

## TRADEMARK ASSIGNMENT

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Holsum de Puerto Rico, Inc.		09/30/2013	CORPORATION: PUERTO RICO
RECEIVING PARTY DATA			
Name:	Banco Popular de Puerto Rico		
Street Address:	Corporate Banking Division, 209 Munoz Rivera Ave., Popular Center Bldg, Sixth Floor		
City:	San Juan		
State/Country:	PUERTO RICO		
Postal Code:	00918		
Entity Type:	CORPORATION: PUERTO RICO		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Serial Number:	73699519	HOLSUM	
Serial Number:	85290496	HOLSUM	
Serial Number:	85290491	HOLSUM	
Serial Number:	73699521	HOLSUM	
CORRESPONDENCE DATA			
Fax Number:	7877565339		
	<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>		
Phone:	787-756-5333		
Email:	jsantos@ccsllp.com		
Correspondent Name:	Carlos Santiago Sarkis		
Address Line 1:	PO Box 367189		
Address Line 4:	San Juan, PUERTO RICO 00936-7189		
NAME OF SUBMITTER:	Juan Carlos Santos Carro		

OP \$115.00 73699519

Signature:	/Juan Carlos Santos/
Date:	01/09/2014
<p><b>Total Attachments: 27</b></p> <p>source=Amended and Restated Security Agreement Affidavit #372#page1.tif source=Amended and Restated Security Agreement Affidavit #372#page2.tif source=Amended and Restated Security Agreement Affidavit #372#page3.tif source=Amended and Restated Security Agreement Affidavit #372#page4.tif source=Amended and Restated Security Agreement Affidavit #372#page5.tif source=Amended and Restated Security Agreement Affidavit #372#page6.tif source=Amended and Restated Security Agreement Affidavit #372#page7.tif source=Amended and Restated Security Agreement Affidavit #372#page8.tif source=Amended and Restated Security Agreement Affidavit #372#page9.tif source=Amended and Restated Security Agreement Affidavit #372#page10.tif source=Amended and Restated Security Agreement Affidavit #372#page11.tif source=Amended and Restated Security Agreement Affidavit #372#page12.tif source=Amended and Restated Security Agreement Affidavit #372#page13.tif source=Amended and Restated Security Agreement Affidavit #372#page14.tif source=Amended and Restated Security Agreement Affidavit #372#page15.tif source=Amended and Restated Security Agreement Affidavit #372#page16.tif source=Amended and Restated Security Agreement Affidavit #372#page17.tif source=Amended and Restated Security Agreement Affidavit #372#page18.tif source=Amended and Restated Security Agreement Affidavit #372#page19.tif source=Amended and Restated Security Agreement Affidavit #372#page20.tif source=Amended and Restated Security Agreement Affidavit #372#page21.tif source=Amended and Restated Security Agreement Affidavit #372#page22.tif source=Amended and Restated Security Agreement Affidavit #372#page23.tif source=Amended and Restated Security Agreement Affidavit #372#page24.tif source=Amended and Restated Security Agreement Affidavit #372#page25.tif source=Amended and Restated Security Agreement Affidavit #372#page26.tif source=Acknowledgement and Consent (Executed)#page1.tif</p>	

**AMENDED AND RESTATED  
SECURITY AGREEMENT**

**AMENDED AND RESTATED SECURITY AGREEMENT** (this "*Agreement*"), dated September 30, 2013, between the Person appearing on the signature page(s) hereof as the "Debtor" ("*Debtor*"), and BANCO POPULAR DE PUERTO RICO, a Puerto Rico banking corporation, as Administrative Agent (in such capacity, "*Agent*" or "*Administrative Agent*") for the Lenders (the "*Lenders*") from time to time parties to the Credit Agreement dated as of September 30, 2013 (as amended, supplemented, or otherwise modified from time to time, the "*Credit Agreement*"), among Debtor and Harinas del Caribe, Inc. (collectively "*Borrowers*"), certain other Loan Parties party thereto, the Lenders and the Agent.

**WITNESSETH**

**WHEREAS**, pursuant to the Credit Agreement, the Lenders severally agreed to extend credit facilities to Debtor in the principal amount of \$66,434,523.87 (collectively, the "*Loans*"), which Loans are evidenced by the Notes; and

**WHEREAS**, in connection with the execution of the Credit Agreement, Debtor has agreed to enter into this Agreement in order to guarantee and secure and guarantee the due payment and performance of the Secured Obligations (as hereinafter defined); and

**WHEREAS**, the obligations of the Agent and Lenders under the Credit Agreement are conditioned upon the execution of this Agreement.

**NOW THEREFORE**, the parties hereto agree as follows:

**Section 1. Defined Terms; Amended and Restatement.**

(a) Capitalized terms used and not defined herein have the meanings given to such terms in the Credit Agreement. Any terms (whether capitalized or lower case) used in this Agreement that are defined in the PR-UCC shall be construed and defined as set forth in the PR-UCC unless otherwise defined herein; *provided*, that to the extent any such term is defined differently in different Chapters of the PR-UCC, the definition of such term contained in Chapter 9 of the PR-UCC shall govern. The following terms shall have the following meanings, such meanings to be equally applicable to the singular and plural forms of the terms defined.

"*Accounts*" has the meaning given to such term in Section 2 hereof.

"*Assigned Agreement*" has the meaning assigned to such term in Section 2 hereof.

"*Collateral*" has the meaning given to such term in Section 2 hereof.

"*Equipment*" has the meaning given to such term in Section 2 hereof.

"*Event of Default*" has the meaning given to such term in Section 12 hereof.

**"General Intangibles"** has the meaning given to such term in Section 2 hereof.

**"Instruments"** has the meaning given to such term in Section 2 hereof.

**"Inventory"** has the meaning given to such term in Section 2 hereof.

**"Investment Property"** has the meaning given to such term in Section 2 hereof.

**"Pledged Collateral"** has the meaning given to such term in Section 4 hereof.

**"Secured Obligations"** shall mean, collectively: (a) the principal of, whether or not completely disbursed on the Closing Date, and interest on the Loans and the Notes and all other amounts from time to time owing to Agent and/or the Lenders under the Credit Agreement or any other Loan Document, and all other Obligations of Debtor pursuant to the terms of the Credit Agreement and the Loan Documents and any extension and renewal thereof as well as any costs, fees, charges, and expenses which may be due or owing in connection therewith; (b) all costs and expenses incurred in the collection of the Notes or the enforcement of the Obligations; (c) all moneys hereafter loaned or advanced by Agent or the Lenders to Debtor, whether under the Credit Agreement, the Loan Documents or under any loan, contract, agreement, assignment or other transaction; and (d) without duplication of the amounts described in clauses (a), (b) and (c) above, all obligations, indebtedness and liabilities of Debtor pursuant to the terms of this Security Agreement; in each case whether now existing or hereafter arising and whether in the regular course of business or otherwise, and including those obligations of third parties under rights or agreements given as collateral under this Security Agreement.

**"Trademark Collateral"** shall mean the Trademarks identified in Schedule 7(h) hereto. Notwithstanding the foregoing, the Trademark Collateral does not and shall not include any Trademark that would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

**"Trademark Cover Sheet"** means the Recordation Form Cover Sheet-Trademarks Only, Form PTO-1618A of the United States Department of Commerce Patent and Trademark Office (the "**PTO**").

**"Trademarks"** shall mean the trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations identified in Schedule 7(h) hereto, including, without limitation, all renewals of trademark and service mark registrations, all rights corresponding thereto throughout the world, the right to recover for all past, present and future infringements thereof, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

(b) This Agreement amends, restates, and supersedes the Security Agreements (the "**Original Agreement**") dated January 17, 2001, between Debtor and FirstBank Puerto Rico



(“**FBPR**”), executed and delivered by Debtor to guarantee and secure the obligations of Borrowers under the Credit Agreement (the “**Original Loan Agreement**”) dated as of January 17, 2001 among Borrowers, the lenders parties thereto, and FBPR, as Administrative Agent for such lenders. The Original Loan Agreement, together with all documents, instruments, and other papers executed thereunder or pursuant thereto, including the Original Agreement (collectively, the “**Original Credit Documents**”), and the obligations of Borrowers thereunder (the “**Original Obligations**”) were acquired by Westernbank Puerto Rico (“**WBPR**”) pursuant to a Subrogation of Lender Agreement dated July 15, 2003 among Borrowers and WBPR. On or about April 30, 2010, Agent became a successor in interest to WBPR under the Original Credit Documents and the Original Obligations. Pursuant to the Credit Agreement, the Lenders have agreed to refinance certain Indebtedness of Borrowers to BPPR arising under the Original Loan Agreement and certain other credit agreements among Borrowers and BPPR, subject to the condition that, among other things, the obligations of Borrowers under the Credit Agreement and the other Loan Documents are guaranteed and secured by the Liens created under the Original Agreement, as amended and restated hereby. Notwithstanding anything contained herein to the contrary, it is the intention of the parties hereto that this Agreement and the transactions contemplated hereby represent an amendment and restatement, but not an extinctive novation or discharge of, the obligations of Debtor under the Original Agreement, and Debtor hereby represents and warrants to Agent that after giving effect to the transactions contemplated hereby, the Liens created by the Original Agreement continue to constitute valid, perfected and first priority Liens securing the Secured Obligations, and each of the Liens provided for therein continue in full force and effect as security for the Secured Obligations except as the same might have been expressly modified hereby.

**Section 2. Grant of Security Interest in Collateral.** As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, Debtor hereby assigns and pledges, to Agent, for the ratable benefit of the Lenders, a first priority Lien and security interest in all of Debtor’s right, title and interest in and to the following property now owned or at any time hereafter acquired by Debtor or in which Debtor now has or at any time in the future any acquire any right, title or interest (collectively, the “**Collateral**”):

(a) all “accounts” (as such term is defined in the PR-UCC) now owned or hereafter acquired by Debtor, including: (i) all accounts receivable, other receivables, and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, Documents or Instruments), whether arising out of goods sold or services rendered by it or from any other transaction (including any such obligations that may be characterized as an account or contract right under the PR-UCC); (ii) all of Debtor’s rights in, to and under all purchase orders or receipts for goods or services; (iii) all of Debtor’s rights to any goods represented by any of the foregoing (including unpaid sellers’ rights of rescission, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods); (iv) all monies due or to become due to Debtor under all purchase orders and contracts for the sale of goods or the performance of services or both by Debtor or in connection with any other transaction (whether or not yet earned by performance on the part of Debtor), including the right to receive the proceeds of said purchase orders and contracts; and (v) all collateral security and guaranties of any kind, given by

any Account Debtor or any other Person with respect to any of the foregoing; (collectively, "**Accounts**");

(b) all "inventory" (as such term is defined in the PR-UCC), now owned or hereafter acquired by Debtor, wherever located, and in any event including: (A) inventory, merchandise, goods and other personal property that are held by or on behalf of Debtor for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods, returned goods, or materials or supplies of any kind, nature or description used or consumed or to be used or consumed in Debtor's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including other supplies and embedded software; (B) raw materials and work in progress therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof; (C) Goods in which Debtor has an interest in mass or a joint or other interest or right of any kind; and (D) Goods which are returned to or repossessed by Debtor), and all accessions thereto and products thereof and documentation therefore; and (ii) all inventory located at the places set forth in Schedule 7(b) hereto (collectively, "**Inventory**");

(c) all "general intangibles" (as such term is defined in the PR-UCC) now owned or hereafter acquired by Debtor, including all right, title and interest that Debtor may now or hereafter have in or under any contract or agreement (of any kind or nature), all payment intangibles, customer lists, licenses, copyrights, the Trademark Collateral, patents, and all applications therefore, and reissues, extensions or renewals thereof, rights in intellectual property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any trademark or trademark license), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal Property, real Property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for pledged stock and Investment Property, rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of Debtor or any computer bureau or service company from time to time acting for Debtor; (collectively, "**General Intangibles**");

(d) all instruments, Chattel Paper, or Letters of Credit (each as defined in the PR-UCC) of Debtor evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including, but not limited to, promissory notes, drafts, bills of exchange and trade acceptances; and (ii) all instruments, Chattel Paper, and Letters of Credit listed in Schedule 2(d) hereto (collectively, "**Instruments**");

(e) (i) all "equipment" (as such term is defined in the PR-UCC), now owned or hereafter acquired by Debtor, wherever located and, in any event, including all of Debtor's

machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real Property, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto; and (ii) all equipment located at the places set forth in Schedule 7(b) hereto; (collectively, "**Equipment**");

(g) all "investment property" (as such term is defined in the PR-UCC), now owned or hereafter acquired by Debtor, wherever located, including: (i) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (ii) all security entitlements of Debtor, including the rights of Debtor to any securities account and the financial assets held by a securities intermediary in such securities account and any free credit balance or other money owing by any securities intermediary with respect to that account; (iii) all securities accounts of Debtor; (iv) all commodity contracts of Debtor; and (v) all commodity accounts held by Debtor; (collectively, "**Investment Property**");

(h) the agreements, contracts, documents, papers, and licenses of Debtor used or useful in the conduct of Debtor's business, including, without limitation, the License Agreement dated March 28, 2013, between The W.E. Long Company -Independent Bakers' Cooperative and Holsum de Puerto Rico, and those listed in Schedule 2(h) hereto, as each such agreement, license, contract and document may be amended, supplemented or modified and in effect from time to time (said agreements, licenses, contracts and documents, as so amended, supplemented or modified and in effect from time to time, being, individually, an "**Assigned Agreement**", and, collectively, the "**Assigned Agreements**"), including, without limitation: (i) all rights of Debtor to receive moneys due and to become due under or pursuant to the Assigned Agreements; (ii) all rights of Debtor to receive proceeds of any insurance, bond, indemnity, warranty or guaranty with respect to the Assigned Agreements; (iii) all claims of Debtor for damages arising out of or for breach of or default under the Assigned Agreements; (iv) all Accounts, General Intangibles and contract rights arising therefrom; and (v) all rights of Debtor to terminate, amend, supplement, modify or waive performance under the Assigned Agreements, to perform thereunder and to compel performance and otherwise to exercise all remedies thereunder;

(i) such Documents or such other receipts of Debtor covering, evidencing or representing Inventory or Equipment;

(j) all rights, claims, warranties and benefits of Debtor against any Person arising out of, relating to or in connection with Inventory or Equipment purchased by Debtor, including, without limitation, any such rights, claims or benefits against any Person storing or transporting such Inventory or Equipment;

(k) all proceeds of casualty insurance policies covering any of the Collateral;

(l) all Proceeds (including Cash Proceeds) and Proceeds of Proceeds, including, without limitation, payments, collections and proceeds from the sale, exchange or other disposition of the Collateral, products and by-products manufactured, in whole or in part, from the Collateral, any Equipment, Financial Assets, Goods, Investment Property or Instruments acquired with all or part of the Proceeds;

(m) to the extent related to any Property described in the foregoing clauses or such Proceeds, products and accessories, all books, correspondence, credit files, records, invoices and other papers, including, without limitation, all tapes, cards, computer runs and other papers and documents in the possession or under the control of Debtor or any computer bureau or service company from time to time acting for Debtor.

**Section 3. Security for Secured Obligations.** This Agreement and the Lien created over the Collateral secures the due payment and performance of all the Secured Obligations now existing or hereafter arising until all such Secured Obligations have been fully and indefeasibly paid, satisfied and discharged. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Debtor to Agent or the Lenders but for the fact that they are unenforceable or not allowable owing to the existence of bankruptcy, reorganization, or similar proceedings involving Debtor or any other Person. This Agreement shall be and remain as a continuing security for any additional advances and Debts and any extension or renewal thereof and for costs, fees, charges and expenses which may be due or owing in connection therewith until all the Secured Obligations have been fully and indefeasibly paid, satisfied and discharged.

**Section 4. Delivery and Control of Collateral.** On the date hereof, subject to and in compliance with the provisions of Chapters 8 and 9 of the PR-UCC, the Collateral consisting of Instruments, Investment Property, Documents, and any other Collateral over which a security interest is created by Delivery and Control (herein sometimes referred to as "*Pledged Collateral*") (and after the Closing Date, any Pledged Collateral acquired with Proceeds) shall be Delivered to and be held in the possession and Control of Agent or a third party acting on its behalf, for the ratable benefit of the Lenders, for as long as any of the Secured Obligations shall remain unpaid or unsatisfied. To the extent applicable, all other Property comprising part of the Collateral shall be accompanied by proper instruments of assignment duly executed by Debtor and such other instruments or documents as Agent may reasonably request. Regardless of whether a Financing Statement is filed in connection with the security interest created hereunder over the Pledged Collateral, Agent shall have Control of the Pledged Collateral for as long as any of the Secured Obligations shall remain unpaid or unsatisfied, such Pledged Collateral to be kept at Agent's principal office or such other place as Agent, in its sole discretion, may deem appropriate.

**Section 5. First Priority.** Debtor and Agent intend the Liens granted pursuant to Section 2 hereof to constitute first priority perfected Liens on the Collateral for the ratable benefit of the Lenders until the Secured Obligations are indefeasibly paid in full.

**Section 6. No Release.** Nothing set forth in this Agreement shall relieve Debtor from the performance of any term, covenant, condition or agreement on Debtor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral, or impose any obligation on Agent or any Lender to perform or observe any such term, covenant, condition or agreement on Debtor's part to be so performed or observed, or impose any liability on Agent or any Lender for any act or omission on the part of Debtor relating thereto or for any breach of any representation or warranty on the part of Debtor contained in this Agreement or in respect of the Collateral or made in connection therewith.

**Section 7. Representations and Warranties.** Debtor hereby represents and warrants that:

(a) **Title; No Other Liens.** Except for the Lien granted to Agent, for the ratable benefit of the Lenders, pursuant to this Agreement, Debtor is, and as to the Collateral acquired by it from time to time after the date hereof Debtor will be, except as otherwise permitted by this Agreement or the Credit Agreement, the sole owner of each item of Collateral subject to no other Liens. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of Agent pursuant to this Agreement. As of the date hereof, all Pledged Collateral has been delivered to Agent, for the ratable benefit of the Lenders.

(b) **Location of Collateral.** Except for the Pledged Collateral which shall be in the Control and possession of Agent, the Collateral is now and so long as any of the Secured Obligations shall remain unpaid and outstanding shall be kept at the location(s) set forth in Schedule 7(b) hereto or at any other location approved by Agent in writing.

(c) **Perfected First Priority Liens.** Agent will make, at Debtor's sole cost and expense, all initial filings of financing statements required hereunder. Debtor agrees to make, at its sole cost and expense, all additional filings including, without limitation, the filing of any financing or continuation statements under the PR-UCC or under the Uniform Commercial Code in effect in any applicable jurisdictions, with respect to the Liens created hereby, and Debtor will, at its sole cost and expense, take at the request of Agent, all other actions necessary or desirable in the opinion of Agent to perfect, preserve and protect Agent's Lien and security interest in each item of Collateral, for the ratable benefit of the Lenders. Upon the filing of any financing statements which may be necessary to be made, this Agreement will create a valid, perfected, and continuing first priority Lien on and security interest in the Collateral in favor of Agent, for the ratable benefit of the Lenders, superior and prior to the rights of all other Persons therein and subject and subordinate to no other Liens. This Agreement is enforceable as such against all creditors of and purchasers from Debtor.

(d) **Chief Executive Office.** Debtor's chief executive office and principal place of business is located at the place(s) set forth in Schedule 7(b) hereto.

(e) **Valid and Binding Obligation.** Debtor has full power, authority and legal right (corporate or otherwise) to pledge and grant a Lien and security interest in and over the

Collateral pursuant to this Agreement, and this Agreement constitutes the legal, valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(f) Consents and Approvals. No consent of any Person, or approval, authorization of, or registration or declaration or filing with, any Governmental Authority (other than the filing of financing statements in the Department of State of the Commonwealth of Puerto Rico and the filing of Trademark Cover Sheets with the PTO) is required to be obtained, effected or given in connection with either: (i) the pledge of and grant of a security interest in the Collateral by Debtor pursuant to this Agreement or for the execution, delivery or performance of this Agreement or any of the other Collateral Documents executed and delivered by Debtor pursuant to the Credit Agreement; or (ii) for the exercise by Agent of the rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement, for the ratable benefit of the Lenders.

(g) Nature and Use of Collateral. As of the date hereof and for so long as any of the Secured Obligations shall remain unpaid and outstanding, the Collateral: (i) is not and will not constitute Farm Products; (ii) is and shall continue to be used by Debtor exclusively in connection with the conduct of Debtor's business; and (iii) is not and will not after the date hereof be used in any manner for personal, family or household purposes.

(h) Trademark Collateral. Schedule 7(h) hereto sets forth a complete and correct list of Trademarks owned by Debtor on the date hereof. On and as of the date hereof: (i) Debtor owns and possesses the right to use, and has done nothing to authorize or enable any other Person to use, any Trademark listed in said Schedule 7(h) hereto; and (ii) all registrations listed in said Schedule 7(h) are valid and in full force and effect. Debtor owns and possesses the right to use all such Trademarks on and as the date hereof. To the best of Debtor's knowledge, on and as of the date hereof: (i) except as set forth in Schedule 7(h) hereto, there is no violation by others of any right of Debtor with respect to any Trademark listed in such Schedule 7(h) under the name of Debtor; and (ii) Debtor is not infringing in any respect upon any Trademark of any other Person; and no proceedings have been instituted or are pending against Debtor or, to the best of Debtor's knowledge, threatened, and no claim against Debtor has been received by Debtor, alleging any such violation.

(i) Other Representations and Warranties. Debtor hereby makes to Agent each of the representations and warranties made by it in the Credit Agreement and the other Loan Documents as if made on and as of the date hereof, all of which shall be incorporated hereto by reference as if set forth in full herein.

**Section 8. Covenants.** Debtor covenants and agrees with Agent and each Lender that until the Secured Obligations are paid in full:

(a) Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of Agent, and at the sole expense Debtor, Debtor will promptly



and duly execute and deliver such further instruments and documents and take such further action as Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the PR-UCC or under the Uniform Commercial Code in effect in any applicable jurisdiction, with respect to the Liens created hereby. Debtor hereby authorizes Agent to file any such financing or continuation statements without the signature of Debtor to the extent permitted by applicable law. Notwithstanding the foregoing, Agent's right to obtain further instruments and documents from Debtor shall not release Debtor from its obligations hereunder to make filings of financing and continuation statements under the PR-UCC or, as applicable, the Uniform Commercial Code in appropriate jurisdictions. If any additional amount is made available to Debtor under the Credit Agreement, any additional collateral required thereunder shall be immediately delivered to Agent, for the ratable benefit of the Lenders, pursuant to the terms hereof, duly endorsed in a manner satisfactory to Agent, if necessary, to be held as Collateral pursuant to this Agreement.

(b) Maintenance of Records. Debtor will keep and maintain at its own cost and expense satisfactory and complete records in respect of the Collateral. Debtor will mark its books and records pertaining to the Collateral to evidence this Agreement and the Liens and security interests granted hereby. Debtor shall permit access to any such books and records to Agent or to its representatives during normal business hours at the reasonable request of Agent and shall, upon Agent's request after the occurrence and during the continuation of any Event of Default, turn over any such books and records to Agent.

(c) Right of Inspection. Debtor will at any reasonable time and from time to time upon reasonable notice, permit Agent or any agents or representative thereof, at the expense of Debtor, to examine and make copies of and abstracts from the records and books of account of Debtor in connection with the Collateral and its business operations, and to discuss the affairs, finances and accounts of Debtor with any of its officers and directors. Upon reasonable notice to Debtor, Agent and its representatives shall at any reasonable time also have the right to enter into and upon any premises where any of the Collateral is located for the purpose of inspecting the same, observing its use or otherwise protecting its interest therein.

(d) Compliance with terms of Contracts, etc. To the extent applicable, Debtor will perform and comply in all material respects with all its Contractual Obligations relating to the Collateral.

(e) Compliance with Laws, etc. Debtor will comply with all Laws applicable to the Collateral or any part thereof or to the operation of Debtor's business; *provided, however*, that Debtor may contest any Law in any reasonable manner in good faith and by appropriate legal proceedings as permitted in the Credit Agreement.

(f) Payment of Obligations. Debtor will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charges need be paid if: (i) the validity thereof is being contested in good faith by

appropriate legal proceedings; (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest therein; and (iii) such charge is adequately reserved against on Debtor's books in accordance with GAAP.

(g) Limitation on Liens on Collateral. Debtor will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than the Liens created hereby, and will defend the right, title and interest of Agent in and to any of the Collateral against the claims and demands of all Persons. Debtor will take no action that would, or, in the reasonable judgment of Agent would, adversely affect the existence, enforceability, priority, or perfection of the Liens and security interests in any of the Collateral granted hereunder. To the extent that any security interest granted hereunder in any Property constituting a part of the Collateral either: (i) does not constitute a perfected first priority Lien on the date hereof (but is intended to constitute a perfected first priority Lien pursuant to the terms hereof); or (ii) ceases without the consent of Agent to constitute a perfected first priority Lien after the date hereof; Debtor shall take all actions, make all filings and record all instruments as may be reasonably requested by Agent to restore the priority and perfection of such Lien. The right of Agent to require any such filing shall not be deemed to impose upon Agent or any Lender any duty or obligation to ascertain whether any circumstances exist which require such filings or recordations.

(h) Limitations on Dispositions of Collateral. Debtor will not sell, transfer, lease, or otherwise dispose of any of the Collateral, or in any other way attempt, offer, or contract to do so except in accordance with the terms of the Credit Agreement and except for the sale of Inventory in the ordinary course of business.

(i) Trademark Collateral.

(i) Debtor will: (A) furnish to Agent upon its request statements and schedules further identifying and describing the Trademark Collateral, and such other reports in connection with the Trademark Collateral as Agent may reasonably request, all in reasonable detail; and (B) promptly upon request by Agent, following receipt by Agent of any statements, schedules or reports pursuant to clause (i) above, modify this Agreement by amending Schedule 7(h) hereto to include any Trademark that becomes part of the Collateral under this Agreement after the date hereof.

(ii) Debtor will: (A) take all actions necessary to properly register, maintain and renew all registrations for Trademarks which are or may become subject to this Agreement for the full term or terms allowed by law, including, but not limited to, the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to register, maintain and renew said registrations for Trademarks which may be necessary or appropriate under applicable law; (B) execute and deliver all Trademark Cover Sheets necessary or appropriate to perfect the Bank's security interest in the Trademark Collateral upon their filing with the PTO; (C) protect such Trademark Collateral from infringement, unfair competition or dilution or damage by all appropriate actions, including the commencement of legal action to prevent and recover damages for said infringement and to defend such Trademark Collateral from claims of infringement, unfair



competition or damage, including the defense of any legal actions making such claims; (D) provide annual reports to Bank informing it of; (1) the status of all Trademarks subject to this Agreement, including any new Trademarks, Trademark registrations, Trademark applications and related licenses; and (2) any actions taken by the Debtor pursuant to this Section 8(i);

(iii) For the purpose of enabling Agent, for the benefit of the Lenders, during the continuance of an Event of Default, to exercise the rights and remedies set forth under Section 13 hereof at such time as Agent and the Lenders shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, Debtor, upon the occurrence and during the continuation of an Event of Default grants to Agent, for the benefit of the Lenders, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Debtor) to use, assign, license or sublicense any of the Trademark Collateral now owned or hereafter acquired by Debtor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded. Any use or license of the Trademarks will conform to the quality standards previously maintained by Debtor. Agent, on behalf of the Lenders, agrees that it will not exercise any of its license rights set forth in this Section prior to having received the required consents, if any, under any licensing agreements to which Debtor is a party to the exercise of such rights and remedies.

(iv) Debtor shall execute, authenticate and deliver any and all assignments, agreements, instruments, documents and papers as Agent and the Lenders may reasonably request to evidence Lender's Lien on such intellectual property and the General Intangibles of Debtor relating thereto or represented thereby. Debtor hereby appoints Agent as its attorney in fact to execute and file such writings for the foregoing purposes, all Facts of such attorney being hereby ratified and confirmed. Such power, being coupled with an interest, its irrevocable.

(j) Location of Inventory. Debtor shall keep the Inventory (other than Inventory sold in the ordinary course of business) at the location(s) specified in Schedule 7(b) hereto.

(k) Maintenance of Collateral. Debtor will maintain the Collateral constituting Equipment in good operating condition, ordinary wear and tear and immaterial impairments of value and damage by the elements excepted, and will provide all maintenance, service and repairs necessary for such purpose; *provided*, that if any part(s) of such Collateral are exchanged or replaced by Debtor for other parts, such other parts shall become subject to the terms of this Agreement for all purposes as fully as though originally described herein as part of the Collateral. In such connection, nothing contained in this Agreement, the Credit Agreement or any other Loan Document shall constitute any consent or request by Agent or the Lenders, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Collateral or any part thereof or Accession thereto, nor as giving Debtor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Agent or the Lenders in respect thereof or any claim that any Lien based on the performance of such labor or services or the furnishing of any

such materials or other property is prior or superior to the interest of Agent and the Lenders under this Agreement.

(l) Further Identification of Collateral. Debtor will furnish to Agent from time to time upon Agent's request, reasonably detailed statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Agent may reasonably request.

(m) Notices. Debtor will advise Agent promptly, in reasonable detail, at its address set forth in the Credit Agreement: (i) of any Lien (other than Liens created hereby) on, or material claim asserted against, any of the Collateral; and (ii) of the occurrence of any other event that could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the Liens created hereunder.

(n) Changes in Locations, Name, etc. Without Agent's prior written consent, Debtor will not: (i) change the location of its chief executive office/principal place of business from that specified in Section 7(b) hereof, change the location(s) of the office for the processing and record-keeping of the Accounts, or remove its books and records from such location(s); (ii) other than for the Pledged Collateral, permit any of the Collateral to be kept at location(s) other than those listed on Schedule 7(b) hereto; or (iii) change its name, identity or corporate structure to such an extent that any financing statement filed by or on behalf of Agent, for the ratable benefit of the Lenders, in connection with this Agreement would become misleading. Agent's consent to any of the foregoing will not be unreasonably withheld so long as Debtor provides Agent with 45 days' prior written notice of its intention to take any of the actions specified in clauses (i) - (iii) above and shall take all actions necessary to maintain the perfection of the Lien on the Collateral intended to be created hereby.

(o) Other Financing Statements and Liens. Except as otherwise permitted under the Credit Agreement, without the prior written consent of Agent, Debtor shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which Agent is not named as the sole secured party, for the ratable benefit of the Lenders.

(p) Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 13 hereof are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, Debtor shall remain liable for any deficiency.

#### **Section 9. Agent's Appointment as Attorney-in-Fact.**

(a) Powers. Debtor hereby irrevocably constitutes and appoints Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name, place and stead of Debtor or in its own name, from time to time in Agent's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement,

and, without limiting the generality of the foregoing, Debtor hereby gives Agent the power and right, on behalf of Debtor, without notice to or assent by Debtor, to do the following:

(i) after giving Debtor prior notice and 5 Business Days to act, to pay or discharge Taxes and Liens levied or placed on or threatened against the Collateral, to effect any repairs or obtain and maintain any insurance called for by the terms of this Agreement and to pay, at Debtor's sole cost and expense, all or any part of the premiums therefor and the costs thereof; and

(ii) upon the occurrence and during the continuance of any Event of Default, to, on behalf of the Lenders: (A) direct any party 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 Agent or as Agent shall direct; (B) ask or demand for, collect, receive payment of and 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; (C) sign and endorse any checks, 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; (D) commence and prosecute suits, actions or proceedings at law or in equity in any court of competent jurisdiction to foreclose on the Collateral and to enforce any other right in respect of any Collateral; (E) defend any suit, action or proceeding brought against Debtor with respect to any Collateral; (F) settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as Agent may deem appropriate; and (G) generally, to sell, pledge, transfer, and make any agreements with respect to, or otherwise deal with, any of the Collateral as though Agent, on behalf of the Lenders, were the absolute owner thereof for all purposes, and to do, on behalf of the Lenders and at Agent's option and Debtor's expense, at any time or from time to time, all acts and things which Agent deems necessary to protect, preserve or realize upon the Collateral and Agent's Liens thereon, for the ratable benefit of the Lenders, and to effect the intent of this Agreement. Subject to the provisions of subsection (c) below, Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) Other Powers. Debtor also authorizes Agent on behalf of the Lenders, upon the occurrence and during the continuance of an Event of Default, to execute, in connection with the sale provided for in Section 13 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) No Duty on Agent's Part. The powers conferred on Agent hereunder are solely to protect Agent's interests in the Collateral for the ratable benefit of the Lenders, and shall not impose any duty upon it to exercise any such powers. Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither Agent nor any of its officers, directors, employees, or agents shall be responsible to Debtor for any act or failure to act hereunder, except for its own gross negligence or willful misconduct.

(d) Authority of Agent. Debtor acknowledges that the rights and responsibilities of Agent under this Agreement with respect to any action taken by the Agent or

the exercise or non-exercise by Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between Agent and Debtor, Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and Debtor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

**Section 10. Place of Perfection; Records; Collection of Accounts.** Subject to the provisions of Section 15 hereof and of the Credit Agreement, and except as otherwise provided in this Section, so long as no Event of Default shall have occurred and be continuing, Debtor shall continue to collect, at its own expense, all amounts due or to become due to Debtor under the Accounts. In connection with such collections, Debtor may take (and, at Agent's discretion, shall take) such action as Debtor or Agent may deem necessary or advisable to enforce collection of the Accounts; *provided, however*, that Agent shall have the right, upon the occurrence and during the continuance of a Default or an Event of Default and upon written notice to Debtor of its intention to do so, to notify the Account Debtors or obligors under any Account of the assignment of such Account(s) to Agent, for the ratable benefit of the Lenders, and to direct such Account Debtors or obligors to make payment of all amounts due or to become due to Debtor thereunder directly to Agent, for the ratable benefit of the Lenders, and, upon such notification and at the expense of Debtor, to enforce collection of any such Accounts, and to adjust, settle, or compromise the amount or payment thereof, in the same manner and to the same extent as Debtor might have done. After receipt by Debtor of the notice from Agent referred to in the proviso to the preceding sentence: (a) all amounts and Proceeds (including Instruments) received by Debtor in respect of the Accounts shall be received in trust for the benefit of Agent, for the ratable benefit of the Lenders, hereunder and shall be deposited in Debtor's Bank Account in the same form as so received (with any necessary endorsement); and (b) Debtor shall not adjust, settle, or compromise the amount or payment of any Accounts, release and Account Debtor thereof, in whole or in part, or allow any credit or discount thereon.

**Section 11. Performance by Agent of Debtor's Obligations.** If Debtor fails to perform or comply with any of its agreements contained herein and Agent, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance with such agreement, the expenses of Agent incurred in connection with such performance or compliance, together with interest thereon at a rate per annum equal to the Default Rate, shall be payable by Debtor to Agent on demand and shall constitute Secured Obligations for all purposes hereof.

**Section 12. Events of Default.** The occurrence of any of the following shall constitute an "*Event of Default*" hereunder:

(a) default in the timely performance by Debtor of any obligation or covenant contained herein;

(b) any representation or warranty made by Debtor herein, or any statement or representation made in any certificate, report or opinion delivered in connection herewith, shall prove to have been false or misleading in any material respect when made; or



(c) the occurrence of any "Event of Default" as described in the Credit Agreement or any of the other Loan Documents.

**Section 13. Remedies; Rights Upon Default.** Upon the occurrence and during the continuance of an Event of Default:

(a) Agent, on behalf of the Lenders, shall have and may exercise, with respect to the Collateral and the Obligations, any or all of the rights and remedies of a secured party under the PR-UCC, and as otherwise granted herein or under any other applicable law, including, without limitation, the right and power to sell, at public or private sale(s), or otherwise dispose of, or otherwise utilize the Collateral and any part(s) thereof in any manner authorized or permitted under the PR-UCC after default by a debtor, and to apply the proceeds thereof toward payment of any costs and expenses and attorneys' fees and expenses thereby incurred by Agent and toward payment of the Secured Obligations in such order or manner as Agent may elect. Specifically and without limiting the foregoing, Agent shall, on behalf of the Lenders, have the right to take possession of all or any part of the Collateral or any security therefor and of all books, records, papers and documents of Debtor or in Debtor's possession or control relating to the Collateral which are not already in Agent's possession, and for such purpose may, in the name of Debtor deal directly with any Person maintaining such Collateral, books, records, papers and documents for the purpose of obtaining possession thereof. To the extent permitted by law and further subject to the provisions of subsection (iv) below, Debtor expressly waives any notice of sale or other disposition of the Collateral and all other rights or remedies of Debtor or formalities prescribed by law relative to the sale or disposition of the Collateral or the exercise of any other right or remedy of Agent or the Lenders existing after an Event of Default hereunder. Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Agent may, in its sole discretion, adjourn any public or private sale.

(b) Upon notice by Agent to Debtor, Agent or its nominee(s) shall have the sole and exclusive right to exercise on behalf of the Lenders, all voting and consensual powers pertaining to the Collateral or any part thereof and may exercise such powers in such manner as Agent may elect.

(c) Upon the occurrence and during the continuance of an Event of Default, Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted in this Agreement, and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party upon default of a debtor under the PR-UCC. Without limiting the generality of the foregoing, Debtor expressly agrees that in any such event Agent, on behalf of the Lenders, may, without demand of performance or other demand, advertisement or notice of any kind (except for any notice required by applicable law) to or upon Debtor or any other Person, all and each of which demands, advertisements and/or notices are (to the extent permitted by applicable law) hereby expressly waived, forthwith collect, receive, appropriate and realize upon the Collateral, or any



part thereof, and/or may forthwith sell, lease, assign, give option(s) to purchase, or sell to or otherwise dispose of and deliver the Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time(s), at such price(s), and upon such other terms as Agent may deem commercially reasonable, irrespective of the impact of any such sales on the market price of the Collateral in accordance with Chapter 9 of the PR-UCC, and Agent, on behalf of the Lenders, may proceed to sell, transfer and/or dispose of the Collateral as it may deem pertinent or convenient at its discretion, in either private or public sales, in whole or in parts from time to time as provided in Chapter 9 of the PR-UCC. Agent or any Lender shall have the right on any such public or private sale(s) to purchase the whole or any part of said Collateral so sold and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price of all or any portion of the Collateral sold at any such public or private sale, to use and apply any of the Secured Obligations owed to Agent or such Lender at such sale. Each purchaser at any such sale shall hold the Property sold absolutely free from any claim or right on the part of Debtor, except for any right of redemption as may be available by applicable law. Debtor further agrees, at Agent's request and at Debtor's sole cost and expense, to assemble the Collateral and make it available to Agent at the places that Agent reasonably selects, whether at Debtor's premises or elsewhere.

(d) To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Agent and the Lenders arising out of the repossession, retention, or sale of the Collateral unless resulting from Agent's or any Lender's gross negligence or willful misconduct. Debtor agrees that Agent need not give more than 10 days' notice (which notice shall be deemed given when mailed) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. No notification need be given to Debtor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition. Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Agent, on behalf of the Lenders, may, in its sole discretion, 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. Debtor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral applied to the Secured Obligations are insufficient to indefeasibly pay in full all Secured Obligations and amounts to which Agent and each Lender is entitled, Debtor also being liable for the reasonable fees of any attorneys employed by Agent or any Lender to collect such deficiency.

(e) All dividends, payments of interest and other distributions of every character made upon or in respect of the Collateral or any part thereof shall be deemed to be Collateral and shall be paid directly to and shall be held by Agent, for the ratable benefit of the Lenders, as additional Collateral pledged under and subject to this Agreement.

(f) All rights to marshaling of assets of Debtor, including any such right with respect to the Collateral, are hereby waived by Debtor.



(g) All recitals in any instrument of assignment or any other instrument executed by Agent incident to the sale, lease, transfer, assignment or other disposition or utilization of the Collateral or any part thereof hereunder shall be full proof of the matters stated therein and no other proof shall be required to establish the full legal propriety of the sale or other action taken by Agent or of any fact, condition or thing incident thereto and all prerequisites of such sale or other action or of any fact, condition or thing incident thereto shall be presumed conclusively to have been performed or to have occurred.

**Section 14. Limitation on Agent's Duties in Respect of Collateral.** Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, shall be to deal with it in the same manner as Agent deals with similar property for its own account. Agent shall not have any responsibility for: (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not Agent has or is deemed to have knowledge of such matters; or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Neither Agent, any Lender, nor any of its directors, officers, employees, attorneys or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so nor shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Debtor or otherwise.

**Section 15. Reserved.**

**Section 16. Application of Proceeds by Agent.** In the event Agent sells or otherwise disposes of the Collateral in the course of exercising the remedies provided for in Section 13 hereof, any amounts held, realized or received by Agent, for the ratable benefit of the Lenders, pursuant to the provisions hereof, including the proceeds of the sale of any of the Collateral or any part thereof, shall be applied by Agent as provided in the Credit Agreement. Any amounts and any Collateral remaining after such application and after the full and indefeasible payment of all of the Secured Obligations shall be paid or delivered to Debtor, its successor or assigns, or as a court of competent jurisdiction may direct.

**Section 17. Agent's Right of Set-Off and Banker's Lien.** Debtor recognizes and agrees that with respect to any time or other deposit, certificate of deposit or any other balance of account standing to the credit of Debtor on the books of Agent or any Lender, at any branch thereof wherever located, upon the occurrence and continuance of an Event of Default, Agent and each Lender has a right of set-off and a bankers' lien to the full extent permitted by law. Debtor further agrees that Agent or any Lender may exercise such right of set-off or bankers' lien at any time when an Event of Default shall occur, regardless of the stated maturity of any time deposit or other such credit balance.

**Section 18. Termination.** This Agreement and the security interest created hereunder shall terminate when all the Secured Obligations have been indefeasibly paid in full and when the Lenders have no further obligation to extend credit under the Credit Agreement or any other agreement relating to Secured Obligations, at which time Agent shall, at Debtor's sole cost and expense, execute and deliver to Debtor all documents which Debtor shall reasonably request to

evidence termination of such security interest and shall return physical possession to Debtor of any Collateral then held by Agent.

**Section 19. Notices.** Any communication, notice, or demand to be given hereunder shall be duly given if made in accordance with the terms of the Credit Agreement.

**Section 20. Indemnity and Expenses.** Debtor agrees to indemnify, defend and hold Agent and each Lender harmless from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of the Credit Agreement or this Agreement and all claims and demands of all Persons at any time claiming the Collateral or any interest therein), except claims, losses or liabilities resulting from Agent's or any Lender's gross negligence or willful misconduct. Debtor agrees to pay on demand all out-of-pocket expenses (including the reasonable fees and expenses of Agent's or any Lender's counsel, experts, and agents) relating to the enforcement or protection of the rights of Agent and the Lenders hereunder and further agrees that the Collateral secures such payment.

**Section 21. No Waiver; Cumulative Rights.** No failure on the part of Agent or any Lender to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Agent or any Lender of any right, remedy, or power hereunder preclude any other or future exercise of the same or any other right, remedy or power. Each and every right, remedy, and power hereby granted to Agent, for the ratable benefit of the Lenders, or allowed to it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Agent on behalf of the Lenders from time to time.

**Section 22. Submission to Jurisdiction and Venue; Waiver of Jury Trial.**

(a) Debtor irrevocably: (i) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement or such other documents which may be delivered in connection with this Agreement may be brought in a competent court in San Juan, Puerto Rico, or in the Courts of the United States of America located in the District of Puerto Rico; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (iii) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum.

(b) Debtor and Agent hereby knowingly, voluntarily, and intentionally waive any right to trial by jury in any action or proceeding which in any manner arises out of or in connection with or is in any way related to this Agreement or any of the transactions contemplated herein.

(c) The provisions of this Section 22 are a material inducement for Agent entering into the agreement and the transactions contemplated herein. Debtor hereby acknowledges that it has reviewed the provisions of this Section 22 with its independent counsel.



**Section 23. Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

**Section 24. Expenses.** Debtor agrees to pay to Agent, from time to time upon demand, all reasonable fees, costs and expenses of Agent (including, without limitation, the reasonable expenses, fees and disbursements of its counsel, experts and agents) incurred by Agent or any Lender, or arising in connection with: (a) the preparation, execution, delivery, administration, modification, amendment or termination of this Agreement or the enforcement of any of the provisions hereof; (b) the custody or preservation and protection of, or the sale of, collection from, or other realization upon, any of the Collateral; (c) the preservation, protection, defense, exercise or enforcement of any of the rights of Agent hereunder and in and to the Collateral; or (d) the failure by Debtor to perform or observe any of the provisions hereof. When Agent or any Lender incurs expenses or renders services after an Event of Default, such expenses and the compensation for such services are intended to constitute administrative expenses under Debtor Relief Laws.

**Section 25. Obligations Absolute.**

(a) All obligations of Debtor hereunder shall be absolute and unconditional irrespective of: (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of Debtor or any other Person; (ii) any lack of validity or enforceability of the Credit Agreement, the Loan Documents or any other agreement or instrument relating thereto; (iii) 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 amendment or waiver of or any consent to any departure from the Credit Agreement or any other agreement or instrument relating thereto; (iv) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee for all or any of the Secured Obligations; (v) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect of the Credit Agreement except as specifically set forth in a waiver granted pursuant to the provisions of this Agreement; or (vi) any other circumstances except payment which might otherwise constitute a defense available to, or a discharge of, Debtor.

(b) This Agreement shall not be construed as relieving Debtor from full liability on the Secured Obligations and any and all future and other indebtedness secured hereby and for any deficiency thereon.

(c) Agent is hereby subrogated to all of Debtor's interests, rights and remedies in respect to the Collateral and all security now or hereafter existing with respect thereto and all guaranties and endorsements thereof and with respect thereto.

**Section 26. Continuing Security Interest; Transfer of Secured Obligations.** This Agreement shall create a continuing security interest in the Collateral and shall: (i) remain in full force and effect until all Secured Obligations are indefeasibly paid in full (at which time Agent will, at Debtor's expense, take all acts necessary or appropriate to return all Collateral to Debtor

and extinguish the security interests granted hereunder, including, without limitation, the execution and filing of any necessary PR-UCC termination statements); (ii) be binding upon Debtor and its successors and assigns; and (iii) inure, together with the rights and remedies of Agent, for the ratable benefit of the Lenders, hereunder, to the benefit of Agent, for the ratable benefit of the Lenders, and each of its respective successors, transferees and assigns. No other Persons (including, without limitation, any other creditor of Debtor other than the Lenders) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (iii), Agent or any Lender may assign, grant participations in, or otherwise transfer any Obligation held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such party herein or otherwise. Neither this Agreement nor any interest herein or in the Collateral, nor any part thereof, may be assigned by Debtor.

**Section 27. Powers Coupled with an Interest.** All authorizations and agencies herein contained with respect to the Collateral are irrevocable and are powers coupled with an interest.

**Section 28. Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render such provision unenforceable in any other jurisdiction.

**Section 29. Paragraph Headings.** The paragraph headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

**Section 30. Waivers and Amendments; Governing Law.** None of the terms or provisions of this Agreement may be waived, amended, supplemented, or otherwise modified except by a written instrument executed by Debtor and Agent. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Puerto Rico without regard to any legal principle that would result in the interpretation of this Agreement under the law of any jurisdiction other than the Commonwealth of Puerto Rico.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

**DEBTOR:**

**HOLSUM DE PUERTO RICO, INC.**

By: [Signature]  
Ramón Calderón Rivera  
President

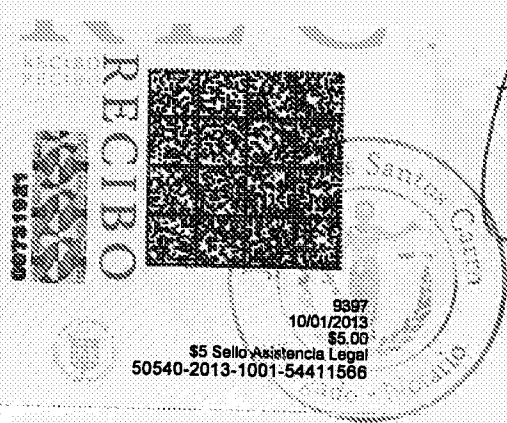
**BANCO POPULAR DE PUERTO RICO,**  
as Administrative Agent

By: [Signature]  
Name: Itzalia Guerrero Torres  
Title: Commercial Relationship Officer

Affidavit No. -372-

Subscribed to before me in Guaynabo, Puerto Rico, on September 30, 2013 by the following persons, who I personally know: Ramón Calderón Rivera, of legal age, single, a businessman and a resident of Guaynabo, Puerto Rico, in his capacity as President of Holsum de Puerto Rico, Inc.; and Itzalia Guerrero Torres, of legal age, married, a banker and a resident of Vega Baja, Puerto Rico, in her capacity as Commercial Relationship Officer of Banco Popular de Puerto Rico.

[Signature]  
Notary Public



EXECUTION COPY

Schedule 2(d)  
To Security Agreement  
Instruments

None.

EXECUTION COPY

Schedule 2(e)  
To Security Agreement  
Equipment

All Equipment of Debtor, including all Equipment located at the location(s) set forth in Schedule 7(b) to this Security Agreement.

EXECUTION COPY

Schedule 2(h)  
To Security Agreement  
Assigned Agreements

- 1) Holsum Store Moca- agreement dated November 23, 2004, between Don Agustín Barreto Hernandez, his wife, Doña Rosalina Perez Valentin ("Landlord) and Holsum de Puerto Rico, Inc. ("Tenant")
- 2) Holsum Store Lares- agreement dated March 8, 2011, between Felicita Cardona Adames ("Landlord) and Holsum de Puerto Rico, Inc. ("Tenant")
- 3) Holsum Store Carolina- agreement dated August 30, 2012, between RIC Alped Corporation ("Landlord") and Holsum de Puerto Rico, Inc. ("Tenant")

Schedule 7(b)  
To Security Agreement  
Location(s)

1. Road No. 2, Km. 118.2, Aguadilla, Puerto Rico.
2. Road No. 133, Km. 1.9, Guanica, Puerto Rico.
3. Carr. PR-3, Km 76.3, Rio Abajo Ward, Humacao, Puerto Rico.
4. Bo. Calzada, Road No. 1, Km. 121.5 Ponce, Puerto Rico.
5. Street Post No. 106 North, Mayaguez, Puerto Rico.
6. Road No. 2, Km 20.1, Toa Baja, Puerto Rico.
7. Magnolia Ave., in front of Corner Fancisco Oller St.  
Bayamón, Puerto Rico.
8. Urb. Caná, Bloque RR-13, Bayamón, Puerto Rico.
9. Road No. 167, Km. 9.5, Bayamón, Puerto Rico.
10. Road No. 2, Km. 40.2, Vega Baja, Puerto Rico.
11. Road 848, Km. 0.2, Saint Just Ward, Trujillo Alto, Puerto Rico.
12. Road No. 2, Km 57.2, Barceloneta, Puerto Rico.
13. 65th Infanteria Ave., Km. 11, Road 853 Barrazas, Carolina.
14. Emerito Estrada Ave. No. 1107, San Sebastián, Puerto Rico.

Schedule 7(h)  
To Security Agreement  
Trademarks

TRADEMARKS AND TRADEMARK APPLICATIONS  
Registered at the USPTO

MARK	SERIAL NO.
HOLSUM	85290496
HOLSUM (IN STYLIZED FORM)	85290491
HOLSUM ((IN STYLIZED FORM)	73699519
HOLSUM (IN STYLIZED FORM)	73699521

TRADEMARKS  
Registered at the Department of State of Puerto Rico

MARK	REG. NO	CLASS	PRESENT. NO
HOLSUM (WORD)	23866	99	11248
HOLSUM (WORD)	32485	30	23365
HOLSUM WONDER COOKIES (WORD)	73715	30	58122
HOLSUM WONDER BREAD (WORD)	73716	20	58123
HOLSUM WONDER CAKES (WORD)	73713	30	58178
HOLSUM (WORD)	16866	99	6525
GUSTITOS HOLSUM (DESIGN)	N/A	31	71291
ZARAPE (DESIGN)	N/A	N/A	72797



ACKNOWLEDGEMENT AND CONSENT

On March 28, 2013, THE W.E. LONG COMPANY-INDEPENDENT BAKERS' COOPERATIVE, a Chicago Corporation ("**Long**") and Holsum de Puerto Rico, Inc. ("**Holsum**") executed a License Agreement (the "**License Agreement**"), whereby Long granted to Holsum a License to use Long's registered federal trademark holsum (the "**Mark**") registration number 1928775, and certain trademarks and packaging rights including registered copyrights in the Holsum wrapper design and/or trade dress rights in bags and wrapper designs or other packaging for bakery products, registration numbers: (i) 1918202; (ii) 1,628,496; and (iii) 1,662,626.

On September 30, 2013 Banco Popular de Puerto Rico (the "**Agent for Lenders**") and Holsum executed a Credit Agreement (the "**Credit Agreement**"), pursuant to which the Lenders agreed to extend credit facilities to Holsum. In connection with the execution of the Credit Agreement, Holsum agreed to enter into an Amended and Restated Security Agreement in order to guarantee and secure the payment of Holsum's obligations under the Credit Agreement.

Pursuant to a Security Agreement (the "**Security Agreement**") to which Holsum granted the Agent, for the benefit of the Lenders a security interest over the License Agreement as collateral for the payment and performance of its obligations under the Credit Agreement. The security interest over the License Agreement shall remain in full force and effect until all such obligations are indefeasibly paid in full.

Long hereby consents to such lien and grant of a security interest, and authorizes Agent to file the Security Agreement with the United States Patent and Trademark Office.

The undersigned executed this certificate on this 30<sup>th</sup> day of September, 2013.

THE W.E. LONG COMPANY

By: William C. Zimmerman  
Name: William C. Zimmerman  
Title: President & CEO



Acknowledged:

Banco Popular de Puerto Rico  
As Agent:

By: Itzalia Guerrero Torres  
Name: Itzalia Guerrero Torres  
Title: Commercial Relationship Officer

BY Mark Billingslea  
MARK BILLINGSLEA NOTARY PUBLIC

TRADEMARK