trademarks, all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof (the "**Registrations**"), all common law and other rights in and to the Trademarks in the United States and any state thereof (the "**Trademark Rights**"), all goodwill of each Grantor's business symbolized by the Trademarks and associated therewith, including without limitation the documents and things described in Section 1(b) (the "**Associated Goodwill**"), and all proceeds of the Trademarks, the Registrations, the Trademark Rights and the Associated Goodwill, and each Grantor agrees to create a secured and protected interest in the Trademarks, the Registrations, the Trademark Rights, the Associated Goodwill and all the proceeds thereof as provided herein.

F. Pursuant to the Security Agreement, Grantors have granted to Collateral Agent a lien on and security interest in, among other assets, the machinery, equipment, inventory, accounts and contract rights relating to the products and services sold or delivered under or in connection with the Trademarks such that, upon the occurrence and during the continuation of an Event of Default, Collateral Agent would be able to exercise its remedies consistent with the Security Agreement, this Agreement and applicable law to foreclose upon Grantors' businesses (or any of them) and use the Trademarks, the Registrations and the Trademark Rights in conjunction with the continued operation of such businesses, maintaining substantially the same product and service specifications and quality as maintained by Grantors (or any applicable Grantor), and benefit from the Associated Goodwill.

G. Upon the occurrence and during the continuation of an Event of Default, and to permit Collateral Agent to operate Grantors' businesses (or any of them) without interruption and to use the Trademarks, Registrations, Trademark Rights and

Associated Goodwill in conjunction therewith, each Grantor is willing to grant to Collateral Agent the conditional assignment of such Grantor's entire right, title and interest in and to the Collateral (as hereinafter defined) and to appoint Collateral Agent as such Grantor's attorney-in-law and attorney-in-fact to execute documents and take actions to confirm said assignments.

H. It is a requirement under the Credit Agreement that each Grantor shall have granted the security interests and made the conditional assignment and undertaken the obligations contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises, in order to induce (i) the Banks to make Loans and other extensions of credit under the Credit Agreement, (ii) the Interest Rate Exchangers to enter into Interest Rate Protection Agreements and (iii) the Hedging Agreement Creditors to enter into Other Hedging Agreements and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, each Grantor hereby agrees with Collateral Agent as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to Collateral Agent, for the benefit of the Secured Creditors, a security interest in all of such Grantor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which such Grantor now has or hereafter acquires an interest and wherever the same may be located (all of which for all Grantors being hereinafter collectively referred to as the "**Collateral**"):

(a) each of the Trademarks and rights and interests in Trademarks which are presently, or in the future may be, owned, held (whether pursuant to a license or otherwise) or used by such Grantor, in whole or in part (including, without limitation, the Trademarks specifically identified below such Grantor's name in Schedule A annexed hereto, as the same may be amended pursuant hereto from time to time), and including all Trademark Rights with respect thereto and all federal and state Registrations therefor heretofore or hereafter granted or applied for, the right (but not the obligation) to register claims under any state or federal trademark law and to apply for, renew and extend the Trademarks, Registrations and Trademark Rights, the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of such Grantor or in the name of Collateral Agent or otherwise for past, present and future infringements of the Trademarks, Registrations or Trademark Rights and all rights (but not obligations) corresponding thereto in the United States, and the Associated Goodwill, excluding, however, any of the foregoing which is not material to such Grantor pursuant to any license that expressly prohibits any such assignment, transfer or conveyance; it being understood that the rights and interests included herein shall include, without limitation, all rights and interests pursuant to licensing or other

contracts in favor of such Grantor pertaining to the Trademarks, Registrations or Trademark Rights presently or in the future owned or used by third parties but, in the case of third parties which are not Affiliates of such Grantor, only to the extent permitted by such licensing or other contracts and, if not so permitted, only with the consent of such third parties;

(b) the following documents and things in such Grantor's possession, or subject to such Grantor's right to possession, related to (x) the production, sale and delivery by such Grantor, or by any Affiliate, licensee or subcontractor of such Grantor, of products or services sold or delivered by or under the authority of such Grantor in connection with the Trademarks, Registrations or Trademark Rights (which products and services shall, for purposes of this Agreement, be deemed to include, without limitation, products and services sold or delivered pursuant to merchandising operations utilizing any Trademarks, Registrations or Trademark Rights); or (y) any retail or other merchandising operations conducted under the name of or in connection with the Trademarks, Registrations or Trademark Rights by such Grantor or any Affiliate, licensee or subcontractor of such Grantor:

(i) all lists and ancillary documents that identify and describe any of such Grantor's customers, or those of its Affiliates, licensees or subcontractors, for products sold and services delivered under or in connection with the Trademarks or Trademark Rights, including without limitation any lists and ancillary documents that contain a customer's name and address, the name and address of any of its warehouses, branches or other places of business, the identity of the Person or Persons having the principal responsibility on a customer's behalf for ordering products or services of the kind supplied by such Grantor, or the credit, payment, discount, delivery or other sale terms applicable to such customer, together with information setting forth the total purchases, by brand, product, service, style, size or other criteria, and the patterns of such purchases;

(ii) all product and service specification documents and production and quality control manuals used in the manufacture or delivery of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights;

(iii) all documents which reveal the name and address of any sources of supply, and any terms of purchase and delivery, for any and all materials, components and services used in the production of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights; and

(iv) all documents constituting or concerning the then current or proposed advertising and promotion by such Grantor or its Affiliates, licensees or subcontractors of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights including, without limitation, all documents which reveal the media used or to be used and the cost for all such advertising conducted within the described period or planned for such products and services;

(c) all books, records, ledger cards, files, correspondence, computer programs, tapes, disks and related data processing software that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon; and

(d) all proceeds, products, rents and profits (including without limitation license royalties and proceeds of infringement suits) of or from any and all of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Collateral Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral. For purposes of this Agreement, the term "**proceeds**" includes whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

SECTION 2. Conditional Assignment. In addition to, and not by way of limitation of, the granting of a security interest in the Collateral pursuant to Section 1, each Grantor hereby, effective upon the occurrence of an Event of Default and upon written notice from Collateral Agent (provided, that if an Event of Default specified in Section 10.05 of the Credit Agreement shall occur, the result which would occur upon the giving of written notice by Collateral Agent shall occur automatically without the giving of any such notice), grants, sells, conveys, transfers, assigns and sets over to Collateral Agent, for its benefit and the ratable benefit of the other Secured Creditors, all of such Grantor's right, title and interest in and to the Collateral, including without limitation such Grantor's right, title and interest in and to the Trademarks identified below such Grantor's name in Schedule A annexed hereto, the goodwill of the business symbolized by said Trademarks and all Registrations relating to said Trademarks, excluding, however, any of the Collateral which is not material to such Grantor that is held or used by such Grantor pursuant to any license that expressly prohibits any such assignment, transfer or conveyance.

SECTION 3. Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration,

demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code), of all obligations and liabilities of every nature of Grantors now or hereafter existing under or arising out of or in connection with the Credit Agreement, the other Credit Documents, the Interest Rate Protection Agreements entered into with any Interest Rate Exchanger and the Other Hedging Agreements entered into with any Hedging Agreement Creditor and all extensions or renewals thereof, whether for principal, interest (including, without limitation, interest that, but for the filing of a petition in bankruptcy with respect to Company or any other Grantor, would accrue on such obligations, whether or not such interest is an allowed claim), reimbursement of amounts drawn under Letters of Credit, fees, expenses, indemnities or otherwise, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from Collateral Agent or any Bank or any Interest Rate Exchanger or any Hedging Agreement Creditor as a preference, fraudulent transfer or otherwise (all such obligations and liabilities being the "**Underlying Debt**"), and all obligations of every nature of Grantors now or hereafter existing under this Agreement (all such obligations of Grantors, together with the Underlying Debt, being the "**Secured Obligations**").

SECTION 4. Grantors Remain Liable. Anything contained herein to the contrary notwithstanding, (a) each Grantor shall remain liable under any contracts and agreements to which it is a party that are included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) Collateral Agent shall not have any obligation or liability under any contracts and agreements included in the Collateral by reason of this Agreement, nor shall Collateral Agent be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 5. Representations and Warranties. Each Grantor represents and warrants as follows:

(a) Description of Collateral. A true and complete list of all Trademarks, Registrations and Trademark Rights owned, held (whether pursuant to a license or otherwise) or used by it, in whole or in part, as of the date of this Agreement is set forth opposite its name in Schedule A annexed hereto.

(b) Validity and Enforceability of Collateral. Each of the Trademarks, Registrations and Trademark Rights that is material to its financial condition or business is valid, subsisting and enforceable and such Grantor is not aware of any pending or threatened claim by any third party that any of such Trademarks, Registrations or Trademark Rights is invalid or unenforceable or that the use of any of the Trademarks, Registrations or Trademark Rights violates the rights of any third person or of any basis for any such claim.

(c) Ownership of Collateral. Except for the security interest and conditional assignment created by this Agreement and Permitted Liens and the licenses entered into in the ordinary course of business, it owns the Collateral in which it grants a security interest and/or conditional assignment hereunder free and clear of any Lien. Except such as may have been filed in favor of Collateral Agent relating to this Agreement and Permitted Liens, (i) no effective financing statement or other instrument similar in effect covering all or any part of the Collateral in which it grants a security interest and/or conditional assignment hereunder is on file in any filing or recording office and (ii) no effective filing covering all or any part of such Collateral is on file in the United States Patent and Trademark Office.

(d) Office Locations; Other Names. As of the date hereof, the chief place of business, the chief executive office and the office where it keeps its records regarding the Collateral is, and has been for the four month period preceding the date hereof, located at the places specified opposite its name in Schedule B annexed hereto. As of the date hereof, such Grantor has not in the past five years done, and does not now do, business under any other name (including any trade-name or fictitious business name) except under the names specified opposite its name in Schedule B annexed hereto.

(e) Governmental Authorizations. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for either (i) the grant by it of the security interest and conditional assignment granted hereby, (ii) the execution, delivery or performance of this Agreement by it, or (iii) the perfection of or the exercise by Collateral Agent of its rights and remedies hereunder in the United States (except as may have been taken by or at the direction of such Grantor).

(f) Perfection. This Agreement, together with the filing of financing statements describing the Collateral with the Secretaries of State of each State listed opposite such Grantor's name on Schedule 5(f) attached hereto and the recording of this Agreement with the United States Patent and Trademark Office, which have been made or will be made immediately following the Initial Borrowing Date, creates a valid, perfected and, except for Permitted Liens, first priority security interest in the

Collateral, securing the payment of the Secured Obligations; provided that additional actions may be required with respect to the perfection of proceeds of the Collateral.

(g) Other Information. All information heretofore, herein or hereafter supplied to Collateral Agent by or on behalf of such Grantor with respect to the Collateral is accurate and complete in all material respects.

SECTION 6. Further Assurances; New Trademarks, Registrations and Trademark Rights.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, such Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that Collateral Agent may reasonably deem to be necessary or desirable, or that Collateral Agent may reasonably request, in order to perfect and protect any security interest or conditional assignment granted or purported to be granted by such Grantor hereby or to enable Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor will: (i) at the reasonable request of Collateral Agent, mark conspicuously each of its records pertaining to the Collateral in which it grants a security interest hereunder with a legend, in form and substance reasonably satisfactory to Collateral Agent, indicating that such Collateral is subject to the security interest granted hereby, (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as Collateral Agent may reasonably deem to be necessary or desirable, or as Collateral Agent may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby, (iii) at the reasonable request of Collateral Agent use its reasonable best efforts (other than the payment of money) to obtain any necessary consents of third parties to the grant and perfection of a security interest and assignment to Collateral Agent with respect to any Collateral, (iv) at any reasonable time, upon reasonable request by Collateral Agent, exhibit the Collateral in which it grants a security interest and/or conditional assignment hereunder to and allow inspection of such Collateral by Collateral Agent, or persons designated by Collateral Agent, and (v) at Collateral Agent's reasonable request, appear in and defend any action or proceeding that may adversely affect such Grantor's title to or Collateral Agent's security interest in all or any material part of the Collateral in which it grants a security interest hereunder.

(b) Each Grantor hereby authorizes Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral in which it grants a security interest and/or conditional assignment hereunder without the signature of such Grantor where permitted by law. Each Grantor agrees that a carbon, photographic or other reproduction of this

Agreement or of a financing statement signed by such Grantor shall be sufficient as a financing statement in respect of the Collateral in which it grants a security interest and/or conditional assignment hereunder and may be filed as a financing statement in any and all jurisdictions.

(c) Each Grantor hereby authorizes Collateral Agent to modify this Agreement without obtaining such Grantor's approval of or signature to such modification by amending Schedule A annexed hereto to include reference to any right, title or interest in any existing Trademark, Registration or Trademark Right or any Trademark, Registration or Trademark Right acquired or developed by such Grantor after the execution hereof (excluding, however, any of the foregoing which is not material to such Grantor and which is held or used by such Grantor pursuant to any license that expressly prohibits any such assignment, transfer or conveyance) or to delete any reference to any right, title or interest in any Trademark, Registration or Trademark Right in which such Grantor no longer has or claims any right, title or interest.

(d) Each Grantor will furnish to Collateral Agent from time to time statements and schedules further identifying and describing the Collateral in which it grants a security interest and/or conditional assignment hereunder and such other reports in connection with such Collateral as Collateral Agent may reasonably request, all in reasonable detail.

(e) If any Grantor shall obtain rights to any new Trademarks, Registrations or Trademark Rights, the provisions of this Agreement shall automatically apply thereto. Each Grantor shall promptly notify Collateral Agent in writing of any rights to any new Trademarks or Trademark Rights acquired by such Grantor after the date hereof and of any Registrations issued by the United States or applications for Registration made in the United States after the date hereof. Concurrently with the filing of an application for Registration in the United States for any Trademark, the filing Grantor shall execute, deliver and record in all places where this Agreement is recorded an appropriate Trademark Collateral Security Agreement and Conditional Assignment, substantially in the form hereof, with appropriate insertions, or an amendment to this Agreement, in form and substance reasonably satisfactory to Collateral Agent, pursuant to which such Grantor shall grant a security interest and conditional assignment to the extent of its interest in such Registration as provided herein to Collateral Agent unless so doing would, in the reasonable judgment of such Grantor, after due inquiry, result in the grant of a Registration in the name of Collateral Agent, in which event such Grantor shall give written notice to Collateral Agent as soon as reasonably practicable and the filing shall instead be undertaken as soon as practicable but in no case later than immediately following the grant of the Registration.

SECTION 7. Certain Covenants of Grantors. Each Grantor shall:

(a) not use or permit any of the Collateral in which it grants a security interest and/or conditional assignment hereunder to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering any such Collateral;

(b) notify Collateral Agent of any change in its name, identity or corporate structure within 15 days of such change;

(c) give Collateral Agent 30 days' prior written notice of any change in its chief place of business or chief executive office or the office where it keeps its records regarding the Collateral;

(d) pay promptly when due all material property and other taxes, assessments and governmental charges or levies imposed upon, and all material claims (including claims for labor, materials and supplies) against, the Collateral in which it grants a security interest and/or conditional assignment hereunder, except to the extent the validity thereof is being contested in good faith; provided that, notwithstanding any other provision in the Credit Documents, such Grantor shall in any event pay such taxes, assessments, charges, levies or claims not later than five days prior to the date of any proposed sale under any judgment, writ or warrant of attachment entered or filed against such Grantor or any of the Collateral in which it grants a security interest hereunder as a result of the failure to make such payment;

(e) not sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral in which it grants or purports to grant a security interest and/or conditional assignment hereunder, except as permitted by the Credit Agreement;

(f) except for the security interest and conditional assignment created by this Agreement and Permitted Liens, not create or suffer to exist any Lien upon or with respect to any of the Collateral in which it grants or purports to grant a security interest and/or conditional assignment hereunder to secure the indebtedness or other obligations of any Person;

(g) diligently keep reasonable records respecting the Collateral in which it grants a security interest and/or conditional assignment hereunder and at all times keep at least one complete set of its records concerning substantially all of the Trademarks, Registrations and Trademark Rights at its chief executive office or principal place of business;

(h) not permit the inclusion in any contract to which it becomes a party of any provision that could reasonably be expected to impair or prevent the creation of a security interest in, or the assignment of, its rights and interests in any property included within the definitions of any Trademarks, Registrations, Trademark Rights and Associated Goodwill acquired under such contracts;

(i) take all steps reasonably necessary to protect the secrecy of all trade secrets relating to the products and services sold or delivered under or in connection with the Trademarks and Trademark Rights, including without limitation entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents;

(j) use proper statutory notice in connection with its use of each of the Trademarks, Registrations and Trademark Rights;

(k) use consistent standards of high quality (which may be consistent with such Grantor's past practices) in the manufacture, sale and delivery of products and services sold or delivered under or in connection with the Trademarks, Registrations and Trademark Rights, including, to the extent applicable, in the operation and maintenance of its retail stores and other merchandising operations; and

(l) upon any of its officers obtaining knowledge thereof, promptly notify Collateral Agent in writing of any event that may materially and adversely affect the value of the Collateral in which it grants a security interest and/or conditional assignment hereunder or any material portion thereof, the ability of it or Collateral Agent to dispose of such Collateral or any material portion thereof, or the rights and remedies of Collateral Agent in relation thereto, including without limitation the levy of any legal process against such Collateral or any material portion thereof.

SECTION 8. Certain Inspection Rights. Each Grantor hereby grants to Collateral Agent and its employees, representatives and agents the right to visit such Grantor's and any of its Affiliate's or subcontractor's plants, facilities and other places of business that are utilized in connection with the manufacture, production, inspection, storage or sale of products and services sold or delivered under any of the Trademarks, Registrations or Trademark Rights, and to inspect the quality control and all other records relating thereto upon reasonable notice to such Grantor and as often as may be reasonably requested; provided that, in the case of subcontractors' and Affiliates' plants and facilities, Collateral Agent's rights granted under this Section 8 shall exist only to the extent permitted by such Grantor's subcontracting agreements with each such subcontractor and such Grantor's arrangements with each such Affiliate; and provided further that each such Grantor will use its reasonable efforts to secure such inspection and visitation rights for Collateral Agent in all such subcontracting agreements to which

such Grantor hereafter becomes a party and in all such arrangements with Affiliates.

SECTION 9. Amounts Payable in Respect of the Collateral. Except as otherwise provided in this Section 9, each Grantor shall continue to collect, at its own expense, all amounts due or to become due to such Grantor in respect of the Collateral in which it grants a security interest and/or conditional assignment hereunder or any portion thereof. In connection with such collections, each Grantor may take (and, following the occurrence and continuation of an Event of Default, at Collateral Agent's direction, shall take) such action as such Grantor or, following the occurrence and continuation of an Event of Default, Collateral Agent may deem necessary or advisable to enforce collection of such amounts; provided, however, that Collateral Agent shall have the right at any time, upon the occurrence and during the continuation of a Default or an Event of Default and upon written notice to such Grantor of its intention to do so, to notify the obligors with respect to any such amounts of the existence of the security interest created, and the conditional assignment effected hereby, and to direct such obligors to make payment of all such amounts directly to Collateral Agent, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. After receipt by any Grantor of the notice from Collateral Agent referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of Collateral Agent hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to Collateral Agent in the same form as so received (with any necessary endorsement) to be held as Collateral and applied as provided by Section 17, and (ii) such Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

SECTION 10. Trademark Applications and Litigation.

(a) Each Grantor shall have the duty diligently, through counsel reasonably acceptable to Collateral Agent, to prosecute any trademark application relating to any of the Trademarks specifically identified opposite its name in Schedule A annexed hereto that is pending as of the date of this Agreement and is material to such Grantor's business, and to file and prosecute opposition and cancellation proceedings, renew United States Registrations and do any and all acts which are necessary or desirable to preserve and maintain all rights in all Trademarks, Registrations and Trademark Rights that are material to such Grantor's business. Any expenses incurred in connection therewith shall be borne solely by such Grantor.

(b) Except as provided in Section 10(d) and notwithstanding Section 2, each Grantor shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Collateral in which it grants a security interest and/or conditional assignment hereunder. Collateral Agent shall provide, at such Grantor's expense, all reasonable and necessary cooperation in connection with any such suit, proceeding or action including, without limitation, joining as a necessary party.

(c) Each Grantor shall promptly, following its becoming aware thereof, notify Collateral Agent of the institution of, or of any adverse determination in, any proceeding (whether in the United States Patent and Trademark Office or any federal, state, local or foreign court) described in Section 10(a) or 10(b) or regarding such Grantor's claim of ownership in or right to use any of the Trademarks, Registrations or Trademark Rights that are material to such Grantor's business, its right to register the same, or its right to keep and maintain such Registration. Each Grantor shall provide to Collateral Agent any information with respect thereto reasonably requested by Collateral Agent.

(d) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default, Collateral Agent shall have the right (but not the obligation) to bring suit, in the name of any Grantor, Collateral Agent or otherwise, to enforce any Trademark, Registration and/or Trademark Right that is material to the Grantors' businesses (or any of them), Associated Goodwill and any material license thereunder, in which event Grantors shall, at the reasonable request of Collateral Agent, do any and all lawful acts and execute any and all documents reasonably required by Collateral Agent in aid of such enforcement and Grantors shall promptly, upon demand, reimburse and indemnify Collateral Agent as provided in Section 18 in connection with the exercise of its rights under this Section 10. To the extent that Collateral Agent shall elect not to bring suit to enforce any Trademark, Registration, Trademark Right, Associated Goodwill or any license thereunder as provided in this Section 10(d), each Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement of any of the Trademarks, Registrations, Trademark Rights or Associated Goodwill that are material to such Grantor's business by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing necessary to prevent such infringement.

SECTION 11. Non-Disturbance Agreements, etc. If and to the extent that any Grantor is permitted to license any Collateral which is material to its business, Collateral Agent shall enter into a non-disturbance agreement or other similar

arrangement, at such Grantor's request and expense, with such Grantor and any licensee of any Collateral permitted hereunder in form and substance satisfactory to Collateral Agent pursuant to which (a) Collateral Agent shall agree not to disturb or interfere with such licensee's rights under its license agreement with such Grantor so long as such licensee is not in default thereunder and (b) such licensee shall acknowledge and agree that the Collateral licensed to it is subject to the security interest and conditional assignment created in favor of Collateral Agent and the other terms of this Agreement.

SECTION 12. Reassignment of Collateral. If (a) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be continuing, (b) no other Event of Default shall have occurred and be continuing, (c) an assignment to Collateral Agent of any rights, title and interests in and to the Collateral shall have been previously made and shall have become absolute and effective pursuant to Section 2, Section 13(f) or Section 16(b), and (d) the Secured Obligations shall not have become immediately due and payable, upon the written request of Grantors and the written consent of Collateral Agent, Collateral Agent shall promptly execute and deliver to Grantors, at Grantors' expense, such assignments as may be necessary to reassign to Grantors any such rights, title and interests as may have been assigned to Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by Collateral Agent pursuant hereto; provided that, after giving effect to such reassignment, Collateral Agent's security interest and conditional assignment granted pursuant to Section 1 and Section 2, as well as all other rights and remedies of Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided, further that the rights, title and interests so reassigned shall be free and clear of all Liens other than Liens (if any) encumbering such rights, title and interest at the time of their assignment to Collateral Agent and Permitted Liens.

SECTION 13. Collateral Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints Collateral Agent as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, Collateral Agent or otherwise, from time to time in Collateral Agent's discretion to take any action and to execute any instrument that Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) to endorse such Grantor's name on all applications, documents, papers and instruments necessary for Collateral Agent in the use or maintenance of the Collateral;

(b) to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral in which it grants a security interest hereunder;

(c) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) to file any claims or take any action or institute any proceedings that Collateral Agent may deem necessary or desirable for the collection of any of the Collateral in which it grants a security interest hereunder or otherwise to enforce the rights of Collateral Agent with respect to any of such Collateral;

(e) to pay or discharge taxes or Liens (other than Liens permitted under this Agreement or the Credit Agreement) levied or placed upon or threatened against any of the Collateral in which it grants a security interest hereunder, the legality or validity thereof and the amounts necessary to discharge the same to be determined by Collateral Agent in its sole discretion, any such payments made by Collateral Agent to become obligations of Grantors to Collateral Agent, due and payable immediately without demand; and

(f) (i) to execute and deliver any of the assignments or documents requested by Collateral Agent pursuant to Section 16(b), (ii) to grant or issue an exclusive or non-exclusive license to the Collateral or any portion thereof to any Person, and (iii) otherwise generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral in which it grants a security interest hereunder as fully and completely as though Collateral Agent were the absolute owner thereof for all purposes, and to do, at Collateral Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that Collateral Agent reasonably deems necessary to protect, preserve or realize upon such Collateral and Collateral Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Collateral Agent shall not exercise any powers granted pursuant to this appointment as attorney-in-fact with respect to any Grantor at any time that (i) such Grantor is fully performing its respective obligations hereunder and (ii) no Event of Default has occurred and is then continuing. This appointment as attorney-in-fact shall terminate upon the termination of this Agreement pursuant to Section 19.

SECTION 14. Collateral Agent May Perform. If any Grantor fails to perform any agreement contained herein, Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of Collateral Agent incurred in connection therewith shall be payable by Grantors under Section 18.

SECTION 15. Standard of Care. The powers conferred on Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession (if any) and the accounting for moneys actually received by it hereunder, Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which Collateral Agent accords its own property.

SECTION 16. Remedies. If any Event of Default shall have occurred and be continuing:

(a) Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in any relevant jurisdiction (the "Code") (whether or not the Code applies to the affected Collateral), and also may (i) require any Grantor to, and such Grantor hereby agrees that it will at its expense and upon request of Collateral Agent forthwith, assemble all or part of the Collateral in which it grants a security interest and/or conditional assignment hereunder as directed by Collateral Agent and make it available to Collateral Agent at a place or places to be designated by Collateral Agent that is reasonably convenient to both parties, (ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process, (iii) prior to the disposition of any Collateral, store such Collateral or otherwise prepare such Collateral for disposition in any manner to the extent Collateral Agent deems appropriate, (iv) take possession of any Grantor's premises or place custodians in exclusive control thereof, remain on such premises and use the same for the purpose of taking any actions described in the preceding clause (iii) and collecting any Secured Obligation, (v) exercise any and all rights and remedies of any Grantor under or in connection with the contracts related to the Collateral or otherwise in respect of the Collateral, including without limitation any and all rights of such Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, such contracts, and (vi) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as Collateral Agent may deem commercially reasonable. Collateral Agent or other Secured Creditor may be the purchaser of any or all of the Collateral at any such sale and Collateral Agent, as agent for and representative of the Secured Creditors (but not any Bank, Banks, Interest Rate Exchanger, Interest Rate Exchangers, Hedging Agreement Creditor or Hedging

Agreement Creditors in its or their respective individual capacities unless Required Banks shall otherwise agree in writing), shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor hereby waives any claims against Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree; provided that such sale was conducted in a commercially reasonable manner. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be liable, jointly and severally, for the deficiency and the fees of any attorneys employed by Collateral Agent to collect such deficiency.

(b) Upon written demand from Collateral Agent, each Grantor shall execute and deliver to Collateral Agent an assignment or assignments of the Trademarks, Registrations, Trademark Rights and the Associated Goodwill and such other documents as are necessary or appropriate to carry out the intent and purposes of this Agreement; provided that the failure of any Grantor to comply with such demand will not impair or affect the validity of the conditional assignment effected by Section 2 or its effectiveness upon notice by Collateral Agent as specified in Section 2. Each Grantor agrees that such an assignment (including, without limitation, the conditional assignment effected by Section 2) and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that Collateral Agent (or any Bank or Interest Rate Exchanger or Hedging Agreement Creditor) receives cash proceeds in respect of the sale of, or other realization upon, the Collateral.

(c) Within five Business Days after written notice from Collateral Agent, each Grantor shall make available to Collateral Agent, to the extent within such

Grantor's power and authority, such personnel in such Grantor's employ on the date of such Event of Default as Collateral Agent may reasonably designate, by name, title or job responsibility, to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by such Grantor under or in connection with the Trademarks, Registrations and Trademark Rights, such persons to be available to perform their prior functions on Collateral Agent's behalf and to be compensated by Collateral Agent at such Grantor's expense on a per diem, pro-rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default.

(d) Notwithstanding anything in this Agreement to the contrary, Collateral Agent shall exercise, or shall refrain from exercising, any remedy provided for in Section 16(a) in accordance with the instructions of the Required Banks, and the Interest Rate Exchangers and the Hedging Agreement Creditors, by their acceptance of the benefits of this Agreement and the other Credit Documents, hereby agree to be bound by such instructions. The sole rights of the Interest Rate Exchangers and the Hedging Agreement Creditors under this Agreement shall be to be secured by the Collateral and to receive the payments provided for in Section 17.

SECTION 17. Application of Proceeds. Except as expressly provided elsewhere in this Agreement, all proceeds received by Collateral Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of Collateral Agent, be held by Collateral Agent as Collateral for, and/or then, or at any other time thereafter, applied in full or in part by Collateral Agent against, the Secured Obligations in the following order of priority:

FIRST: To the payment of all reasonable costs and expenses of such sale, collection or other realization, including reasonable compensation to Collateral Agent and its agents and counsel, and all other reasonable expenses, liabilities and advances made or incurred by Collateral Agent in connection therewith, and all amounts for which Collateral Agent is entitled to indemnification hereunder and all reasonable advances made by Collateral Agent hereunder for the account of Grantors (or any of them), and to the payment of all reasonable costs and expenses paid or incurred by Collateral Agent in connection with the exercise of any right or remedy hereunder, all in accordance with Section 18;

SECOND: To the payment of all other Secured Obligations (for the ratable benefit of the holders thereof) then due and payable; and

THIRD: To the payment to or upon the order of the Grantor entitled thereto, or to whosoever may be lawfully entitled to receive the same or as a

court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

SECTION 18. Indemnity and Expenses.

(a) Grantors agree, jointly and severally, to indemnify Collateral Agent and each other Secured Creditor from and against any and all claims, losses and liabilities in any way relating to, growing out of or resulting from this Agreement and the transactions contemplated hereby (including, without limitation, enforcement of this Agreement), except to the extent such claims, losses or liabilities result solely from Collateral Agent's or such other Secured Creditor's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

(b) Grantors shall jointly and severally pay to Collateral Agent upon demand the amount of any and all reasonable costs and expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of Collateral Agent hereunder, or (iv) the failure by any Grantor to perform or observe any of the provisions hereof.

SECTION 19. Continuing Security Interest and Conditional Assignment; Transfer of Loans. This Agreement shall create a continuing security interest in, and conditional assignment of, the Collateral and shall (a) remain in full force and effect until the indefeasible payment in full of all Secured Obligations (other than Obligations which are contingent and unliquidated and not due and owing on such date and which pursuant to the provisions of the Credit Agreement, Interest Rate Protection Agreements, Other Hedging Agreements, Letters of Credit or the other Credit Documents survive the termination of the Credit Agreement, the repayment of the Secured Obligations, the termination of the Total Commitment, the expiration or cancellation of all Letters of Credit and the termination, expiration or cancellation of all Interest Rate Protection Agreements and all Other Hedging Agreements), the cancellation or termination of the Total Commitment, the cancellation or expiration of all outstanding Letters of Credit and the termination, expiration or cancellation of all Interest Rate Protection Agreements and all Other Hedging Agreements, (b) be binding upon each Grantor, its successors and assigns, and (c) inure, together with the rights and remedies of Collateral Agent hereunder, to the benefit of Collateral Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), but subject to the provisions of Section 13.04 of the Credit Agreement, (x) any Bank may assign or otherwise transfer all or a portion of its Commitments and related outstanding Loans held by it to any other Person, and such other Person shall

thereupon become vested with all the benefits in respect thereof granted to Banks herein or otherwise, (y) any Interest Rate Exchanger may assign or otherwise transfer any Interest Rate Obligations owing to it to another Bank or an Affiliate of such Bank or another Bank, and such other Bank or Affiliate shall thereupon become vested with all the benefits in respect thereof granted to such Interest Rate Exchanger herein or otherwise and (z) any Hedging Agreement Creditor may assign or otherwise transfer any Other Hedging Obligations owing to it to another Bank or an Affiliate of such Bank or another Bank, and such other Bank or Affiliate shall thereupon become vested with all the benefits in respect thereof granted to such Hedging Agreement Creditor herein or otherwise. Upon the indefeasible payment in full of all Secured Obligations (other than Obligations which are contingent and unliquidated and not due and owing on such date and which pursuant to the provisions of the Credit Agreement, Interest Rate Protection Agreements, Other Hedging Agreements, Letters of Credit or the other Credit Documents survive the termination of the Credit Agreement, the repayment of the Secured Obligations, the termination of the Total Commitment, the expiration or cancellation of all Letters of Credit and the termination, expiration or cancellation of all Interest Rate Protection Agreements and all Other Hedging Agreements), the cancellation or termination of the Total Commitment, the cancellation or expiration of all outstanding Letters of Credit and the termination, expiration or cancellation of all Interest Rate Protection Agreements and all Other Hedging Agreements, the security interest and conditional assignment granted hereby shall terminate and all rights to the Collateral shall revert to the Grantor entitled thereto. Upon any such termination Collateral Agent will, at the requesting Grantor's expense, execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

SECTION 20. Collateral Agent as Agent.

(a) Collateral Agent has been appointed to act as Collateral Agent hereunder by the Banks and, by their acceptance of the benefits of this Agreement and the other Credit Documents, by each Interest Rate Exchanger and each Hedging Agreement Creditor. Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement and upon the instructions of the Required Banks, and the Interest Rate Exchangers and the Hedging Agreement Creditors, by their acceptance of the benefits of this Agreement and the other Credit Documents, hereby agree to be bound by such instructions.

(b) Collateral Agent shall at all times be the same Person that is Administrative Agent under the Credit Agreement. Written notice of resignation by

Administrative Agent pursuant to Section 12.09 of the Credit Agreement shall also constitute notice of resignation as Collateral Agent under this Agreement; and appointment of a successor Administrative Agent pursuant to Section 12.09 of the Credit Agreement shall also constitute appointment of a successor Collateral Agent under this Agreement. Upon the acceptance of any appointment as Administrative Agent under Section 12.09 of the Credit Agreement by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, securities and other items of the Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement, and (ii) execute and deliver to such successor Collateral Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Administrative Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was Collateral Agent hereunder.

SECTION 21. Amendments; Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Collateral Agent (or, in the case of an amendment hereto, by each Grantor and Collateral Agent), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given; provided that any amendment or waiver which adversely affects the interests of the Interest Rate Exchangers or the Hedging Agreement Creditors, as the case may be, but does not result in a similar adverse effect on the interests of the other Secured Creditors shall only be effective with the consent of the holders of a majority of the Interest Rate Obligations or the Other Hedging Obligations, as applicable, given the benefit of the security granted hereunder.

SECTION 22. Notices. Any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed. For the purposes hereof, the address

of each party hereto shall be as set forth under such party's name on the signature pages hereof or, as to either party, such other address as shall be designated by such party in a written notice delivered to the other party hereto.

SECTION 23. Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of Collateral Agent in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

SECTION 24. Obligations Absolute. The obligations of each Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Grantor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement or any other Credit Document; or (c) any amendment to or modification of any Credit Document or any security for any of the Secured Obligations; whether or not such Grantor shall have notice or knowledge of any of the foregoing.

SECTION 25. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 26. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

SECTION 27. Governing Law; Terms. **THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES, EXCEPT TO THE EXTENT THAT THE CODE PROVIDES THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR**

COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. Unless otherwise defined herein or in the Credit Agreement, terms used in Articles 8 and 9 of the Uniform Commercial Code in the State of New York are used herein as therein defined.

SECTION 28. Consent to Jurisdiction and Service of Process. ANY AND ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY GRANTOR ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT EACH GRANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH GRANTOR HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH GRANTOR AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH GRANTOR. Each Grantor hereby agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to such Grantor at its address provided in Section 22, such service being hereby acknowledged by each Grantor to be sufficient for personal jurisdiction in any action against such Grantor in any such court and to be otherwise effective and binding service in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of Collateral Agent to bring proceedings against any Grantor in the courts of any other jurisdiction.

SECTION 29. Waiver of Jury Trial. EACH OF THE GRANTORS AND COLLATERAL AGENT HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including without limitation contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. Each of the Grantors and Collateral Agent acknowledges that this waiver is a material inducement for each of the Grantors and Collateral Agent to enter into a business relationship, that each of the Grantors and Collateral Agent has already relied on this waiver in entering into this Agreement and

that each will continue to rely on this waiver in their related future dealings. Each of the Grantors and Collateral Agent further warrants and represents that it has reviewed this waiver with its legal counsel, and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. **THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A WRITTEN AMENDMENT TO THIS AGREEMENT WHICH MAKES SPECIFIC REFERENCE TO THIS SECTION), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.** In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

SECTION 30. Additional Grantors. The initial Grantors hereunder shall be Holdings, Company and such Subsidiaries of the Company as are signatories hereto on the date hereof. From time to time subsequent to the date hereof, additional Wholly-Owned Subsidiaries of Holdings may become parties hereto, as additional Grantors (each an "Additional Grantor"), by executing a counterpart of this Agreement. Upon delivery of any such counterpart to Collateral Agent, notice of which is hereby waived by Grantors, each such Additional Grantor shall be a Grantor and shall be as fully a party hereto as if such Additional Grantor were an original signatory hereof. At the time of delivery of such counterpart to Collateral Agent, such Additional Grantor also shall deliver to Collateral Agent a supplement to Schedule A and Schedule B annexed hereto, which supplement shall set forth (i) all Trademarks, Registrations, and Trademark Rights then owned, held (whether pursuant to a license or otherwise) or used by such Additional Grantor, in whole or in part, and (ii) the location of the chief place of business, the chief executive office and the office where such Additional Grantor keeps its records regarding the Collateral in which it grants a security interest and/or conditional assignment hereunder, and any names (including any trade-names or fictitious business names) under which such Additional Grantor then does, or in the immediately preceding five years has done, business. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of Collateral Agent not to cause any Subsidiary of Holdings to become an Additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

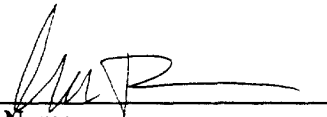
SECTION 31. Counterparts. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages

may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[Remainder of page intentionally left blank]

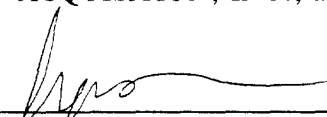
IN WITNESS WHEREOF, each of the Grantors and Collateral Agent have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

GOLDEN STATE ENTERPRISES, INC.,
as Grantor

By: 
Name:
Title:

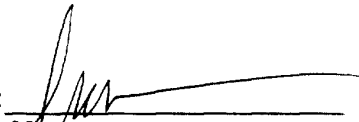
Notice Address:
10000 Santa Monica Boulevard
5th Floor
Los Angeles, CA 90067
Attention: Ira Tochner
Tel: (310) 789-7200
Fax: (310) 789-7201

GSF ACQUISITION, INC., as Grantor

By: 
Name:
Title:


Notice Address:
10000 Santa Monica Boulevard
5th Floor
Los Angeles, CA 90067
Attention: Ira Tochner
Tel: (310) 789-7200
Fax: (310) 789-7201

GSF HOLDINGS, INC., as Grantor

By: 
Name: _____
Title:


Notice Address:
18301 Von Karman Avenue, Suite 1100
Irvine, CA 92612
Attention: Richard W. Gochnauer
Tel: (714) 252-2000
Fax: (714) 252-2084

GOLDEN STATE FOODS CORP., as
Grantor

By: 
Name: _____
Title:

Notice Address:
18301 Von Karman Avenue, Suite 1100
Irvine, CA 92612
Attention: Richard W. Gochnauer
Tel: (714) 252-2000
Fax: (714) 252-2084

GOLDEN STATE FOODS
INTERNATIONAL. INC., as Grantor

By: 
Name:
Title:

Notice Address:
18301 Von Karman Avenue, Suite 1100
Irvine, CA 92612
Attention: Richard W. Gochnauer
Tel: (714) 252-2000
Fax: (714) 252-2084

TRADEMARK SECURITY AGREEMENT

Schedule A: Trademarks, Registrations and Trademark Rights

Intellectual Property

GOLDEN STATE FOODS CORP.

1. Service Mark Registration (Reg. No. 1,677,904). "*GSF Corp.*" registered March 3, 1992 by GSF Corp., for processing food products for others, in Class 40, and for distributorship services in the field of food products and restaurant supplies, in Class 42.
2. Service Mark Registration (Reg. No. 1,681,467). "*gsf*" registered March 31, 1992 by GSF Corp., for processing food products for others, in Class 40, and for distributorship services in the field of food products and restaurant supplies, in Class 42.
3. Service Mark Registration (Reg. No. 1,677,904). "*GSF*" registered March 16, 1993 by GSF Corp., for processing food products for others, in Class 40.
4. Service Mark Registration (Reg. No. 1,677,904). "*GSF*" registered March 23, 1993 by GSF Corp., for distributorship services in the field of food products and restaurant supplies, in Class 42.
5. Trademarks of The Coca-Cola Company used by GSF Corp. in the production and packaging of certain products for Coca-Cola Foods: "Minute Maid"; "Hi-C"; "Five Alive"; and "Bright and Early."
6. Vendor Confidentiality Agreement, dated February 16, 1996, between Taco Bell Corp., a California corporation, and GSF Corp., pursuant to which Taco Bell Corp. provided certain information about orange juice.
7. Agreement, dated April 10, 1991, between the Union of Orthodox Jewish Congregations of America, Kashruth Division (the "OU") and GSF Corp., pursuant to which certain products are certified for year-round Kosher use excluding Kosher for Passover use.
8. Trademarks and trade secrets of the McDonald's Corporation used by GSF Corp. in the production and packaging of certain products for McDonald's.

GSF HOLDINGS, INC.

None

GSF ACQUISITION, INC.

None

GOLDEN STATE FOODS INTERNATIONAL, INC.

None

GOLDEN STATE ENTERPRISES, INC.

None

TRADEMARK SECURITY AGREEMENT

Schedule B - Office Locations and Trade and Fictitious Names

Principal Place of Business:

Golden State Enterprises, Inc.

10000 Santa Monica Boulevard, 5th Floor
Los Angeles, CA 90067

GSF Acquisition, Inc.

10000 Santa Monica Boulevard, 5th Floor
Los Angeles, CA 90067

GSF Holdings, Inc.

18301 Von Karman Avenue, Suite 1100
Irvine, CA 92612

Golden State Foods Corp.

18301 Von Karman Avenue, Suite 1100
Irvine, CA 92612

Golden State Foods International Corp.

(Delaware Corporation)
18301 Von Karman Avenue, Suite 1100
Irvine, CA 92612

GSF Australia Pty Limited

47 Bachell Avenue
Lidcombe, NSW 2141

GSF Egypt LLC

First Industrial Zone
Lot 321
Sixth of October City, Egypt

GSF Mexico LLC

18301 Von Karman Avenue, Suite 1100
Irvine, CA 92612

GSF Servicios, LLC

18301 Von Karman Avenue, Suite 1100
Irvine, CA 92612



05-20-1998

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MOSCOW
PARIS
PRAGUE
STOCKHOLM
WARSAW

AFRICA
JOHANNESBURG

WHITE & CASE
LIMITED LIABILITY PARTNERSHIP
633 WEST FIFTH STREET
LOS ANGELES, CALIFORNIA 90071-2007

TELEPHONE: (1 - 213) 620-7700
FACSIMILE: (1 - 213) 687-0758

DIRECT DIAL: (213) 620-7798

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SINGAPORE
TOKYO

MIDDLE EAST
JEDDAH
RIYADH

LATIN AMERICA
MEXICO CITY
SAO PAULO

May 15, 1998

BY HAND

The Honorable Commissioner
of Patents and Trademarks
United States Patent and Trademark Office
2011 Jefferson Davis Highway
Arlington, VA 22202
Attn: Box Assignments

Re: Bankers Trust Company/Golden State Foods Corp.

RECEIVED
MAY 20 9 55 AM '98
PATENT & TRADEMARK OFFICE
ARLINGTON, VA

Dear Christine:

Enclosed for immediate recording with your office, please find a Trademark Collateral Security Agreement and Conditional Assignment (the "Security Assignment") by and between the above-referenced parties, together with a recordation cover sheet and filing fee in the amount of \$65.00. Please file the Security Assignment immediately and send a recorded copy, stamped with a reel and page number, to my attention at the address above, at your earliest convenience.

Thank you for your assistance with this matter. If you have any questions, please call me at the number above.

Very truly yours,


Gregory Rodgers

GPR:jms

Enclosures