

Annex B-1

Registered Trademarks

<u>Registered Trademark</u>	<u>Int'l Class</u>	<u>Country of Registration</u>	<u>Registration Number</u>	<u>Date Issued</u>
La Madeleine	42	USA	1,614,450	09/18/90
French Bakery and Design	30	USA	1,393,439	05/13/86
La Madeleine and Design	42	USA	1,538,543	05/09/89
La Madeleine	N/A	Canada	433,808	09/30/94
La Madeleine and Design	30, 42	France*	1,715,496	06/03/91
La Madeleine	42	Mexico	447,657	11/30/93
La Madeleine and Design	42	Mexico	441,850	05/21/92
La Madeleine and Design	N/A	Canada	454,040	2/16/96
La Madeleine (Stylized)	30, 42	International Register*	584,598	3/20/97
Home Away From Home	42	USA	1,645,635	05/21/91

*in the name of Patrick Esquerre

Annex B-2

Trademark Application

<u>Trademark</u>	<u>Serial No.</u>	<u>Int'l Class</u>	<u>Application Date</u>	<u>Country of Application</u>
La Madeleine Cuisine	75/245,754	42	2/21/97	USA

0100\0069\137746.3



04-19-1999

U.S. Patent & TMO/c/TM Mail RcptDt. #26

INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT

dated as of March 17, 1999

Between

LA MADELEINE, INC.
as Debtor

and

NATIONSBANK, N.A.,
as Administrative Agent
as Secured Party

0100\0069\137746.3

TRADEMARK
REEL: 1893 FRAME: 0004

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INTELLECTUAL PROPERTY
SECURITY AGREEMENT AND ASSIGNMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT, dated as of March 17, 1999, between La Madeleine, Inc., a Texas corporation ("Debtor"), and NationsBank, N.A., as Administrative Agent ("Secured Party").

RECITALS.

(1) Secured Party and Debtor have entered into a First Amended and Restated Credit Agreement, dated as of March 17, 1999 (as the same may be amended, supplemented or otherwise modified from time to time, being the "*Credit Agreement*").

(2) It is a condition precedent to the obligations of the Secured Party to the continued making of Advances that the Debtor execute and deliver this Agreement.

AGREEMENT.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Lenders to make the Advances under the Credit Agreement, Debtor hereby agrees with Secured Party as follows:

I. ASSIGNMENT AND GRANT OF SECURITY INTEREST

1.01. Assignment and Grant of Security Interest. Debtor hereby assigns, pledges and grants to Secured Party a security interest in, the entire right, title and interest of Debtor, in and to the Collateral.

1.02. Security for Obligations. This Agreement creates a first priority security interest securing the payment and performance of any and all obligations now or hereafter existing of Debtor and any other Person (other than Secured Party) under the Credit Agreement and Loan Papers, including any extensions, modifications, substitutions, amendments and renewals thereof, whether for principal, interest, fees, expenses, indemnification or otherwise (all such obligations of Debtor and such other Persons being the "Obligations"). Without limiting the generality of the foregoing, to the extent not prohibited by Law, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by Debtor and any other Person (other than Secured Party) to Secured Party under any Loan Paper, but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Debtor or any other Person (including all such amounts which would become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code, 11 U.S.C. § 362(a), and the operation of Sections 502(b) and 506(b) of the United States Bankruptcy Code, 11 U.S.C. § 502(b) and § 506(b) or any analogous stay under any foreign law).

1.03. Validity and Priority of Security Interest. Debtor agrees that the Security Interest shall at all times be valid, perfected, continuing and binding and enforceable against Debtor, in accordance with the terms hereof, as security for the Obligations, and that the Collateral shall not at any time be subject to any Lien, other than Permitted Liens and Existing Liens.

1.04. Maintenance of Status of Security Interest, Collateral and Rights.

(a) Required Action. Debtor shall take all action that may be necessary or that Secured Party may reasonably request, so as at all times (i) to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 1.03 (excluding only Excluded Property), and (ii) to protect and preserve, and to enable the exercise or enforcement of, the rights of Secured Party hereunder (excluding only Excluded Property), including (A) immediately discharging all Liens, other than Liens described in Section 4 of the Credit Agreement, (B) executing and delivering the notice in the form of Schedule 1.04(a)(ii)(B), (C) executing and delivering the notice in the form of Schedule 1.04(a)(ii)(C), (D) executing and delivering the notice in the form of Schedule 1.04(a)(ii)(D) and (E) executing and delivering financing or continuation statements, instruments of pledge, notices and instructions in each case in form and substance reasonably satisfactory to Secured Party.

(b) Protection of Collateral. Debtor shall protect, preserve, renew and maintain, in each case in a manner consistent with reasonably responsible business and legal practices, all rights of Debtor in the Collateral (excluding only Excluded Property), including the duty to prosecute and/or defend against any and all suits concerning infringement or dilution of the Collateral, any suits against Debtor asserting the invalidity of the Collateral and any suits claiming injury to the goodwill associated with any of the Collateral, unless Debtor determines in good faith that prosecution or defense of such suit is not in its business interests and Secured Party, in its reasonable judgment, agrees with such determination. Any expenses incurred in protecting, preserving, renewing and maintaining the Collateral shall be borne by Debtor. To the maximum extent permitted by Laws, after a Default or Event of Default shall have occurred and be continuing, Secured Party shall have the right, without taking title to any Collateral, to bring suit to enforce any or all Collateral or its Security Interest in any or all of the Collateral, in which event Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement. All reasonable costs, expenses and other moneys advanced by Secured Party in connection with the foregoing shall, whether or not there are then outstanding any Advances under the Credit Agreement, be treated as Obligations, but the making of any such advances by Secured Party shall not relieve Debtor of any default hereunder.

(c) Authorized Action. Secured Party is hereby authorized to file one or more financing or continuation statements or amendments thereto and instruments of pledge, notices and instructions without the signature of or in the name of Debtor. A carbon, photographic or other reproduction of this Agreement or of any financing statement filed in connection with this Agreement shall be sufficient as a financing statement.

(d) State Registrations. Debtor shall renew or maintain, as specified in any applicable Law and shall make any filings necessary to renew or maintain each registration described in Section 2.06.

1.05. Debtor Remains Obligated; Secured Party Not Obligated. The grant by Debtor to Secured Party of the Security Interest shall not relieve Debtor from the performance of any term, covenant, condition or agreement on its part to be performed or observed (including by virtue of the exercise by Secured Party of any of its rights hereunder), or from any liability to any Person, under or in respect of any of the Collateral or impose any obligation on Secured Party or any Secured Party or impose any liability on Secured Party for any act or omission on the part of Debtor relative thereto.

1.06. Termination.

(a) In the event that (i) the License Agreement shall have been terminated pursuant to a written termination by Secured Party delivered to Debtor, and (ii) the Obligations shall have been finally paid in full, and all commitments by Secured Party to extend credit shall have been terminated and Secured Party shall have delivered to Debtor a written termination agreement (which Secured Party agrees to promptly execute and deliver upon satisfaction of the conditions set forth in clause (ii) hereof), then this Agreement shall also terminate and be of no further force and effect (except as provided in Section 1.06(b)).

(b) Debtor agrees that, if at any time all or any part of any payment theretofore applied by Secured Party to any of the Obligations is or must be rescinded or returned by any Person for any reason whatsoever (including the insolvency, bankruptcy or reorganization of Debtor or any other Person), such Obligations shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by Secured Party, and the Security Interest granted hereunder shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by Secured Party had not been made.

1.07. Security Interest Absolute. All rights of Secured Party and the Security Interest granted to Secured Party hereunder, and all obligations of Debtor hereunder, shall, to the extent permitted by Laws, be absolute and unconditional, irrespective of

(a) any lack of validity or enforceability of any Loan Paper;

(b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations or any other amendment to or waiver of or any consent to departure from any Loan Paper;

(c) any exchange, release or non-perfection of any collateral (including the Collateral or any part thereof), or any release of or amendment to or waiver of or consent to departure from any guaranty, for all or any of the Obligations; or

(d) any other circumstances which might otherwise constitute a defense available to, or a discharge of, Debtor, a guarantor, third party grantor of a Lien or any other Person which is, or the property of which is, liable for any of the Obligations.

II. REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants as follows:

2.01. Organization; Power. Debtor is a corporation duly organized, validly existing and in good standing under the laws of Texas and has the corporate power and authority to own its property and to carry on its business as now being and hereafter proposed to be conducted.

2.02. Authorization; Enforceability; Required Consents; Absence of Conflicts. Debtor has the power, and has taken all necessary action (including any necessary corporate action) to authorize it, to execute, deliver and perform in accordance with its terms this Agreement and to execute and deliver all financing statements and other filings contemplated hereby. This Agreement has been duly executed and delivered by Debtor and is the legal, valid and binding obligation of Debtor, enforceable in accordance with its terms. The execution, delivery and performance in accordance with its terms by Debtor of this Agreement does not and (absent any change in any Law) will not (a) require any Governmental Approval or any other consent or approval, including any consent or approval of any partner of Debtor, other than those Governmental Approvals, consents or approvals listed on Schedule 2.02 hereto which have been duly obtained and remain in full force and effect, or (b) violate or conflict with, result in a breach of, constitute a default under, or result in or require the creation of any Lien (other than the Security Interest) upon any assets of Debtor (other than a Lien on the Collateral or any portion thereof) under any such contract or agreement or applicable Laws.

2.03. Accuracy of Questionnaire. The Questionnaire is, as of the date hereof, complete and correct in all material respects.

2.04. Rights of Debtor. Debtor is the legal and beneficial owner of the Collateral free and clear of any Lien or other charge or encumbrance, including, without limitation, pledges, assignments, licenses, shop rights and covenants by Debtor not to sue any Person, except for the security interests and assignment created by this Agreement and any non-exclusive rights in the Collateral granted by Debtor to its Subsidiaries. No effective financing statement or other instrument similar in effect naming Debtor as "debtor" covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of Secured Party relating to this Agreement or any prior Security Agreement.

2.05. Perfection. This Agreement will create in favor of Secured Party valid and perfected security interests in the Collateral upon making the filing of Schedules 1.04(a)(ii)(B),(C) and (D) and such security interests will be a first priority security interest.

2.06. State Registrations. Schedule 2.06 lists each and all registrations and applications of Debtor with the applicable authority of each indicative state with respect to any Trademarks, Goodwill, Patents, Copyrights and Trade Secrets.

2.07. Other Property. On the date hereof, Debtor has no interest in any Patents or Copyrights which are registered or subject to any application for registration and Debtor does not believe, after appropriate review of all relevant facts and circumstances, that any registration or filing with respect to any interest Debtor may have in any property which may constitute Patents or Copyrights is necessary to the operation of Debtor's existing and anticipated business.

III. COVENANTS

3.01. Certain Matters Relating to Preservation of Status of Security Interest.

(a) Chief Executive Office. Debtor shall not change its chief executive office and the office where the books and records relating to the Collateral are kept from La Madeleine, Inc., 6060 North Central Expressway, Suite 100, Dallas, Texas 75206 without (i) giving Secured Party thirty days' prior written notice thereof and (ii) performing all acts required by Secured Party to preserve the Liens herein granted and the priority and perfection thereof.

(b) Change of Name, Identity, etc. Debtor shall not change its name, identity or corporate structure without (i) giving Secured Party thirty days' prior written notice thereof and (ii) performing all acts required by Secured Party to preserve the Liens herein granted and the priority and perfection thereof.

3.02. Preservation of Existence and Preservation of Enforceability. Debtor shall, so long as any of the Obligations remain outstanding, (a) preserve and maintain its corporate existence and (b) take all action and obtain all consents and Government Approvals required so that its obligations under this Agreement will at all times be legal, valid and binding and enforceable in accordance with its terms.

3.03. Requested Information. In addition to such other Information as shall be specifically provided for herein, Debtor shall furnish to Secured Party such other Information with respect to the Collateral as Secured Party may reasonably request from time to time in connection with the Collateral, or the protection, preservation, maintenance or enforcement of the Security Interest or the Collateral, including, without limitation, all documents and things in Debtor's possession, or subject to its demand for possession, related to the production and sale by Debtor, or any subsidiary, licensee or subcontractor thereof, of products or services sold by or under the authority of Debtor in connection with the Collateral, including by way of example, without limiting the interest granted by this Agreement: (i) all lists and ancillary documents which identify and describe any of Debtor's customers, or licensees, for products sold or services rendered under or in connection with the Collateral, including without limitation, such existing lists and ancillary documents which contain each customer's full name and address, the full name and address of all of its warehouses and branches, the identity of the Person or Persons having the principal responsibility on each customer's behalf for ordering products or services of the kind supplied by Debtor, the credit, payment,

discount, delivery and other sale terms applicable to such customer, together with detailed information setting forth the total purchases, by brand, product, style and size, and the patterns of such purchases; (ii) all product and service specification documents and production and quality of services sold under or in connection with the Collateral; (iii) all documents which reveal the names and addresses of all sources of supply, and all terms of purchase and delivery, for all materials and components used in the production of products or provision of services, sold under or in connection with the Collateral; and (iv) all documents constituting or concerning the then current or proposed advertising and promotion by Debtor, licensees or subcontractors of products or services sold under or in connection with the Collateral, including, by way of example and not in 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 or services. In connection with its enforcement of the Security Interest, after the expiration of the 30 day cure period after the occurrence of an Event of Default, Secured Party may use such Information or transfer it to any assignee or sublicensee permitted hereunder for such assignee's or sublicensee's use. Prior to the occurrence of an Event of Default which is continuing and until the expiration of the applicable cure period, Secured Party shall maintain the confidentiality of the information delivered in this Section 3.03 using the same standard of care as applicable for Trademarks, Goodwill, Patents, Trade Secrets, and Copyrights; provided Secured Party shall have no duty to preserve the confidentiality of any such information with respect to any disclosure (i) to Secured Party's regulators, auditors or attorneys, who shall recognize the confidentiality of such information, (ii) made pursuant to the order of any Governmental Authority, (iii) consented to by Debtor or (iv) of any such information which was, prior to the date of such disclosure, disclosed by Debtor to any third party and such party is not subject to any confidentiality or similar disclosure restriction with respect to such information.

3.04. No Disposition of Collateral. Debtor shall not sell, transfer or otherwise dispose of any of the Collateral or any interest therein, or grant any license thereunder (other than under or as permitted by the License Agreement), except that license may be granted by Debtor, but only with the prior written consent of Secured Party which consent shall not be unreasonably withheld.

3.05. Additional Property. Prior to the application for, use or acquisition or any interest in any property which is within the definition of "Collateral" or modification, reformulation or other alteration to any such interest, Debtor shall execute and deliver to Secured Party all documents and instruments Secured Party may require to grant to Secured Party a perfected first priority Lien therein and to subject to all of such interest to this Agreement, including but not limited to any new, supplementary or additional filings in the form of Schedule 1.04(a)(ii)(B), (C), or (D). Debtor shall execute and deliver to Secured Party such amendments, modifications and supplements to the License Agreement and additional license agreements as Secured Party may require.

IV. EVENT OF DEFAULT

Upon the occurrence and during the continuance of an Event of Default which Event of Default has not been cured within 30 days after its occurrence:

4.01. Application of Proceeds. All cash proceeds received by Secured Party upon any sale of, collection of, or other realization upon, all or any part of the Collateral shall be applied as follows:

First: To the payment of all out-of-pocket costs and expenses incurred in connection with the sale of, collection of or other realization upon Collateral, including attorneys' fees and disbursements;

Second: To the payment of the Obligations as provided in the Credit Agreement (with Debtor remaining liable for any deficiency); and

Third: To the extent of the balance (if any) of such proceeds, to the payment to Debtor or other Person entitled thereto.

4.02. Remedies.

(a) Delivery of Trade Secrets. Within 24 hours after the occurrence of an Event of Default, notwithstanding the 30 day cure period, Debtor will deliver to Secured Party's offices, all of the Trade Secrets, including all recipes and processes.

(b) Power of Sale. Secured Party (i) may sell the Collateral at public or private sale, at any of its offices or elsewhere, for cash (including for this purpose, should Secured Party be the successful purchaser at any such sale, the cancellation of any of the Obligations) or on credit or for future delivery, and at such price or prices and upon such other terms as it may deem commercially reasonable, (ii) shall not be obligated to make any sale of Collateral regardless of notice of sale having been given, and (iii) 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; provided, however, that, if any item of the Collateral constituting a Trademark is assigned or sold, rather than licensed, it shall be assigned or sold only as an entirety. Secured Party may be the purchaser at any sale of the Collateral and may pay all or any part of the purchase price thereof by canceling part or all of the Obligations. To the fullest extent permitted by applicable Law, Debtor hereby waives the right to object to the manner of sufficiency of advertising, refurbishing of the Collateral, or solicitation of bids in connection with any sales or other disposition of the Collateral. Debtor hereby expressly waives and releases, to the fullest extent permitted by applicable Law, any right of redemption on the part of Debtor. If any notification of intended disposition of any of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least five days before such disposition, postage prepaid, addressed to Debtor either at the address shown below, or at any other address of Debtor appearing on the records of Secured Party.

(c) Receiver. Secured Party may obtain the appointment of a receiver of the Collateral.

(d) Enforcement by Secured Party. Secured Party may, without notice to Debtor and at such time or times as Secured Party in its sole discretion may determine, exercise any or all of Debtor's rights in, to and under, or in any way connected with or related to, any or all of the

Collateral, including (i) enforcing the performance of, and exercising any or all of Debtor's rights with respect to the Collateral, in each case by legal proceedings or otherwise and (ii) settling, adjusting, compromising, extending, renewing, discharging and releasing any or all of, and any legal proceedings brought with respect to any or all of, Debtor's rights with respect to the Collateral.

(e) Sale Restrictions. Debtor agrees that, in any sale of any of the Collateral, Secured Party is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise Secured Party is necessary in order to avoid any violation of applicable Law (including compliance with such procedures as may restrict the number of prospective bidders or purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchase by any governmental or regulatory authority or official, and Debtor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall Secured Party be liable or accountable to Debtor for any discount allowed by reason of the fact that such Collateral was sold in compliance with any such limitation or restriction.

4.03. Expenses. Debtor will upon demand pay to Secured Party the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which Secured Party 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 Secured Party hereunder, or (iv) the failure by Debtor to perform or observe any of the provisions hereof.

4.04. Cure Period. The 30 day cure period granted to Debtor under this Agreement, granting Debtor 30 days to cure an Event of Default before Secured Party exercises its remedies (other than obtaining the Trade Secrets), pertains only to the Collateral described in this Agreement and does not place any limitation on Secured Party's ability to exercise its rights immediately upon an Event of Default with respect to any other Collateral Document.

V. INTERPRETATION

5.01. Definitional Provision.

(a) Certain Terms Defined by Reference. The terms "collateral", "inventory", "rights", and "security interest" shall have the meanings ascribed thereto in the UCC, or, when capitalized, the meanings specified in subsection (b) below.

(b) Other defined Terms. For purposes of this Agreement:

"Agreement" means this Agreement, including all schedules, annexes and exhibits hereto.

"Bankruptcy Code" means 11 U.S.C. §§ 101-1330 (1991), as amended, or any successor statute.

"Collateral" means Debtor's rights, title and interests, (whatever they may be) in each of the following, in each case whether now or hereafter existing or now owned or hereafter acquired by debtor and whether or not the same is subject to Article 9 of the UCC, and wherever the same may be located:

(i) the Trademarks and Goodwill;

(ii) the Copyrights;

(iii) the Patents;

(iv) the Trade Secrets;

(v) any renewal, reissue, re-examination certificate, extension or the like with respect to the Trademarks, Patents, Copyrights and Trade Secrets;

(vi) all rights to use the Trademarks as trade names or assumed names in all aspects of its business;

(vii) all proceeds and products of the foregoing together with any license in favor of or from Debtor of any of the foregoing in whatever form. The inclusion of "proceeds" of Collateral in the definition of "Collateral" shall not be deemed a consent by Secured Party to any sale or other disposition of any Collateral not otherwise specifically permitted by the terms hereof.

"Copyright" means any copyright, copyright registration and applications for such registration, including but not limited to the copyrights listed on Annex C-1 attached hereto, all subject matter related to such copyrights, in any and all forms, and all copyrights and applications for copyrights related to such copyrights, including those copyrights and applications listed in Annex C-2 attached hereto.

"Credit Agreement" is defined in the recitals.

"Event of Default" means (i) those events described as a "Default" or an "Event of Default" in the Credit Agreement, or (ii) the Rejection of the License Agreement.

"Excluded Property" means any property which is within the definition of Copyrights, Trademarks or Patents and either (A)(i) has not been and is not subject to any existing registration or filing or application for any registration or filing with any applicable Governmental Authority and (ii) Debtor does not believe, after appropriate review of all relevant facts and circumstances, that any registration or filing with respect to such property is necessary to the operation of Debtor's existing and anticipated business as of any date of determination or (B) is property which Debtor

determines, after appropriate review of all relevant facts and circumstances, is not necessary to the operation of Debtor's existing and anticipated business as of the date of such determination and Secured Party, in its reasonable judgment, agrees with such determination.

"Goodwill" means the goodwill of the businesses connected with the use of (or associated with) and symbolized by the Trademarks, but not any other goodwill.

"Governmental Approval" means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Tribunal.

"Information" means data, certificates, reports, statements (including financial statements), documents and other information, other than the Trade Secrets, in form (including electronic media) acceptable to Secured Party.

"Lien" means, with respect to any property or asset (or any income or profits therefrom) of any Person (in each case whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise) (i) any mortgage, lien, pledge, attachment, levy, priority or other security interest or encumbrance of any kind thereupon or in respect thereof and (ii) any arrangement, express or implied, under which the same is subordinated, transferred, sequestered or otherwise identified so as to subject the same, or make the same available for, the payment or performance of any obligation in priority to the payment of the ordinary, unsecured creditors of such Person.

"Loan Paper" means the Credit Agreement and each agreement, certificate and other documents delivered to any Person pursuant to the Credit Agreement.

"Obligations" is defined in Section 1.02.

"Patents" means all patents, all inventions and subject matter related to such patents, in any and all forms, and all patents and applications for patents related to such patents, including but not limited to the patents listed on Annex A-1 attached hereto, all inventions and all subject matter related to such patents, in any and all forms, and all patents and applications for patents related to such patents, including those patents and applications listed on Annex A-2 attached hereto.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

"Questionnaire" means the Questionnaire in the form attached hereto as Schedule 5.01 executed and delivered by Debtor to Secured Party in connection with this Agreement.

"Rejection" means, with respect to the License Agreement in respect of any item of Collateral (other than Excluded Property), the entry of an order in any proceeding authorizing the rejection by Debtor (or a trustee for Debtor or Debtor as debtor-in-possession) of the License Agreement or any analogous event in any proceeding under the laws of any jurisdiction; provided, however, that nothing contained in this Agreement shall be deemed to be an acknowledgment or an

agreement by any party hereto that the License Agreement may be rejected under any law including the Bankruptcy Code or subject to any analogous event under any similar law of any jurisdiction other than the United States.

"Security Interest" means the continuing security interest of Secured Party and assignment to Secured Party in the Collateral intended to be effected by the terms of this Agreement or any financing and continuation statements or other filings contemplated hereby.

"Trade Secrets" means those general intangibles (sometimes known as "trade secrets") listed on Annex D hereto.

"Trademarks" means all trademarks, all designs and logotypes related to such trademarks, in any and all forms, and all trademark registrations and applications for registration related to such trademarks, including but not limited to the trademarks listed on Annex B-1 attached hereto, and all trademark registrations and applications for registration related to such trademarks, including those registrations and applications listed on Annex B-2 attached hereto.

"UCC" means Chapter 9 of the Texas Business and Commerce Code as in effect from time to time in the State of Texas.

(c) Other Definitional Provisions.

(i) Except as otherwise specified herein, all references herein (A) to any Person shall be deemed to include such Person's successors and assigns, (B) to any applicable Law referred to herein shall be deemed references to such applicable Law as the same may have been or may be amended or supplemented from time to time and (C) to this Agreement or other agreement defined or referred to herein shall be deemed a reference to this Agreement or other agreement as the terms thereof may have been or may be amended, supplemented, waived or otherwise modified from time to time.

(ii) Whenever the context so requires, the neuter gender includes the masculine or feminine, the masculine gender includes the feminine, and the singular number includes the plural, and vice versa.

(iii) Except as otherwise indicated, any reference herein to the "Collateral", the "Obligations" or any other collective or plural term shall be deemed to be a reference to each and every item included within the category described by such collective or plural term. so that a reference to the "Collateral" or the "Obligations" shall be deemed a reference to any or all of the Collateral or the Obligations, as the case may be.

(iv) Capitalized terms not otherwise defined herein have the meaning specified in the Credit Agreement, and, to the extent of any conflict, terms as defined in the Credit Agreement shall control (provided, that a more expansive or explanatory definition shall not be deemed a conflict).

5.02. Power of Attorney. Each power of attorney, license and other authorization in favor of Secured Party or any other Person granted by or pursuant to this Agreement shall be deemed to be irrevocable and coupled with an interest.

VI. MISCELLANEOUS

6.01. Expenses of Debtor's Agreements and Duties. Secured Party shall not be liable for the costs and expenses of Debtor arising out of Debtor's performance or observance of the terms, conditions, covenants and agreements to be observed or performed by Debtor under this Agreement.

6.02. Secured Party's Right to Perform on Debtor's Behalf. If Debtor shall fail to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under this Agreement, Secured Party may (but shall not be obligated to) do the same or cause it to be done or performed or observed, either in its name or in the name and on behalf of Debtor, and in the event that Debtor shall have failed to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under this Agreement, then Debtor hereby authorizes Secured Party to do so, and Debtor hereby appoints the Secured Party, and any other Person Secured Party may designate, as Debtor's attorney-in-fact to do, or cause to be done, in the name, place and stead of Debtor in any way in which Debtor itself could do, or cause to be done, any or all things necessary to observe or perform the terms, conditions, covenants and agreements to be observed or performed by Debtor under this Agreement. In addition, Debtor hereby irrevocably appoints Secured Party as Debtor's attorney-in-fact to execute and deliver in Debtor's name and stead to any purchaser at any sale held under Section 4.02 hereof any and all documents and instruments of assignment, transfer and conveyance necessary or appropriate to transfer to such purchaser the Collateral sold at such sale.

6.03. Secured Party's Right to Use Agents. Secured Party may exercise its rights under this Agreement through an agent or other designee.

6.04. No Interference, Compensation or Expense. To the extent not prohibited by applicable Laws, Secured Party may exercise its rights under this Agreement (a) without resistance or interference by Debtor and (b) without payment of any rent, license fee or compensation of any kind to Debtor.

6.05. Limitation of Secured Party's Obligations With Respect to Collateral.

(a) Except as provided in the License Agreement (including quality control matters), Secured Party shall not have any duty or liability to protect or preserve any Collateral or to preserve rights pertaining thereto.

(b) Nothing contained in this Agreement shall be construed as requiring or obligating Secured Party, and Secured Party shall not be required or obligated, to (i) present or file any claim or notice or take any action, with respect to any Collateral or in connection therewith or (ii) notify Debtor of any decline in the value of any Collateral.

6.06. Rights of Secured Party under UCC and Applicable Law. Secured Party shall have, with respect to the Collateral, in addition to all of their rights under this Agreement, (a) the rights of a secured party under the UCC, whether or not the UCC would otherwise apply to the collateral in question, and (b) the rights of a secured party under all other applicable Laws.

6.07. Waivers of Rights Inhibiting Enforcement. Debtor waives (a) except as otherwise provided in this Agreement, **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE OR JUDICIAL HEARING IN CONNECTION WITH SECURED PARTY'S DISPOSITION OF ANY OF THE COLLATERAL INCLUDING ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT THAT DEBTOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, AND ALL OTHER REQUIREMENTS AS TO THE TIME, PLACE AND TERMS OF SALE OR OTHER REQUIREMENTS WITH RESPECT TO THE ENFORCEMENT OF SECURED PARTY'S RIGHTS HEREUNDER** and (b) all rights of redemption, appraisalment or valuation.

6.08. Notices and Deliveries.

(a) Manner of Delivery. All notices, communications and materials (including all Information) to be given or delivered pursuant to this Agreement shall, except in those cases where giving notice by telephone is expressly permitted, be given or delivered in writing. All written notices, communications and materials shall be sent by registered or certified mail, postage prepaid, return receipt requested, by telecopier, or delivered by hand. In the event of a discrepancy between any telephonic notice and any written confirmation thereof, such written confirmation shall be deemed the effective notice except to the extent Secured Party or Debtor has acted in reliance on such telephonic notice.

(b) Addresses. All notices, communications and materials to be given or delivered pursuant to this Agreement shall be given or delivered at the following respective addresses and telecopier and telephone numbers and to the attention of the following individuals or departments:

(i) if to Debtor, to it at:

La Madeleine, Inc.
6060 North Central Expressway
Suite 100
Dallas, Texas 75206

Telecopier No.: 214/696-0485
Telephone No.: 214/696-6962 ext. 297
Attention: Mr. Mark D. Menking

with a copy to:

La Madeleine, Inc.
6060 North Central Expressway
Suite 100
Dallas, Texas 75206

Telecopier No.: 214/373-8738
Telephone No.: 214/696-6962 ext. 286
Attention: Mr. Harry J. Martin, Jr.

(ii) if to Secured Party, to it at:

NationsBank Plaza
901 Main Street
7th Floor
Dallas, Texas 75202
Telecopier No.: (214) 508-0368
Telephone No.: (214) 508-0324

Attention: Commercial Banking Group

or at such other address, telecopier or telephone number or to the attention of such other individual or department as the party to which such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address".

(c) Effectiveness. Each notice, communication and any material to be given or delivered to Secured Party or the Debtor pursuant to this Agreement shall be effective or deemed delivered or furnished (i) if sent by mail, on the seventh Business Day after such notice, communication or material is deposited in the mail, addressed as above provided, (ii) if sent by telecopier, when such notice, communication or material is transmitted to the appropriate number determined as above provided in this Section 6.08 and the appropriate receipt is received or acknowledged, (iii) if sent by hand delivery or overnight courier, when left at the address of the addressee addressed as above provided and the appropriate receipt is received or acknowledged, and (iv) if given by telephone, when communicated to the individual or any member of the department specified as the individual or department to whose attention notices, communications and materials are to be given or delivered except that notices of a change of address, telecopier or telephone number or individual or department to whose attention notices, communications and materials are to be given or delivered shall not be effective until received.

(d) Designation of Notice. No notice shall be effective under Section 3.01(a) or (b) unless it is specifically designated, in the case of a notice under Section 3.01(a), "Notice of Change of Executive Office and Books and Records", and in the case of a notice under Section 3.01(b), "Notice of Change of Name, Identity or Corporate Structure".

6.09. Rights and Remedies Cumulative. Each of Secured Party's rights and remedies under this Agreement shall be in addition to all of its other rights and remedies under this Agreement and applicable Law, and nothing herein shall be construed as limiting any such rights or remedies. With respect to the Collateral granted hereunder, any right Secured Party has under another Loan Paper to act immediately upon the occurrence of an Event of Default with respect to enforcement of its security interests in all collateral is superseded by the provisions of this Agreement, but only with respect to the Collateral described herein.

6.10. Amendments; Waivers. Any term, covenant, agreement or condition of this Agreement may be amended, and any right under this Agreement may be waived, if, but only if, such amendment or waiver is in writing and is signed by Secured Party and, in the case of an amendment, by Debtor. Unless otherwise specified in such waiver, a waiver of any right under this Agreement shall be effective only in the specific instance and for the specific purpose for which given. No election not to exercise, failure to exercise or delay in exercising any right, nor any course of dealing or performance, shall operate as a waiver of any right of the Secured Party under this Agreement or applicable Law, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right of Secured Party under this Agreement or applicable Law.

6.11. Assignments.

(a) Debtor may not assign any of its rights or obligations under this Agreement without the prior written consent of Secured Party.

(b) Secured Party may, in connection with any assignment under and in accordance with the License Agreement to any Person of any or all of the licensee's rights and obligations under such License Agreement, assign to such Person, or any agent(s) or representative(s) on behalf of such licensee and its sublicenses, any or all of Secured Party's rights and obligations under this Agreement and any other document or instrument, including financing and continuation statements and other filings, contemplated hereby and with respect to the Collateral without the consent of Debtor. In addition, Secured Party may assign or otherwise transfer (in whole or in part) to any other Person all of its rights and obligations under any Loan Paper (including this Agreement).

6.12. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE REQUIRED TO GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.

6.13. WAIVER OF JURY TRIAL. SECURED PARTY AND DEBTOR HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDINGS INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER.

6.14. Consent to Jurisdiction; Waiver of Immunities.

(a) Debtor hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Texas State courts sitting in Dallas County in any action or proceeding arising out of or relating to this Agreement, and Debtor hereby irrevocably waives any objection it may now or hereafter have as to the venue of any such suit, action or proceeding brought in such court or that such court is an inconvenient forum.

(b) Nothing in this section shall limit the right of Secured Party to bring any action or proceeding against Debtor or its property in the courts of any other jurisdictions.

(c) Any judicial proceeding by Debtor against Secured Party involving, directly or indirectly, any matter in any way arising out of, related to, or connected with this Agreement shall be brought only in a court in Dallas County, Texas to the extent that jurisdiction may be effected against such Person in Dallas County, Texas.

6.15. Severability of Provisions. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. In the event that any change in applicable Law would render invalid or unenforceable any provision of this Agreement, Debtor agrees to enter into such amendments or modifications to this Agreement to provide Secured Party with benefits intended to be granted by such provision to the fullest extent not prohibited by applicable Law.

6.16. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument.

6.17. Successors and Assigns. All of the provisions of this Agreement shall be binding and inure to the benefit of the parties thereto and their respective successors and assigns.

6.18. Loan Paper. This Agreement is a Loan Paper executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

6.19. Obligations Not Affected. To the fullest extent permitted by applicable Law, the obligations of Debtor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by:

(a) any amendment or modification or addition or supplement to any Loan Paper or any instrument delivered in connection therewith or any assignment or transfer thereof;

(b) any exercise, non-exercise, or waiver by Secured Party of any right, remedy, power or privilege under or in respect of, or any release of any guaranty or the Collateral or any part thereof provided pursuant to, this Agreement or any Loan Paper;

(c) any waiver, consent, extension, indulgence or other action or inaction in respect of this Agreement, any Loan Paper or any assignment or transfer of any thereof; or

(d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of Debtor or any other Person, whether or not Debtor shall have notice or knowledge of any of the foregoing.

6.20. ENTIRE AGREEMENT. THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER LOAN PAPERS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL ARGUMENTS BETWEEN THE PARTIES.

6.21. No Novation. The execution, delivery and effectiveness of this Agreement shall not discharge or release the Lien or priority of any prior Security Agreements, any other security agreement, any pledge agreement or any other instrument securing the Company's obligations for the payment of money outstanding under the Existing Credit Agreement. Nothing herein contained shall be construed as a substitution or novation of any Collateral Documents (as such term is defined in the Existing Credit Agreement) or the Liens granted thereby, all of which shall continue and remain in full force and effect, except as modified hereby, or by instruments executed concurrently herewith.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

DEBTOR:

LA MADELEINE, INC.

By: 

Mark D. Menking, Vice President

SECURED PARTY:

NATIONSBANK, N.A.

By: _____
Name: Todd M. Burns
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

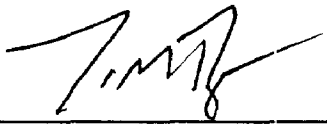
DEBTOR:

LA MADELEINE, INC.

By: _____
Mark D. Menking, Vice President

SECURED PARTY:

NATIONSBANK, N.A.

By:  _____
Name: Todd M. Burns
Title: Vice President

NOTICE OF SECURITY INTEREST IN PATENTS

United States Patent Office

Gentlemen:

Please be advised that pursuant to an Intellectual Property Security Agreement and Assignment (the "Security Agreement") dated as of March __, 1999, between La Madeleine, Inc. ("Debtor") and NationsBank, N.A. ("Secured Party"), Debtor has granted to Secured Party a continuing security interest in, and a continuing lien upon, all of the patents and patent applications described below:

Patents

<u>Patent Number</u>	<u>Patent Title of Patented Item</u>	<u>Date of Patent</u>
	None	

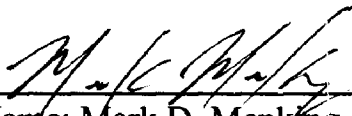
Patent Applications

<u>Patent Application Number</u>	<u>Patent Application Title</u>	<u>Date of Patent Application</u>
	None	

Secured Party's security interest in the described patents and patent applications can be terminated only in accordance with the terms of the Security Agreement.

Very truly yours,

LA MADELEINE, INC.

By: 
Name: Mark D. Menking
Title: Vice President

Acknowledged by:

NATIONSBANK, N.A.,
as Secured Party

By: _____
Name: Todd M. Burns
Title: Vice President

NOTICE OF SECURITY INTEREST IN PATENTS

United States Patent Office

Gentlemen:

Please be advised that pursuant to an Intellectual Property Security Agreement and Assignment (the "Security Agreement") dated as of March __, 1999, between La Madeleine, Inc. ("Debtor") and NationsBank, N.A. ("Secured Party"), Debtor has granted to Secured Party a continuing security interest in, and a continuing lien upon, all of the patents and patent applications described below:

Patents

<u>Patent Number</u>	<u>Patent Title of Patented Item</u>	<u>Date of Patent</u>
	None	

Patent Applications

<u>Patent Application Number</u>	<u>Patent Application Title</u>	<u>Date of Patent Application</u>
	None	

Secured Party's security interest in the described patents and patent applications can be terminated only in accordance with the terms of the Security Agreement.

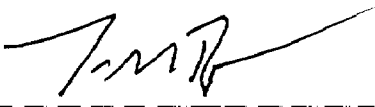
Very truly yours,

LA MADELEINE, INC.

By: _____
Name: Mark D. Menking
Title: Vice President

Acknowledged by:

NATIONS BANK, N.A.,
as Secured Party

By:  _____
Name: Todd M. Burns
Title: Vice President

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NOTICE OF SECURITY INTEREST IN TRADEMARKS

United States Patent and Trademark Office

Gentlemen:

Please be advised that pursuant to an Intellectual Property Security Agreement and Assignment (the "Security Agreement") dated as of March 17, 1999, between La Madeleine, Inc. ("Debtor") and NationsBank, N.A. ("Secured Party"), Debtor has granted to Secured Party a continuing security interest in, and a continuing lien upon, all of the trademarks and trademark applications described below:

Trademark

<u>Trademark Registration Number</u>	<u>Trademark/Description of Trademark</u>	<u>Int'l Class</u>	<u>Country of Regn. Date of Trademark</u>
1,614,450	La Madeleine	42	USA//09/18/90
1,393,439	French Bakery and Design	30	USA//05/13/86
1,538,543	La Madeleine and Design	42	USA//05/09/89
433,808	La Madeleine	N/A	Canada//09/30/94
1,715,496	La Madeleine and Design	30, 42	France*//06/03/91
447,657	La Madeleine	42	Mexico//11/30/92
441,850	La Madeleine and Design	42	Mexico//05/21/92
1,645,635	Home Away From Home	42	USA//05/21/91
454,040	La Madeleine and Design	N/A	Canada//02/16/96
584,598	La Madeleine (stylized)	30, 42	International Register*//03/20/97

*in the name of Patrick Esquerre

Trademark Applications

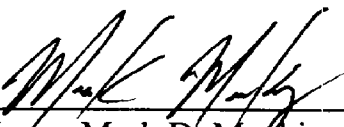
<u>Regn./Trademark Application Serial No.</u>	<u>Trademark/Description of Trademark Applied For</u>	<u>Int'l Class</u>	<u>Country of/Date of Trademark Application</u>
75/245,754	La Madeleine Cuisine	42	USA//02/21/97

Secured Party's security interest in the described trademark and trademark applications can be terminated only in accordance with the terms of the Security Agreement.

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Very truly yours,

LA MADELEINE, INC.

By: 
Name: Mark D. Menking
Title: Vice President

Acknowledged by:

NATIONSBANK, N.A.,
as Secured Party

By: _____
Name: Todd M. Burns
Title: Vice President

Very truly yours,

LA MADELEINE, INC.

By: _____

Name: Mark D. Menking

Title: Vice President

Acknowledged by:

NATIONSBANK, N.A.,
as Secured Party



By: _____

Name: Todd M. Burns

Title: Vice President

NOTICE OF SECURITY INTEREST IN COPYRIGHTS

United States Copyright Office

Gentlemen:

Please be advised that pursuant to an Intellectual Property Security Agreement and Assignment (the "Security Agreement") dated as of March __, 1999, between La Madeleine, Inc. ("Debtor") and NationsBank, N.A. ("Secured Party"), Debtor has granted to Secured Party a continuing security interest in, and a continuing lien upon, all of the copyrights and copyright applications described below:

Copyrights

<u>Copyright Registration Number</u>	<u>Title of Copyrighted Item</u>	<u>Date of Copyright</u>
	None	

Copyright Applications

<u>Copyright Application Number</u>	<u>Copyright Application Title</u>	<u>Date of Copyright Application</u>
	None	

Secured Party's security interest in the described copyright and copyright applications can be terminated only in accordance with the terms of the Security Agreement.

Very truly yours,

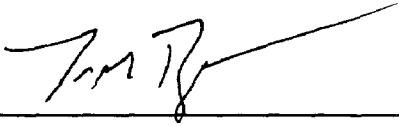
LA MADELEINE, INC.

By: 
Name: Mark/D. Menking
Title: Vice President

Acknowledged by:

NATIONSBANK, N.A.,
as Secured Party

By: _____



Name: Todd M. Burns

Title: Vice President

Schedule 2.02

GOVERNMENTAL CONSENTS,
APPROVALS AND FILINGS

1. UCC-1 filings with the Texas Secretary of State necessary to perfect the security interest granted under this Agreement in the Collateral.
2. Schedule 1.04(a)(ii)(B), together with a complete original of this Agreement, filing with the U.S. Patent and Trademark Office.
3. Schedule 1.04(a)(ii)(C), together with a complete original of this Agreement, filing with the U.S. Patent and Trademark Office.
4. Schedule 1.04(a)(ii)(D), together with a complete original of this Agreement, filing with the U.S. Copyright Office.

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Schedule 2.06

STATE REGISTRATIONS

None as at March 17, 1999

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TRADEMARK
REEL: 1893 FRAME: 0034

Annex A-1

Patents

None as at March 17, 1999

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TRADEMARK
REEL: 1893 FRAME: 0035

Annex A-2

Patent Application

None as at March 17, 1999

0100\0069\137746.3

TRADEMARK
REEL: 1893 FRAME: 0036

Annex B-1

Registered Trademarks

<u>Registered Trademark</u>	<u>Int'l Class</u>	<u>Country of Registration</u>	<u>Registration Number</u>	<u>Date Issued</u>
La Madeleine	42	USA	1,614,450	09/18/90
French Bakery and Design	30	USA	1,393,439	05/13/86
La Madeleine and Design	42	USA	1,538,543	05/09/89
La Madeleine	N/A	Canada	433,808	09/30/94
La Madeleine and Design	30, 42	France*	1,715,496	06/03/91
La Madeleine	42	Mexico	447,657	11/30/93
La Madeleine and Design	42	Mexico	441,850	05/21/92
La Madeleine and Design	N/A	Canada	454,040	2/16/96
La Madeleine (Stylized)	30, 42	International Register*	584,598	3/20/97
Home Away From Home	42	USA	1,645,635	05/21/91

*in the name of Patrick Esquerre

Annex B-2

Trademark Application

<u>Trademark</u>	<u>Serial No.</u>	<u>Int'l Class</u>	<u>Application Date</u>	<u>Country of Application</u>
La Madeleine Cuisine	75/245,754	42	2/21/97	USA

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Annex C-1

Copyrights

Nature of/Interest of
(e.g. owner, licensee)

Copyright No.

Issue Date

Country of Issue

None as at March 17, 1999

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Copyright Applications

Nature of/Interest of
(e.g. owner, licensee)

Country of Issue

Date of Copyright
Application

None as at March 17, 1999

Trade Secrets

Various systems and procedures, mixing procedures for liquids, fabrication methods, sizing techniques, and portioning methods. In addition, recipes for all products, including but not limited to the following product lines and categories:

PASTRY/VIENNOISERIE:

Croissant dough products
Brioche dough products
Feuilletage doughs
Muffin mix and batters
Cookie mix and doughs
Cakes and tarts
Bran muffins
Blueberry muffins
Bread pudding
Coconut macaroon
Chocolate éclair
St. Tropez
Monte Carolo
Famous Napoleon
Strawberry Napoleon
Cheesecake
Fruit tarts
Ann's cake
Black Forest cake
Flan Normand
Raisin cinnamon danish
Coffee cake
Chocolate croissant
Cheese croissant
Apple turnover
Cherry turnover
Almond croissant
Apricot Croissant
Royale brioche
Crème Bruleé
cookies (chocolate chip, oatmeal raisin, white chocolate macademia, triple chocolate)
palmier
chocolate almond croissant
cinnamon scones

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BREADS (MIX, DOUGHS, PREPARATION):

Rye
Sourdough
White
Country
Whole Wheat
Seven Grain
Viennois
Petit pain
Ficelle
Alpinette
Epis
Parisien
Provencale
Muesli
Olive
Walnut Macadamia
Cinnamon Apple
San Francisco Sourdough
Honey Grain
levain
baguette ciabattia
focaccia

TRAITEUR:

Soups (including but not limited to tomato basil soup)
Caesar Salad
Fruit Salads
Other salads
Pochettes
Chicken quiche
Quiche Lorraine
Mushroom quiche
Spinach quiche
Sandwiches
Les "Monsieur" Sandwiches
Friand (chicken)
Salad dressings and toppings
Other entrees
Coffee blends and roasts
Strawberries Romanoff
All Grilled Chicken Items
Rotisserie Chicken and Seasoning

Wild Field
All pastas
Pizza Provencale
Omelette
Breakfast "Cocottes"
Pizza Riviera
Sauces (including mushroom, sundried tomato, mustard and burgundy)
rotisserie turkey
potato galette
rice provencale
albacion friand

INTELLECTUAL PROPERTY SECURITY AGREEMENT
AND ASSIGNMENT QUESTIONNAIRE

La Madeleine, Inc. ("Debtor") is entering into an Intellectual Property Security Agreement and Assignment dated as of March 17, 1999, between La Madeleine, Inc. and NationsBank, N.A. (the "Security Agreement"). Capitalized terms have the meaning specified in the Security Agreement. In connection with the Security Agreement, Debtor is required to answer the following questions:

1. What is Debtor's exact corporate name as it appears in its certificate of incorporation?

LA MADELEINE, INC.

- 2a. State the complete address (including the county) of Debtor's chief executive office and, if different from its chief executive office, of the office where Debtor keeps its books and records relating to all or any portion of the Collateral.

La Madeleine, Inc.
6060 North Central Expressway, Suite 100
Dallas, Texas 75206

- b. If Debtor maintains any records relating to any of the Collateral with an independent computer service firm or the like and if Debtor does not also maintain at one of the locations set forth in 2a above a copy of such records, specify the address (including the county) of each such Person.

none

3. Has Debtor's chief executive office or office where Debtor keeps its books and records relating to the Collateral been located at any other address (including that of any independent computer service firm or the like) during the past five years? If so, specify each such address (including the county).

none

4. Please supply the following information with respect to each patent and patent application in which Debtor has any interest (whether as owner, licensee or otherwise):

Patents

<u>Nature of Interest</u> (e.g. owner, licensee)	<u>Registered Patent No.</u>	<u>Issue Date</u>	<u>Country of Issue</u>
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NONE

Patent Applications

<u>Nature of Interest</u> (e.g. owner, licensee)	<u>Serial Number</u>	<u>Filing Date</u>	<u>Country of Issue</u>
---	----------------------	--------------------	-------------------------

NONE

5. Please supply the following information with respect to each registered trademark and trademark application in which Debtor has any interest (whether as owner, licensee or otherwise):

Registered Trademarks

<u>Nature of Interest of</u> (e.g. owner, licensee)	<u>Registered Trademark</u>	<u>Registration No.</u>	<u>Int'l Class Covered</u>	<u>Goods or Services Covered</u>	<u>Date Registered</u>	<u>Country of Reg.</u>
Owner	La Madeleine	1,614,450	42	retail & wholesale bakery store & restaurant	09/18/90	USA
Owner	French Bakery and Design	1,393,439	30	bread, biscuits, cakes, pastry	05/13/86	USA
Owner	La Madeleine and Design	1,538,543	42	wholesale bakery store & restaurant	05/09/89	USA
Owner	La Madeleine	433,808	N/A	retail & wholesale bakery store & restaurant	09/30/94	Canada
Owner	La Madeleine and Design	1,715,496	30, 42	retail and wholesale bakery store & restaurant	06/03/91	France *
Owner	La Madeleine	447,657	42	retail & wholesale bakery store & restaurant	11/30/93	Mexico

Owner	La Madeleine and Design	441,850	42	retail and wholesale bakery store & restaurant	05/21/92	Mexico
Owner	La Madeleine and Design	454,040	N/A	retail and wholesale bakery, store & restaurant	2/16/96	Canada
Owner	La Madeleine (stylized)	584,598	30, 42	retail and wholesale bakery, store & restaurant	3/20/97	International Register*
Owner	Home Away From Home	1,645,635	42	restaurant & bakery services	05/21/91	USA

*in the name of Patrick Esquerre

Trademark Applications

<u>Nature of Interest of (e.g. owner, licensee)</u>	<u>Trademark Appln. relates to following Trademark</u>	<u>Serial No.</u>	<u>Int'l Class Covered</u>	<u>Goods or Services Covered</u>	<u>Date of Appln.</u>	<u>Country of Appln.</u>
Owner	La Madeleine Cuisine	75/245/754	42	restaurant services	2/21/97	USA

6. Please supply the following information with respect to each registered copyright and copyright application in which Debtor has any interest (whether as owner, licensee or otherwise):

Copyrights

<u>Nature of Interest of (e.g. owner, licensee)</u>	<u>Copyright</u>	<u>Issue Date</u>	<u>No.</u>	<u>Country of Issue</u>
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NONE REGISTERED

Copyright Applications

<u>Nature of Interest of (e.g. owner, licensee)</u>	<u>Copyright</u>	<u>Date of Application</u>	<u>Country of Issue</u>
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NONE REGISTERED

7. Please describe each allegation of use under Section 1(c) or 1(d) of the Trademark Act (15 U.S.C. § 1051, et. seq.) filed by Debtor.

NONE

8. Please supply the following information with respect to each and every trade secret in which Debtor has any interest (whether as owner, licensee or otherwise):

Trade Secrets Owned

Various systems and procedures, mixing procedures for liquids, fabrication methods, sizing techniques, and portioning methods. In addition, recipes for all products, including but not limited to the following product lines and categories:

PASTRY/VIENNOISERIE:

Croissant dough products
Brioche dough products
Feuilletage doughs
Muffin mix and batters
Cookie mix and doughs
Cakes and tarts
Bran muffins
Blueberry muffins
Pecan muffins
Orange muffins
Natural fruit flavored muffins
Bread pudding
Coconut macaroon
Chocolate éclair
St. Tropez
Monte Carolo
Famous Napoleon
Strawberry Napoleon
Cheesecake
Fruit tarts
Ann's cake
Black Forest cake
Lunettes
Mousses
Almond cake
Flan Normand
Raisin cinnamon danish
Coffee cake
Coffee cake with fruit preserves

Chocolate croissant
Cheese croissant
Apple turnover
Apricot turnover
Cherry turnover
Almond croissant
Apricot Croissant
Royale brioche
Crème Bruleé

BREADS (MIX, DOUGHS, PREPARATION):

Rye
Sourdough
White
Country
Whole Wheat
Seven Grain
Bran
Viennois
Petit pain
Ficelle
Alpinette
Epis
Parisien
Provencale
Muesli
Olive
Walnut Macadamia
Cinnamon Apple
San Francisco Sourdough
Honey Grain

TRAITEUR:

Soups
Caesar Salad
Fruit Salads
Other salads
Pochettes
Broccoli quiche
Chicken quiche

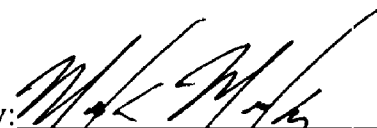
Quiche Lorraine
Mushroom quiche
Shrimp quiche
Spinach quiche
Sandwiches
Les "Monseieur" Sandwiches
Friand
Salad dressings and toppings
Other entrees
Blended coffees
Strawberries Romanoff
All Grilled Chicken Items
Rotisserie Chicken and Seasoning
Wild Field
All pastas
Pizza Provencale
Omelette
Breakfast "Cocottes"

Debtor hereby certifies that its answers to the foregoing are complete and correct in all material respects and confirms that such answers constitute representations and warranties under the Security Agreement.

Date: March 17, 1999

DEBTOR:

LA MADELEINE, INC.

By: 
Name: MARK D. MENKING
Title: VICE PRESIDENT