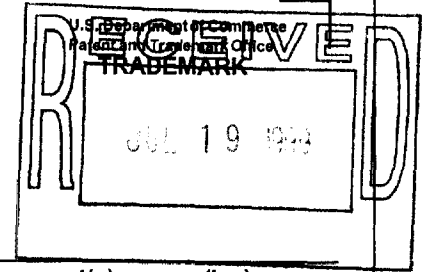


07-21-1999



101095376

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY



MD  
7.19.99

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  
06 14 1999
- Merger
- Change of Name
- Other \_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name C. H. Guenther & Son, Incorporated, DBA, Pioneer Flour Mills and

06/14/1999

Formerly San Antonio River Mill

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association

Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization Texas

Receiving Party

Mark if additional names of receiving parties attached

Name NationsBank, N.A.

DBA/~~XXXXXX~~ Bank of America, N.A.

Composed of \_\_\_\_\_

Address (line 1) 300 Convent

Address (line 2) \_\_\_\_\_

Address (line 3) San Antonio

City

TX

State/Country

78205

Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other National Association

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.)

Citizenship/State of Incorporation/Organization \_\_\_\_\_

07/21/1999 DNGUYEN 00000067 1311326

FOR OFFICE USE ONLY

01 FC:481  
02 FC:482

40.00 OP  
1775.00 OP

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

d631221.1

TRADEMARK  
REEL: 001925 FRAME: 0297

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

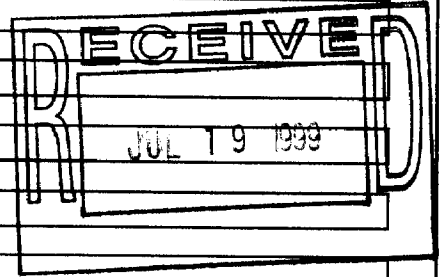
Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)



**Correspondent Name and Address**

Area Code and Telephone Number (214) 651-5066

Name

Jeffrey M. Becker

Address (line 1)

901 Main Street

Address (line 2)

Suite 3100

Address (line 3)

Dallas, TX 75202-3789

Address (line 4)

**Pages**

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

#

47

**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)**

Three empty boxes for Trademark Application Number(s).

Registration Number(s) grid with values: 1311326, 0585890, 0967162, 1307002, 0738769, 1341246, 0531426, 0760405, 0986541.

**Number of Properties**

Enter the total number of properties involved.

#

72

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

1,815.00

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:

#

08-1394

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.

Jeffrey M. Becker

Handwritten signature of Jeffrey M. Becker

7/15/99

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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**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)

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75418349	<input type="text"/>	<input type="text"/>
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75587228	<input type="text"/>	<input type="text"/>

0866506	1479815	1400581
1002088	1390143	1531065
1313715	1390145	1483107
1343034	1397033	1529778
1346625	1431391	1507397
1359517	1433125	1690382
1401451	1423106	1492486

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

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Execution Date  
Month Day Year

Name

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Mark if additional numbers attached

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Trademark Application Number(s)

Registration Number(s)

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<input type="text"/>	<input type="text"/>	<input type="text"/>

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1606024	1614115	1593283
1596709	1594199	1695488
1668454	1625065	1667763
1634918	1630219	1665177
1648267	1593282	1678163
1599765	1626178	1672717

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
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**SCHEDULE I  
TO  
SECURITY AGREEMENT**

**Item D.      Trade Names**

Pioneer Flour Mills  
San Antonio River Mill

**SECOND AMENDED AND RESTATED  
SECURITY AGREEMENT**

THIS SECOND AMENDED AND RESTATED SECURITY AGREEMENT (as amended, supplemented, amended and restated or otherwise modified from time to time, this "**Security Agreement**"), dated as of June 14, 1999, is made by C. H. GUENTHER & SON, INCORPORATED, d/b/a Pioneer Flour Mills and San Antonio River Mill, a Texas corporation ("**Grantor**"), in favor of (a) NATIONSBANK, N.A. (successor by merger to NationsBank of Texas, N.A.) dba BANK OF AMERICA, N.A., successor by merger to BANK OF AMERICA, TEXAS, N.A., as agent (in such capacity, the "**Agent**") for each of the Banks under the Loan Agreement (as defined below), and (b) NATIONSBANK, N.A. (successor by merger to NationsBank of Texas, N.A.) dba BANK OF AMERICA, N.A., successor by merger to BANK OF AMERICA, TEXAS, N.A., as agent (in such capacity, the "**White Lily Agent**") for each of the White Lily Banks under the White Lily Loan Agreement.

**W I T N E S S E T H:**

WHEREAS, pursuant to a Revolving Credit and Term Loan Agreement dated as of January 13, 1995 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "**Original Loan Agreement**"), among Grantor, Pioneer Frozen Foods, Inc., a Texas corporation ("**Pioneer Frozen**"), certain banks, and Agent, the Lender Parties under the Original Loan Agreement extended Commitments (as defined in the Original Loan Agreement) to make Advances (as defined in the Original Loan Agreement) to Grantor;

WHEREAS, in connection with the execution of the Original Loan Agreement, Grantor and Agent entered into a Security Agreement (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "**Original Security Agreement**") dated as of January 13, 1995, covering accounts, receivables, equipment, inventory, copyrights, trademarks, and other collateral described therein;

WHEREAS, Grantor, Pioneer Frozen, certain banks, and Agent executed the Amended and Restated Loan Agreement (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "**Amended and Restated Loan Agreement**") dated as of April 1, 1997, amending, modifying, renewing, and restating the Original Loan Agreement.

WHEREAS, Grantor executed and delivered a Guaranty Agreement (the "**Original Guaranty**") dated as of April 1, 1997, in favor of White Lily Agent and White Lily Banks, securing repayment of the Obligation (as defined in "**First Restated Loan Agreement**," which is defined in the White Lily Loan Agreement);

WHEREAS, in connection with the execution of the Amended and Restated Loan Agreement, Grantor executed and delivered to Agent an Amended and Restated Security Agreement as (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the, "**Amended and Restated Security Agreement**") dated as of April 1, 1997, amending, modifying, renewing, and restating the Original Security Agreement.

WHEREAS, contemporaneously and of even date herewith, Grantor, Pioneer Frozen, Agent, Cooperatieve Centrale Raiffeisen - Boerenleenbank B.A., "RaboBank International", New York Branch (formerly known as Cooperatieve Centrale Raiffeisen - Boerenleenbank B.A., "RaboBank Nederland", New York Branch) as *Co-Agent*, and the other Banks have entered into a Second Amended and Restated Revolving Credit and Term Loan Agreement (together with all amendments and other modifications, if any, from time to

time thereafter made thereto, the "*Loan Agreement*") in order to amend, modify, renew and restate the Amended and Restated Loan Agreement;

WHEREAS, contemporaneously and of even date herewith, Grantor has executed and delivered an Amended and Restated Guaranty Agreement (the "*Guaranty*") in favor of White Lily Agent and White Lily Banks, securing repayment of the White Lily Obligation;

WHEREAS, the parties have agreed to amend, modify, renew and restate the Amended and Restated Security Agreement in the form of this Security Agreement (a) to add certain patents as collateral and (b) to renew, extend, and carry forward the liens under the Original Security Agreement and the Amended and Restated Security Agreement to secure the payment of the Obligation and the Guaranty; and

WHEREAS, Grantor has duly authorized the execution, delivery and performance of this Security Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and each Lender Party agree that the Amended and Restated Security Agreement shall be amended, modified, renewed, and restated as follows:

## ARTICLE I

### DEFINITIONS

**SECTION 1.1. Certain Terms.** The following terms when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"*Collateral*" is defined in *Section 2.1*.

"*Collateral Account*" is defined in *Section 6.2*.

"*Copyright Collateral*" means all copyrights of Grantor, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world including, without limitation, all of Grantor's right, title and interest in and to all copyrights registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, the copyrights referred to in *Item A* of *Schedule IV* attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright licenses, including each copyright license referred to in *Item B* of *Schedule IV* attached hereto, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

"*Deposit Accounts*" is defined in *clause (f)* of *Section 2.1*.

"*Equipment*" is defined in *clause (a)* of *Section 2.1*.

"*Event of Default*" means the occurrence of any of the following events or conditions:

(a) An Event of Default under the Loan Agreement or the White Lily Loan Agreement shall occur and be continuing;



- (b) The failure to pay, when due, any portion of the Secured Indebtedness;
- (c) The failure of Grantor to observe any of the terms, conditions or covenants contained in this Security Agreement; or
- (d) The ownership of the Collateral or any of the Collateral, except for Inventory sold in the ordinary course of business, or any legal or equitable interest therein, becomes vested in a person or entity other than Grantor.

**“Intellectual Property Collateral”** means, collectively, the Copyright Collateral, the Trademark Collateral, the Patent Collateral, and the Trade Secrets Collateral.

**“Inventory”** is defined in *clause (b)* of *Section 2.1*.

**“Lender Party”** means, as the context may require, Agent, White Lily Agent, each Bank, each White Lily Bank, and each of their respective successors, transferees and assigns.

**“Patent Collateral”** means:

- (a) all letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world and including each patent and patent application referred to in *Item A* of *Schedule V* attached hereto;

- (b) all inventions described in the patents and patent applications described in *clause (a)*;

- (c) all patent licenses, including each patent license referred to in *Item B* of *Schedule V* attached hereto;

- (d) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in *clauses (a)* and *(b)*; and

- (e) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to in *Item A* of *Schedule V* attached hereto, and for breach or enforcement of any patent license, including any patent license referred to in *Item B* of *Schedule V* attached hereto, and all rights corresponding thereto throughout the world.

**“Receivables”** is defined in *clause (c)* of *Section 2.1*.

**“Related Contracts”** is defined in *clause (c)* of *Section 2.1*.

**“Secured Indebtedness”** is defined in *Section 2.2*.

**“Third Party”** is defined in *clause (a)* of *Section 3.1.3*.

**“Trademark Collateral”** means:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this *clause (a)* being collectively called a **“Trademark”**), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and records thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in *Item A* of *Schedule II* attached hereto;

(b) all Trademark licenses, including each Trademark license referred to in *Item B* of *Schedule II* attached hereto;

(c) all reissues, extensions of renewals or any of the items described in *clauses (a)* and *(b)*;

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, *clauses (a)* and *(b)*; and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in *Item A* and *Item B* of *Schedule II* attached hereto, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

**“Trade Secrets Collateral”** means common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of Grantor (all of the foregoing being collectively called a **“Trade Secret”**), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses, including each Trade Secret license referred to in *Schedule III* attached hereto, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

**“U.C.C.”** means the Uniform Commercial Code, as in effect in the State of Texas.

**SECTION 1.2. Loan Agreement Definitions.** Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Loan Agreement.

**SECTION 1.3. U.C.C. Definitions.** Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the U.C.C. are used in this Security Agreement, including its preamble and recitals, with such meanings.

## ARTICLE II

### SECURITY INTEREST

**SECTION 2.1. Grant of Security.** Grantor hereby assigns and pledges to Agent and White Lily Agent for their benefit and the benefit of each of the Lender Parties, and hereby grants to Agent and White Lily Agent, for their benefit and the benefit of each of the Lender Parties, a security interest in all of the following, whether now or hereafter existing or acquired (the "*Collateral*"):

(a) all equipment in all of its forms of Grantor, wherever located, including all machinery, manufacturing, distribution, selling, data processing and office equipment, assembly systems, tools, molds, dies, fixtures, appliances, furniture, furnishings, vehicles, vessels, aircraft, aircraft engines, trade fixtures, and other tangible personal property (other than Inventory), and all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor (any and all of the foregoing being the "*Equipment*");

(b) all inventory in all of its forms of Grantor, wherever located, including:

(i) all goods, merchandise and other personal property furnished or to be furnished under any contract of service or intended for sale or lease, all consigned goods and other items which have previously constituted Equipment but are then currently being held for sale or lease in the ordinary course of Grantor's business, all raw materials and work in process therefor, finished goods thereof, and all other materials and supplies of any kind, nature or description used or consumed in the manufacture, production, packing, shipping, advertising, finishing or sale thereof;

(ii) all goods in which Grantor has an interest in mass or a joint or other interest or right of any kind (including goods in which Grantor has an interest or right as consignee); and

(iii) all goods which are returned to or repossessed by Grantor;

and all accessions thereto, products thereof and documents therefore (any and all such inventory, materials, goods, accessions, products and documents being the "*Inventory*");

(c) all accounts, contracts, contract rights, chattel paper, documents, instruments and general intangibles of Grantor, whether or not arising out of or in connection with the sale or lease or other disposition of goods or the rendering of services, and all rights of Grantor now or hereafter existing in and to all security agreements, guaranties, leases and other contracts securing or otherwise relating to any such accounts, contracts, contract rights, chattel paper, documents and instruments (any and all such accounts, contracts, contract rights, chattel paper, documents, instruments, and general intangibles being the "*Receivables*", and any and all such security agreements, guaranties, leases and other contracts being the "*Related Contracts*");

(d) all Intellectual Property Collateral of Grantor;

(e) in addition to general intangibles which may be included within Receivables or Intellectual Property Collateral, all contracts, contract rights and general intangibles of Grantor,

including without limitation all tax refunds, claims, causes of action, judgments, franchises, permits, licenses, supply contracts, purchase contracts, agreements, goodwill, copyrights, and patents (collectively, "**General Intangibles**");

(f) all of Grantor's right, title and interest in and to any and all depository, savings, or custodial, or other accounts maintained by Grantor with any of the Lender Parties, all sums now or at any time hereafter on deposit therein, credited thereto, or payable thereon and all instruments, documents and other writings evidencing any of the foregoing accounts (such accounts collectively referred to herein as the "**Deposit Accounts**");

(g) all investment property of Grantor, including, without limitation, all of the capital stock of Pioneer Frozen and White Lily;

(h) all books, records, writings, data bases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this **Section 2.1.**;

(i) all of Grantor's other property and rights of every kind and description and interests therein; and

(j) all products, offspring, rents, issues, profits, returns, income and proceeds of and from any and all of the foregoing Collateral (including proceeds which constitute property of the types described in **clauses (a), (b), (c), (d), (e), (f), (g), (h), and (i)**, proceeds deposited from time to time in the Collateral Account and in any lock boxes of Grantor, and, to the extent not otherwise included, all payments under insurance (whether or not Agent or White Lily 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.

Notwithstanding the foregoing, "**Collateral**" shall not include any General Intangibles as to which, or other rights arising under contracts as to which, the grant of a security interest would constitute a violation of a valid and enforceable restriction on such grant, unless and until any required consents shall have been obtained. Grantor agrees to use its best efforts to obtain any such required consent.

**SECTION 2.2. Security for the Obligation.** This Security Agreement secures the payment and performance of (a) the Obligation, including, without limitation, all obligations now or hereafter existing under the Loan Agreement, the Notes, this Security Agreement and each of the other Loan Papers to which Grantor is or may become a party, whether for principal, interest, costs, fees, expenses or otherwise (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)), and (b) all indebtedness, liabilities, and obligations under the Guaranty (all of the foregoing, together with all renewals, extensions and modifications of all or any part thereof, being the "**Secured Indebtedness**").

**SECTION 2.3. Continuing Security Interest; Transfer of Notes.** This Security Agreement shall create a continuing security interest in the Collateral and shall:

(a) remain in full force and effect until payment in full of the Secured Indebtedness and the termination of all Commitments and the termination of the Guaranty;

(b) be binding upon Grantor, its successors, transferees and assigns; and

(c) inure, together with the rights and remedies of Agent and White Lily Agent hereunder, to the benefit of Agent and White Lily Agent and each other Lender Party.

Without limiting the generality of the foregoing *clause (c)*, any Lender Party may assign or otherwise transfer (in whole or in part) any note held by it to any other Person or entity, and such other Person or entity shall thereupon become vested with all the rights and benefits in respect thereof granted to such Lender Party under any Loan Paper (including this Security Agreement), under the White Lily Loan Agreement or any loan document executed in connection with the White Lily Loan Agreement, or otherwise, subject, however, to any contrary provisions in such assignment or transfer, and to the provisions of *Section 12.10* of the Loan Agreement and the White Lily Loan Agreement. Upon the payment in full of the Secured Indebtedness and the termination of all Commitments and the termination of the Guaranty, the security interest granted herein shall terminate and all rights to the Collateral shall revert to Grantor. Upon any such termination, both Agent and White Lily Agent will, at Grantor's sole expense, execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence such termination.

**SECTION 2.4. Grantor Remains Liable.** Anything herein to the contrary notwithstanding:

(a) Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and shall perform all of its duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed;

(b) the exercise by either Agent or White Lily Agent, or both of them, of any of their rights hereunder shall not release Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral; and

(c) neither Agent, White Lily Agent, nor any other Lender Party shall have any obligation or liability under any such contracts or agreements included in the Collateral by reason of this Security Agreement, nor shall Agent, White Lily Agent, or any other Lender Party be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

**SECTION 3.1. Representations and Warranties.** Grantor hereby represents and warrants unto each Lender Party as set forth in this Article.

**SECTION 3.1.1. Location of Collateral, etc.** All of the Equipment and Inventory of Grantor is located at the places specified in *Item A* of *Schedule I* hereto, except for Inventory in transit in the ordinary course of Grantor's business; *provided, however*, that Inventory and Equipment may be moved to other locations in accordance with *clause (a)* of *Section 4.1.1*. All of the Inventory which is imported from a location outside the United States arrives at one of the ports or locations specified in *Item A* of *Schedule I* hereto. None of the Equipment and Inventory has, within the four months preceding the date of this Security Agreement, been located at any place other than the places specified in *Item A* of *Schedule I* hereto. Each location of Equipment or Inventory which is subject to a lease, sublease, mortgage or similar instrument is described as such in *Item A* of *Schedule I* hereto and Grantor shall, upon the request of either Agent or White

Lily Agent, or both of them, provide Agent and White Lily Agent with the name and address of each lessor, sublessor, lessee, sublessee and/or mortgagee (other than Grantor) with respect to any or all such locations. All of the lock boxes of Grantor are located at the places specified in *Item B* of *Schedule I* hereto. The place(s) of business and chief executive office of Grantor and the office(s) where Grantor keeps its records concerning the Receivables, are located at the addresses specified in *Item C* of *Schedule I* hereto. Except as set forth on *Item D* of *Schedule I* hereto, Grantor has no trade names. Grantor has not been known by any legal name different from the one set forth on the signature page hereto. Grantor has not been the subject of any merger or other corporate reorganization. If the Collateral includes any Inventory located in the State of California, Grantor is not a "retail merchant" within the meaning of Section 9102 of the Uniform Commercial Code - Secured Transactions of the State of California. Grantor is not a party to any Federal, state or local government contract.

**SECTION 3.1.2. Ownership, No Liens, etc.** Grantor has good and marketable title to the Collateral and Grantor is the legal and beneficial owner of the Collateral and owns the Collateral free and clear of any Lien, security interest, charge or encumbrance except for the security interest created by this Security Agreement and except as permitted by the Loan Agreement and the White Lily Loan Agreement. No effective financing statement or other instrument similar in effect 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 Agent or White Lily Agent relating to this Security Agreement or the Original Security Agreement, and except as permitted by the Loan Agreement and the White Lily Loan Agreement.

**SECTION 3.1.3. Possession and Control.**

(a) The name and address of each bailee, processor, warehouseman, consignee or other Person in possession of any of the Inventory or Equipment (each such Person being a "Third Party") on the date hereof, other than carriers and shippers of Inventory in transit in the ordinary course of Grantor's business, is set forth in *Item A* of *Schedule I* hereto, together with the address of the location where such Inventory or Equipment is or may be held. Except as otherwise indicated in *Item A* of *Schedule I* hereto, no Person (other than a Person identified in *Item A* of *Schedule I* thereto as being a consignee) in possession of any of the Inventory or Equipment conducts a business at the location of such Inventory or Equipment other than a business in the nature of warehousing or transporting goods for others. In the event that any Inventory is in the possession of a Third Party, such Inventory is not evidenced by a negotiable instrument or document.

(b) Except as indicated in *clause (a)* of this Section, Grantor has exclusive possession and control of the Equipment and Inventory.

**SECTION 3.1.4. Negotiable Documents, Instruments and Chattel Paper.** Grantor has, contemporaneously herewith, delivered to Agent and White Lily Agent possession of all originals of all negotiable documents, instruments and chattel paper currently owned or held by Grantor (duly endorsed in blank, if requested by Agent or White Lily Agent).

**SECTION 3.1.5. Intellectual Property Collateral.** With respect to any Intellectual Property Collateral, other than Intellectual Property Collateral with negligible economic value:

(a) such Intellectual Property Collateral is valid and subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(b) Grantor has made all necessary filings and recordations to protect its interest in such Intellectual Property Collateral, including, without limitation, recordations of all of its interests in the Trademark Collateral and the Patent Collateral in the United States Patent and Trademark Office and in corresponding offices throughout the world (where appropriate), and its claims to the Copyright Collateral in the United States Copyright Office and in corresponding offices throughout the world (where appropriate);

(c) Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property Collateral and no claim has been made that the use of such Intellectual Property Collateral does or may violate the asserted rights of any third party; and

(d) Grantor has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every item of Intellectual Property Collateral in full force and effect throughout the world, as applicable.

**SECTION 3.1.6. Validity, etc.** This Security Agreement creates a valid first priority security interest in the Collateral, securing the payment of the Secured Indebtedness, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly made or taken.

**SECTION 3.1.7. Authorization, Approval, etc.** No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either:

(a) for the grant by Grantor of the security interest granted hereby or for the execution, delivery and performance of this Security Agreement by Grantor; or

(b) for the perfection of or the exercise by either Agent or White Lily Agent, or both of them, of their rights and remedies hereunder.

**SECTION 3.1.8. Compliance with Laws.** Grantor is in compliance with the requirements of all applicable laws (including, without limitation, the provisions of the Fair Labor Standards Act), rules, regulations and orders of every Governmental Authority, the non-compliance with which might materially adversely affect the business, properties, assets, operations, condition (financial or otherwise) or prospects of Grantor or the value of the Collateral or the worth of the Collateral as collateral security.

**SECTION 3.1.9. Taxes.** All taxes, assessments and other charges levied against the Collateral have been paid in full.

## ARTICLE IV

### COVENANTS

**SECTION 4.1. Certain Covenants.** Grantor covenants and agrees that, so long as any portion of the Secured Indebtedness shall remain unpaid, and until the termination of the Commitments and the termination of the Guaranty, Grantor will, unless the Required Banks under both the Loan Agreement and the While Lily Loan Agreement shall otherwise consent in writing, perform the obligations set forth in this Section.

**SECTION 4.1.1. As to Equipment and Inventory.** Grantor hereby agrees that it shall:

(a) keep all the Equipment and Inventory (other than Inventory in transit and Inventory sold in the ordinary course of business) at the places therefor specified in *Section 3.1.1* or, upon 30 days' prior written notice to both Agent and White Lily Agent, at such other places in a jurisdiction where all representations and warranties set forth in *Article III* (including *Section 3.1.6*) shall be true and correct, and all action required pursuant to the first sentence of *Section 4.1.7* shall have been taken with respect to the Equipment and Inventory;

(b) with respect to any Equipment or Inventory in the possession or control of any Third Party or any of Grantor's agents, notify such Third Party or agent of Agent's and White Lily Agent's security interests in such Equipment or Inventory and, upon either Agent's or White Lily Agent's request, or upon the request of both of them, following the occurrence and during the continuance of an Event of Default, direct such Third Party or agent to hold all such Equipment or Inventory for Agent's and White Lily Agent's account and subject to either Agent's or White Lily Agent's instructions;

(c) cause the Equipment to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with any manufacturer's manual; and forthwith, or in the case of any loss or damage to any of the Equipment, as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable to such end; and promptly furnish to both Agent and White Lily Agent a statement respecting any loss or damage to any of the Equipment within ten (10) business days after any such loss or damage; and

(d) pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and Inventory, except to the extent the validity thereof is being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Generally Accepted Accounting Principles have been set aside.

**SECTION 4.1.2. As to Receivables.** Grantor shall keep its place(s) of business and chief executive office and the office(s) where it keeps its records concerning the Receivables, and all originals of all chattel paper which evidence Receivables, located at the addresses set forth in *Item C* of *Schedule I* hereto, or, upon 30 days' prior written notice to both Agent and White Lily Agent, at such other locations in a jurisdiction where all actions required by the first sentence of *Section 4.1.7* shall have been taken with respect to the Receivables; not change its name except upon 30 days' prior written notice to both Agent and White Lily Agent; hold and preserve such records and chattel paper; and permit representatives of either Agent or White Lily Agent, or both of them, at any time during normal business hours to inspect and make abstracts from such records and chattel paper.

**SECTION 4.1.3. As to all Collateral.**

(a) Grantor shall not permit the ownership of any of the Collateral, or any legal or equitable interest therein, to become vested in any other person or entity; *provided, however*, until such time as either Agent or White Lily Agent, or both of them, shall notify Grantor of the revocation of such power and authority Grantor (i) may in the ordinary course of its business, at its own expense, sell, lease or furnish under the contracts of service any of the Inventory normally held by Grantor or any Third Party for such purpose, and use and consume, in the ordinary course of its business, any



raw materials, work in process or materials normally held by Grantor or any Third Party for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by Grantor for such purpose, (ii) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as either Agent or White Lily Agent, or both of them, may reasonably request or, in the absence of such request, as Grantor may deem advisable, and (iii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given rise to such Collateral. Either Agent or White Lily Agent, or both of them, however, may, at any time after the occurrence of an Event of Default, whether before or after any revocation of such power and authority or the maturity of any of the Secured Indebtedness, notify any parties obligated on any of the Collateral to make payment to either Agent or White Lily Agent, or both of them, of any amounts due or to become due thereunder and enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of either Agent or White Lily Agent, or both of them, after the occurrence of an Event of Default, Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to either Agent or White Lily Agent, or both of them, of any amounts due or to become due thereunder.

(b) Both Agent and White Lily Agent, or either of them, are authorized to endorse, in the name of Grantor, any item, howsoever received by Agent or White Lily Agent, representing any payment on or other proceeds of any of the Collateral.

#### **SECTION 4.1.4. As to Intellectual Property Collateral.**

(a) Grantor shall not and Grantor shall not permit any of its licensees to:

(i) fail to continue to use any of the Trademark Collateral in order to maintain all of the Patent Collateral and Trademark Collateral in full force free from any claim of abandonment for non-use;

(ii) fail to employ all of the Trademark Collateral registered with any Federal or state or foreign authority with an appropriate notice of such registration;

(iii) use any of the Trademark Collateral registered with any Federal or state or foreign authority except for the uses for which registration or application for registration of all of the Trademark Collateral has been made;

(iv) do or permit any act or knowingly omit to do any act whereby any of the Trademark Collateral may lapse or become invalid or unenforceable.

Provided, that this **Subsection 4.1.4(a)** does not apply to any specific Trademark Collateral that Grantor reasonably and in good faith determines (and notice of such determination shall have been delivered to both Agent and White Lily Agent) is of negligible economic value to Grantor.

(b) Grantor shall not do or permit any act or knowingly omit to do any act whereby any of the Copyright Collateral or any of the Trade Secrets Collateral may lapse or become invalid or

unenforceable or placed in the public domain except upon expiration of the end of an unrenovable term of a registration thereof. Provided, that this **Subsection 4.1.4(b)** does not apply to any specific Copyright Collateral or Trade Secrets Collateral that Grantor reasonably and in good faith determines (and notice of such determination shall have been delivered to both Agent and White Lily Agent) is of negligible economic value to Grantor.

(c) Grantor shall not do any act, or omit to do any act, whereby any of the Patent Collateral may lapse or become abandoned or dedicated to the public or unenforceable. Provided, that this **Subsection 4.1.4(c)** does not apply to any specific Patent Collateral that Grantor reasonably and in good faith determines (and notice of such determination shall have been delivered to both Agent and White Lily Agent) is of negligible economic value to Grantor.

(c) Grantor shall notify both Agent and White Lily Agent within ten (10) business days after it receives notice that any application or registration relating to any material item of the Intellectual Property Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office, or any foreign counterpart thereof or any court) regarding Grantor's ownership of any of the Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same.

(d) In no event shall Grantor or any of its agents, employees, designees or licensees file an application for the registration of any Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office, or any similar office or agency in any other country or any political subdivision thereof, unless it informs both Agent and White Lily Agent of all such additional filings at least once every 365 days (or at any other time upon the request of Agent or White Lily Agent), and upon written request of either Agent or White Lily Agent, or both of them, executes and delivers any and all agreements, instruments, documents and papers as either Agent or White Lily Agent, or both of them, may reasonably request to evidence Agent's and White Lily Agent's security interests in such Intellectual Property Collateral and the goodwill and general intangibles of Grantor relating thereto or represented thereby.

(e) Grantor shall take all necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, the Intellectual Property Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing **clauses (a), (b) and (c)**).

(f) Grantor shall execute and deliver to Agent and White Lily Agent any documents required to acknowledge or register or perfect Agent's and White Lily Agent's interest in any part of the Intellectual Property Collateral.

**SECTION 4.1.5. Insurance.** Grantor will maintain, and will cause each of its Subsidiaries to maintain, insurance with respect to the Equipment and Inventory with companies acceptable to both Agent and White Lily Agent. Such insurance shall be in an amount not less than the fair market value of the Equipment and Inventory and shall be against such casualties, with such deductible amounts as Agent and White Lily

Agent shall approve. All insurance policies shall be written for the benefit of Grantor, Agent, and White Lily Agent, as their interest may appear, payable to both Agent and White Lily Agent as loss payees, or in other forms satisfactory to both Agent and White Lily Agent, and such policies or certificates evidencing the same shall be furnished to both Agent and White Lily Agent. All policies of insurance shall provide for written notice to both Agent and White Lily Agent at least thirty (30) days prior to cancellation.

**SECTION 4.1.6. Transfers and Other Liens.** Grantor shall not:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except Inventory in the ordinary course of business or as permitted by the Loan Agreement and the White Lily Loan Agreement; or

(b) create or suffer to exist any Lien or other charge or encumbrance upon or with respect to any of the Collateral to secure Indebtedness of any Person or entity, except for the security interest created by this Security Agreement and except as permitted by the Loan Agreement and the White Lily Loan Agreement.

**SECTION 4.1.7. Further Assurances, etc.** Grantor agrees that, from time to time at its own expense, Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that either Agent or White Lily Agent, or both of them, may request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable either Agent or White Lily Agent, or both of them, to exercise and enforce their rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Grantor will

(a) mark conspicuously each document included in the Inventory, each chattel paper included in the Receivables and each Related Contract and, at the request of either Agent or White Lily Agent, or both of them, each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to both Agent and White Lily Agent, indicating that such document, chattel paper, Related Contract or Collateral is subject to the security interest granted hereby;

(b) if any Receivable shall be evidenced by a promissory note or other instrument, negotiable document or chattel paper, deliver and pledge to both Agent and White Lily Agent hereunder such promissory note, instrument, negotiable document or chattel paper, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to both Agent and White Lily Agent;

(c) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices (including, without limitation, any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3726, any successor or amended version thereof or any regulation promulgated under or pursuant to any version thereof), as may be necessary or desirable, or as either Agent or White Lily Agent, or both of them, may request, in order to perfect and preserve the security interests and other rights granted or purported to be granted to Agent and White Lily Agent hereby;

(d) furnish to both Agent and White Lily Agent, from time to time upon either Agent's or White Lily Agent's, or both of their, written request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as either Agent or White Lily Agent, or both of them, may reasonably request, all in reasonable detail; and

(e) furnish to both Agent and White Lily Agent on a reasonable best efforts basis such landlord estoppel and waiver agreements for properties leased by Grantor (or Properties where Grantor maintains inventory or equipment) as shall be requested by either Agent or White Lily Agent (all in form and substance acceptable to both Agent and White Lily Agent).

With respect to the foregoing and the grant of the security interests hereunder, Grantor hereby authorizes either Agent and White Lily Agent, or both of them, to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Grantor where permitted by law. A carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

## ARTICLE V

### AGENT

**SECTION 5.1. Agent Appointed Attorney-in-Fact.** Grantor hereby irrevocably appoints both Agent and White Lily Agent as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, from time to time in Agent's or White Lily Agent's discretion, to take any action and to execute any instruments which either Agent or White Lily Agent, or both of them, may deem necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

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

(c) to file any claims or take any action or institute any proceedings which either Agent or White Lily Agent, or both of them, may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Agent and White Lily Agent with respect to any of the Collateral; and

(d) to perform the affirmative obligations of Grantor hereunder (including all obligations of Grantor pursuant to *Section 4.1.7*).

Grantor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

**SECTION 5.2. Agent or White Lily Agent May Perform.** If Grantor fails to perform any agreement contained herein, either Agent or White Lily Agent, or both of them, may perform, or cause performance of, such agreement, and the expenses of either Agent or White Lily Agent, or both of them, incurred in connection therewith shall be payable by Grantor pursuant to *Section 6.3*.

**SECTION 5.3. Agent and White Lily Agent Have No Duty.** In addition to, and not in limitation of, *Section 2.4*, the powers conferred on Agent and White Lily Agent hereunder are solely to protect their interests (on behalf of the Lender Parties) in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by them hereunder, neither Agent nor White Lily Agent shall have any 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.

**SECTION 5.4. Reasonable Care.** Both Agent and White Lily Agent are required to exercise reasonable care in the custody and preservation of any of the Collateral in their possession; *provided, however*, Agent and White Lily Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral, if they take such action for that purpose as Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of any Event of Default, but failure of Agent or White Lily Agent to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

## ARTICLE VI

### REMEDIES

**SECTION 6.1. Certain Remedies.** If any Event of Default shall have occurred and be continuing:

(a) Either Agent or White Lily Agent, or both of them, may exercise in respect of the Collateral, in addition to 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 U.C.C. (whether or not the U.C.C. applies to the affected Collateral) and also may:

(i) require Grantor to, and Grantor hereby agrees that it will, at its expense and upon request of Agent or White Lily Agent, or both of them, forthwith, assemble all or part of the Collateral as directed by Agent or White Lily Agent, or both of them, and make it available to Agent and White Lily Agent at a place to be designated by either Agent or White Lily Agent, or both of them, which is reasonably convenient to all parties;

(ii) 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 Agent's or White Lily Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as either Agent or White Lily Agent, or both of them, may deem commercially reasonable. Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to 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. Neither Agent nor White Lily Agent shall be obligated to make any sale of Collateral regardless of notice of sale having been given. Either Agent or White Lily Agent, or both of them, 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; and

(iii) in its own name or the name of Grantor, at any time, to notify any account debtor or obligor or any party obligated on any of the Collateral (including, but not limited to the Receivables, Related Contracts, and General Intangibles) to make all payments due or to become due thereon directly to Agent or White Lily Agent, or such other person or officer as either Agent or White Lily Agent, or both of them, may require, whereupon the power and authority of Grantor to collect the same in the ordinary course of its business shall be deemed to be immediately revoked and terminated. With or without such general notification, either Agent or White Lily Agent, or both of them, may take or bring in Grantor's name or that of

the Agent or White Lily Agent all steps, actions, suits or proceedings deemed by either Agent or White Lily Agent, or both of them, necessary or desirable to effect possession or collection of the Collateral, including sums due or paid thereon, may complete any contract or agreement of Grantor in any way related to any of the Collateral, may make allowances or adjustments related to the Collateral, may compromise any claims related to the Collateral, may issue credit in its own name or the name of Grantor, may remove from Grantor's premises all documents, instruments, records, files or other items relating to the Collateral, and either Agent or White Lily Agent, or both of them, may, without cost or expense to either Agent or White Lily Agent, or either of them, use Grantor's personnel, supplies and space to take possession of, administer, collect and dispose of the Collateral. Regardless of any provision hereof, however, neither Agent nor White Lily Agent shall ever be liable for its failure to collect or for its failure to exercise diligence in the collection, possession, or any transaction concerning, all or part of the Collateral or sums due or paid thereon, nor shall it be under any obligation whatsoever to anyone by virtue of this Security Agreement, except to account for the funds that it shall actually receive hereunder.

Each account debtor and obligor making payment to either Agent or White Lily Agent, or both of them, hereunder shall be fully protected in relying on the written statement of either Agent or White Lily Agent, or both of them, that it then holds a security interest which entitles it to receive such payments, and the receipt of either Agent or White Lily Agent, or both of them, for such payment shall be full acquittance therefor to the one making such payment.

Issuance by either Agent or White Lily Agent, or both of them, of a receipt to any person, firm, corporation or other entity obligated to pay any amounts to Grantor shall be a full and complete release, discharge and acquittance to such person, firm, corporation or other entity to the extent of any amount so paid to either Agent or White Lily Agent. Agent, or both of them, and White Lily Agent are each hereby authorized and empowered on behalf of the Grantor to endorse the name of Grantor upon any check, draft, instrument, receipt, instruction or other document or items, including, but not limited to, all items evidencing payment upon any indebtedness of any person, firm, corporation or other entity to Grantor coming into Agent's or White Lily Agent's possession, and to receive and apply the proceeds therefrom in accordance with the terms hereof. Both Agent and White Lily Agent are hereby granted an irrevocable power of attorney, which is coupled with an interest, to execute all checks, drafts, receipts, instruments, instructions or other documents, agreements or items on behalf of Grantor, after the occurrence of an Event of Default, as shall be deemed by either Agent or White Lily Agent, or both of them, to be necessary or advisable, in the sole discretion of Agent or White Lily Agent, to protect their security interests in the Collateral or the repayment of the indebtedness secured hereby, and neither Agent nor White Lily Agent shall incur any liability in connection with or arising from its exercise of such power of attorney.

(b) In addition to and without limiting the rights of Agent and White Lily Agent under **Section 6.2.** below, all cash proceeds received by either Agent or White Lily 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 either Agent or White Lily Agent, or both of them, be held by Agent or White Lily Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to Agent or White Lily Agent pursuant to **Section 6.2**) in whole or in part by Agent or White Lily Agent for the benefit of the Lender Parties against, all or any part of the Secured Indebtedness in such order as provided in the Loan Agreement, the White Lily Loan Agreement, or as Agent and White Lily Agent

shall elect. Any surplus of such cash or cash proceeds held by Agent or White Lily Agent and remaining after payment in full of all the Secured Indebtedness shall be paid over to Grantor or to whomsoever may be lawfully entitled to receive such surplus.

### **SECTION 6.2. Collateral Account.**

(a) If an Event of Default shall have occurred and be continuing, upon written notice by either Agent or White Lily Agent, or both of them, to Grantor pursuant to this clause, all proceeds of Collateral received by Grantor shall be delivered in kind to either Agent or White Lily Agent for deposit to a deposit account (the "***Collateral Account***") of Grantor jointly maintained with Agent and White Lily Agent, and Grantor shall not commingle any such proceeds, and shall hold separate and apart from all other property, all such proceeds in express trust for the benefit of Agent and White Lily Agent until delivery thereof is made to Agent and White Lily Agent. No funds other than proceeds of Collateral will be deposited in the Collateral Account.

(b) Agent and White Lily Agent shall each have the right to apply any amount in the Collateral Account to the payment of any of the Secured Indebtedness that is due and payable or payable upon demand, or to the payment of any of the Secured Indebtedness at any time that an Event of Default shall have occurred and be continuing. Both Agent and White Lily Agent may at any time transfer to Grantor's general demand deposit accounts any or all of the collected funds in the Collateral Account; *provided, however*, that any such transfer shall not be deemed to be a waiver or modification of any of Agent's or White Lily Agent's rights under this Section.

### **SECTION 6.3. Indemnity and Expenses.**

(a) Grantor agrees to indemnify both Agent and White Lily Agent from and against any and all claims, losses and liabilities arising out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting from Agent's or White Lily Agent's gross negligence or wilful misconduct. **WITHOUT LIMITATION, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO MATTERS WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF SUCH INDEMNIFIED PERSON.**

(b) Grantor will upon demand pay to Agent and White Lily Agent the amount of any and all reasonable expenses, including the reasonable fees and disbursement of its counsel and of any experts and agents, which Agent or White Lily Agent may incur in connection with:

- (i) the administration of this Security 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 Agent, White Lily Agent, or the Lender Parties hereunder; or
- (iv) the failure by Grantor to perform or observe any of the provisions hereof.

**SECTION 6.4. Rights Cumulative.** The rights, titles, interests, liens and securities of Agent and White Lily Agent hereunder shall be cumulative of all of the securities, rights, titles, interests or liens which Agent or White Lily Agent may now or at any time hereafter hold securing the payment of the Secured Indebtedness, or any part thereof.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

**SECTION 7.1. Loan Paper.** This Security Agreement is a Loan Paper executed pursuant to the Loan Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

**SECTION 7.2. Amendments; etc.** No amendment to or waiver of any provision of this Security Agreement nor consent to any departure by Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Agent and White Lily Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

**SECTION 7.3. Addresses for Notices.** All notices and other communications provided for hereunder shall be in writing or by facsimile and, if to Grantor, mailed, delivered or transmitted to it at the address or facsimile number set forth below its signature hereto, if to Agent and White Lily Agent, mailed, delivered or transmitted to it at the address or facsimile number of Agent or White Lily Agent specified in the Loan Agreement or the White Lily Loan Agreement, or as to either party at such other address or facsimile number as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications, if mailed and properly addressed with postage prepaid or if properly addressed and sent by pre-paid courier service, shall be deemed given when received; and all such notices and other communications, if transmitted by facsimile, shall be deemed given when transmitted (upon receipt of electronic confirmation of transmission).

**SECTION 7.4. Section Captions.** Section captions used in this Security Agreement are for convenience of reference only, and shall not affect the construction of this Security Agreement.

**SECTION 7.5. Severability.** Wherever possible each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

**SECTION 7.6. Limitation.** Regardless of any provisions contained in this Security Agreement, the Loan Agreement, the White Lily Loan Agreement, the Notes, the notes executed in connection with the White Lily Loan Agreement, the Guaranty, or any other evidences of the Secured Indebtedness, or other instruments executed or delivered in connection therewith, neither Agent, White Lily Agent, nor any Lender Party shall ever be entitled to receive, collect or apply, as interest on the Secured Indebtedness, any amount in excess of the highest lawful rate and, in the event that Agent, White Lily Agent, or any Lender Party ever receives, collects or applies, as interest, any such excess, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Secured Indebtedness, and if the principal balance of the Secured Indebtedness is paid in full, any remaining excess shall be forthwith paid to Grantor. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the highest lawful rate,



Grantor, Agent, White Lily Agent, and the Lender Parties shall, to the maximum extent permitted under applicable law, (a) characterize any non-principal payment as an expense, fee, or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, and (c) "spread" the total amount of interest throughout the entire term of the Loan Agreement, the Notes, and the Guaranty so that the interest rate is uniform throughout the entire term of the Loan Agreement, the Notes, and the Guaranty.

**SECTION 7.7 Obligations Absolute.** All rights and remedies of the Agent and the White Lily Agent hereunder, and all obligations of the Grantor hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Loan Agreement or any of the other Loan Papers or the Guaranty or any other agreement or instrument relating to any of the foregoing;

(b) any change in the time, manner, or place of payment of, or in any other term of, all or any of the Secured Indebtedness, any or all of the Obligation, or any other amendment or waiver of or any consent to any departure from the Loan Agreement, the White Lily Loan Agreement or any of the Loan Papers;

(c) any exchange, release, or nonperfection of any Collateral, or any release or amendment or waiver of or consent to any departure from any guaranty, for all or any of the Secured Indebtedness; or

(d) any other circumstance (other than payment in full of the Secured Indebtedness) that might otherwise constitute a defense available to, or a discharge of, the Grantor.

**SECTION 7.8. Successors and Assigns.** This Security Agreement is binding upon and shall inure to the benefit of Grantor, Agent, White Lily Agent, and the Lender Parties, their respective heirs, executors, representatives, administrators, successors and assigns; provided, however, that Grantor may not, without the prior written consent of both Agent and White Lily Agent, assign any rights, powers, duties or obligations hereunder.

**SECTION 7.9. Governing Law, Entire Agreement, etc.** THIS SECURITY 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 GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.


**SECTION 7.10. Final Agreement.** THIS SECURITY AGREEMENT AND THE OTHER LOAN PAPERS REPRESENT 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 AGREEMENTS BETWEEN THE PARTIES.**

*[REMAINDER OF PAGE INTENTIONALLY BLANK.  
SIGNATURE PAGE FOLLOWS.]*

IN WITNESS WHEREOF, Grantor has caused this Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written

**C. H. GUENTHER & SON, INCORPORATED,**  
d/b/a Pioneer Flour Mills and San Antonio River Mill,  
a Texas corporation

By:   
\_\_\_\_\_  
Walter M. Moede, Senior Vice President,  
Chief Financial Officer

Address for Notice:

129 E. Guenther Street  
San Antonio, Texas 78204  
Attention: Walter M. Moede  
Facsimile No.: (210) 351-6356

**SCHEDULE I  
TO  
SECURITY AGREEMENT**

**Item A.      Location of Equipment and Inventory**

Pioneer Flour Mills  
129 E. Guenther  
San Antonio, TX 78204

Enzo Pac, Inc.  
4350 South Taylor Drive  
Sheboygan, WI 53081

Loop Cold Storage  
(Southton and Center Road)  
Route 12, Box 289  
San Antonio, TX 78223

Lighthouse for the Blind  
2305 Roosevelt  
San Antonio, TX 78210

Longhorn Packaging, Inc.  
110 Pierce Road  
San Antonio, TX 78208-0337  
(210) 222-9686

**SCHEDULE I  
TO  
SECURITY AGREEMENT**

**Item B.        Location of Lock Boxes**

P. O. Box 840441  
Dallas, TX 75284-0441

**SCHEDULE I  
TO  
SECURITY AGREEMENT**

**Item C.      Location of Records Concerning Receivables**

129 E. Guenther Street  
San Antonio, TX 78204

**SCHEDULE II  
TO  
SECURITY AGREEMENT**

**Registered Trademarks**

<u>Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
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SEE ANNEX I ATTACHED HERETO

**Pending Trademark Applications**

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Filing Date</u>
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SEE ANNEX I ATTACHED HERETO

**Trademark Applications in Preparation**

<u>Country</u>	<u>Trademark</u>	<u>Docket No.</u>	<u>Expected Filing Date</u>	<u>Products/ Services</u>
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NONE

**Item B. Trademark Licenses**

<u>Country or Territory</u>	<u>Trademark</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
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NONE

**C. H. GUENTHER & SON  
TRADEMARKS**

**STATES**

State	Trademark	Registration No.	Registration Date	Application No.	Application Date
Florida	PIONEER	T-951,346	06NO1995		
Georgia	PIONEER	T-14962	13SE1995		
Kansas	PIONEER	N/A	05FE1996		
Kentucky	PIONEER	11,081	23FE1996		
Alabama	PIONEER	106,506	31JY1995		
Arkansas	PIONEER	23,895	23AU1995		
Mississippi	PIONEER	N/A	25SE1995		
Alabama	PIONEER	66,507	31JY1995		
Kentucky	PIONEER	10913	01NO1995		
Kentucky	PIONEER	10878	05OC1995		
Louisiana	PIONEER	N/A	21SE1995		
Missouri	PIONEER	13429	06DE1995		
Missouri	PIONEER	13430	06DE1995		
Mississippi	PIONEER	N/A	25SE1995		
North Carolina	PIONEER	T-11784	30OC1995		
Nebraska	PIONEER	6,765,572	11SE1992		
Oklahoma	PIONEER	27586	30OC1995		
South Carolina	PIONEER	N/A	27SE1995		
South Carolina	PIONEER	N/A	27SE1995		
Tennessee	PIONEER	N/A	22SE1995		
Texas	PIONEER	54320	20MR1995		
Texas	PIONEER	54319	20MR1995		
Texas	FOUNDERS CHOICE	54386	10AP1995		
Texas	GUENTHER HOUSE	49454	21JE1989		
Texas	GUENTHER HOUSE AND DESIGN	50386	18JE1990		
Virginia	PIONEER	N/A	25SE1995		

State	Trademark	Registration No.	Registration Date	Application No.	Application Date
Wisconsin	PIONEER	N/A	03AP1973		
West Virginia	PIONEER	N/A	05OC1995		

**FEDERAL**

Country	Trademark	Registration No.	Registration Date	Application No.	Application Date
United States	HEARTH & SKILLET	1,311,326	25DE1984		
United States	SOUTHERN SUCCESS	1,307,002	27NO1984		
United States	PIONEER & DESIGN	0,531,426	03OC1950		
United States	ANGEL FOOD	0,585,890	23FE1954		
United States	GOLDEN HARVEST	0,738,769	02OC1962		
United States	WHITE WINGS & DESIGN	760,405	19NO1963		
United States	WHITE WINGS	967,162	28AU1973		
United States	DOVE DESIGN	1,341,246	11JE1985		
United States	TEXAS PIONEER	0,986,541	18JE1974		
United States	PIONEER	0,866,506	11MR1969		
United States	PIONEER & DESIGN	1,002,088	21JA1975		
United States	WHITE WINGS	1,313,715	08JA1985		
United States	PORTRAIT LOGO	1,343,034	18JE1985		
United States	LA PALOMA	1,346,625	02JL1985		
United States	GUARANTEED QUALITY & DESIGN	1,359,517	10SE1985		
United States	SOUTHERN SUCCESS	1,401,451	15JL1986		
United States	LA PALOMA	1,479,815	08MR1988		
United States	WHITE OAK	1,390,143	15AP1986		



Country	Trademark	Registration No.	Registration Date	Application No.	Application Date
United States	OAK TREE DESIGN	1,390,145	15AP1986		
United States	ANGEL DESIGN	1,397,033	10JE1986		
United States	ANGEL FOOD	1,431,391	03MR1987		
United States	PIONEER	1,433,125	17MR1987		
United States	PIONEER	1,423,106	30DE1986		
United States	LADY DESIGN	1,400,581	08JL1986		
United States	PIONEER	1,531,065	21MR1989		
United States	PIONEER	1,483,107	05AP1988		
United States	PIONEER	1,529,778	14MR1989		
United States	PIONEER	1,507,397	04OC1988		
United States	BAKER'S BATCH	1,690,382	02JE1992		
United States	HEARTH & SKILLET	1,492,486	14JE1988		
United States	WHEATLAND FARMS	1,544,718	20JE1989		
United States	GUENTHER HOUSE	1,606,024	10JL1990		
United States	HWS	1,596,709	15MY1990		
United States	SAN ANTONIO RIVER MILL & DESIGN	1,668,454	17DE1991		
United States	SAN ANTONIO RIVER MILL & DESIGN	1,634,918	12FE1991		
United States	SAN ANTONIO RIVER MILL & DESIGN	1,648,267	18JE1991		
United States	WHEATLAND FARMS & FARM DESIGN	1,599,765	05JE1990		
United States	PIONEER	1,646,168	28MY1991		
United States	PIONEER	1,614,115	18SE1990		
United States	RIVER MILL	1,594,199	01MY1990		
United States	RIVER MILL	1,625,065	27NO1990		

Country	Trademark	Registration No.	Registration Date	Application No.	Application Date
United States	RIVER MILL	1,630,219	01JA1991		
United States	HEARTH AND SKILLET	1,593,282	24AP1990		
United States	PIONEER (STYLIZED SCRIPT)	1,626,178	04DE1990		
United States	GUARANTEED QUALITY SEAL/DESIGN	1,612,210	04SE1990		
United States	SOUTHERN SUCCESS	1,593,283	24AP1990		
United States	MILLER'S PRIDE	1,695,488	16JE1992		
United States	LADY DESIGN	1,667,763	10DE1991		
United States	PIONEER AND DESIGN	1,665,177	19NO1991		
United States	SUPER BISCUIT	1,678,163	03MR1992		
United States	FARM SCENE DESIGN	1,672,717	21JA1992		
United States	PIONEER FOODSERVICE	1,823,369	22FE1994		
United States	HEARTH & SKILLET AND DESIGN	1,892,281	02MY1995		
United States	GUARANTEED QUALITY SINCE 1851	1,885,140	21MR1995		
United States	CONESTOGA	2,044,675	11MR1997		
United States	PIONEER	1,953,253	30JA1996		
United States	PIONEER	1,957,956	20FE1996		
United States	CONESTOGA AND DESIGN	2,044,741	11MR1997		
United States	PIONEER	1,798,440	12OC1993		
United States	PIONEER	1,788,932	17AU1993		
United States	ANGEL FOOD	1,871,482	03JA1995		
United States	WHITE WINGS	2,105,960	14OC1997		

Country	Trademark	Registration No.	Registration Date	Application No.	Application Date
United States	SAN ANTONIO RIVER MILL & DESIGN	2,052,507	15AP1997		
United States	CONESTOGA	2,125,746	30DE1997		
United States	CONESTOGA (& DESIGN)	2,127,429	06JA1998		
United States	MINUTE MIX			75/418,348	13JA1998
United States	MINUTE MIX AND DESIGN			75/418,349	13JA1998
United States	SAN ANTONIO RIVER MILL BRAND			75/556,995	18SE1998
United States	THE GUENTHER HOUSE AND DESIGN			75/567,906	08OC1998
United States	PIONEER FLOUR MILLS			75/587,623	09NO1998
United States	PIONEER FLOUR MILLS			75/584,887	09NO1998
United States	i QUE MARAVILLA DE TORTILLA!			75/587,228	12NO1998

**INTERNATIONAL**

<b>Country</b>	<b>Trademark</b>	<b>Registration No.</b>	<b>Registration Date</b>	<b>Application No.</b>	<b>Application Date</b>
Canada	GUARANTEED QUALITY & DESIGN	419,641	12NO1993		
Canada	HWS	448,512	06OC1995		
Canada	PIONEER	470,774	11FE1997		
Canada	WHITE WINGS	458,779	07JE1996		
Canada	HEARTH & SKILLET	448,511	06OC1995		
Mexico	WHITE WINGS	448,185	06FE1990		
Mexico	PIONEER	555,947	06FE1990		

**SCHEDULE III  
TO  
SECURITY AGREEMENT**

Intellectual Property Licenses

Trade Secret and Know-How Licenses

<u>Country or Territory</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Subject Matter</u>
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NONE

**SCHEDULE IV  
TO  
SECURITY AGREEMENT**

**Registered Copyrights/Mask Works**

<u>*Country</u>	<u>Docket No.</u>	<u>Expected Filing Date</u>	<u>Author(s)</u>	<u>Title</u>
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SEE ANNEX 1 ATTACHED HERETO

**Copyright/Mask Works Pending Registration Application**

<u>*Country</u>	<u>Docket No.</u>	<u>Expected Filing Date</u>	<u>Author(s)</u>	<u>Title</u>
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NONE

**Copyright/Mask Works Applications in Preparation**

<u>*Country</u>	<u>Docket No.</u>	<u>Expected Filing Date</u>	<u>Author(s)</u>	<u>Title</u>
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NONE

**Item B. Copyright/Mask Works Licenses**

<u>*Country or Territory</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Subject Date</u>
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NONE

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\* List items related to the United States first for ease of recordation. List items related to other countries next, grouped by country and in alphabetical order by country name.

Registered Copyrights

Pioneer basic buttermilk pancake mix.

REGISTRATION NUMBER: TX3796565

DATE REGISTERED: April 18, 1994

San Antonio River Mill chocolate fudge mix.

REGISTRATION NUMBER: TX3461933

DATE REGISTERED: January 05, 1990

San Antonio River Mill apple & cinnamon muffin mix.

REGISTRATION NUMBER: TX3461932

DATE REGISTERED: January 05, 1990

San Antonio River Mill cheese biscuit mix.

REGISTRATION NUMBER: TX3461931

DATE REGISTERED: January 05, 1990

San Antonio River Mill cinnamon & raisin biscuit mix.

REGISTRATION NUMBER: TX3461930

DATE REGISTERED: January 05, 1990

San Antonio River Mill wild blueberry muffin mix.

REGISTRATION NUMBER: TX3461929

DATE REGISTERED: January 05, 1990

San Antonio River Mill wild blueberry pancake mix.

REGISTRATION NUMBER: TX3461928

DATE REGISTERED: January 05, 1990

San Antonio River Mill corn tortilla mix.

REGISTRATION NUMBER: TX3461927

DATE REGISTERED: January 05, 1990

San Antonio River Mill flour tortilla mix.

REGISTRATION NUMBER: TX3461926

DATE REGISTERED: January 05, 1990

San Antonio River Mill sopaipilla mix.

REGISTRATION NUMBER: TX3461925

DATE REGISTERED: January 05, 1990

San Antonio River Mill honey bran muffin mix.

REGISTRATION NUMBER: TX3461924

DATE REGISTERED: January 05, 1990

San Antonio River Mill southern biscuit mix.

REGISTRATION NUMBER: TX3461923  
DATE REGISTERED: January 05, 1990

San Antonio River Mill sweet corn muffin mix.  
REGISTRATION NUMBER: TX3461921  
DATE REGISTERED: January 05, 1990

San Antonio River Mill whole wheat biscuit mix.  
REGISTRATION NUMBER: TX3461920  
DATE REGISTERED: January 05, 1990

San Antonio River Mill whole wheat pancake mix.  
REGISTRATION NUMBER: TX3461919  
DATE REGISTERED: January 05, 1990

San Antonio River Mill jalapeno cornbread mix.  
REGISTRATION NUMBER: TX3461918  
DATE REGISTERED: January 05, 1990

Pioneer no-fat biscuit mix : 40 oz.  
REGISTRATION NUMBER: TX3241853  
DATE REGISTERED: February 07, 1992

Pioneer Texas taco seasoning mix.  
APPLICATION TITLE: Pioneer Texas taco seasoning mix, 1.25 oz  
REGISTRATION NUMBER: TX2999287  
DATE REGISTERED: September 04, 1990

Pioneer spaghetti sauce mix.  
APPLICATION TITLE: Pioneer spaghetti sauce mix, 1.5 oz  
REGISTRATION NUMBER: TX2999286  
DATE REGISTERED: September 04, 1990

Pioneer Texas nacho cheese sauce mix.  
APPLICATION TITLE: Pioneer Texas nacho cheese sauce mix, 1.8 oz  
REGISTRATION NUMBER: TX2999285  
DATE REGISTERED: September 04, 1990

Pioneer whip topping mix : net wt. 16 oz.  
REGISTRATION NUMBER: VA285456  
DATE REGISTERED: December 29, 1986

Pioneer White Wings flour tortilla mix : net wt. 20 lbs.  
APPLICATION TITLE: Pioneer Flour tortilla mix label, 25 lb  
REGISTRATION NUMBER: VA254317  
DATE REGISTERED: February 10, 1987

Au jus gravy mix.  
APPLICATION TITLE: Pioneer Au jus gravy mix



REGISTRATION NUMBER: VA253233  
DATE REGISTERED: November 18, 1986

Pioneer White Wings Corn tortilla mix : net wt. 25 lb.  
APPLICATION TITLE: Pioneer Corn tortilla mix, version 2  
REGISTRATION NUMBER: VA252702  
DATE REGISTERED: January 15, 1987

Pioneer Whole wheat roll mix : net wt. 5 lb.  
APPLICATION TITLE: Pioneer Whole wheat soft roll mix  
REGISTRATION NUMBER: VA252701  
DATE REGISTERED: January 15, 1987

Pioneer Apple-cinnamon muffin mix : net wt. 5 lb.  
REGISTRATION NUMBER: VA252700  
DATE REGISTERED: January 15, 1987

Pioneer Hush puppy mix : net wt. 5 lb.  
REGISTRATION NUMBER: VA252699  
DATE REGISTERED: January 15, 1987

Pioneer Artificially flavored honey bran muffin mix : net wt. 5 lb., 2.27  
kg.  
APPLICATION TITLE: Pioneer Honey-bran muffin mix  
REGISTRATION NUMBER: VA252641  
DATE REGISTERED: January 15, 1987

Pioneer brownie mix.  
REGISTRATION NUMBER: VA248997  
DATE REGISTERED: December 23, 1986

San Antonio River Mill gourmet baking collection : fall 1986.  
REGISTRATION NUMBER: VA248757  
DATE REGISTERED: December 23, 1986

Whip topping mix.  
APPLICATION TITLE: Pioneer whipped topping mix  
REGISTRATION NUMBER: VA248346  
DATE REGISTERED: November 18, 1986

Pioneer Soft roll mix : net wt. 5 lbs. (2.27 kg.)  
REGISTRATION NUMBER: VA247492  
DATE REGISTERED: December 22, 1986

Whole wheat roll mix.  
APPLICATION TITLE: Pioneer Whole wheat roll mix  
REGISTRATION NUMBER: VA247134  
DATE REGISTERED: November 21, 1986

Chicken gravy mix.

APPLICATION TITLE: Pioneer Chicken gravy mix

REGISTRATION NUMBER: VA246975

DATE REGISTERED: November 18, 1986

Pioneer Chicken gravy mix : 14 oz.

REGISTRATION NUMBER: VA244859

DATE REGISTERED: November 18, 1986

Pioneer soft roll mix.

REGISTRATION NUMBER: VA244351

DATE REGISTERED: November 18, 1986

Pioneer Country gravy mix.

REGISTRATION NUMBER: VA244350

DATE REGISTERED: November 18, 1986

Pioneer Peppered old fashioned biscuit gravy mix.

REGISTRATION NUMBER: VA244349

DATE REGISTERED: November 18, 1986

Pioneer Brownie mix.

REGISTRATION NUMBER: VA244348

DATE REGISTERED: November 18, 1986

Pioneer Brown gravy mix.

REGISTRATION NUMBER: VA244347

DATE REGISTERED: November 18, 1986

Pioneer country style gravy mix : net wt. 24 oz. (1 ½ lbs.) 681 g.

REGISTRATION NUMBER: VA236742

DATE REGISTERED: June 26, 1986

Pioneer au jus gravy mix.

REGISTRATION NUMBER: VA232252

DATE REGISTERED: June 26, 1986

Pioneer Brown gravy mix : net wt. 13 oz. (369g)

REGISTRATION NUMBER: VA229447

DATE REGISTERED: July 02, 1986

5 lb. pancake mix.

REGISTRATION NUMBER: VA217687

DATE REGISTERED: February 12, 1985

5 lb. corn tortilla mix.

REGISTRATION NUMBER: VA217686

DATE REGISTERED: February 12, 1985

5 lb. flour tortilla mix.

REGISTRATION NUMBER: VA217685

DATE REGISTERED: February 14, 1985

5 lb. Belgian waffle mix.

REGISTRATION NUMBER: VA217684

DATE REGISTERED: February 12, 1985

25 lb. Flour tortilla mix.

REGISTRATION NUMBER: VA217613

DATE REGISTERED: February 11, 1985

Pioneer French doughnut and sopaipilla mix.

REGISTRATION NUMBER: VA190099

DATE REGISTERED: April 15, 1985

Old fashioned country gravy mix.

REGISTRATION NUMBER: VA179887

DATE REGISTERED: February 12, 1985

Exterior view, Pioneer Flour Mills painting.

REGISTRATION NUMBER: VA176233

DATE REGISTERED: February 23, 1984

Pioneer old fashioned brown gravy mix : net wt. 1.61 oz. (46 g)

REGISTRATION NUMBER: TX2583037

DATE REGISTERED: February 13, 1989

Pioneer original biscuit mix : net wt. 25 lbs. (11.34 Kg)

REGISTRATION NUMBER: TX2580247

DATE REGISTERED: May 31, 1989

Pioneer old fashioned chicken gravy mix : net wt. 1.89 oz.

REGISTRATION NUMBER: TX2570304

DATE REGISTERED: May 09, 1989

Pioneer beignet French doughnut mix : net wt. 18 oz.

REGISTRATION NUMBER: TX2562724

DATE REGISTERED: April 21, 1989

San Antonio River Mill brand : Pioneer corn tortilla mix.

REGISTRATION NUMBER: TX2562575

DATE REGISTERED: March 17, 1989

Pioneer blueberry muffin mix.

APPLICATION TITLE: Pioneer 5 lb. blueberry muffin mix

REGISTRATION NUMBER: TX2560205

DATE REGISTERED: March 23, 1989

San Antonio River Mill brand pioneer southern biscuit mix.

REGISTRATION NUMBER: TX2552171

DATE REGISTERED: March 17, 1989

Pioneer peppered old fashioned biscuit gravy mix.

APPLICATION TITLE: Pioneer 1.5 lb. peppered old fashioned biscuit  
gravy mix

REGISTRATION NUMBER: TX2549572

DATE REGISTERED: March 23, 1989

San Antonio River Mill Brand Pioneer jalapeno cornbread mix.

APPLICATION TITLE: San Antonio River Mill jalapeno cornbread mix

REGISTRATION NUMBER: TX2549433

DATE REGISTERED: March 17, 1989

San Antonio River Mill Brand Pioneer sweet corn muffin mix.

APPLICATION TITLE: San Antonio River mill sweet corn muffin mix

REGISTRATION NUMBER: TX2549432

DATE REGISTERED: March 17, 1989

Pioneer old fashioned cornbread mix.

REGISTRATION NUMBER: TX2545816

DATE REGISTERED: February 13, 1989

Pioneer sweet corn muffin mix : net wt. 5 lbs.

APPLICATION TITLE: Pioneer 5 lb. sweet corn muffin mix

REGISTRATION NUMBER: TX2543656

DATE REGISTERED: March 22, 1989

Pioneer original biscuit & baking mix.

REGISTRATION NUMBER: TX2543375

DATE REGISTERED: February 10, 1989

San Antonio River Mill Brand : beignet mix.

REGISTRATION NUMBER: TX2542229

DATE REGISTERED: March 17, 1989

San Antonio River Mill Brand : whole wheat biscuit mix.

REGISTRATION NUMBER: TX2542228

DATE REGISTERED: March 17, 1989

San Antonio River Mill Brand : whole wheat pancake mix.

REGISTRATION NUMBER: TX2542227

DATE REGISTERED: March 17, 1989

San Antonio River Mill Brand : southern seasoned flour.

REGISTRATION NUMBER: TX2542226

DATE REGISTERED: March 17, 1989

San Antonio River Mill Brand : honey bran muffin.

REGISTRATION NUMBER: TX2542225

DATE REGISTERED: March 17, 1989

San Antonio River Mill brand : Pioneer southern hushpuppy mix : net wt. 32 oz. (2 lb.)

APPLICATION TITLE: San Antonio River Mill southern hushpuppy mix:  
2 lbs. (1986)

REGISTRATION NUMBER: TX2542168

DATE REGISTERED: March 17, 1989

San Antonio River Mill brand : Pioneer southern cream waffle mix : net wt. 32 oz. (2 lb.)

APPLICATION TITLE: San Antonio River Mill southern cream waffle  
mix: 2 lbs. (1986)

REGISTRATION NUMBER: TX2542162

DATE REGISTERED: March 17, 1989

Pioneer peppered old fashioned biscuit gravy mix : complete, add water only : net wt. 25 lbs.

REGISTRATION NUMBER: TX2531695

DATE REGISTERED: March 23, 1989

Grandma Guenther's Gourmet recipes for southern biscuit mix.

REGISTRATION NUMBER: TX2525345

DATE REGISTERED: February 10, 1989

Pioneer old fashioned country gravy mix.

REGISTRATION NUMBER: TX2514802

DATE REGISTERED: February 10, 1989

Pioneer old fashioned biscuit gravy mix.

REGISTRATION NUMBER: TX2514801

DATE REGISTERED: February 10, 1989

Pioneer old fashioned biscuit gravy mix.

REGISTRATION NUMBER: TX2514800

DATE REGISTERED: February 10, 1989

Pioneer buttermilk pancake & waffle mix.

REGISTRATION NUMBER: TX2514737

DATE REGISTERED: February 27, 1989

Biscuit mix instructions.

APPLICATION TITLE: Pioneer biscuit/gravy mix instructions

REGISTRATION NUMBER: TX2478647

DATE REGISTERED: January 17, 1989

Hearth & Skillet flour tortilla pre-mix : 6/6.25 lb. bags.

REGISTRATION NUMBER: TX2478632

DATE REGISTERED: January 11, 1989

Texas Country Foods old fashioned peppered gravy mix : net wt. 1.5 lbs.

REGISTRATION NUMBER: TX2447443

DATE REGISTERED: November 07, 1988

Pioneer peppered old fashioned biscuit gravy mix : complete, add water only  
: net wt. 24 oz. (1 ½ lbs.) 680 g.

REGISTRATION NUMBER: TX2442663

DATE REGISTERED: November 01, 1988

Pioneer complete cinnamon raisin biscuit mix : add water only : net wt. 5.5  
lbs. (2.5 kg)

REGISTRATION NUMBER: TX2439769

DATE REGISTERED: October 17, 1988

Hearth & Skillet cinnamon raisin biscuit mix.

REGISTRATION NUMBER: TX2439640

DATE REGISTERED: October 17, 1988

San Antonio River Mill Brand Pioneer whole wheat biscuit mix.

APPLICATION TITLE: San Antonio River Mill Brand labels

REGISTRATION NUMBER: TX2431965

DATE REGISTERED: November 03, 1988

Pioneer turkey gravy mix.

REGISTRATION NUMBER: TX2419270

DATE REGISTERED: July 11, 1988

Pioneer pork gravy mix : 11.3 oz.

REGISTRATION NUMBER: TX2366779

DATE REGISTERED: July 06, 1988

Pioneer cheddar cheese sauce mix.

REGISTRATION NUMBER: TX2365999

DATE REGISTERED: July 07, 1988

Pioneer complete buttermilk biscuit mix : add water only.

REGISTRATION NUMBER: TX2357235

DATE REGISTERED: July 05, 1988

Pioneer biscuit mix.

REGISTRATION NUMBER: TX2355407

DATE REGISTERED: August 17, 1987

Pioneer yellow cornbread mix.

REGISTRATION NUMBER: TX2217935

DATE REGISTERED: November 05, 1987

Wild blueberry muffin mix.

REGISTRATION NUMBER: TX2158673  
DATE REGISTERED: September 11, 1987

Pioneer Mexican cornbread mix--jalapeno, net wt. 6 oz. (170 g.)

REGISTRATION NUMBER: TX2155187  
DATE REGISTERED: September 11, 1987

Pioneer recipes.

APPLICATION TITLE: Pioneer gravy mix sales brochure  
REGISTRATION NUMBER: TX2150257  
DATE REGISTERED: August 18, 1987

Pioneer white wings flour tortilla premix.

REGISTRATION NUMBER: TX2144280  
DATE REGISTERED: August 17, 1987

Hearth & Skillet country gravy mix.

REGISTRATION NUMBER: TX2136389  
DATE REGISTERED: August 17, 1987

Hearth & skillet biscuit mix no. 3.

REGISTRATION NUMBER: TX2134445  
DATE REGISTERED: August 17, 1987

Pioneer beignet French doughnut mix : net wt. 18 oz. (510g)

REGISTRATION NUMBER: TX2133768  
DATE REGISTERED: August 17, 1987

Pioneer Golden Flake biscuit mix : 52 oz. packaging.

REGISTRATION NUMBER: TX2098612  
DATE REGISTERED: May 15, 1987

New! Golden Flake biscuit mix from Pioneer.

APPLICATION TITLE: Golden Flake biscuit mix from Pioneer: flyer  
REGISTRATION NUMBER: TX2086438  
DATE REGISTERED: May 15, 1987

Pioneer basic muffin mix : complete, add water only.

APPLICATION TITLE: Pioneer basic muffin mix product packaging  
REGISTRATION NUMBER: TX2069694  
DATE REGISTERED: January 15, 1987

Pioneer biscuit base mix.

APPLICATION TITLE: Pioneer biscuit base mix label--25 lb  
REGISTRATION NUMBER: TX2069693  
DATE REGISTERED: February 11, 1987

Pioneer full flavor in half the time brochure.

REGISTRATION NUMBER: TX1861039

DATE REGISTERED: June 26, 1986

4 pound, corn tortilla mix.

REGISTRATION NUMBER: TX1519461

DATE REGISTERED: December 03, 1984

Pioneer 60 ounce original baking mix.

REGISTRATION NUMBER: TX1410303

DATE REGISTERED: July 30, 1984

Pioneer 1 : white cornbread.

REGISTRATION NUMBER: TX1408228

DATE REGISTERED: July 30, 1984

Pioneer 60 ounce buttermilk baking mix.

REGISTRATION NUMBER: TX1407565

DATE REGISTERED: July 30, 1984

12 oz. corn tortilla mix.

REGISTRATION NUMBER: TX1398243

DATE REGISTERED: June 21, 1984

Cornbread mix sales brochure.

REGISTRATION NUMBER: TX1378880

DATE REGISTERED: April 19, 1984

Flour tortilla mix.

APPLICATION TITLE: Flour tortilla mix sales brochure

REGISTRATION NUMBER: TX1376272

DATE REGISTERED: May 10, 1984

Buttermilk pancake mix sales brochure.

REGISTRATION NUMBER: TX1365652

DATE REGISTERED: April 19, 1984

The Preferred biscuit mix sales brochure.

REGISTRATION NUMBER: TX1365651

DATE REGISTERED: April 19, 1984

Hush puppy mix.

REGISTRATION NUMBER: TX1365650

DATE REGISTERED: April 19, 1984

Old fashioned biscuit gravy mix.

REGISTRATION NUMBER: TX1365649

DATE REGISTERED: April 19, 1984

Assorted cake mixes and icings.



REGISTRATION NUMBER: TX1365648  
DATE REGISTERED: April 19, 1984

French doughnut (beignet) and sopapilla mix.  
REGISTRATION NUMBER: TX1365647  
DATE REGISTERED: April 19, 1984

Muffin mixes sales brochure.  
REGISTRATION NUMBER: TX1339619  
DATE REGISTERED: May 10, 1984

Corn tortilla mix sales brochure.  
REGISTRATION NUMBER: TX1339618  
DATE REGISTERED: May 10, 1984

Proven successes in food service mixes sales brochure.  
REGISTRATION NUMBER: TX1339617  
DATE REGISTERED: May 10, 1984

Pioneer original baking mix : net. wt. 60 oz. (3 lb. 12 oz.) (1.70 kg)  
APPLICATION TITLE: Pioneer 60 ounce original baking mix  
REGISTRATION NUMBER: TX1267102  
DATE REGISTERED: October 31, 1983

Pioneer buttermilk baking mix : net. wt. 60 oz. (3 lb. 12 oz.) (1.70 kg)  
APPLICATION TITLE: Pioneer 60 ounce buttermilk baking mix  
REGISTRATION NUMBER: TX1267101  
DATE REGISTERED: October 31, 1983

Pioneer yellow cornbread mix : net. wt. 5 lbs.  
APPLICATION TITLE: Pioneer 5 pound yellow cornbread  
REGISTRATION NUMBER: TX1267100  
DATE REGISTERED: October 31, 1983

Pioneer buttermilk pancake & waffle mix : net. wt. 32 oz. (2 lb.) (171 g)  
APPLICATION TITLE: Pioneer 2 pound pancake and waffle mix  
REGISTRATION NUMBER: TX1267099  
DATE REGISTERED: October 31, 1983

Pioneer beignet French doughnut mix : net. wt. 32 oz. (2 lb.) (171 g)  
APPLICATION TITLE: Pioneer 2 pound French doughnut  
REGISTRATION NUMBER: TX1267098  
DATE REGISTERED: October 31, 1983

Pioneer white cornbread mix : net. wt. 16 oz. (454 g)  
APPLICATION TITLE: Pioneer 1 pound white cornbread  
REGISTRATION NUMBER: TX1267097  
DATE REGISTERED: October 31, 1983

Pioneer buttermilk pancake & waffle mix : net. wt. 6 oz. (171 g)  
APPLICATION TITLE: Pioneer 6 ounce pancake and waffle mix  
REGISTRATION NUMBER: TX1267096  
DATE REGISTERED: October 31, 1983

Pioneer original baking mix : net. wt. 6 oz. (171 g)  
APPLICATION TITLE: Pioneer 6 ounce original baking mix  
REGISTRATION NUMBER: TX1267095  
DATE REGISTERED: October 31, 1983

Pioneer buttermilk baking mix : net. wt. 6 oz. (171 g)  
APPLICATION TITLE: Pioneer 6 ounce buttermilk baking mix  
REGISTRATION NUMBER: TX1267094  
DATE REGISTERED: October 31, 1983

Pioneer beignet French doughnut mix : net. wt. 6 oz. (171 g)  
APPLICATION TITLE: Pioneer 6 ounce French doughnut  
REGISTRATION NUMBER: TX1267093  
DATE REGISTERED: October 31, 1983

Pioneer yellow cornbread mix : net. wt. 6 oz. (171 g)  
APPLICATION TITLE: Pioneer 6 ounce yellow cornbread  
REGISTRATION NUMBER: TX1267092  
DATE REGISTERED: October 31, 1983

Pioneer Flour Mills instructional videotape  
REGISTRATION NUMBER: PA252169  
DATE REGISTERED: May 10, 1985

Pioneer complete buttermilk pancake mix - 32 oz.  
REGISTRATION NUMBER: TX-3-856-845  
DATE REGISTERED: June 13, 1994

Pioneer complete buttermilk pancake mix - 6 oz.  
REGISTRATION NUMBER: TX-3-856-847  
DATE REGISTERED: June 13, 1994

Pioneer original biscuit & Baking mix - 60 oz.  
REGISTRATION NUMBER: TX-3-856-846  
DATE REGISTERED: June 13, 1994

Pioneer brown gravy mix (1995)  
REGISTRATION NUMBER: TX-4-034-934  
DATE REGISTERED: April 21, 1995

Pioneer au jus gravy mix (1995)  
REGISTRATION NUMBER: TX-4-034-935  
DATE REGISTERED: April 21, 1995

Pioneer complete deluxe corn bread mix  
REGISTRATION NUMBER: TX-4-167-935  
DATE REGISTERED: November 13, 1995

Pioneer White Wings corn tortilla mix - 4 lbs.  
REGISTRATION NUMBER: TX-4-162-853  
DATE REGISTERED: December 6, 1995

Southern Success recipes  
REGISTRATION NUMBER: TX-4-350-334  
DATE REGISTERED: July 8, 1996

**SCHEDULE V  
TO  
SECURITY AGREEMENT**

**PATENTS**

Item A: Patents						
<u>COUNTRY</u>	<u>TITLE</u>	<u>APP NO</u>	<u>APP DATE</u>	<u>PAT NO</u>	<u>GRANT DT</u>	<u>STATUS</u>
United States	Food Product with Flavoring and Method for Producing the Same	09/188,435	09NO1998			Filed
Canada	Food Product with Flavoring and Method for Producing the Same	2,258,327	20JA1999			Filed

Item B: Patent Licenses: None