

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

|                                  |  |                        |                         |
|----------------------------------|--|------------------------|-------------------------|
| SUBMISSION TYPE:                 | NEW ASSIGNMENT   |                        |                         |
| NATURE OF CONVEYANCE:            | SECURITY INTEREST  |                        |                         |
| <b>CONVEYING PARTY DATA</b>      |  |                        |                         |
| <b>Name</b>                      | <b>Formerly</b>  | <b>Execution Date</b>  | <b>Entity Type</b>      |
| California Dairies, Inc.         |  | 04/17/2009             | CORPORATION: CALIFORNIA |
| <b>RECEIVING PARTY DATA</b>      |  |                        |                         |
| <b>Name:</b>                     | CoBank, ACB  |                        |                         |
| <b>Street Address:</b>           | P.O. Box 5110  |                        |                         |
| <b>City:</b>                     | Denver   |                        |                         |
| <b>State/Country:</b>            | COLORADO   |                        |                         |
| <b>Postal Code:</b>              | 80217-5110   |                        |                         |
| <b>Entity Type:</b>              | Bank: UNITED STATES  |                        |                         |
| <b>PROPERTY NUMBERS Total: 2</b> |  |                        |                         |
| <b>Property Type</b>             | <b>Number</b>  | <b>Word Mark</b>       |                         |
| Registration Number:             | 2579502  | CALIFORNIA DAIRIES     |                         |
| Registration Number:             | 1519997  | DANISH CREAMERY BUTTER |                         |
| <b>CORRESPONDENCE DATA</b>       |  |                        |                         |
| <b>Fax Number:</b>               | (312)706-9000  |                        |                         |
|                                  | <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> |                        |                         |
| <b>Phone:</b>                    | 3127018022   |                        |                         |
| <b>Email:</b>                    | zbeal@mayerbrown.com, ipdocket@mayerbrown.com  |                        |                         |
| <b>Correspondent Name:</b>       | Chad Diehl   |                        |                         |
| <b>Address Line 1:</b>           | P. O. Box 2828   |                        |                         |
| <b>Address Line 4:</b>           | Chicago, ILLINOIS 606902828  |                        |                         |
| <b>ATTORNEY DOCKET NUMBER:</b>   | 09076470 DSR 2508  |                        |                         |
| <b>NAME OF SUBMITTER:</b>        | Chad Diehl   |                        |                         |
| <b>Signature:</b>                | /chaddiehl/  |                        |                         |
| <b>Date:</b>                     | 04/23/2009   |                        |                         |

OP \$65.00 2579502

**Total Attachments: 44**

source=CADairiesExecutedSecurityAgreement#page1.tif  
source=CADairiesExecutedSecurityAgreement#page2.tif  
source=CADairiesExecutedSecurityAgreement#page3.tif  
source=CADairiesExecutedSecurityAgreement#page4.tif  
source=CADairiesExecutedSecurityAgreement#page5.tif  
source=CADairiesExecutedSecurityAgreement#page6.tif  
source=CADairiesExecutedSecurityAgreement#page7.tif  
source=CADairiesExecutedSecurityAgreement#page8.tif  
source=CADairiesExecutedSecurityAgreement#page9.tif  
source=CADairiesExecutedSecurityAgreement#page10.tif  
source=CADairiesExecutedSecurityAgreement#page11.tif  
source=CADairiesExecutedSecurityAgreement#page12.tif  
source=CADairiesExecutedSecurityAgreement#page13.tif  
source=CADairiesExecutedSecurityAgreement#page14.tif  
source=CADairiesExecutedSecurityAgreement#page15.tif  
source=CADairiesExecutedSecurityAgreement#page16.tif  
source=CADairiesExecutedSecurityAgreement#page17.tif  
source=CADairiesExecutedSecurityAgreement#page18.tif  
source=CADairiesExecutedSecurityAgreement#page19.tif  
source=CADairiesExecutedSecurityAgreement#page20.tif  
source=CADairiesExecutedSecurityAgreement#page21.tif  
source=CADairiesExecutedSecurityAgreement#page22.tif  
source=CADairiesExecutedSecurityAgreement#page23.tif  
source=CADairiesExecutedSecurityAgreement#page24.tif  
source=CADairiesExecutedSecurityAgreement#page25.tif  
source=CADairiesExecutedSecurityAgreement#page26.tif  
source=CADairiesExecutedSecurityAgreement#page27.tif  
source=CADairiesExecutedSecurityAgreement#page28.tif  
source=CADairiesExecutedSecurityAgreement#page29.tif  
source=CADairiesExecutedSecurityAgreement#page30.tif  
source=CADairiesExecutedSecurityAgreement#page31.tif  
source=CADairiesExecutedSecurityAgreement#page32.tif  
source=CADairiesExecutedSecurityAgreement#page33.tif  
source=CADairiesExecutedSecurityAgreement#page34.tif  
source=CADairiesExecutedSecurityAgreement#page35.tif  
source=CADairiesExecutedSecurityAgreement#page36.tif  
source=CADairiesExecutedSecurityAgreement#page37.tif  
source=CADairiesExecutedSecurityAgreement#page38.tif  
source=CADairiesExecutedSecurityAgreement#page39.tif  
source=CADairiesExecutedSecurityAgreement#page40.tif  
source=CADairiesExecutedSecurityAgreement#page41.tif  
source=CADairiesExecutedSecurityAgreement#page42.tif  
source=CADairiesExecutedSecurityAgreement#page43.tif  
source=CADairiesExecutedSecurityAgreement#page44.tif

SECURITY AND PLEDGE AGREEMENT

**SECURITY AND PLEDGE AGREEMENT**, dated as of April 17, 2009 (as amended, supplemented, restated or otherwise modified from time to time, this "Agreement"), made by CALIFORNIA DAIRIES, INC., a California corporation (the "Grantor"), in favor of COBANK, ACB ("CoBank"), as collateral agent (in such capacity, the "Collateral Agent") for each of the Lender Parties. Capitalized terms not otherwise defined herein have the meanings provided for in Article I.

WITNESSETH:

**WHEREAS**, the Grantor and CoBank have entered into the Master Loan Agreement (No. RIG024), dated as of the July 24, 2003, as amended by the Amendment (No. RIG024A), dated as of December 15, 2003, the Amendment to the Master Loan Agreement (No. RIG024B), dated as of April 3, 2006, the Amendment to the Master Loan Agreement (No. RIG024C), dated as of July 27, 2007, the Amendment to the Master Loan Agreement (No. RIG024D), dated as of December 17, 2007, the Amendment to the Master Loan Agreement (No. RIG024E), dated as of April 10, 2008, the Amendment to the Master Loan Agreement (No. RIG024F), dated as of December 23, 2008, and the Amendment to the Master Loan Agreement (No. RIG024G), dated as of the date hereof, and as supplemented by the Revolving Credit Supplement (No. RIG024S01J), dated as of December 23, 2008 and effective as of January 1, 2009, the Revolving Credit Supplement (No. RIG024S02C), dated as of December 23, 2008 and effective as of January 1, 2009, and the Revolving Term Loan Supplement (No. RIG024T01H), dated as of December 23, 2008 and effective as of January 1, 2009 (as further amended, restated, supplemented or otherwise modified from time to time, collectively, the "CoBank Loan Agreement");

**WHEREAS**, the Grantor and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International", New York Branch ("Rabobank") have entered into the Credit Agreement, dated as of May 19, 2006, as amended by the First Amendment to Credit Agreement, dated as of October 19, 2006, the Second Amendment to Credit Agreement, dated as of May 24, 2007, the Third Amendment to Credit Agreement, dated as of July 31, 2007, the Fourth Amendment to Credit Agreement, dated as of January 2, 2008, the Fifth Amendment to Credit Agreement, dated as of April 14, 2008, the Sixth Amendment to Credit Agreement, dated as of July 28, 2008, the Amended and Restated Seventh Amendment to Credit Agreement, dated as of the date hereof, and the Eighth Amendment to Credit Agreement, dated as of the date hereof (as further amended, restated, supplemented or otherwise modified from time to time, collectively, the "Rabobank Credit Agreement");

**WHEREAS**, Grantor and Union Bank, N.A. (formerly known as Union Bank of California, N.A.) ("UBOC"; together with CoBank, Rabobank and their respective successors and assigns, collectively the "Lenders") have entered into the Second Amended and Restated Credit Agreement, dated as of May 3, 2006, as amended by Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of January 2, 2008, Amendment No. 2 to

Second Amended and Restated Credit Agreement, dated as of February 22, 2008, Amendment No. 3 to Second Amended and Restated Credit Agreement, dated as of April 11, 2008, and Waiver and Amendment No. 4 to Second Amended and Restated Credit Agreement, dated as the date hereof (as further amended, restated, supplemented or otherwise modified from time to time, collectively, the “UBOC Credit Agreement”; together with the CoBank Loan Agreement and the Rabobank Credit Agreement, each a “Credit Agreement” and collectively the “Credit Agreements”);

**WHEREAS**, pursuant to the Intercreditor Agreement, dated as of the date hereof (the “Intercreditor Agreement”), among the Grantor and the Lender Parties, the Lenders have agreed to enter into certain intercreditor arrangements;

**WHEREAS**, pursuant to the Collateral Agency Agreement, dated as of the date hereof (as amended, supplemented, restated or otherwise modified from time to time, the “Collateral Agency Agreement”), among the Grantor and the Lender Parties, such Persons have set forth the rights and obligations of the Collateral Agent with respect to this Agreement and the Collateral;

**WHEREAS**, it is a condition precedent to the effectiveness of the Intercreditor Agreement that the Grantor is required to execute and deliver this Agreement; and

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

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Lender Parties to enter into the Intercreditor Agreement, the Grantor agrees with the Collateral Agent, for the benefit of the Lender Parties, as follows:

## **ARTICLE I DEFINITIONS**

The following terms (whether or not underscored) when used in this Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

“**Agreement**” is defined in the preamble.

“**Assigned Agreements**” is defined in clause (p) of Section 2.1.

“**CoBank**” is defined in the preamble.

“**CoBank Loan Agreement**” is defined in the first recital.

“**Collateral**” is defined in Section 2.1.

“**Collateral Account**” is defined in clause (a) of Section 4.15.

“**Collateral Agency Agreement**” is defined in the fifth recital.

**“Collateral Agent”** is defined in the preamble.

**“Computer Hardware and Software Collateral”** means (a) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware; (b) all software programs (including both source code, object code and all related applications and data files) designed for use on the computers and electronic data processing hardware described in clause (a); (c) all licenses and leases of software programs; (d) all firmware associated therewith; (e) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the clauses (a) through (c); and (f) all rights with respect to all of the foregoing, including any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

**“Copyright Collateral”** means all copyrights (including Community designs, copyrights in software and databases and all Mask Works (as defined under 12 U.S.C. 901 of the U.S. Copyright Act)), whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world including all of the 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 the copyrights referred to in Item A of IV attached hereto (as such Schedule may be amended or supplemented from time to time), 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 (as such Schedule may be amended or supplemented from time to time), 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 licenses, royalties, income, payments, claims, damages and proceeds of suit.

**“Credit Agreements”** is defined in the fourth recital.

**“Deposit Account”** has the meaning provided for in the U.C.C. and includes, without limitation, each lock-box account, concentration account and other collateral accounts maintained by the Grantor, together with all funds held therein and all certificates and instruments, if any, from time to time representing or evidencing such accounts) maintained with a bank (including, without limitation, those accounts identified on Item I of Schedule I attached hereto, as such Schedule may be amended or supplemented from time to time).

**“Equipment”** has the meaning provided for in the U.C.C. and includes, without limitation, all Equipment wherever located and whether or not affixed to any real property, including all accessories, additions, attachments, improvements, substitutions and replacements thereto and therefor.

**“General Intangible”** has the meaning provided for in the U.C.C. and includes, without limitation, all Material Agreements, all Intellectual Property Collateral, all rights under or

evidenced by choses in action or causes of action, all judgments, tax refund claims, claims against carriers and shippers, claims under liens and insurance policies, all rights under security agreements, guarantees, indemnities and other instruments and contracts securing or otherwise relating to any of the foregoing, and all other intangible personal property of every kind and nature, and all accessions, additions, improvements, modifications and upgrades to, replacements of and substitutions for the foregoing.

“**Grantor**” is defined in the preamble.

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

“**Intercreditor Agreement**” is defined in the fourth recital.

“**Inventory**” has the meaning provided for in the U.C.C. and includes, without limitation, all goods manufactured, acquired or held for sale or lease, all raw materials, component materials, work-in-progress and finished goods, all supplies, goods and other items and materials used or consumed in the manufacture, production, packaging, shipping, selling, leasing or furnishing of such inventory or otherwise in the operation of the business or the Grantor, all goods in which the Grantor now or at any time hereafter has any interest or right of any kind, and all goods that have been returned to or repossessed by or on behalf of the Grantor, in each case whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of the Grantor or all accessions thereto, products thereof and documents therefor.

“**Investment Accounts**” means, collectively, the Collateral Account, Commodities Accounts, Deposit Account and Securities Accounts.

“**Lenders**” are defined in the third recital.

“**Letter of Credit Outstandings**” means, on any date, an amount equal to the sum of (a) the then aggregate amount which is undrawn and available under all issued and outstanding letters of credit under each Credit Agreement plus (b) the then aggregate amount of all unpaid and outstanding obligations of the Grantor to reimburse the issuers of such letters of credit for disbursements made thereunder.

“**Material Adverse Effect**” means any event or series of events (whether or not related) that could reasonably be expected to have a material adverse effect on:

- (a) the business, assets, operations, properties, condition (financial or otherwise) or prospects of the Grantor and its Subsidiaries, taken as a whole;
- (b) the ability of the Grantor to perform or pay its obligations under any of the Credit Agreements or any other Loan Documents in accordance with the terms thereof;
- (c) the Collateral Agent’s first priority security interest in the Collateral;

(d) the value of the Collateral or the amount the Collateral Agent and the other Lender Parties would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of the Collateral; or

(e) the validity or enforceability of any Loan Document or the rights and remedies available to the Collateral Agent or the other Lender Parties under any Loan Document.

**“Material Agreements”** means all the agreements, documents and instruments the breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, Material Agreements shall not include the Loan Documents.

**“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), including each patent and patent application referred to in Item A of Schedule II attached hereto (as such Schedule may be amended or supplemented from time to time); (b) all patent licenses, including each patent license referred to in Item B of Schedule II attached hereto (as such Schedule may be amended or supplemented from time to time); (c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clauses (a) and (b) above; and (d) 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 II attached hereto (as such Schedule may be amended or supplemented from time to time), and for breach or enforcement of any patent license, including any patent license referred to in Item B of Schedule II attached hereto (as such Schedule may be amended or supplemented from time to time), and all rights corresponding thereto throughout the world.

**“Permitted Liens”** means, collectively, those Liens permitted pursuant to the CoBank Loan Agreement.

**“Pledged Stock”** is defined clause (t) of Section 2.1.

**“Rabobank”** is defined in the second recital.

**“Rabobank Credit Agreement”** is defined in the second recital.

**“Proceeds”** has the meaning provided for in the U.C.C. and includes, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Grantor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the 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 Authority, (c) any claim of the Grantor against third parties for past, present or future infringement of any Intellectual Property Collateral, (d) any recoveries by the Grantor against third parties with respect to any litigation or dispute concerning any of the Collateral, including claims arising out of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, the Collateral, and (e) any and all other

amounts, rights to payment or other property acquired upon the sale, lease, license, exchange or other disposition of Collateral and all rights arising out of the Collateral.

**“Receivables Collateral”** means all Collateral relating to the right of payment for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation, all such rights evidenced by any Account, Document, Instrument, Chattel Paper, General Intangible or Investment Property.

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

**“Securities Account”** means all “securities accounts” as defined in Article 8 of the U.C.C. and shall include, without limitation, all the accounts identified on Item 5 of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time).

**“Supporting Obligation”** means a Letter-of-Credit Right or secondary obligation that supports the payment or performance of an Account, Chattel Paper, Document, General Intangible, Instrument or Investment Property, including, without limitation, all security agreements, guaranties, leases and other contracts securing or otherwise relating to any such Accounts, Chattel Paper, Documents, Instruments, including Goods represented by the sale or lease of delivery which gave rise to any of the foregoing, returned or repossessed merchandise and rights of stoppage in transit, replevin, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party.

**“Trademark”** is defined in the definition “Trademark Collateral”.

**“Trademark Collateral”** means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, service marks, certification marks, collective marks, logos, internet domain names, 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 recordings 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 III attached hereto (as such Schedule may be amended or supplemented from time to time); (b) all Trademark licenses, including each Trademark license referred to in Item B of Schedule III attached hereto (as such Schedule may be amended or supplemented from time to time); (c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b) above; (d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b) above; and (e) all proceeds of, and rights associated with, the foregoing, including any claim by the 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 B of Schedule III attached hereto (as such Schedule may be amended or supplemented from time to time), 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 Secret”** is defined in the definition “Trade Secrets Collateral”.

**“Trade Secrets Collateral”** means common law and statutory trade secrets and all other confidential or proprietary information and all know-how obtained by or used in or contemplated at any time for use in the business of the 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 V attached hereto (as such Schedule may be amended or supplemented from time to time), 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 from time to time in the State of New York; provided that if, by reason of applicable Law, the validity or perfection or the effect of validity or perfection or non-perfection or the priority of any security interest in any Collateral granted under this Agreement is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, then as to such matters **“U.C.C.”** shall mean the Uniform Commercial Code as in effect in such other jurisdiction.

**“UBOC”** is defined in the third recital.

**“UBOC Credit Agreement”** is defined in the third recital.

**SECTION 1.1 Collateral Agency Agreement Definitions.** Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Collateral Agency Agreement.

**SECTION 1.2 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 Agreement, including its preamble and recitals, with such meanings. Without limiting the foregoing the following terms are used herein as defined in the U.C.C.: Account, Authenticate, Certificated Securities, Chattel Paper, Commercial Tort Claim, Commodities Accounts, Control, Documents, Electronic Chattel Paper, Entitlement Holder, Entitlement Orders, Fixtures, Goods, Instruments, Investment Property, Letter-of-Credit Right, Money, Payment Intangibles, Security Entitlements, Uncertificated Securities and Tangible Chattel Paper.

## ARTICLE II SECURITY INTEREST

**SECTION 2.1 Grant of Security Interest.** The Grantor hereby pledges, hypothecates, collaterally assigns, charges, mortgages and pledges to the Collateral Agent for its benefit and the ratable benefit of each of the other Lender Parties, and hereby grants to the Collateral Agent, for its benefit and the ratable benefit of each of the Lender Parties, a security

interest in, all of its right, title and interest in and to the following, whether now or hereafter existing or acquired (collectively, the “Collateral”):

- (a) all Equipment in all of its forms of the Grantor;
- (b) all Inventory in all of its forms of the Grantor;
- (c) all Accounts in all of its forms of the Grantor;
- (d) all Intellectual Property Collateral in all of its forms of the Grantor;
- (e) all General Intangibles in all of its forms of the Grantor;
- (f) all Investment Property in all of its forms of the Grantor;
- (g) all Deposit Accounts in all of its forms of the Grantor;
- (h) all Chattel Paper in all of its forms of the Grantor;
- (i) all Commercial Tort Claims in all of its forms of the Grantor;
- (j) all Goods in all of its forms of the Grantor;
- (k) all Instruments in all of its forms of the Grantor;
- (l) all Payment Intangibles in all of its forms of the Grantor;
- (m) all Documents in all of its forms of the Grantor;
- (n) all Supporting Obligations in all of its forms of the Grantor;
- (o) all Letter-of-Credit Rights in all of its forms of the Grantor;
- (p) all of the Grantor’s right, title and interest in and to all of its Material Agreements (including the Material Agreements specified in Schedule VI attached hereto), as such agreements may be amended, restated or otherwise modified from time to time (collectively, the “Assigned Agreements”), including (i) all rights of the Grantor to receive moneys due and to become due under or pursuant to the Assigned Agreements; (ii) all rights of the Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements; (iii) all claims of the Grantor for damages arising out of or for breach of or default under the Assigned Agreements; and (iv) the right of the Grantor to terminate the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder;
- (q) all Fixtures in all of its forms of the Grantor;
- (r) all of the Grantor’s other property and rights of every kind and description and interests therein, including all moneys, securities and other property, now or hereafter held

or received by, or in transit to, the Collateral Agent or any Lender from or for the Grantor, whether for safekeeping, pledge, custody, transmission, collection or otherwise;

(s) all of the Grantor's books, records, documents, instruments, electronic databases, computer records, ledger cards, customer lists, manuals, files, correspondence, tapes, drafts and related data processing software, writings, data bases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any and all of the foregoing Collateral;

(t) all the membership interests of Challenge Dairy Products, Inc., together with the certificates representing such membership interests, all options, warrants and other rights to acquire additional membership interests in such company and all dividends, distributions, interests and other payments and rights with respect to the forgoing (collectively, the "Pledged Stock"); and

(u) all Proceeds of any and all of the foregoing Collateral.

provided, however, that (i) the equity in which the Grantor owns in CoBank shall be excluded from the security interest granted by the Grantor under this Section and (ii) any agreement to which the Grantor is a party shall be excluded from the security interest granted by the Grantor under this Section to the extent that the assignment thereof or the creation of a security interest therein would constitute a breach of the terms of such agreement, or would permit any party to such agreement to terminate such agreement, in each case as such agreement is in effect on the date of this Agreement or the date on which such agreement is first entered into by the Grantor; provided, further, however, that (i) any of the agreements excluded in accordance with the foregoing provision shall cease to be so excluded if, at such time, (A) the prohibition of assignment or creation of a security interest in such agreement is no longer in effect, or is rendered ineffective as a matter of law, or (B) the Grantor has obtained all of the consents of the other parties to such agreement necessary for the assignment of, or creation of a security interest in, such agreement and (ii) with respect to any Material Agreement referred to in clause (p), the Grantor shall use its commercially reasonable best efforts to obtain any such necessary consent.

Notwithstanding the foregoing, Collateral shall not include the Grantor's investments in the capital stock of CoBank.

**SECTION 2.2 Security for Obligations.** This Agreement secures the prompt payment in full in cash of all Obligations, including all amounts payable by the Grantor under or in connection with the Credit Agreements and each other Loan Document, whether for principal, interest, costs, fees, expenses, indemnities or otherwise and whether now or hereafter existing (all of such obligations being the "Secured Obligations").

**SECTION 2.3 Delivery of Collateral.** All Pledged Stock shall be evidenced by a physical certificate which shall be endorsed to the order of the Collateral Agent, shall be in suitable form for transfer by delivery and shall be accompanied by all necessary instruments of transfer or assignment, duly executed in blank.

**SECTION 2.4 Voting Rights; Dividends, Distributions and Payments.** (a) In the event that any dividend, distribution or payment is to be paid on any Pledged Stock at a time

when an Event of Default has not occurred and is continuing, such dividend, distribution or payment may, subject to the terms of the Loan Documents, be paid to the Grantor. In addition, prior to the occurrence and during the continuance of any Event of Default and receipt by the Grantor of a notice described in clause (b)(ii), the Grantor may exercise its voting and other consensual rights with respect to the Pledged Stock, provided that the same is exercised in a manner not inconsistent with the terms of this Agreement or any other Loan Document. Notwithstanding the foregoing, all distributions with respect to the Pledged Stock in the form of additional shares of capital stock shall be delivered to the Collateral Agent and held as additional Collateral hereunder.

(b) The Grantor agrees that if any Event of Default shall have occurred and be continuing:

(i) the Grantor shall, promptly upon receipt thereof and without any request therefor by the Collateral Agent, deliver to the Collateral Agent all dividends, distributions, interest, principal, other cash payments and Proceeds thereof with respect to the Pledged Stock, all of which shall be held by the Collateral Agent as additional Collateral; and

(ii) after the Collateral Agent has notified the Grantor of the Collateral Agent's intention to exercise its voting power under this clause:

(A) the Collateral Agent may exercise (to the exclusion of the Grantor) the voting power and all other incidental rights of ownership with respect to Pledged Stock, and the Grantor hereby grants the Collateral Agent an irrevocable proxy, exercisable under such circumstances, to vote the Pledged Stock; and

(B) the Grantor shall promptly deliver to the Collateral Agent such additional proxies and other documents as may be necessary to allow the Collateral Agent to exercise such voting power.

(c) All dividends, distributions, interest, principal, cash payments and Proceeds which may at any time and from time to time be held by the Grantor but which the Grantor is then obligated to deliver to the Collateral Agent shall, until delivery to the Collateral Agent, be held by the Grantor separate and apart from the Grantor's other property and in trust for the Collateral Agent.

**SECTION 2.5 Continuing Security Interest; Transfer of Notes.** This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until payment in full in cash of all Secured Obligations (or, in the case of Letter of Credit Outstandings not then due and payable, cash collateralize the same (in an amount equal to 105% of such Letter of Credit Outstandings) on terms and pursuant to documentation in form and substance reasonably satisfactory to the Collateral Agent and each Lender with letter of credit exposure under its Credit Agreement) and the irrevocable termination of all the commitments under the Credit Agreements, at which time the security interest granted herein shall terminate and all rights to the Collateral shall revert to the Grantor. In the event that any part of the Collateral is sold in connection with a sale permitted under the terms of all the Credit Agreements the security interest granted herein shall terminate with respect to such Collateral

and all rights therein shall revert to the Grantor. Upon any such termination or release, the Collateral Agent will, at the Grantor's sole expense and without any representations, warranties or recourse of any kind whatsoever, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination or release.

**SECTION 2.6 Security Interest Absolute.** All rights of the Collateral Agent and the security interests granted to the Collateral Agent hereunder, and all obligations of the Grantor hereunder, shall be absolute and unconditional, irrespective of:

- (a) any lack of validity, legality or enforceability of any Loan Document;
- (b) the failure of any Lender Party:
  - (i) to assert any claim or demand or to enforce any right or remedy against the Grantor or any other Person under the provisions of any Loan Document or otherwise; or
  - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any Secured Obligation of the Grantor;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations or any other extension, compromise or renewal of any Secured Obligation, including any increase in the Secured Obligations resulting from the extension of additional credit to the Grantor or otherwise;
- (d) any reduction, limitation, impairment or termination of any Secured Obligation of the Grantor for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and the Grantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Secured Obligation of the Grantor or otherwise;
- (e) any amendment to, rescission, waiver, or other modification of, or any consent to departure from, any of the terms of any Loan Document;
- (f) any addition, exchange, release, surrender or non-perfection of any collateral (including the Collateral), or any amendment to or waiver or release of or addition to or consent to departure from any guaranty, for any of the Secured Obligations; or
- (g) any other circumstances which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Grantor, any surety or any guarantor or otherwise, including as a result of any proceeding of the nature referred to in Section 8.1.9 of the Credit Agreement.

**SECTION 2.7 Grantor Remains Liable.** Anything herein to the contrary notwithstanding:

(a) the Grantor shall remain liable under the contracts and agreements included in the Collateral (including the Assigned Agreements) 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 Agreement had not been executed;

(b) the Grantor will comply in all material respects with all material Laws relating to the ownership and operation of the Collateral, including, without limitation, all registration requirements under applicable material Laws, and shall pay when due all taxes, fees and assessments imposed on or with respect to the Collateral, except to the extent the validity thereof is (A) being diligently contested in good faith by appropriate proceedings which (i) suspend the collection thereof and any Lien therefrom and (ii) for which adequate reserves in accordance with GAAP have been set aside by the Grantor, and (B) could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;

(c) the exercise by the Collateral Agent of any of its rights hereunder shall not release the Grantor from any of its duties or obligations under any contracts or agreements included in the Collateral; and

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

### **ARTICLE III REPRESENTATIONS AND WARRANTIES**

The Grantor represents and warrants unto the Collateral Agent (for the benefit of itself and each of the other Lender Parties) as set forth in this Article.

**SECTION 3.1** **Location of Grantor; Collateral, etc.** Item E of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time) identifies for the Grantor the state in which it is organized and the relevant organizational identification number (or states that one does not exist). All of the Equipment, Inventory (other than Inventory that is in-transit to a location specified in Item B of Schedule I attached hereto on a vehicle owned or leased by the Grantor) and Fixtures of the Grantor are located at the places specified in Item A, Item B and Item H, respectively, of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time). The principal place of business and chief executive office of the Grantor and the office where the Grantor keeps its records concerning the Collateral, and the original copies of each Assigned Agreement and all originals of all Instruments and Tangible Chattel Paper, are located at the places specified in Item C of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time). Except as set forth in Item D of Schedule I attached hereto the Grantor has no trade names and has not been known by any legal name different from the one set forth on the signature page hereto. Except as notified by the Grantor to the Collateral Agent, the Grantor is not a party to any one or more Federal, state or local government contracts.

**SECTION 3.2 Ownership, No Liens, etc.** The Grantor owns the Collateral free and clear of any Lien, except for the security interest created by this Agreement and Permitted Liens. Except as disclosed in Item F of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time) or from time to time to the Collateral Agent, none of the Collateral is in the possession of any consignee, bailee, warehouseman, agent or processor, located on any leased property or subject to the Control of any Person, other than the Collateral Agent or the Grantor.

**SECTION 3.3 Receivables Collateral and Assigned Agreements.** (a) All Receivables Collateral (i) is and will be the legal, valid and binding obligation of the account debtor in respect thereof, representing an unsatisfied obligation of such account debtor, (ii) is and will be enforceable in accordance with its terms, (iii) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to refunds, returns and allowances in the ordinary course of business with respect to damaged merchandise) and (iv) is and will be in compliance with all applicable Law.

(b) The Grantor has delivered to the Collateral Agent exclusive Control of all intangible Chattel Paper and possession of all originals of all Instruments and Tangible Chattel Paper currently owned or held by the Grantor (duly endorsed in blank in favor of the Collateral Agent), and true and correct copies of each Assigned Agreement.

**SECTION 3.4 Intellectual Property Collateral.** With respect to any Intellectual Property Collateral of the Grantor:

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

(b) the Grantor has made all necessary filings and recordings to protect its interest in such Intellectual Property Collateral, including recordings of all of its interests in (i) the Patent Collateral and Trademark Collateral in the United States Patent and Trademark Office and in corresponding offices throughout the world and (ii) the Copyright Collateral in the United States Copyright Office and in corresponding offices throughout the world;

(c) in the case of any such Intellectual Property Collateral that is owned by the Grantor, the 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;

(d) in the case of any such Intellectual Property Collateral that is licensed by the Grantor, the Grantor is in compliance with all the material terms of such license; and

(e) the 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 such Intellectual Property Collateral in full force and effect throughout the world.

The Grantor owns directly or is entitled to use by license or otherwise, all patents, trademarks, trade secrets, copyrights, licenses, technology, know-how, processes and other intellectual property that is necessary for the proper conduct of its business.

**SECTION 3.5 Assigned Agreements.** The Assigned Agreements of the Grantor, true and complete copies of which have been furnished to the Lender Parties, have been duly authorized, executed and delivered by the Grantor and (to the best knowledge of the Grantor) each other party thereto, are in full force and effect and are binding upon and enforceable against the Grantor and (to the best knowledge of the Grantor) each other party thereto, in accordance with their terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditor's right generally and to the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law). To the knowledge of the Grantor, there exists no default under any Assigned Agreement by any party thereto. With respect to each Assigned Agreement for which the Collateral Agent has requested the Grantor to obtain a written consent to assignment, each party to such Assigned Agreement (other than the Grantor) has executed and delivered to the Grantor a consent, in substantially the form of Exhibit A, to the assignment of such Assigned Agreement to the Collateral Agent.

**SECTION 3.6 Commercial Tort Claims.** Except for matters disclosed in Item G of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time) the Grantor does not own any Commercial Tort Claims. The Collateral Agent has a perfected first priority security interest in such Commercial Tort Claims.

**SECTION 3.7 Investment Accounts.** Item I of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time) identifies each Deposit Account of the Grantor, Item J of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time) identifies each Securities Account of the Grantor and Item K of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time) identifies each Commodities Account of the Grantor. The Grantor is the sole Entitlement Holder of each such Investment Account, the Grantor has not consented or has knowledge that any Person, other than (subject to the terms of Section 4.12) the Collateral Agent, has Control over any interest in any such Investment Account.

**SECTION 3.8 Inventory.** All Inventory is, and will be, of good and merchantable quality, free from any material defects. Such Inventory is not, and will not be, subject to any licensing, patent, trademark, trade name or copyright agreement with any Person that restricts the Grantor's or Collateral Agent's ability to manufacture and/or sell such Inventory except as disclosed on Schedule VII. The completion and manufacturing process of such Inventory by a Person other than the Grantor would be permitted under any contract to which the Grantor is a party or to which the Inventory is subject. The Grantor does not sell any Inventory to any customer on approval or on any other basis that entitles the customer to return, or which may obligate the Debtor to repurchase, such Inventory.

**SECTION 3.9 Letter of Credit Rights.** Item L of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time) identifies all letters of credit to which the Grantor has rights. The Grantor has obtained the consent of each issuer of each such letter of credit to the assignment of the proceeds thereof to the Collateral Agent. The Collateral Agent has exclusive Control over the Letter-of-Credit Rights related to such letters of credit.



**SECTION 3.10 Valid Security Interest.** Upon (a) the filing of U.C.C. financing statements in the U.C.C. filing offices of each jurisdiction referred to in Item E of Schedule I attached hereto that names the Grantor as “Debtor” and the Collateral Agent as “Secured Party” and adequately describes the Collateral; (b) the filing of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as the case may be, with respect to all Intellectual Property Collateral; (c) consent of each applicable issuer with respect to Letter of Credit Rights and (d) execution of a control agreement establishing the Collateral Agent’s Control with respect to each Investment Account, the security interest granted pursuant to this Agreement creates a valid, first priority perfected security interest in the Collateral and all Proceeds thereof, subject to no other Liens other than Permitted Liens, securing the payment of the Secured Obligations.

**SECTION 3.11 Authorization, Approval, etc.** No authorization, approval or other action by, and no notice to or filing with, any Governmental Authority is required either for (a) the grant by the Grantor of the security interest granted hereby or for the execution, delivery and performance of this Agreement by the Grantor or (b) the perfection of or the exercise by the Collateral Agent of its rights and remedies hereunder (other than the taking of those actions referred to in Section 3.10).

**SECTION 3.12 Due Execution, Validity, Etc.** The Grantor has full power and authority, and holds all requisite licenses, permits and other approvals of Governmental Authorities, to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Grantor of this Agreement does not contravene or result in a default under the Grantor’s organizational documents or contravene or result in a default under any contractual restriction, Lien or Law binding on the Grantor. This Agreement has been duly authorized by the Grantor, has been duly executed and delivered on behalf of the Grantor and constitutes the legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the rights of creditors generally, and subject to the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law).

**SECTION 3.13 Pledged Stock.** All the Pledged Stock has been duly authorized and validly issued, fully paid and non-assessable, and constitute all of the issued and outstanding membership interests of Challenge Dairy Products, Inc.

#### **ARTICLE IV COVENANTS**

The Grantor covenants and agrees that, until all the Secured Obligations have been paid in full in cash (or, in the case of Letter of Credit Outstandings not then due and payable, cash collateralized (in an amount equal to 105% of such Letter of Credit Outstandings on terms and pursuant to documentation in form and substance reasonably satisfactory to the Collateral Agent and each Lender with letter of credit exposure under its Credit Agreement) on terms and pursuant to documentation in form and substance reasonably satisfactory to each applicable Lender) and all the commitments under the Credit Agreements have been irrevocably terminated, the Grantor will, perform the obligations set forth in this Section.

**SECTION 4.1 Equipment and Inventory.** The Grantor hereby agrees that it shall:

(a) keep all of its Equipment, Inventory (other than Inventory sold in the ordinary course of business or that is in-transit to a location specified in Item A or Item B of Schedule I attached hereto (as such Schedule may be amended or supplemented from time to time) on a vehicle owned or leased by the Grantor) and the Documents evidencing the same at the places therefor specified in Item C of Schedule I attached hereto to (as such Schedule may be amended or supplemented from time to time) unless the Grantor has given at least 30 days' prior notice to the Collateral Agent of another location, and all action, if any, necessary to maintain in accordance with the terms hereof the Collateral Agent's perfected first priority security interest therein shall have been taken with respect to such Equipment, Inventory and Documents;

(b) comply with all permits, licenses, authorizations, approvals, entitlements, accreditations and privileges of each Governmental Authority and all applicable Laws, except where the failure to comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(c) pay before the same become delinquent, all (i) its indebtedness (subject to any subordination provisions relating thereto) and other obligations, including all income and other taxes, assessments and charges imposed by Governmental Authorities upon it or upon its property, and (ii) lawful claims for labor, materials and supplies or otherwise, except for the non-payment of such indebtedness, obligations, taxes and claims that (A) are being diligently contested in good faith by appropriate proceedings which (i) suspend collection of the contested indebtedness, obligation or tax or charge and any Lien arising therefrom and (ii) for which adequate reserves in accordance with GAAP shall have been set aside on its books and (B) could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. If such contest is terminated, adversely resolved or the conditions set forth in this paragraph are no longer met, the Grantor shall promptly pay or discharge the contested indebtedness, obligations, taxes and claims;

(d) maintain, preserve, protect and keep its properties in good repair, working order and condition, and make necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times;

(e) do or cause to be done all things necessary to preserve, renew and keep in full force and effect (i) its legal existence and qualification as a foreign corporation or partnership in each jurisdiction where it has assets or conducts business and (ii) the permits, licenses, authorizations, approvals, entitlements, accreditations, privileges and franchises of all Governmental Authorities or otherwise necessary for the proper conduct of its business; provided, that the foregoing shall not prohibit any transaction permitted by the Credit Agreements or the termination, revocation, expiration or absence of any of the foregoing that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; and

(f) not deliver any Document evidencing any Equipment or Inventory to any Person other than the issuer of such Document to claim the Goods evidenced therefor or the Collateral Agent.

**SECTION 4.2 Receivables Collateral and General Intangibles.** (a) The Grantor shall keep its principal place of business, chief executive office and the office where it keeps its records concerning the Receivables Collateral and all originals of the Assigned Agreements Instruments and Tangible Chattel Paper, at the places specified in Section 3.1 unless the Grantor has given at least 30 days' prior notice to the Collateral Agent and all actions, if any, necessary to maintain the Collateral Agent's perfected first priority security interest shall have been taken with respect to such Collateral; not change its name or state of organization unless the Grantor has given at least 30 days' prior notice to the Collateral Agent and all actions, if any, necessary to maintain the Collateral Agent's perfected first priority security interest shall have been taken with respect to all of the Collateral; hold and preserve such records, Assigned Agreements, Instruments and Chattel Paper; and permit representatives of the Collateral Agent at any time during normal business hours, upon reasonable notice, to inspect and make abstracts of the same.

(b) The Grantor shall diligently endeavor to collect its Receivables Collateral and all amounts owing to it thereunder in the ordinary course of its business consistent with past practices and shall apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balances thereof, provided that during the continuance of any Event of Default the Grantor shall, at the request of the Collateral Agent, take such action as the Collateral Agent may deem necessary or advisable to enforce such collection. The Grantor shall not, except to the extent done in the ordinary course of its business consistent with past practices and in accordance with sound business judgment, (i) grant any extension of the time for payment of any Receivables Collateral, (ii) compromise or settle any Receivables Collateral for less than the full amount thereof, (iii) release, in whole or in part, any Person or property liable for the payment of any Receivables Collateral, or (iv) allow any credit or discount on any Receivables Collateral; provided that during the continuance of any Event of Default the Grantor shall comply with any limitations on the foregoing actions or specified by the Collateral Agent to the Grantor. In no event shall the Grantor amend, modify, terminate or waive any provision of any Receivables Collateral in a manner which could reasonably be expected to have a material adverse effect on such Receivables Collateral. The Grantor will use its best efforts to keep in full force and effect any Supporting Obligation relating to any Receivables Collateral.

**SECTION 4.3 Investment Property.** Promptly following the request of the Collateral Agent, the Grantor will take any and all actions necessary to (a) cause the Collateral Agent to obtain exclusive Control of any Investment Property owned by the Grantor in a manner acceptable to the Collateral Agent and (b) obtain from any issuers of such Investment Property and such other Persons, for the benefit of the Collateral Agent, written confirmation of the Collateral Agent's Control over such Investment Property upon terms and conditions acceptable to the Collateral Agent. For purposes of this Section, the Collateral Agent shall have exclusive Control of Investment Property if (i) such Investment Property consists of Certificated Securities and the Grantor delivers such Certificated Securities to the Collateral Agent (with appropriate endorsements if such Certificated Securities are in registered form); (ii) such Investment Property consists of Uncertificated Securities and the issuer thereof agrees, pursuant to documentation in form and substance reasonably satisfactory to the Collateral Agent, that it will comply with instructions originated by the Collateral Agent without further consent by the Grantor; and (iii) such Investment Property consists of Security Entitlements and either (A) the Collateral Agent becomes the Entitlement Holder thereof or (B) the appropriate Securities Intermediary agrees, pursuant to documentation in form and substance satisfactory to Collateral

Agent, that it will comply with Entitlement Orders originated by the Collateral Agent without further consent by the Grantor.

**SECTION 4.4 Intellectual Property Collateral.** (a) The Grantor shall not, unless the Grantor shall either (i) reasonably and in good faith determine (and notice of such determination shall have been delivered to the Collateral Agent) that any of the Patent Collateral is of negligible economic value to the Grantor or (ii) have a valid business purpose (exercised in the ordinary course of business that is consistent with past practice) to do otherwise, 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.

(b) The Grantor shall not, and shall not permit any of its licensees to, unless the Grantor shall either (i) reasonably and in good faith determine (and notice of such determination shall have been delivered to the Collateral Agent) that any of the Trademark Collateral is of negligible economic value to the Grantor or (ii) have a valid business purpose (exercised in the ordinary course of business that is consistent with past practice) to do otherwise:

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

(B) fail to maintain as in the past the quality of products and services offered under all of the Trademark Collateral;

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

(D) 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.

(c) The Grantor shall not, unless the Grantor shall either reasonably and in good faith determine (and notice of such determination shall have been delivered to the Collateral Agent) that any of the Copyright Collateral or any of the Trade Secrets Collateral is of negligible economic value to the Grantor or have a valid business purpose (exercised in the ordinary course of business that is consistent with past practice) to do otherwise, 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.

(d) The Grantor shall notify the Collateral Agent promptly if it knows 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 the 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.

(e) In no event shall the 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 gives prior notice thereof to the Collateral Agent and, if requested by the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent first priority security interest in such Intellectual Property Collateral.

(f) The 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)).

(g) **Assigned Agreements.** The Grantor shall (a) concurrently with the receipt or delivery thereof provide copies to the Lender Parties of all material notices the Assigned Agreements (including notices of default or termination) received or delivered by the Grantor or any of its Subsidiaries and (b) not amend or modify any Material Agreement in a manner which in any case (i) is contrary to the terms of this Agreement or any other Loan Document, (ii) could reasonably be expected to be adverse to the rights, interests or privileges of the Lender Parties or their ability to enforce the same, (iii) results in the imposition or expansion in any material respect of any restriction or burden on the Grantor or any of its Subsidiaries, (iv) reduces in any material respect any rights or benefits of the Grantor or any of its Subsidiaries or (v) could reasonably be expected to result in a Material Adverse Effect.

**SECTION 4.5 Bailees, Warehouses and Leased Premises.** If any Collateral at any time is in the possession or control of any warehouse, bailee, or any of the Grantor's agents or processors, or located on any leased premises, the Grantor shall, within 30 days following the request of the Collateral Agent (or, such longer period as the Collateral Agent may reasonably approve, but in no event longer than 60 days), notify any such warehouse, bailee, agent, processor or lessor of the Collateral Agent's first priority security interest in the Collateral and shall instruct, on terms reasonably satisfactory to the Collateral Agent, each such Person to hold all such Collateral for the Collateral Agent's account subject to the Collateral Agent's instructions given during the continuance of any Event of Default.

**SECTION 4.6 Chattel Paper and Instruments.** The Grantor will deliver to the Collateral Agent all Tangible Chattel Paper and Instruments duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Collateral Agent. The Grantor will provide the Collateral Agent with

exclusive Control over all Electronic Chattel Paper by having the Collateral Agent identified as the assignee of the records pertaining to the single authoritative copy thereof and otherwise complying with the applicable elements of Control set forth in the U.C.C. The Grantor will also deliver to the Collateral Agent all security agreements securing any Chattel Paper and Instruments and execute U.C.C. financing statement amendments assigning to the Collateral Agent any U.C.C. financing statements filed by the Grantor in connection with such security agreements. The Grantor will mark conspicuously all Chattel Paper and Instruments with a legend, in form and substance reasonably satisfactory to the Collateral Agent, indicating that such Chattel Paper and Instruments are subject to the Liens created hereunder.

**SECTION 4.7 Letters of Credit.** The Grantor will deliver to the Collateral Agent all letters of credit in which it is the beneficiary thereof, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Collateral Agent. The Grantor will take any and all actions necessary (or reasonably requested by the Collateral Agent), from time to time, to cause the Collateral Agent to obtain exclusive Control of any Letter-of-Credit Rights owned by the Grantor in a manner reasonably acceptable to the Collateral Agent.

**SECTION 4.8 Commercial Tort Claims.** The Grantor shall advise the Collateral Agent promptly upon the Grantor becoming aware, after the date hereof, that it owns any Commercial Tort Claims. With respect to any such Commercial Tort Claims, the Grantor will execute and deliver such documents as the Collateral Agent deems necessary to create, perfect and protect the Collateral Agent's first priority security interest in such Commercial Tort Claim.

**SECTION 4.9 Collateral Generally.** (a) The Collateral Agent may, at any time following the occurrence and during the continuance of any Event of Default, notify any parties obligated on any of the Collateral to make payment to the Collateral Agent 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 the Collateral Agent after the occurrence and during the continuance of any Event of Default, the Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Collateral Agent of any amounts due or to become due thereunder.

(b) Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent is authorized to endorse, in the name of the Grantor, any item, howsoever received by the Collateral Agent, representing any payment on or other Proceeds of any of the Collateral.

**SECTION 4.10 Insurance.** The Grantor will maintain or cause to be maintained insurance as provided in each Credit Agreement. The Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as the Grantor's true and lawful agent and attorney-in-fact for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Collateral under policies of insurance, endorsing the name of the Grantor on any check, draft, instrument or other item of payment for the Proceeds of such policies of insurance and for

making all determinations and decisions with respect thereto. In the event that the Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required by Section 7.1.4 of the Credit Agreement or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Grantor hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this Section including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantor to the Collateral Agent and shall be additional Secured Obligations secured hereby.

**SECTION 4.11 Investment Accounts.** Promptly following the request of the Collateral Agent, the Grantor will take any and all actions necessary to cause the Collateral Agent to obtain exclusive Control of all Investment Accounts owned by the Grantor in a manner acceptable to the Collateral Agent. The Grantor shall not close or terminate any Investment Account without the prior consent of the Collateral Agent and unless a successor or replacement account has been established with the consent of the Collateral Agent and is subject to a control agreement reasonably satisfactory to the Collateral Agent.

**SECTION 4.12 Transfers and Other Liens.** The Grantor shall not (a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except as permitted by each Credit Agreement, or (b) create or suffer to exist any Lien upon or with respect to any of the Collateral, except for the security interest created by this Agreement or Permitted Liens.

**SECTION 4.13 Further Assurances, etc.** The Grantor agrees that, from time to time at its own expense, the Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Collateral Agent may reasonably request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor will:

(a) mark conspicuously each asset forming a part of the Collateral with a legend, in form and substance reasonably satisfactory to the Collateral Agent, indicating that such Collateral is subject to the security interest granted hereby;

(b) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices (including 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 as the Collateral Agent may reasonably request, in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Collateral Agent hereby;

(c) furnish to the Collateral Agent, from time to time at the Collateral Agent's request, statements and schedules further identifying and describing the Collateral and such other

reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail;

(d) if requested by the Collateral Agent, the Grantor which owns or leases Equipment which is subject to a certificate of title statute that requires notation of a lien thereon to perfect a security interest therein shall deliver to the Collateral Agent all original certificates of title for such Equipment, shall take all necessary steps to cause the Collateral Agent's security interest be perfected in accordance with such statute and deliver to the Collateral Agent a schedule in reasonable detail describing such Equipment, registration number, license number and all other information required to comply with such statute; provided, however, that until the Collateral Agent makes such a request under this clause, the parties hereto acknowledge that the security interest of the Collateral Agent in such Collateral has not been perfected and all the representations and warranties, covenants and Events of Default contained herein and in the other Loan Documents which would otherwise be violated shall be deemed modified to reflect the foregoing and not be violated; and

(e) if requested by the Collateral Agent, execute and deliver confirmatory written instruments, and obtain any consents, waivers or agreements, as may be necessary, or as the Collateral Agent may reasonably request, in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Collateral Agent hereby, but any the Grantor's failure to do so shall not affect or limit the security interest granted hereby or the Collateral Agent's other rights in and to the Collateral.

With respect to the foregoing and the grant of the security interest hereunder, the Grantor hereby authorizes the Collateral Agent to Authenticate and to file one or more U.C.C. financing or continuation statements, and amendments thereto, and make filings with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country), in each case for the purpose of perfecting, confining, continuing, enforcing or protecting the security interest granted by the Grantor, without the signature of the Grantor, and naming the Grantor as debtors and the Collateral Agent as secured party. A carbon, photographic, telecopied or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by Law.

**SECTION 4.14 Collateral Account.** Upon notice by the Collateral Agent to the Grantor pursuant to this Section following the occurrence and during the continuance of any Event of Default, all Proceeds of Collateral received by the Grantor shall be delivered in kind to the Collateral Agent for deposit to a deposit account (the "Collateral Account") of the Grantor maintained by or on behalf of the Collateral Agent, and until such Proceeds are so deposited they shall be held in trust for the benefit of the Collateral Agent and shall not be commingled with the other assets of the Grantor. The Collateral Agent shall have the right to apply any amount in the Collateral Account to the payment of any Secured Obligations.

**SECTION 4.15 Notice of Material Adverse Effect.** The Grantor shall promptly notify the Collateral Agent, after obtaining knowledge thereof, of any event that could reasonably be expected to have a material adverse effect on any value of the Collateral, the



ability of the Grantor or the Collateral Agent to dispose of the Collateral or the rights or remedies of the Collateral Agent in relation thereto.

**SECTION 4.16 General Intangibles.** The Grantor shall use commercially reasonable efforts to obtain any consents, waivers or agreements necessary to enable Collateral Agent to exercise remedies hereunder and under the other Loan Documents with respect to any of the Grantor's rights under any General Intangibles, including the Grantor's rights as a licensee of any Intellectual Property Collateral.

**SECTION 4.17 Updated Disclosure Schedules.** The Grantor agrees to update the Disclosure Schedules attached hereto quarterly and at such other times as the Collateral Agent may reasonably request if the Collateral Agent has reason to believe that any of the Disclosure Schedules attached hereto are inaccurate.

## **ARTICLE V THE COLLATERAL AGENT**

**SECTION 5.1 Collateral Agent Appointed Attorney-in-Fact.** The Grantor hereby irrevocably constitutes and appoints the Collateral 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 the Grantor and in the name of the Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take, upon the occurrence and during the continuance of any Event of Default, any and all actions and execute any and all documents and instruments that may, in the judgment of the Collateral Agent, be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, after the occurrence and during the continuance of any Event of Default the Grantor hereby gives the Collateral Agent the power and right, on behalf of the Grantor, without notice to or assent by the Grantor, to do any or all of the following:

(a) (i) demand payment of its Receivables Collateral; (ii) enforce payments of its Receivables Collateral by legal proceedings or otherwise; (iii) exercise all of its rights and remedies with respect to proceedings brought to collect its Receivables Collateral; (iv) sell or assign its Receivables Collateral upon such terms, for such amount and at such times as the Collateral Agent deems advisable; (v) settle, adjust, compromise, extend or renew any of its Receivables Collateral; (vi) discharge and release any of its Receivables Collateral; (vii) notify the post office authorities to change the address for delivery of the Grantor's mail to an address designated by the Collateral Agent, and open and dispose of all mail addressed to the Grantor; and (viii) endorse the Grantor's name upon any Chattel Paper, Document, Instrument, invoice, or similar document or agreement relating to any Receivables Collateral or any goods pertaining thereto;

(b) in the case of any Intellectual Property Collateral, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's (for the benefit of itself and the other Lender Parties) security interest in such Intellectual Property Collateral and the goodwill and general intangibles of the Grantor relating thereto or represented thereby;

(c) take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under or in respect of any Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under or in respect of any Collateral whenever payable;

(d) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(e) execute, in connection with any sale or other disposition provided for in Section 6.1, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(f) (i) direct any Person liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (ii) ask or demand for, collect, and receive payment of and give receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (iii) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (iv) 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 portion thereof and to enforce any other right in respect of any Collateral; (v) defend any suit, action or proceeding brought against the Grantor with respect to any Collateral; (vi) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate; (vii) notify, or require the Grantor to notify, Account Debtors to make all payments directly to the Collateral Agent and change the post office box number or other address to which the Account Debtors make payments; (viii) assign any Intellectual Property Collateral (along with the goodwill of the business to which any such Intellectual Property Collateral pertains), throughout the world for such terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (ix) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and the Grantor's expense, at any time, or from time to time, all acts and things that the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's (for the benefit of itself and the other Lender Parties) security interests therein and to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

The 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 Collateral Agent May Perform**. If the Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Collateral Agent incurred in connection therewith shall be payable by the Grantor.

**SECTION 5.3 Access and Examination.** In order to give effect to the intent of this Agreement the Collateral Agent may at all reasonable times have access to, examine, audit, make extracts from and inspect the Grantor's records, files and books of account and the Collateral, and may discuss the Grantor's affairs with the Grantor's officers and management. The Grantor will deliver to the Collateral Agent promptly following its request therefor any instrument necessary for the Collateral Agent to obtain records from any service bureau maintaining records for the Grantor. The Collateral Agent may, at expense of the Grantor, use the Grantor's personnel, supplies and premises as may be reasonably necessary for maintaining or enforcing the security interest granted hereunder. The Collateral Agent shall have the right, at any time, in the Grantor's name to verify the validity, amount or any other matter relating to the Receivables Collateral.

**SECTION 5.4 Collateral Agent Has No Duty.** (a) The powers conferred on the Collateral Agent hereunder are solely to protect its interest (on behalf of the Lender Parties) in the Collateral and shall not impose any duty on it to exercise any such powers. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the U.C.C. or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent nor any of its officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so, nor shall any such Person be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof (including the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral). Neither the Collateral Agent nor any of its officers, directors, employees or agents shall be responsible to the Grantor for any loss, damages, depreciation or other diminution in the value of any of the Collateral that may occur as a result of or in connection with or that is in any way related to any exercise, except in respect of any damages attributable solely to any such Person's own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction.

(b) The Grantor assumes all responsibility and liability arising from or relating to the use, sale or other disposition of the Collateral. The Obligations shall not be affected by any failure of the Collateral Agent to take any steps to perfect the security interest granted hereunder or to collect or realize upon the Collateral, nor shall loss of or damage to the Collateral release the Grantor from any of its Obligations.

## **ARTICLE VI REMEDIES**

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

(a) The Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it (including, without limitation, as provided in Section 5.1), all the rights and remedies of a secured party on default under the U.C.C. and also may:

(i) require the Grantor to, and the Grantor hereby agrees that it will, at its expense and upon the request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at its premises or another place designated by the Collateral Agent (whether or not the U.C.C. applies to the affected Collateral);

(ii) without demand of performance or other demand, presentment, obtaining a final judgment, protest, advertisement or notice of any kind (except any notice required by Law referred to below) to or upon the Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale shall be required by Law, 10 days' prior notice to the 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. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchase or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by Law, private) sale made pursuant to this Section, any Lender Party may bid for or purchase, free (to the extent permitted by Law) from any right of redemption, stay, valuation or appraisal on the part of the Grantor (all said rights being also hereby waived and released to the extent permitted by Law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Lender Party from the Grantor as a credit against the purchase price, and such Lender Party may upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Grantor therefor;

(iii) with respect to the Intellectual Property, on demand, to cause the security interest to become an assignment, transfer and conveyance of any of or all such Collateral by the Grantor to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then existing licensing arrangements to the extent that waivers cannot be obtained);

(iv) with respect to the Pledged Stock, exercise all of the rights set forth in Section 2.4;

(v) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral and without liability for trespass to

enter any premises where the Collateral may be located and occupy (without the requirement to pay rent) the same until the Secured Obligations are paid in full in cash (or, in the case of Letter of Credit Outstandings not then due and payable, cash collateralized (in an amount equal to 105% of such Letter of Credit Outstandings on terms and pursuant to documentation in form and substance reasonably satisfactory to the Collateral Agent and each Lender with letter of credit exposure under its Credit Agreement) on terms and pursuant to documentation in form and substance reasonably satisfactory to the Collateral Agent) and all the commitments have been irrevocably terminated; and

(vi) to notify any or all depository institutions with which any Investment Accounts are maintained to remit and transfer all monies, securities and other property on deposit in such Investment Accounts or deposited or received for deposit thereafter to the Collateral Agent, for deposit in the Collateral Account or such other accounts as may be designated by the Collateral Agent, for application to the Secured Obligations as provided herein.

(b) Without limiting clause (a), the Collateral Agent may exercise any and all rights and remedies of the Grantor under or in connection with the Collateral, including the right to sue upon or otherwise collect, extend the time for payment of, modify or amend the terms of, compromise or settle for cash, credit, or otherwise upon any terms, grant other indulgences, extensions, renewals, compositions, or releases, and take or omit to take any other action with respect to the Collateral, any security therefor, any agreement relating thereto, any insurance applicable thereto, or any Person liable directly or indirectly in connection with any of the foregoing, without discharging or otherwise affecting the liability of the Grantor for the Obligations or under this Agreement or any other Loan Document and the Assigned Agreements or otherwise in respect of the Collateral, including any and all rights of the Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, any Collateral.

**SECTION 6.2 Application of Proceeds.** All cash proceeds received by the Collateral Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Collateral Agent, be held, to the extent permitted under applicable Law, by the Collateral Agent as additional collateral security for all or any part of the Secured Obligations, and/or then or at any time thereafter shall be applied in whole or in part by the Collateral Agent for the ratable benefit of the Lender Parties against all or any part of the Secured Obligations in accordance with the terms of the Intercreditor Agreement. Any surplus of such cash or cash proceeds held by the Collateral Agent and remaining after payment in full in cash of all the Secured Obligations (or, in the case of Letter of Credit Outstandings not then due and payable, cash collateralize the same (in an amount equal to 105% of such Letter of Credit Outstandings on terms and pursuant to documentation in form and substance reasonably satisfactory to the Collateral Agent and each Lender with letter of credit exposure under its Credit Agreement) on terms and pursuant to documentation in form and substance reasonably satisfactory to each applicable Lender), and the irrevocable termination of all the commitments under the Credit Agreements, shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus.

**SECTION 6.3 Indemnity and Expenses.** The Grantor agrees to indemnify and hold harmless the Collateral Agent and its directors, officers, employees, agents, Affiliates from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including enforcement of this Agreement), except claims, losses or liabilities resulting from any such Person's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. The Grantor will promptly following demand pay to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Collateral Agent may incur in connection with (a) the administration of this Agreement, (b) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (c) the exercise or enforcement of any of the rights of the Collateral Agent or the other Lender Parties hereunder or (d) the failure by the Grantor to perform or observe any of the provisions hereof.

**SECTION 6.4 Grant of License.** The Grantor hereby grants to the Collateral Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense any Intellectual Property Collateral now owned or licensed or hereafter acquired or licensed by the Grantor, wherever the same may be located throughout the world, for such terms, on such conditions and in such manner as the Collateral Agent shall determine, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof; provided, however, that no such license or sublicense is granted in the case of any such Collateral if such license or sublicense would be prohibited by, or give rise to a right to terminate any contract governing such Collateral. The use of such license or sublicense by the Collateral Agent shall be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; provided that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Grantor notwithstanding any subsequent cure of an Event of Default.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

**SECTION 7.1 Amendments, etc.; Successors and Assigns.** (a) No amendment to or waiver of any provision of this Agreement nor consent to any departure by the Grantor herefrom, shall be effective unless the same shall be in writing and signed by the Collateral Agent and each Lender, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

(b) This Agreement shall be binding upon the Grantor and its successors, transferees and assignees, and shall inure to the benefit of and be enforceable by the Collateral Agent and each other Lender Party and their respective successors and assigns; provided, however, that the Grantor may not assign its obligations hereunder without the prior written consent of the Collateral Agent.

**SECTION 7.2 Protection of Collateral.** The Collateral Agent may from time to time, at its option and at the expense of the Grantor, perform any act which the Grantor agrees hereunder to perform and which the Grantor shall fail to perform after being requested to so perform (it being understood that no such request need be given after the occurrence and during the continuance of any Event of Default), and the Collateral Agent may from time to time take any other action which the Collateral Agent deems necessary or appropriate for the maintenance, preservation or protection of any of the Collateral or of its security interest therein.

**SECTION 7.3 Addresses for Notices.** All notices and other communications provided for hereunder shall be made as provided in, and subject to the terms of, the Collateral Agency Agreement.

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

**SECTION 7.5 Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

**SECTION 7.6 Counterparts.** This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

**SECTION 7.7 Waivers.** The Grantor hereby waives any right, to the extent permitted by applicable Law, to receive prior notice of a judicial or other hearing with respect to any action or prejudgment remedy or proceeding by the Collateral Agent to take possession, exercise control over or dispose of any item of Collateral, where such action is permitted under the terms of this Agreement or any other Loan Document or by applicable Law, or of the time, place or terms of sale in connection with the exercise of the Collateral Agent's rights hereunder. The Grantor waives, to the extent permitted by applicable Law, any bonds, security or sureties required by the Collateral Agent with respect to any of the Collateral. Without limiting the foregoing, the Grantor agrees that it will not invoke, claim or assert any benefit of applicable Law, or take or attempt to take any action that could reasonably be expected to have the effect of delaying, impeding or preventing the Collateral Agent from exercising any of its rights or remedies with respect to the Collateral as herein provided. The Grantor also consents that the Collateral Agent, in connection with the enforcement of the Collateral Agent's rights and remedies under this Agreement, may enter upon any premises owned by or leased to it without obligations to pay rent or for use and occupancy, through self-help, without judicial process and without having first obtained an order of any court.

**SECTION 7.8 Governing Law, Entire Agreement, etc.** **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, 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 NEW YORK. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS CONSTITUTE THE ENTIRE UNDERSTANDING AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ANY PRIOR AGREEMENTS, WRITTEN OR ORAL, WITH RESPECT THERETO.

**SECTION 7.9 Forum Selection and Consent to Jurisdiction.** ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF, ANY LENDER PARTY OR GRANTOR SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE FEDERAL AND STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN OF THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE COLLATERAL AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE GRANTOR AND EACH LENDER PARTY HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH LITIGATION. THE GRANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. THE GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE GRANTOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE GRANTOR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT.

**SECTION 7.10 Waiver of Jury Trial.** EACH LENDER PARTY AND THE GRANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY LENDER PARTY OR THE GRANTOR. THE GRANTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND



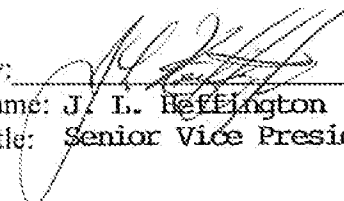
SUFFICIENT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE COLLATERAL AGENT ENTERING INTO THIS AGREEMENT.

**SECTION 7.11 Waiver of Certain Claims.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE GRANTOR SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST EACH LENDER PARTY ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY INSTRUMENT CONTEMPLATED HEREBY.

**SECTION 7.12 No Strict Construction.** The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

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

**CALIFORNIA DAIRIES, INC.**

By:   
Name: J. L. Reffington  
Title: Senior Vice President & CFO

ACKNOWLEDGED AND ACCEPTED:

COBANK, ACB, as Collateral Agent

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

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

**CALIFORNIA DAIRIES, INC.**

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

ACKNOWLEDGED AND ACCEPTED:

COBANK, ACB, as Collateral Agent

By: Portia C Little  
Name: PORTIA C LITTLE  
Title: v.o. President

SCHEDULE I  
to  
Security Agreement

**Item A.**      **Location of Equipment**

| <u>Grantor Mailing Address</u>                                 | <u>County</u> | <u>State</u> |
|--|---------------|--------------|
| CDI Artesia, 11709 E. Artesia Blvd,<br>Artesia, CA 90701       |               |              |
| CDI Fresno, 755 "F" Street, Fresno,<br>CA 93775-1865           |               |              |
| CDI Tipton, 11894 Ave. 120, Tipton,<br>CA 93272-0837           |               |              |
| CDI Turlock, 475 South Tegner Road,<br>Turlock, CA 95380       |               |              |
| CDI Turlock Whse., 501 South Tegner<br>Road, Turlock, CA 95380 |               |              |
| CDI Visalia, 2000 N. Plaza Drive,<br>Visalia, CA 93291         |               |              |
| CDI Los Banos, 1155 Pacheco Blvd,<br>Los Banos, CA 93635-2198  |               |              |

**Item B.**      **Location of Inventory**

| <u>Grantor Mailing Address</u>                                      | <u>County</u> | <u>State</u> |
|---|---------------|--------------|
| Americold Logistics, 750 W.<br>Riverside Dr., Watsonville, CA 95076 |               |              |
| Atlas Cold Storage, 230 Collins Road,<br>Jefferson, WI 53549        |               |              |
| CDI Artesia, 11709 E. Artesia Blvd,<br>Artesia, CA 90701            |               |              |
| CDI Fresno, 755 "F" Street, Fresno,<br>CA 93706                     |               |              |
| CDI Los Banos, 1175 Pacheco Blvd.,<br>Los Banos, CA 93635           |               |              |
| CDI Visalia, 2000 N. Plaza Drive,<br>Visalia, CA 93227              |               |              |
| CDI Tipton, 11894 Ave. 120, Tipton,<br>CA 93272                     |               |              |
| Provisions Food, 715 North<br>Divisadero, Visalia, CA 93291         |               |              |

CDI Turlock, 475 South Tegner Road,  
Turlock, CA 95387

Choice Warehouse, 1603 Clancy  
Court, Visalia, CA 93291

DPI Specialty Foods, 601 Rockefeller  
Ave., Ontario, CA 91761

Far West Distributors, Inc., 1617 N.  
Plaza Drive, Visalia, CA 93291

Group Warehouse, 3550 South Willow  
Ave., Fresno, CA 93745

High Track, 4704 Terminal Drive,  
McFarland, WI

Pac Distribution, 8685 Bowers Ave.,  
South Gate, CA 90280

Mesa Cold Storage, 146 S. County  
Club Drive, Mesa, AZ 85210

Nationa Dairy Brand, 10550  
Bissonnett Street, Houston, TX 77099

Sanger Cold Storage, 1150 K St.,  
Sanger, CA 93657

Sierra Pacific Warehouse Group, 3924  
Finch Road, Modesto, CA 95357

Stockton Cold Storage, 2323 Port  
Road G, Stockton, CA 95203

CDI TDC, 501 Tegner Road, Turlock,  
CA 95380

Tulare Industrial Center, 446 W.  
Prosperity Ave., Tulare, CA 93274

**Item C.      Principal Place of Business/Chief Executive Office**

Grantor Mailing Address                      County                      State

California Dairies, Inc. , 2000 N. Plaza  
Drive, Visalia, CA 93227

**Item D.      Trade Names**

Grantor    Trade Name

California Dairies, Inc.

California  
Dairies, Inc.  
Los Banos  
Foods, Inc.

**Item E.**      **State of Organization and Identification Number**

| <u>Grantor</u>           | <u>State of Organization</u> | <u>Identification Number</u> |
|--------------------------|------------------------------|------------------------------|
| California Dairies, Inc. | California                   | 95-0614400                   |

**Item F.**      **Bailments**

| <u>Grantor</u> | <u>Bailee</u> | <u>Address</u> |
|----------------|---------------|----------------|
| None           |               |                |

**Item G. Commercial Tort Claims**

| <u>Grantor</u>                                      | <u>Description of Commercial Tort Claim</u>  |
|---|--|
| California Dairies, Inc. vs. RSUI Indemnity Company | RSUI is the Employment practices insurance carrier for California Dairies. California Dairies is the plaintiff in an action re: insurance coverage |

**Item H. Location of Fixtures**

| <u>Grantor Mailing Address</u>                              | <u>County</u> | <u>State</u> |
|---|---------------|--------------|
| CDI Artesia, 11709 E. Artesia Blvd, Artesia, CA 90701       |               |              |
| CDI Fresno, 755 "F" Street, Fresno, CA 93775-1865           |               |              |
| CDI Tipton, 11894 Ave. 120, Tipton, CA 93272-0837           |               |              |
| CDI Turlock, 475 South Tegner Road, Turlock, CA 95380       |               |              |
| CDI Turlock Whse., 501 South Tegner Road, Turlock, CA 95380 |               |              |
| CDI Visalia, 2000 N. Plaza Drive, Visalia, CA 93291         |               |              |
| CDI Los Banos, 1155 Pacheco Blvd, Los Banos, CA 93635-2198  |               |              |

**Item I. Deposit Accounts**

| <u>Grantor</u>           | <u>Bank Mailing Address</u> | <u>Account Name and Number</u>   |
|--------------------------|-----------------------------|--|
| Union Bank of California | PO Box 513840               | 0320063450<br>0320851521<br>2950000409<br>2100714321<br>0320851572<br>2950002452 |

ADM Investor Services      141 W. Jackson Blvd,      14739683  
Suite 1600A, Chicago, IL 60604-3190

**Item J. Securities Accounts**

| <u>Grantor</u>      | <u>Bank Mailing Address</u>                          | <u>Account Name and Number</u> |
|---------------------|--|--------------------------------|
| First Capitol Group | One Insight Drive,<br>Platteville, WI 53818-<br>0025 | GZ5900                         |

**Item K. Commodities Accounts**

| <u>Grantor</u> | <u>Bank Mailing Address</u> | <u>Account Name and Number</u> |
|----------------|-----------------------------|--------------------------------|
| None           |                             |                                |

**Item L. Letters of Credit**

| <u>Grantor</u> | <u>Bank Mailing Address</u> | <u>Account Name and Number</u> |
|----------------|-----------------------------|--------------------------------|
| None           |                             |                                |



SCHEDULE II  
to  
Security Agreement

**Item A.**      **Patents**

Issued Patents

| <u>Grantor</u> | <u>Country</u> | <u>Patent No.</u> | <u>Issue Date</u> | <u>Inventor(s)</u> | <u>Title</u> |
|----------------|----------------|-------------------|-------------------|--------------------|--------------|
| None           |                |                   |                   |                    |              |

Pending Patent Applications

| <u>Grantor</u> | <u>Country</u> | <u>Serial No.</u> | <u>Filing Date</u> | <u>Inventor(s)</u> | <u>Title</u> |
|----------------|----------------|-------------------|--------------------|--------------------|--------------|
| None           |                |                   |                    |                    |              |

Patent Applications in Preparation

| <u>Grantor</u> | <u>Country</u> | <u>Serial No.</u> | <u>Expected Filing Date</u> | <u>Inventor(s)</u> | <u>Title</u> |
|----------------|----------------|-------------------|-----------------------------|--------------------|--------------|
| None           |                |                   |                             |                    |              |

**Item B.**      **Patent Licenses**

| <u>Country or Territory</u> | <u>Licensor</u> | <u>Licensee</u> | <u>Date</u> | <u>Effective Date</u> | <u>Expiration Date</u> | <u>Matter</u> |
|-----------------------------|-----------------|-----------------|-------------|-----------------------|------------------------|---------------|
| None                        |                 |                 |             |                       |                        |               |

SCHEDULE III  
to  
Security Agreement

**Item A.**      **Trademarks**

Registered Trademarks

| <u>Grantor</u>           | <u>Country</u> | <u>Trademark</u>       | <u>Registration No.</u> | <u>Registration Date</u> |
|--------------------------|----------------|------------------------|-------------------------|--------------------------|
| California Dairies, Inc. | USA            | CALIFORNIA DAIRIES     | 2579502                 | 6/11/2002                |
| California Dairies, Inc. | USA            | DANISH CREAMERY BUTTER | 1519997                 | 1/10/1989                |

Pending Trademark Applications

| <u>Grantor</u> | <u>Country</u> | <u>Trademark</u> | <u>Serial No.</u> | <u>Filing Date</u> |
|----------------|----------------|------------------|-------------------|--------------------|
| None           |                |                  |                   |                    |

Trademark Applications in Preparation

| <u>Grantor</u> | <u>Country</u> | <u>Trademark</u> | <u>Docket No.</u> | <u>Expected Filing Date</u> | <u>Products/ Services</u> |
|----------------|----------------|------------------|-------------------|-----------------------------|---------------------------|
| 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> |
|-----------------------------|------------------|-----------------|-----------------|-----------------------|------------------------|
| None                        |                  |                 |                 |                       |                        |

SCHEDULE IV  
to  
Security Agreement

**Item A.**      **Copyrights**

Registered Copyrights

| <u>Grantor</u> | <u>Country</u> | <u>Registration No.</u> | <u>Registration Date</u> | <u>Author(s)</u> | <u>Title</u> |
|----------------|----------------|-------------------------|--------------------------|------------------|--------------|
| None           |                |                         |                          |                  |              |

Copyrights Pending Registration Applications

| <u>Grantor</u> | <u>Country</u> | <u>Series No.</u> | <u>Filing Date</u> | <u>Author(s)</u> | <u>Title</u> |
|----------------|----------------|-------------------|--------------------|------------------|--------------|
| None           |                |                   |                    |                  |              |

Copyright Registration Applications in Preparation

| <u>Grantor</u> | <u>Country</u> | <u>Docket No.</u> | <u>Expected Filing Date</u> | <u>Author(s)</u> | <u>Title</u> |
|----------------|----------------|-------------------|-----------------------------|------------------|--------------|
| None           |                |                   |                             |                  |              |

**Item B.**      **Copyright Licenses**

| <u>Grantor</u> | <u>Country or Territory</u> | <u>Licensor</u> | <u>Licensee</u> | <u>Effective Date</u> | <u>Expiration Date</u> | <u>Subject Matter</u> |
|----------------|-----------------------------|-----------------|-----------------|-----------------------|------------------------|-----------------------|
| None           |                             |                 |                 |                       |                        |                       |

SCHEDULE V  
to  
Security Agreement

Trade Secrets

| <u>Grantor</u> | <u>Country or<br/>Territory</u> | <u>Licensors</u> | <u>Licensee</u> | <u>Effective<br/>Date</u> | <u>Expiration<br/>Date</u> | <u>Subject<br/>Matter</u> |
|----------------|---------------------------------|------------------|-----------------|---------------------------|----------------------------|---------------------------|
|----------------|---------------------------------|------------------|-----------------|---------------------------|----------------------------|---------------------------|

None

SCHEDULE VI  
to  
Security Agreement

Assigned Agreements

None

SCHEDULE VII  
to  
Security Agreement

**Manufacturing Processing Consents**

None