

OMB No. 0651-0027 (exp. 5/31/2002)



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102050327 ▼ ▼ ▼

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
 Horizon Snack Foods of California, Inc.  
 7066 Las Positas Road, Suite A  
 Livermore, CA 94550

*4-11-02*

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State: TX  
 Other

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):  
 Name: LaSalle Business Credit, Inc

Internal Address: \_\_\_\_\_

Street Address: 135 South LaSalle Street, Suite 425

City: Chicago                      State: IL                      ZIP: 60603

Individual(s) citizenship  
 Association  
 General Partnership  
 Limited Partnership  
 Corporation-State IL  
 Other

3. Nature of conveyance:  
 Assignment                       Merger  
 Security Agreement               Change of Name  
 Other

Execution Date: March 26, 2002

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from Assignment)  
 Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)  
 See Schedule A to Trademark Collateral Security Agreement

B. Trademark Registration No.(s)

Additional numbers attached  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

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

**RETURN TO:**  
**FEDERAL RESEARCH CORP**  
**400 SEVENTH STREET NW**  
**SUITE 101**  
**WASHINGTON DC 20004**

6. Total number of applications and registrations involved: ..... **3**

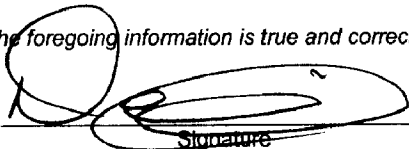
7. Total Fee (37 CFR 3.41) ..... \$ **90<sup>00</sup>**  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*

Derek Lively                                            April 5, 2002  
 Name of Person Signing                      Signature                      Date

Total number of pages including coversheet, attachments and document:

Mail documents to be recorded with required coversheet information to:  
 Commissioner of Patents & Trademarks, Box Assignments  
 Washington, DC 20231

04/12/2002 6TON11 00000015 2137455

01 FC:481  
02 FC:482

40.00 OP  
50.00 OP

13570/13  
04/05/2002 1194733.01

TRADEMARK  
REEL: 002492 FRAME: 0691





SCHEDULE A

<u>REGISTRATION OR APPLICATION NO.</u>	<u>COUNTRY</u>	<u>REGISTRATION OR FILING DATE</u>	<u>MARK</u>
2,137,455	USA	2/17/1998	Fruit Stand
2,165,928	USA	6/16/1998	Home Run Pie
2,115,572	USA	11/25/1997	Home Run Snacks

## TRADEMARK COLLATERAL SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL SECURITY AGREEMENT is made on the 26<sup>th</sup> day of March, 2002, by and between HORIZON SNACK FOODS OF CALIFORNIA, INC., a Texas corporation having a mailing address at 7066 Las Positas Road, Suite A, Livermore, California 94550 ("Grantor") and LASALLE BUSINESS CREDIT, INC., as agent for Lenders (as defined below) having a mailing address at 135 South LaSalle Street, Chicago, Illinois 60603 ("Agent").

### BACKGROUND

Grantor, various other credit parties (collectively, "Borrowers") and Agent have entered into a Loan and Security Agreement of even date herewith (as amended, modified, restated or supplemented from time to time, the "Loan Agreement") with the various financial institutions named therein or which hereafter become a party thereto (each a "Lender" and collectively, "Lenders") and Agent providing for financial accommodations by Agent to Borrowers. In order to induce Agent and Lenders to execute and deliver the Loan Agreement, Grantor agreed to execute and deliver to Agent for its benefit and for the ratable benefit of Lenders this Trademark Collateral Security Agreement (as amended, modified, restated or supplemented from time to time, this "Agreement").

NOW, THEREFORE, in consideration of the premises, Grantor and Agent hereby agree as follows:

1. Defined Terms. All capitalized terms used herein which are not otherwise defined herein shall have the meanings given to them in the Loan Agreement and the following terms shall have the following meanings, unless the context otherwise requires:

"Code" shall mean the Uniform Commercial Code as the same may from time to time be in effect in the State of New York.

"Collateral" shall have the meaning assigned to it in paragraph 2 of this Agreement.

"ITU Marks" shall mean all pending trademark applications shown in the attached Schedule B which were filed by Grantor in the United States Patent and Trademark Office based on its intent to use the corresponding mark, and any applications which are hereafter filed by Grantor based on its intent to use the corresponding mark.

"Licenses" shall mean the trademark license agreements of Grantor designated on Schedule I hereto, as any of the same may from time to time be amended, modified or supplemented.

"Proceeds" shall have the meaning assigned to it under Section 9-306 of the Code, and in any event, shall include, but not be limited to, (i) any and all proceeds of any

insurance, indemnity, warranty or guarantee payable to Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority), and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Trademarks” shall mean the registered trademarks and ITU Marks shown in the attached Schedule A and Schedule B, and those trademarks which are hereafter adopted or acquired by Grantor, and all right, title and interest therein and thereto, and all registrations, applications, and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any foreign country, all whether now owned or hereafter acquired by Grantor.

2. Grant of Security Interest. As collateral security for the prompt payment of the Obligations, Grantor hereby grants and conveys to Agent for its benefit and for the ratable benefit of Lenders a security interest in and to (a) the entire right, title and interest of Grantor in and to the Trademarks and ITU Marks, including the registrations and applications appurtenant thereto, listed in Schedule A and Schedule B hereto (as the same may be amended pursuant hereto from time to time), and in and to any and all trademarks, and registrations and applications appurtenant thereto, hereafter acquired or filed by Grantor, including without limitation all renewals thereof, all proceeds of infringement suits, the rights to sue for past, present and future infringements and all rights corresponding thereto and the goodwill of the business to which each of the Trademarks relates and (b) all of Grantor’s right, title and interest in, to and under the following:

(i) all Licenses;

(ii) all Accounts, contract rights and General Intangibles arising under or relating to each and every License (including, without limitation, (A) all moneys due and to become due under any License, (B) any damages arising out of or for breach or default in respect of any such License, (C) all other amounts from time to time paid or payable under or in connection with any such License, and (D) the right of Grantor to terminate any such License or to perform and to exercise all remedies thereunder); and,

(iii) to the extent not otherwise included, all Proceeds and products of any or all of the foregoing. All of the property referred to in this paragraph 2 is hereafter collectively called the “Collateral.”

3. Representations and Warranties. Grantor covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable in whole or in part except with respect to any Trademark that has been abandoned or allowed to expire prior to the date of this Agreement;

(b) To the best of Grantor's knowledge, each of the Trademarks is valid and enforceable except with respect to any Trademark that has been abandoned or allowed to expire prior to the date of this Agreement;

(c) There is no outstanding claim that the use of any of the Trademarks violates the rights of any third person;

(d) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances (including without limitation pledges, assignments, licenses, registered user agreements and covenants by Grantor not to sue third persons), except for the Licenses disclosed on Schedule I attached hereto and any Trademark that has been abandoned or allowed to expire prior to the date of this Agreement;

(e) Grantor has the right to enter into this Agreement and perform its terms;

(f) Grantor has used, and will continue to use for the duration of this Agreement, proper statutory notice, where appropriate, in connection with its use of the Trademarks; and

(g) Grantor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

4. Right of Inspection. Grantor hereby grants to Agent and its employees and agents the right to visit Grantor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control relating thereto at reasonable times during regular business hours. Grantor shall use its best efforts to do any and all acts required by Agent to ensure Grantor's compliance with paragraph 3(g) above.

5. New Trademarks.

(a) If, before the Obligations shall have been irrevocably paid in full, Grantor shall obtain rights to any new Trademarks or become entitled to the benefit of any trademark application or trademark for any reissue, division, continuation, renewal, extension, or continuation in part of any Trademark or any improvement on any Trademark, the provisions of paragraph 2 shall automatically apply thereto and Grantor shall give Agent prompt written notice thereof.

(b) Grantor grants Agent a power-of-attorney, irrevocable so long as the Loan Agreement is in existence, to modify this Agreement by amending (1) Schedule A to include any future trademarks, including trademark registrations or applications appurtenant thereto covered by this Agreement and (2) Schedule B to include any future ITU Marks.

(c) Notwithstanding anything to the contrary set forth in paragraph 5(b) above, the terms of this Agreement shall automatically apply without any further action on the part of Grantor, Agent or any Lender (including, without limitation, the grant of a security interest by Grantor to Agent on behalf of Lenders in any such ITU Marks which become registered with the United States Patent and Trademark Office) to an ITU Mark upon the earlier to occur of the filing in the United States Patent and Trademark Office by Grantor of (1) an Amendment to Allege Use or (2) a Statement of Use with respect to such ITU Mark and all references to Trademarks hereunder shall thereafter be deemed to include such ITU Mark.

6. Covenants. Grantor covenants and agrees with Agent that from and after the date of this Agreement and until the Obligations are fully satisfied:

(a) Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of Agent, Grantor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Agent may reasonably deem desirable in obtaining the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Code with respect to the liens and security interests granted hereby. Grantor also hereby authorizes Agent to file any such financing or continuation statement without the signature of Grantor to the extent permitted by applicable law. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged to Agent hereunder, duly endorsed in a manner satisfactory to Agent.

(b) Maintenance of Trademarks. Except with respect to any Trademark that has been abandoned or allowed to expire prior to the date of this Agreement, and except with respect to any Trademark that Grantor has substantially ceased to use in commerce within the applicable jurisdiction, Grantor will not do any act, or omit to do any act, whereby the Trademarks or any registration or application appurtenant thereto, may become abandoned (except to the extent that any Trademark has been abandoned by Grantor prior to the date of this Agreement), invalidated, unenforceable, avoided, avoidable, or will otherwise diminish in value, and shall notify Agent immediately if it knows of any reason or has reason to know of any ground under which this result may occur. Grantor shall take appropriate action at its expense to halt the infringement of such Trademarks and shall properly exercise its duty to control the nature and quality of the goods offered by any licensees in connection with the Licenses.

(c) Indemnification. (A) Grantor assumes all responsibility and liability arising from the use of the Trademarks, and Grantor hereby indemnifies and holds Agent and Lenders harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of Grantor's operations of its business from the use of the Trademarks. (B) In any suit, proceeding or action brought by Agent or any Lender under any License for any sum owing thereunder, or to enforce any provisions of such License, Grantor will indemnify and keep Agent and Lenders harmless from and against all expense, loss or damage suffered by reason of any defense, set off, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder, arising out of a breach of Grantor of any



obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Grantor, and all such obligations of Grantor shall be and remain enforceable against and only against Grantor and shall not be enforceable against Agent or any Lender.

(d) Limitation of Liens on Collateral. Grantor will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove any lien, security interest, encumbrance, claim or right, in or to the Collateral, and will defend the right, title and interest of Agent in and to any of Grantor's rights under any License and to the Proceeds thereof against the claims and demands of all persons whomever.

(e) Limitations on Modifications of Licenses. Grantor will not amend, modify, terminate or waive any provision of any License in any manner which might materially adversely affect the value of such License or the Trademarks as Collateral.

(f) Notices. Grantor will advise Agent promptly, in reasonable detail, (i) of any lien or claim made or asserted against any of the Collateral, (ii) of any material change in the composition of the Collateral and (iii) of the occurrence of any other event which would have a material adverse effect on the value of any of the Collateral or on the security interests created hereunder.

(g) Limitation on Further Uses of Trademarks. Grantor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Collateral, without prior written consent of Agent.

(h) Exercise of Rights; Delivery of Notices. Grantor shall (i) exercise promptly and diligently each and every material right which it may have under each License (other than any right of termination) and (ii) deliver to Agent a copy of each material demand, notice or document sent or received by it relating in any way to any License or Trademark.

#### 7. Agent's Appointment as Attorney-in-Fact.

(a) Grantor hereby irrevocably constitutes and appoints Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time in Agent's discretion, for the purposes of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives Agent the power and right, on behalf of Grantor, to do the following:

(i) Upon the occurrence and continuance of an Event of Default, to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any License and, in the name of Grantor or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any License and to file any claim or to

take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any and all such moneys due under any License whenever payable;

(ii) To pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iii) Upon the occurrence and continuance of an Event of Default, (A) to direct any party liable for any payment under any of the Licenses to make payment of any and all moneys due and to become due thereunder directly to Agent or as Agent shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (D) to defend any suit, action or proceeding brought against Grantor with respect to any Collateral; (E) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Agent may deem appropriate; and (F) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes, and to do, at Agent's option all acts and things which Agent deems necessary to protect, preserve or realize upon the Collateral and Agent's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as Grantor might do.

(b) This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, Grantor further agrees to execute any additional documents which Agent may require in order to confirm this power of attorney, or which Agent may deem necessary to enforce any of its rights contained in this Agreement.

(c) The powers conferred on Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to Grantor for any act or failure to act, except for its own gross (not mere) negligence or willful misconduct.

(d) Grantor also authorizes Agent to execute, in connection with the sale provided for in paragraph 10(b) of this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

8. Execution of Power of Attorney. Concurrently with the execution and delivery hereof, Grantor shall execute and deliver to Agent, in the form of Exhibit I hereto, ten (10) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Trademarks pursuant to paragraph 7 hereof.

9. Performance by Agent of Grantor's Obligations. If Grantor fails to perform or comply with any of its agreements contained herein and Agent, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of Agent incurred in connection with such performance or compliance shall be payable by Grantor to Agent on demand and shall constitute Obligations secured hereby.

10. Remedies, Rights Upon Event of Default.

(a) If an Event of Default shall occur and be continuing:

(i) All payments received by Grantor under or in connection with any of the Collateral shall be held by Grantor in trust for Agent and Lenders, shall be segregated from other funds of Grantor and shall forthwith upon receipt by Grantor, be turned over to Agent, in the same form as received by Grantor (duly indorsed by Grantor to Agent, if required); and

(ii) Any and all such payments so received by Agent (whether from Grantor or otherwise) may, in the sole discretion of Agent, be held by Agent as collateral security for, and/or then or at any time thereafter applied in whole or in part by Agent against all or any part of the Obligations in such order as Agent shall elect. Any balance of such payments held by Agent and remaining after payment in full of all the Obligations shall be paid over to Grantor or to whomsoever may be lawfully entitled to receive the same.

(b) If any Event of Default shall occur and be continuing, Agent and Lenders may exercise in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Agent and Lenders are entitled. Grantor shall also be liable for the reasonable fees of any attorneys employed by Agent and Lenders to collect any such deficiency and also as to any reasonable attorney's fees incurred by Agent and Lenders with respect to the collection of any of the Obligations and the enforcement of any of Agent's respective rights hereunder.

11. Termination. At such time as the Obligations are irrevocably satisfied in full and the Loan Agreement is irrevocably terminated, this Agreement shall terminate and Agent shall execute and deliver to Grantor all such releases, deeds, assignments and other instruments as may be necessary or proper to re-vest in Grantor full title to the Trademarks, subject to any disposition thereof which may have been made by Agent pursuant hereto.

12. Notices. Any notice to Agent or Grantor under this Agreement shall be given in the manner and to the parties designated in the Loan Agreement.

13. No Waiver. No course of dealing between Grantor, Agent or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of Agent or any Lender, any

right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. Cumulative Remedies. All of Agent's and Lenders' rights and remedies with respect to the Collateral, whether established hereby or by the Loan Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

15. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

16. No Modification Except in Writing. Except as provided in paragraphs 5 and 7, no amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing executed by the parties hereto.

17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Grantor and Agent, all future holders of the Obligations and their respective successors and assigns, except that Grantor may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent.

18. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of New York.

19. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

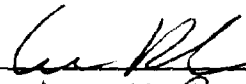
20. Counterparts; Facsimile. This Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

WITNESS:

HORIZON SNACK FOODS OF CALIFORNIA, INC.

Martha C. Parriott

By:   
Name: Lee M. Rucker  
Title: Chief Administrative Officer

WITNESS:

LASALLE BUSINESS CREDIT, INC., as Agent

\_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

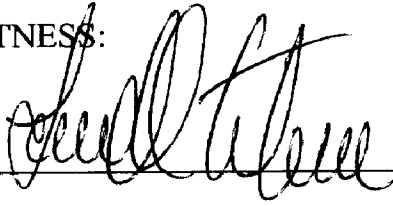
WITNESS:

HORIZON SNACK FOODS OF CALIFORNIA, INC.

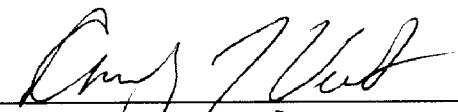
\_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

WITNESS:

  
\_\_\_\_\_

LASALLE BUSINESS CREDIT, INC., as Agent

By:  \_\_\_\_\_  
Name: *Arthur S. Veith*  
Title: *Senior Vice President*

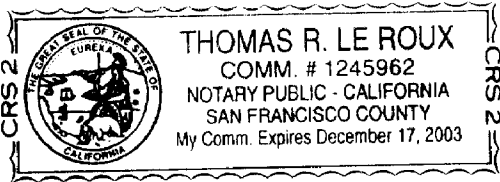
SCHEDULE B

<u>REGISTRATION OR APPLICATION NO.</u>	<u>MARK</u>

STATE OF California )  
 )  
COUNTY OF San Francisco )

SS:

On the <sup>2nd day of April</sup> 26<sup>th</sup> day of ~~March~~, 2002, before me personally came Leem Becker, to me known, who being by me duly sworn, did depose and say he is the Chief Admin. Off. of Horizon Snack Foods of California, Inc., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the board of directors of said corporation.



Thomas R. Le Roux  
Notary Public  
My Commission Expires: 12/17/03

STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK )

SS:

Before me, the undersigned, on this <sup>April</sup> 5 day of ~~March~~, 2002, personally appeared Anthony J. Veith to me known personally, and who being by me duly sworn, deposes and says that he is the Senior Vice President of LaSalle Business Credit, Inc., and that he was authorized to sign his name thereto.

Loukia Harris  
Notary Public  
My Commission Expires:  
LOUKIA HARRIS  
Notary Public, State of New York  
No. 01HA4995575  
Qualified in Nassau County  
Commission Expires April 27, 2002



SCHEDULE I

LICENSES