

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 23, 2012**

LANDEC CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

0-27446

(Commission file number)

94-3025618

(IRS Employer Identification No.)

3603 Haven Avenue, Menlo Park, California 94025

(Address of principal executive offices and zip code)

(650) 306-1650

(Registrant's telephone number,
including area code)

Not Applicable

(Former name or former address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry Into a Material Definitive Agreement

On April 23, 2012, Apio, Inc., a Delaware corporation (“Apio” or the “Company”) and a wholly-owned subsidiary of Landec Corporation, a Delaware corporation (“Landec”), entered into a stock purchase agreement (the “Purchase Agreement”) by and among the Company, GreenLine Holding Company, a Delaware corporation (“GreenLine Holding”), the 2003 Riverside Capital Appreciation Fund, L.P., a Delaware limited partnership, the 2003 Riverside Capital Appreciation Fund (QC), L.P., a Delaware limited partnership, and the other stockholders and warrant holders of GreenLine Holding (together, the “Seller”). Pursuant to the Purchase Agreement, the Company acquired, on April 23, 2012 (the “Closing Date”), all of the issued and outstanding common stock and warrants of GreenLine Holding (the “Acquisition”) for initial consideration of \$63.0 million in cash, \$4.725 million of which has been deposited in escrow to provide security for certain obligations of the Seller that may arise under the Purchase Agreement, with such escrow to be held for 18 months from the Closing Date. The Purchase Agreement includes potential earn-out payments to the Seller of up to \$7.0 million, which will be based on the former business of GreenLine Holding and its operating subsidiaries (together, the “GreenLine Entities”) achieving certain financial targets during calendar year 2012.

The foregoing description of the Purchase Agreement does not purport to be complete and is subject to, and qualified in its entirety by, reference to the Purchase Agreement, a copy of which is attached hereto as Exhibit 2.1 and the terms of which are incorporated herein by reference.

The information regarding the Loan Agreements and related security and pledge agreements and guarantees set forth under Item 2.03 of this Current Report on Form 8-K is incorporated into this Item 1.01 by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated into this Item 2.01 by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

In connection with the Acquisition, on April 23, 2012, the Company, together with certain of its subsidiaries, entered into three loan agreements with General Electric Capital Corporation and/or its affiliates (“GE Capital”): (i) a five-year, \$25.0 million asset-based working capital revolving line of credit, with an interest rate of LIBOR plus 2%, with availability based on the combination of the accounts receivable and eligible inventory balances of the Company, Cal Ex Trading Company, a Delaware corporation and wholly-owned subsidiary of the Company (“Cal Ex”), and GreenLine Logistics, Inc., an Ohio corporation and wholly-owned subsidiary of the Company (“GreenLine Logistics”); (ii) an approximately \$12.7 million equipment loan which matures in seven years with a fixed interest rate of 4.37%; and (iii) an approximately \$19.1 million real estate loan, \$1.2 million of which matures in 12 months and the remainder maturing in ten years with a fixed interest rate of 4.02% (collectively, the “Loan Agreements”). The obligations of the Company and the borrowers thereunder arising from the Loan Agreements are secured by liens on all of the property of the Company, Cal Ex, Apio Cooling L.P. (“Apio Cooling”), a California limited partnership and majority-owned subsidiary of the Company, and GreenLine Logistics (the GreenLine Entities other than GreenLine Logistics having been merged into the Company on the Closing Date). The Loan Agreements contain customary events of default under which obligations could be accelerated or increased. Landec is guarantying all obligations of the Company, Cal Ex, Apio Cooling and GreenLine Logistics to GE Capital under the loans described in clauses (ii) and (iii) above and has pledged its equity interest in Apio as collateral under the loan described in (i) above.

The foregoing description of the Loan Agreements and related security and pledge agreements and guarantees does not purport to be complete and is subject to, and qualified in its entirety by, reference to the Loan Agreements and related security and pledge agreements and guarantees, copies of which are attached hereto as Exhibits 10.1- 10.9 and the terms of which are incorporated herein by reference.

Item 8.01 Other Items

The full text of the press release, dated April 23, 2012, announcing the Acquisition, is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements for Businesses Acquired.

The financial statements required to be filed with respect to the acquired business described in Item 2.01 have not been filed in this initial Current Report on Form 8-K. Instead, financial statements will be filed by amendment within 71 calendar days after the due date for the initial filing of this Current Report on Form 8-K with the Securities and Exchange Commission, as permitted by Item 9.01 (a)(4) of Form 8-K.

(b) Pro Forma Financial Information.

The pro forma financial statements required to be filed with respect to the acquired business described in Item 2.01 have not been filed in this initial Current Report on Form 8-K. Instead, the pro forma financial statements will be filed by amendment within 71 calendar days after the due date for the initial filing of this Current Report on Form 8-K with the Securities and Exchange Commission, as permitted by Item 9.01 (b)(2) of Form 8-K.

Exhibit Number	Description
2.1	Stock Purchase Agreement dated April 23, 2012 by and among Apio, Inc., GreenLine Holding Company, and the 2003 Riverside Capital Appreciation Fund, L.P., and the 2003 Riverside Capital Appreciation Fund (QC), L.P. (exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request)
10.1	Credit Agreement dated April 23, 2012 by and among Apio, Inc., Cal Ex Trading Company, GreenLine Logistics, Inc. and General Electric Capital Corporation
10.2	Guaranty and Security Agreement dated April 23, 2012 by and among Apio, Inc., Cal Ex Trading Company, GreenLine Logistics, Inc. and General Electric Capital Corporation
10.3	Pledge Agreement dated April 23, 2012 by and between Landec Corporation and General Electric Capital Corporation
10.4	Loan Agreement dated April 23, 2012 by and among General Electric Capital Corporation, Apio, Inc., Apio Cooling, L.P., GreenLine Foods, Inc. and GreenLine South Carolina Properties, LLC
10.5	Security Agreement dated April 23, 2012 by and among Apio, Inc., GreenLine Logistics, Inc., Cal Ex Trading Company and General Electric Capital Corporation
10.6	Guaranty dated April 23, 2012 by and among Landec Corporation, GreenLine Holding Company and General Electric Capital Corporation
10.7	Master Security Agreement dated April 23, 2012 by and between Apio, Inc. and General Electric Capital Corporation
10.8	Promissory Note dated April 23, 2012 by Apio, Inc., payable to the order of GE Capital Capital Commercial, Inc.
10.9	Guaranty dated April 23, 2012 by and for the benefit of Landec Corporation and General Electric Capital Corporation and its affiliates
99.1	Press Release of Landec Corporation dated April 23, 2012

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

LANDEC CORPORATION
Registrant

Date: April 26, 2012

By: /s/ Gregory S. Skinner
Gregory S. Skinner
Vice President of Finance and
Chief Financial Officer

EXHIBIT INDEX

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99.1	Press Release of Landec Corporation dated April 23, 2012

STOCK PURCHASE AGREEMENT

by and among

GREENLINE HOLDING COMPANY,

2003 RIVERSIDE CAPITAL APPRECIATION FUND, L.P.,

2003 RIVERSIDE CAPITAL APPRECIATION FUND (QC), L.P.,

THE OTHER STOCKHOLDERS OF GREENLINE HOLDING COMPANY LISTED ON EXHIBIT A HERETO,

THE WARRANTHOLDERS OF GREENLINE HOLDING COMPANY LISTED ON EXHIBIT B HERETO

and

APIO, INC.

Dated as of April 23, 2012

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "**Agreement**"), is dated as of April 23, 2012, by and among GreenLine Holding Company, a Delaware corporation (the "**Company**"), 2003 Riverside Capital Appreciation Fund, L.P., a Delaware limited partnership (the "**Seller Representative**"), 2003 Riverside Capital Appreciation Fund (QC), L.P., a Delaware limited partnership ("**RCAF QC**," and together with the Seller Representative, "**Riverside**"), the other stockholders of the Company listed on **Exhibit A** attached hereto (collectively with Riverside, the "**Stockholders**"), the holders of Warrants listed on **Exhibit B** attached hereto (the "**Warrantholders**" and, together with the Stockholders, the "**Sellers**"), and Apio, Inc., a Delaware corporation ("**Buyer**").

RECITALS

A. As of the date of this Agreement, the Stockholders are the record owners of 34,652.21850 issued and outstanding shares (the "**Shares**") of common stock, par value \$0.01 per share (the "**Common Stock**"), of the Company.

B. As of the date of this Agreement, the Warrantholders are the record owners of warrants to purchase an aggregate of 168 shares of Common Stock issued pursuant to the Subordinated Note and Warrant Purchase Agreement (the "**Warrants**").

C. The Stockholders desire to sell to Buyer, and Buyer desires to purchase from the Stockholders, all of the Shares upon the terms set forth in this Agreement.

D. The Warrantholders desire to surrender the Warrants for the consideration set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and subject to the terms and conditions set forth herein, the Sellers, the Company and Buyer hereby agree as follows:

ARTICLE I DEFINITIONS

For purposes of this Agreement:

"**2012 Budget**" has the meaning set forth in the definition of Net Revenues.

"**Action**" means any action, suit, audit, legal proceeding, hearing, investigation, administrative enforcement proceeding or arbitration proceeding (whether civil, criminal, administrative or investigative) commenced, brought, conducted or heard by or before any Governmental Authority.

"**Additional Earn-Out Payment**" has the meaning set forth in **Section 2.4(a)**.

“Advisory Agreement” means the Amended and Restated Advisory Agreement, dated March 27, 2009, by and between Riverside Partners, L.L.C., a Delaware limited liability company, and the Subsidiaries.

“Affiliate” means with respect to any Person, any Person that directly or indirectly controls, is controlled by or is under common control with such Person. For purposes of this definition, “control” (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to appoint a majority of the members of the board of directors, board of managers or similar governing body of any other Person. Notwithstanding the foregoing, Affiliate shall not include any portfolio company of Riverside or any of their affiliated investment funds or any portfolio company of any such affiliated investment fund.

“Agreement” has the meaning set forth in the preamble.

“Arbitration Firm” has the meaning set forth in [Section 2.3\(c\)](#).

“Audited Financial Statements” has the meaning set forth in [Section 4.5\(a\)](#).

“Balance Sheet Date” has the meaning set forth in [Section 4.5\(a\)](#).

“Base Earn-Out Payment” has the meaning set forth in [Section 2.4\(a\)](#).

“Business Day” means any day other than a Saturday, a Sunday or any other day on which the Federal Reserve Bank of New York is closed.

“Buyer” has the meaning set forth in the preamble.

“Buyer Claim” has the meaning set forth in [Section 8.7\(b\)\(i\)](#).

“Buyer Claim Notice” has the meaning set forth in [Section 8.7\(b\)\(i\)](#).

“Buyer Indemnitee(s)” has the meaning set forth in [Section 8.3\(a\)](#).

“Cash and Cash Equivalents” means, as of the date in question, all cash and cash equivalent assets (including marketable securities) of the Company and the Subsidiaries on a consolidated basis as determined in accordance with GAAP.

“Cause” means the termination by the Buyer, the Company or any Subsidiary of the Specified Employee’s employment with the Buyer, the Company or any Subsidiary as a result of: (i) the Specified Employee engaging in fraud, embezzlement or theft in connection with the Specified Employee’s duties or in the course of the Specified Employee’s employment with the Buyer, the Company or any Subsidiary, (ii) the Specified Employee having committed intentional wrongful damage to tangible or intangible property of the Buyer, the Company or any Subsidiary, (iii) the Specified Employee having committed intentional wrongful disclosure of secret processes or confidential information of the Buyer, the Company or any Subsidiary, or (iv) the Specified Employee’s intentional and continued failure to perform his duties or the Specified Employee’s intentional misconduct in the course of his employment that is not cured within five days after written notice thereof to the Specified Employee and that results in material injury to the business or reputation of the Buyer, the Company or any Subsidiary. For purposes of this Agreement, no act or failure to act on the part of the Specified Employee will be deemed “intentional” if it was due primarily to an error in judgment or negligence, but will be deemed “intentional” only if done or omitted to be done by the Specified Employee not in good faith and without reasonable belief that the Specified Employee’s action or omission was in the best interest of the Buyer, the Company or any Subsidiary, as applicable.

“**Claim**” has the meaning set forth in **Section 8.7(a)**.

“**Claim Response**” has the meaning set forth in **Section 8.7(a)**.

“**Claims Notice**” has the meaning set forth in **Section 8.7(a)**.

“**Closing**” has the meaning set forth in **Section 3.1**.

“**Closing Date**” has the meaning set forth in **Section 3.1**.

“**Closing Statement**” has the meaning set forth in **Section 2.3(b)**.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Common Stock**” has the meaning set forth in the recitals.

“**Company**” has the meaning set forth in the preamble.

“**Company Debt**” means, without duplication, the following with respect to the Company and the Subsidiaries (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money (excluding, for the avoidance of doubt, accounts payable incurred in the ordinary course of business), (ii) any indebtedness evidenced by any note, bond, debenture or debt security, (iii) any indebtedness for the deferred purchase price of property or services with respect to which the Company or any Subsidiary is liable, contingently or otherwise, as obligor or otherwise, and all conditional sale or other title retention agreements, (iv) any obligations under leases which are, or in accordance with generally accepted accounting principles should be, capitalized, (v) any indebtedness secured by a Lien on the Company’s or any Subsidiary’s assets, (vi) any liabilities or obligations under any currency or interest swap or hedge device, (vii) any letters of credit to the extent drawn upon, (viii) all obligations in respect of interest, fees, penalties, premiums or other charges in respect of the foregoing, (ix) all indebtedness referred to in the foregoing clauses (i) through (viii) of another Person that have been guaranteed by the Company or any Subsidiary, (x) all amounts owed pursuant to the Advisory Agreement, (xi) (A) any amounts accrued on the Interim Financial Statements relating to Greenline’s Nevada facility and (B) an amount equal to \$971,000 related to the termination of Greenline’s Atlanta facility, and (xii) all related party payables (including payables to any Affiliate of the Company or any Subsidiary or to any Riverside Related Party) other than related party payables incurred in the ordinary course of business as set forth on **Schedule 1.1**. A listing of all Company Debt as of the date hereof is attached hereto as **Schedule 1.1**.

“**Company Debt Documents**” means the Senior Credit Agreement and the Subordinated Note and Warrant Purchase Agreement.

“**Company Financial Statements**” has the meaning set forth in Section 4.5(a).

“**Company Intellectual Property**” means all Intellectual Property owned by the Company or any Subsidiary.

“**Company’s Knowledge**” means the actual knowledge of the individuals set forth on Schedule 1.2 after reasonable inquiry.

“**Company’s Option Plan**” means that certain 2006 Equity and Performance Incentive Plan as amended on August 15, 2007.

“**Company Stockholders Agreement**” has the meaning set forth in Section 3.4.

“**Confidential Information and Trade Secrets**” means all ideas, information, knowledge and discoveries, whether or not patentable, trademarkable or copyrightable, that are not generally known in the trade or industry, including product specifications, manufacturing procedures, methods, equipment, compositions, technology, patents, know-how, inventions, improvements, designs, business plans, marketing plans, cost and pricing information, internal memoranda, formula, development programs, sales methods, customer, supplier, sales representative, distributor and licensee lists, mailing lists, customer usages and requirements, computer programs, Trade Secrets, and other confidential, technical or business information and data.

“**Consent**” means any consent, approval, authorization, waiver or registration required to be obtained from, filed with or delivered to any Person in connection with the consummation of the transactions contemplated hereby.

“**Contracts**” means all legally-binding, oral or written contracts, leases, licenses and other agreements (including any amendments and other modifications thereto) to which the Company or a Subsidiary is a party that are in effect on the date hereof.

“**Controlled Group**” means any trade or business (whether or not incorporated) (i) under common control within the meaning of Section 4001(b)(1) of ERISA with the Company or (ii) which together with the Company is treated as a single employer under Section 414(t) of the Code.

“**Copyrights**” means all copyrights, whether in published or unpublished works, which include literary works, and any other original works of authorship fixed in any tangible medium of expression; Software; rights to compilations, collective works and derivative works of any of the foregoing; and registrations and applications for registration for any of the foregoing and any renewals or extensions thereof.

“**Deductible**” has the meaning set forth in Section 8.6(a).

“**Dispute Notice**” has the meaning set forth in Section 8.7(b)(i).

“**Dispute Period**” has the meaning set forth in **Section 8.7(b)(i)**.

“**Domain Names**” means Internet electronic addresses, uniform resource locators and alphanumeric designations associated therewith registered with or assigned by any domain name registrar, domain name registry or other domain name registration authority as part of an electronic address on the Internet and all applications for any of the foregoing.

“**Earn-Out Bonus Agreements**” means, collectively, the letter agreements dated as of the Closing Date by and between the Company and the individuals set forth on **Schedule 1.3** entitling such individuals to a bonus if the maximum Earn-Out Payment is earned under **Section 2.4**.

“**Earn-Out Payment**” has the meaning set forth in **Section 2.4(a)**.

“**Earn-Out Period**” has the meaning set forth in **Section 2.4(a)**.

“**Earn-Out Statement**” has the meaning set forth in **Section 2.4(b)**.

“**Earn-Out Target**” has the meaning set forth in **Section 2.4(a)**.

“**Employee Plans**” has the meaning set forth in **Section 4.11(a)**.

“**Enterprise Value**” means Sixty-Three Million Dollars (\$63,000,000).

“**Environmental Claim**” means any investigation, notice, violation, demand, allegation, action, suit, injunction, order, consent decree, penalty, fine, lien, proceeding or claim (whether administrative, judicial or private in nature) arising (i) pursuant to, or in connection with, an actual or alleged violation of any Environmental Law; (ii) in connection with any Release of any Hazardous Substances; (iii) from any abatement, removal, remedial, corrective or other response action in connection with Hazardous Substances or Environmental Law; or (iv) from any actual or alleged damage, injury, threat, or harm to human health or safety with respect to exposure to Hazardous Substances or to natural resources, wildlife or the environment.

“**Environmental Law**” means any Laws or common law pertaining to (i) protection of human health or safety with respect to exposure to Hazardous Substances or protection of natural resources, wildlife or the environment, or (ii) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation or handling of, or exposure to, any petroleum products or Hazardous Substances (as hereinafter defined) and all amendments, modifications and additions thereto, in each case as amended to date including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, codified at 42 U.S.C. 9601 *et seq.*, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Solid Waste Disposal Act, codified at 42 U.S.C. 6901 *et seq.*, as amended by the Resource Conservation and Recovery Act of 1976 and the Hazardous and Solid Waste Amendment of 1984 (“RCRA”), the Toxic Substances Control Act of 1976, codified at 15 U.S.C. 2601 *et seq.*, the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, codified at 33 U.S.C. 1251 *et seq.*, the Clean Air Act of 1966, codified at 42 U.S.C. 741 *et seq.*, the Hazardous Materials Transportation Act, codified at 49, U.S.C. 651 *et seq.*, the Oil Pollution Act of 1990, codified at 33 U.S.C. 2701 *et seq.*, the Emergency Planning and Community Right-To-Know Act of 1986, codified at 42 U.S.C. 11001, *et seq.*, the National Environmental Policy Act of 1969, codified at 42 U.S.C. 4321, *et seq.*, the Occupational Safety and Health Act of 1970 (with respect to the exposure of Hazardous Substances), and the Safe Drinking Water Act of 1974, codified at 42 U.S.C. 300(f), *et seq.* or any similar state statute, any implementing regulations or any successor law.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“Escrow Agent” means KeyBank N.A.

“Escrow Agreement” means an agreement by and among the Seller Representative, the Escrow Agent and Buyer, substantially in the form of Exhibit C attached hereto.

“Escrow Funds” means an amount equal to Four Million Seven Hundred Twenty-Five Thousand Dollars (\$4,725,000).

“Escrow Termination Date” has the meaning set forth in Section 8.7(d).

“Estimated Cash” means the Company’s estimate of the Cash and Cash Equivalents as of the close of business on the day immediately preceding the Closing Date.

“Final Base Purchase Price” has the meaning set forth in Section 2.3(a).

“Final Cash” has the meaning set forth in Section 2.3(b).

“Final Working Capital” has the meaning set forth in Section 2.3(b).

“Fully Diluted Shares” means the aggregate number of shares of Common Stock outstanding at the Closing assuming the exercise of all Warrants.

“Fundamental Representations” shall mean the warranties and representations set forth in Sections 4.1(a) and 4.1(c) (Organization; Authority); Section 4.2 (Capitalization); Section 4.3 (Subsidiaries); Section 4.4(a) (No Conflict with Organizational Documents); Section 4.7(a) (Title to Properties); the second sentence of Section 4.8 (Title to Owned Real Property); the first sentence of Section 4.14(b) (Title to Intellectual Property); Section 4.26 (No Brokers); Section 5.1 (Authority, Validity and Effect); Section 5.2 (Title to Shares); Section 5.3(a) (No Conflict with Organizational Documents); Section 6.1 (Investment Intent), the first sentence of Section 6.2 (Organization); Section 6.3 (Authority, Validity and Effect); Section 6.4(a) (No Conflict with Organizational Documents), Section 6.5 (Independent Investigation; No-Reliance) and Section 6.7 (No Brokers).

“GAAP” means United States generally accepted accounting principles applied on a basis consistent with the preparation of the Audited Financial Statements.

“General Cap” has the meaning set forth in Section 8.6(b).

“General Enforceability Exceptions” has the meaning set forth in **Section 4.8**.

“Governmental Authority” means any government or political subdivision, whether federal, state, local, municipal or foreign, or any agency or commission entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority, or any federal, state, local or foreign court or tribunal or any arbitrator or arbitral body.

“Greenline” means GreenLine Foods, Inc., an Ohio corporation.

“Greenline Logistics” means GreenLine Logistics, Inc., an Ohio corporation.

“Greenline Logistics Shares” has the meaning set forth in **Section 4.3(c)**.

“Greenline SC” means GreenLine South Carolina Properties, LLC, an Ohio limited liability company.

“Greenline SC Units” has the meaning set forth in **Section 4.3(d)**.

“Greenline Shares” has the meaning set forth in **Section 4.3(b)**.

“Gross Proceeds” has the meaning set forth in **Section 2.2(a)**.

“Hazardous Substances” means and includes any substance, chemical, compound, product, solid, gas, liquid, waste, by-product, material, pollutant or contaminant which is regulated by an Environmental Law, including, without limitation, asbestos, PCB’s, radon and urea formaldehyde foam and petroleum and petroleum products.

“Holdback Amount” means an amount equal to Four Hundred Thousand Dollars (\$400,000).

“Indemnifying Party” has the meaning set forth in **Section 8.7(c)**.

“Indemnitees” means the Buyer Indemnitees and/or Seller Indemnitees, as the context requires.

“Initial Base Purchase Price” has the meaning set forth in **Section 2.2(a)**.

“Intellectual Property” means Copyrights, Domain Names, Patent Rights, Trademarks, Software, and Confidential Information and Trade Secrets, including the right to sue for past, present and future infringement, misappropriation or other violation thereof.

“Interim Financial Statements” has the meaning set forth in **Section 4.5(a)**.

“IRS” has the meaning set forth in **Section 4.11(b)**.

“Law” means any law, statute, constitution, code, ordinance, regulation, policy, rule or other binding action or requirement of any Governmental Authority.

“Leased Real Property” has the meaning set forth in **Section 4.8**.

“Liens” means any mortgage, lien, security interest, option, pledge, title defect, title retention agreement, restriction, easement, charge or other similar encumbrance including, with respect to the Shares, any warrant, call, proxy, voting trust agreement or restriction on the right to vote, transfer or otherwise dispose of the Shares (other than restrictions on transfer imposed by federal or state securities laws).

“Losses” has the meaning set forth in Section 8.2.

“Mass Software” means mass-marketed non-customized (except for as to settings, configuration, and setup features) Software licensed to the Company or any Subsidiary with an annual license fee of less than \$50,000.

“Material Adverse Effect” means, with respect to the Company or Buyer, as applicable, any change, occurrence, event, condition, fact or development which, individually or in the aggregate, materially and adversely affects or is reasonably expected to materially and adversely affect, the ability of the Company or Buyer, as applicable, to consummate the transactions contemplated by this Agreement, or which has a material adverse effect or is reasonably expected to have a material adverse effect, on the business, results of operations or financial condition of, (x) in the case of the Company, the Company and the Subsidiaries, taken as a whole, and (y) in the case of Buyer, Buyer; but, in each case, none of the following, either alone or in combination, shall be deemed to constitute, or be taken into account in determining whether there has been, such a material adverse effect: any change, occurrence, event, condition, fact or development (a) resulting from general economic, political, financial, banking, credit or securities market conditions, including any disruption thereof and any interest or exchange rate fluctuations which does not disproportionately affect the Company or any Subsidiary relative to other market participants, (b) affecting companies in the agriculture industry generally which does not disproportionately affect the Company or any Subsidiary relative to other industry participants, (c) resulting from the announcement or performance of, or compliance with, or the public or industry knowledge of, this Agreement or the transactions contemplated hereby, (d) resulting from any changes in applicable Laws or accounting rules after the Closing Date, (e) resulting from any actions required under this Agreement, including with respect to obtaining any Consent required under this Agreement, (e) resulting from acts of terrorism or war (whether or not declared), or (f) arising out of any action taken or omitted to be taken at the express request or with the express written consent of the other party.

“Material Contracts” has the meaning set forth in Section 4.12.

“Net Revenues” of the Company and the Subsidiaries for any applicable period means the ordinary course net sales of the Company and the Subsidiaries during such period, determined in accordance with GAAP and in the manner set forth in and with respect to the SKU numbers listed on Schedule 1 (and substantially similar product types) of the 2012 projected budget of the Company attached hereto as Exhibit D (the **“2012 Budget”**) excluding any Logistics revenue; provided that if there is any inconsistency between GAAP and the 2012 Budget, the 2012 Budget shall control. In the event the Company and the Subsidiaries are merged into the Buyer on or following the Closing Date, for purposes of this definition, in lieu of references to the “ordinary course net sales of the Company and the Subsidiaries” during any period after which such merger has occurred, the parties shall refer to the ordinary course net sales of Buyer attributable to the SKU numbers listed on Schedule 1 of the 2012 Budget or substantially similar products. The parties acknowledge and agree that both the Buyer, on the one hand, and the Company and its Subsidiaries, on the other hand, sell snow peas and snap peas as of the Closing Date; accordingly, **“Net Revenues”** shall include (a) all net sales of snow peas and snap peas in the food service channel (which excludes the club channel) by the Company, the Subsidiaries or the Buyer, and (b) an amount equal to \$228,000 (which represents the amount budgeted by the Company and the Subsidiaries) shall be fixed for sales of snow peas and snap peas in the retail and club channels and such amount shall not be adjusted upward or downward to reflect the actual net sales of the Company, the Subsidiaries or the Buyer for sales of snow peas and snap peas in the retail and club channels. For the avoidance of doubt, no sales by Buyer of products substantially similar to the SKU numbers referenced herein during the period prior to the Closing Date shall be included in Net Revenues.

“**Notice**” has the meaning set forth in **Section 8.7(b)(i)**.

“**Notice of Objection**” has the meaning set forth in **Section 2.4(c)**.

“**Order**” means any order, judgment, ruling, injunction, assessment, award, decree or writ of any Governmental Authority.

“**Owned Real Property**” has the meaning set forth in **Section 4.8**.

“**Patent Rights**” means all inventions, discoveries, improvements, and designs and any related patents, industrial and utility models, industrial designs, petty patents, patents of importation, patents of addition, certificates of invention, and any other indicia of invention ownership issued or granted by any Governmental Authority, including all provisional applications, priority and other applications, divisionals, continuations (in whole or in part), extensions, reissues, re-examinations or equivalents or counterparts of any of the foregoing.

“**Payoff Letters**” has the meaning set forth in **Section 3.2(c)**.

“**Permits**” means any license, permit, authorization, certificate of authority, qualification or similar document or authority that has been issued or granted by any Governmental Authority.

“**Permitted Liens**” means (a) Liens identified on **Schedule 1.1** arising under or related to the Company Debt which will not be satisfied in full at Closing, (b) Liens for Taxes, assessments and other charges of Governmental Authorities not yet due and payable, (c) mechanics’, workmens’, repairmen’s, warehousemen’s, carriers’ or other like Liens arising or incurred in the ordinary course of business or by operation of Law if the underlying obligations are not delinquent, and (d) with respect to the Real Property (i) any conditions that may be shown by a current, accurate survey, (ii) easements, encroachments, restrictions, rights-of-way and any other non-monetary title defects, and (iii) zoning, building and other similar restrictions imposed by a Governmental Authority having jurisdiction over the Real Property; provided, however, that none of the foregoing described in this clause (d) will individually or in the aggregate prevent or materially impair the marketability of the property or the continued use and operation of the property to which they relate in the business of the Company or any Subsidiary as presently conducted.

“**Person**” means any individual, sole proprietorship, partnership, corporation, limited liability company, joint venture, unincorporated society or association, trust or other legal entity or Governmental Authority.

“**Pre-Closing Environmental Noncompliance Fines and Penalties**” means any monetary fines and penalties (including judgments or awards of fines and penalties) issued by, or settlements of fines and penalties entered into with, any Governmental Authority for noncompliance with Environmental Laws and paid by the Buyer, the Company or any Subsidiary, but only to the extent such noncompliance is identified on **Exhibit E** and only to the extent such fines and penalties cover the time period that occurred prior to the Closing.

“**Pre-Closing Tax Periods**” has the meaning set forth in **Section 9.1(a)**.

“**Proprietary Information**” has the meaning set forth in **Section 7.5**.

“**RCAF QC**” has the meaning set forth in the preamble.

“**Real Property**” means all the Company’s and the Subsidiaries’ real (immovable) property and interest in real (immovable) property, real (immovable) property leaseholds and real (immovable) property subleaseholds, all buildings and other improvements thereon and other real (immovable) property interests currently used in the business or operations of the Company and the Subsidiaries including Owned Real Property and Leased Real Property.

“**Real Property Leases**” has the meaning set forth in **Section 4.8**.

“**Recovered Amounts**” has the meaning set forth in **Section 7.6(a)**.

“**Release**” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping of a Hazardous Substance into soil, surface water, groundwater or outdoor or indoor air.

“**Release Agreements**” has the meaning set forth in **Section 3.2(n)**.

“**Response Action**” means an environmental investigation, assessment, monitoring, cleanup, containment, restoration, removal, remediation or other corrective or response action involving the Real Property.

“**Response Period**” has the meaning set forth in **Section 8.7(a)**.

“**Responsible Party**” has the meaning set forth in **Section 8.7(c)**.

“**Restricted Employees**” has the meaning set forth in **Section 7.4**.

“**Riverside**” has the meaning set forth in the preamble.

“**Riverside Related Party**” means any portfolio company of Riverside or any of their affiliated investment funds or any portfolio company of any such affiliated investment fund.

“**Sale Bonus Agreements**” means those Release Agreements dated as of the date hereof, with the individuals identified on **Schedule 1.4** providing for sale bonus payments in the amounts set forth on **Schedule 1.4**.

“**Satisfied Company Debt**” means the Company Debt identified on **Schedule 1.1** that is to be satisfied in full at or prior to the Closing in accordance with the Payoff Letters.

“**Scheduled Customers**” has the meaning set forth in **Section 4.24**.

“**Scheduled Growers**” has the meaning set forth in **Section 4.24**.

“**Scheduled Suppliers**” has the meaning set forth in **Section 4.24**.

“**Schedules**” means the disclosure schedules delivered by or on behalf of the Sellers prior to or concurrently with the execution and delivery of this Agreement.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Seller Indemnitees**” has the meaning set forth in **Section 8.2**.

“**Seller Representative**” has the meaning set forth in the preamble.

“**Sellers**” has the meaning set forth in the preamble.

“**Selling Expenses**” means all (i) the fees, costs and expenses (including investment bankers’ or financial advisors’, attorneys’ and accountants’ fees, costs and expenses) incurred by the Sellers and/or the Company or the Subsidiaries in connection with this Agreement or the completion of the transaction contemplated by this Agreement, (ii) change of control bonuses (including, without limitation, liabilities excluded from Final Working Capital under Section 1(d) of **Schedule 2.3(a)**) and amounts payable under the Sale Bonus Agreements, (iii) payments or liabilities incurred in connection with the cancellation of options issued under the Company’s Option Plan on or prior to the date hereof and (iv) any severance payments triggered prior to the Closing (including, without limitation, payments approved by the Company or any Subsidiary prior to the Closing which are payable upon the Closing) payable to those resigning individuals identified on **Schedule 3.2(h)**.

“**Senior Credit Agreement**” means the Credit and Security Agreement, dated as of September 21, 2006 (as has been and may further be amended, supplemented, restated or otherwise modified from time-to-time), by and among KeyBank National Association, those Lending Institutions Set Forth on Schedule 1 attached thereto and the Subsidiaries.

“**Settlement Amounts**” has the meaning set forth in **Section 2.2(c)**.

“**Share Amount**” means an amount equal to the quotient of (a) the sum of (i) the Initial Base Purchase Price and (ii) the aggregate exercise prices for all of the then outstanding Warrants, divided by (b) the Fully Diluted Shares.

“**Shares**” has the meaning set forth in the recitals.

“**Software**” means computer software, programs and databases in any form, including source code, object code, operating systems and specifications, data, databases, database management code, firmware, algorithms, utilities, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms, data formats, internet web sites, web content and links, all versions, updates, corrections, enhancements and modifications thereof, and all related documentation, developer notes, comments and annotations.

“**Specified Employee**” has the meaning set forth in **Section 2.4(d)**.

“**Stockholders**” has the meaning set forth in the preamble.

“**Subordinated Note and Warrant Purchase Agreement**” mean the Subordinated Note and Warrant Purchase Agreement, dated as of September 21, 2006 (as has been and may further be amended, supplemented, restated or otherwise modified from time-to-time), by and among the Company, Greenline (as successor in interest to Greenline Acquisition Co., a Delaware corporation), Corporate Mezzanine III, L.P., Corporate Mezzanine IV, L.P., Trafalgar Business Solutions Limited and Western Springs Enterprises, L.P.

“**Subsidiaries**” means, collectively, Greenline, Greenline Logistics and Greenline SC, and each individually is a “**Subsidiary**”.

“**Subsidiary Interests**” means, collectively, the Greenline Shares, the Greenline Logistics Shares and the Greenline SC Units.

“**Tax**” means any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, similar governmental fee or other similar assessment or similar charge, together with any interest, penalties, additions to tax or additional amounts imposed by any Taxing Authority.

“**Tax Matter**” means (a) any inquiries, assessments, proceedings or similar events with respect to Taxes of the Company or the Subsidiaries for which the Sellers may be required to reimburse or indemnify any Buyer Indemnitee pursuant to this Agreement or (b) any voluntary contact with any Taxing Authority (other than in connection with a Voluntary Disclosure) relating to Taxes of the Company or the Subsidiaries for any Pre-Closing Tax Period.

“**Tax Returns**” means all Tax returns, statements, reports and forms required to be filed with any Taxing Authority.

“**Taxing Authority**” means any Governmental Authority responsible for the administration or imposition of any Tax.

“**Trade Secrets**” means anything that would constitute a “trade secret” under applicable Law.

“**Trademarks**” means registered or unregistered trademarks, service marks, fictional business names, trade names, commercial names, certification marks, collective marks, trade dress, and other proprietary rights to any words, names, slogans, symbols, logos, devices or combinations thereof used to identify, distinguish and indicate the source or origin of goods or services; registrations, renewals, applications for registration, equivalents and counterparts of the foregoing; and the goodwill of the business associated with each of the foregoing.

“**Transfer Taxes**” has the meaning set forth in **Section 9.4**.

“**Voluntary Disclosure**” has the meaning set forth in **Section 8.3(a)**.

“**Warrantholders**” has the meaning set forth in the preamble.

“**Warrants**” has the meaning set forth in the recitals.

ARTICLE II SALE AND PURCHASE

2.1 **Sale and Purchase of Shares.** At the Closing (a) the Stockholders shall sell, assign and transfer to Buyer all of the Shares, free and clear of all Liens, (b) the Warrantholders shall surrender the Warrants for cancellation, free and clear of all Liens, and (c) Buyer shall pay and deliver, or cause to be paid and delivered, the Initial Base Purchase Price to, or for the benefit of, the Stockholders and the Warrantholders (as the same may be adjusted pursuant to **Section 2.3**) and take the other actions described in this **Article II**.

2.2 **Purchase Price.**

(a) **Initial Base Purchase Price.** Subject to the adjustments set forth in **Section 2.3**, in full consideration for the transfer of the Shares and the surrender of Warrants, Buyer shall pay or cause to be paid to, or for the benefit of, the Stockholders and the Warrantholders at the Closing an aggregate amount equal to the Enterprise Value (i) plus the Estimated Cash (such sum, the “**Gross Proceeds**”) (ii) minus:

- (A) the aggregate amount of Company Debt outstanding immediately prior to the Closing as reflected on **Schedule 1.1**;
- (B) the unpaid portion of the Selling Expenses;
- (C) the Voluntary Disclosure amount as specified in **Schedule 8.3(a)** which represents the only liability of the Sellers in connection with the Voluntary Disclosures;
- (D) the Escrow Funds; and
- (E) the Holdback Amount

(such amount, the “**Initial Base Purchase Price**”).

(b) Shares and Warrants. At the Closing, the Initial Base Purchase Price will be distributed to, or for the benefit of, the Stockholders and the Warrantholders as follows:

(i) Each Stockholder will be entitled to receive an amount equal to the product of (A) the Share Amount and (B) the number of Shares owned by such Stockholder, payable in cash by bank wire transfer of immediately available funds to an account or accounts designated by such Stockholder at the Closing.

(ii) Each Warrantholder will be entitled to receive, upon the surrender of its then outstanding Warrants, an amount equal to the product of (A) the Share Amount and (B) the number of shares of Common Stock underlying such Warrants then held by such Warrantholder, minus the sum of all the exercise prices for all such Warrants held by such Warrantholder, payable in cash by bank wire transfer of immediately available funds to an account designated by such Warrantholder at the Closing.

(c) Other Settlements. At the Closing, Buyer shall (i) on behalf of the Company and the Subsidiaries, cause the Satisfied Company Debt to be repaid in full to the party or parties entitled thereto pursuant to instructions delivered by the Seller Representative to Buyer prior to the Closing and in accordance with the Payoff Letters, (ii) on behalf of the Stockholders, the Company or the Subsidiaries, pay the Selling Expenses to the Persons entitled thereto pursuant to the instructions designated by such Persons prior to the Closing or for the amounts due under the Sale Bonus Agreements that are payable after the Closing Date, as and when due, (iii) pay the Holdback Amount into an escrow account to be held by the Escrow Agent, and (iv) pay the Escrow Funds into an escrow account to be held by the Escrow Agent in accordance with the terms of this Agreement and the Escrow Agreement (collectively, the "**Settlement Amounts**"). Notwithstanding the foregoing, Buyer shall promptly remit to the Seller Representative, on behalf of the Sellers, any amounts not paid pursuant to the Sale Bonus Agreements.

2.3 Purchase Price Adjustment

(a) Final Base Purchase Price. The "**Final Base Purchase Price**" means (i) the Initial Base Purchase Price, plus (ii) the amount, if any by which the Final Cash exceeds the Estimated Cash, plus (iii) the amount, if any, by which the Final Working Capital exceeds One Million Six Hundred Forty-Two Thousand Eight Hundred Nine Dollars (\$1,642,809), less (iv) the amount, if any, by which the Final Cash is less than the Estimated Cash, less (v) the amount, if any, by which Final Working Capital is less than Four Hundred Forty-Two Thousand Eight Hundred Nine Dollars (\$442,809). For the avoidance of doubt, if the Final Working Capital is equal to or greater than Four Hundred Forty-Two Thousand Eight Hundred Nine Dollars (\$442,809) but less than One Million Six Hundred Forty-Two Thousand Eight Hundred Nine Dollars (\$1,642,809), there shall be no adjustment to the Initial Base Purchase Price as a result of the Final Working Capital.

(b) Closing Statement. Within forty-five (45) days after the Closing Date, Buyer shall cause to be prepared and delivered to the Seller Representative a statement (the “**Closing Statement**”), setting forth (i) the average amount, calculated on a monthly basis, of Net Working Capital for the twelve (12) fiscal month period ending as of the close of business on the day of the last fiscal month preceding the Closing Date (the “**Final Working Capital**”), prepared in accordance with the principles set forth on **Schedule 2.3(a)**; and (ii) the Cash and Cash Equivalents as of the close of business on the day immediately preceding the Closing Date (the “**Final Cash**”), in each case, prepared in accordance with GAAP.

(c) Dispute. Within sixty (60) days following receipt by the Seller Representative of the Closing Statement, the Seller Representative shall deliver written notice to Buyer of any dispute it has with respect to the preparation or content of the Closing Statement. If the Seller Representative does not notify Buyer of a dispute with respect to the Closing Statement within such sixty (60)-day period, such Closing Statement will be final, conclusive and binding on the parties. In the event of such notification of a dispute, Buyer and the Seller Representative shall negotiate in good faith to resolve such dispute. If Buyer and the Seller Representative, notwithstanding such good faith effort, fail to resolve such dispute within fifteen (15) days after the Seller Representative advises Buyer of its objections, then Buyer and the Seller Representative jointly shall engage PricewaterhouseCoopers LLP (the “**Arbitration Firm**”) to resolve such disputed items. As promptly as practicable thereafter, Buyer and the Seller Representative shall each prepare and submit a presentation to the Arbitration Firm. The scope of the Arbitration Firm’s engagement shall be limited to the resolution of the disputed items described in the Seller Representative’s notice of dispute that are not resolved between the Seller Representative and Buyer and the recalculation, if any, of the Final Working Capital and the Final Cash in light of such resolution. The Arbitration Firm shall not attribute a value to any disputed amount greater than the greatest amount proposed by either party nor an amount less than the least amount proposed by either party. The Buyer and the Seller Representative shall each be responsible for one-half (1/2) of the fees and expenses of the Arbitration Firm. All determinations made by the Arbitration Firm will be final, conclusive and binding on the parties.

(d) Access. For purposes of complying with the terms set forth in this **Section 2.3**, Buyer and the Company, on the one hand, and the Seller Representative, on the other hand, shall, and the Company shall cause the Subsidiaries to, cooperate with and make available to each other and their respective representatives all information, records, data and working papers, and shall permit access to its facilities and personnel, as may be reasonably required in connection with the preparation and analysis of the Closing Statement and the resolution of any disputes thereunder.

(e) Final Determination. Within two (2) Business Days after the date on which the Final Working Capital and Final Cash are finally determined pursuant to **Section 2.3(c)**, the Seller Representative and Buyer shall jointly determine the Final Base Purchase Price.

(i) If the Final Base Purchase Price is less than the Initial Base Purchase Price that was paid on the Closing Date, then the Seller Representative shall pay (on behalf of the Sellers) an amount of cash equal to such shortfall to Buyer, by bank wire transfer of immediately available funds to an account designated in writing by Buyer to the Seller Representative, within five (5) Business Days from the date on which Final Working Capital and Final Cash are finally determined pursuant to **Section 2.3(c)**.

(ii) If the Final Base Purchase Price is greater than the Initial Base Purchase Price that was paid on the Closing Date, then Buyer shall pay, or cause to be paid, to the Sellers in the proportions set forth on **Schedule 2.3(e)**, an amount in cash equal to such excess. With respect to the Stockholders and the Warrantholders, such amounts shall be paid by Buyer within five (5) Business Days from the date on which the Final Working Capital and Final Cash are finally determined pursuant to **Section 2.3(c)** by bank wire transfer of immediately available funds to an account or accounts designated in writing by the Seller Representative and the Warrantholders to Buyer.

(iii) If the Final Base Purchase Price is equal to the Initial Base Purchase Price that was paid on the Closing Date, there will be no adjustment to the Initial Base Purchase Price pursuant to this **Section 2.3(e)**.

2.4 **Contingent Purchase Price.**

(a) **Earn-Out Payment.** In addition to the Final Base Purchase Price, if the Net Revenues of the Company and the Subsidiaries equal or exceed Ninety-Seven Million One Hundred Thousand Dollars (\$97,100,000) (the "***Earn-Out Target***") for the fiscal period beginning December 26, 2011 and ending December 30, 2012 (the "***Earn-Out Period***"), then, subject to the provisions of this **Section 2.4**, the Sellers shall be entitled to an additional payment in the amount of Four Million Dollars (\$4,000,000) (the "***Base Earn-Out Payment***"). In addition, for each dollar of Net Revenues of the Company and the Subsidiaries during the Earn-Out Period in excess of the Earn-Out Target, the Sellers shall receive an additional dollar of consideration (such additional consideration not to exceed Three Million Dollars (\$3,000,000)) (such additional consideration actually received by the Sellers, the "***Additional Earn-Out Payment***" and, together with the Base Earn-Out Payment, the "***Earn-Out Payment***"). If any portion of the Earn-Out Statement (as finally determined pursuant to **Section 2.4(c)**) reflects that the Net Revenues of the Company and the Subsidiaries for the Earn-Out Period are less than the Earn-Out Target, there shall be no additional payments to Sellers under this **Section 2.4**. If the maximum Earn-Out Payment in an amount equal to Seven Million Dollars (\$7,000,000) is paid pursuant to this **Section 2.4**, the Company shall pay a portion of such Earn-Out Payment not to exceed \$175,000 in the aggregate to certain employees of the Company and the Subsidiaries pursuant to the terms of the Earn-Out Bonus Agreements and the remainder of the Earn-Out Payment to the Sellers.

(b) **Earn-Out Statement.** On or before January 30, 2013, the Buyer shall prepare and deliver to the Seller Representative a statement setting forth the determination of the Net Revenues of the Company and the Subsidiaries for the Earn-Out Period (the "**Earn-Out Statement**"). Additionally, Buyer shall deliver or cause to be delivered to the Seller Representative a statement of the Net Revenues of the Company and the Subsidiaries within forty-five (45) days after the end of each of the fiscal period beginning March 26, 2012 and ending June 24, 2012 and the fiscal period beginning June 25, 2012 and ending September 30, 2012; provided, however, that such quarterly statements shall not be binding in any manner with respect to the calculations of Net Revenues for purposes of the Earn-Out Statement. Buyer shall deliver and furnish the Seller Representative any other supporting or underlying documentation pertinent to the calculation of Net Revenues and the preparation of the Earn-Out Statement as may be reasonably requested by the Seller Representative. If the Earn-Out Statement reflects Net Revenues of the Company and the Subsidiaries in excess of the Earn-Out Target, Buyer shall pay, or cause to be paid, to the Sellers in the proportions set forth in **Schedule 2.3(e)**, the amount of the Earn-Out Payment actually earned hereunder. The Earn-Out Payment (less amounts paid pursuant to the Earn-Out Bonus Agreements) shall be paid by Buyer, on or before February 28, 2013, to the Sellers in the proportions set forth on **Schedule 2.3(e)** by bank wire transfer of immediately available funds to an account or accounts designated in writing by the Seller Representative and the Warrantholders to Buyer.

(c) **Dispute.** If the Seller Representative disputes the calculation of Net Revenues of the Company and the Subsidiaries contained in the Earn-Out Statement, Buyer shall cooperate with and make available to the Seller Representative all records, work papers and calculations of Buyer relating to the Earn-Out Statement and the calculation of Net Revenues therein. The Seller Representative shall have thirty (30) days after delivery of the Earn-Out Statement in which to notify Buyer in writing of any discrepancy in, or disagreement with, the calculation of the Net Revenues as reflected on the Earn-Out Statement (a "**Notice of Objection**"). If the Seller Representative does not submit a Notice of Objection during such thirty (30) day period, then the Earn-Out Statement shall be deemed to be accepted in the form presented to the Seller Representative and shall be final, conclusive and binding upon the parties. If the Seller submits a Notice of Objection during such thirty (30) day period and Buyer agrees with the adjustment requested by the Seller Representative therein, then an appropriate adjustment shall be made. If Buyer does not agree with the Notice of Objection, Buyer and the Seller Representative shall negotiate in good faith to resolve such dispute. If Buyer and the Seller Representative, notwithstanding such good faith effort, fail to resolve such dispute within twenty (20) days after receipt of the Notice of Objection, then the disputed items or amounts shall be submitted for review and final determination by the Arbitration Firm. As promptly as practicable, Buyer and the Seller Representative shall each prepare and submit a presentation to the Arbitration Firm. The scope of the Arbitration Firm's engagement shall be limited to the resolution of the disputed items regarding the Net Revenue calculation described in the Notice of Objection. The determination of the Arbitration Firm shall be made as promptly as practicable and shall be binding and conclusive on the parties hereto for purposes hereof. The fees, costs and expenses of the Arbitration Firm shall be borne by the non-prevailing party.

(d) **Post-Closing Operations.** Buyer shall not, and shall cause the Company and the Subsidiaries to not, prior to January 1, 2013, take any artificial steps to reduce Net Revenues of the Company and the Subsidiaries for the Earn-Out Period, both individually and in the aggregate. Without limiting the foregoing, during the Earn-Out Period, Buyer shall cause the Company and the Subsidiaries to maintain the collection and payment of receivables and payables consistent with past practice and to continue ordinary course shipping practices and shall cause Greenline to use its commercially reasonable efforts to continue the employment of the employee set forth on **Schedule 2.4(d)** (the "**Specified Employee**") during the Earn-Out Period; provided, that nothing in this **Section 2.4(d)** shall be deemed to (i) interfere in any way with the right of Greenline to terminate the Specified Employee's employment at any time for Cause or (ii) require the Company and the Subsidiaries to sell goods or services at discounted prices that are not consistent with the Company's and the Subsidiaries' ordinary course business practices as of immediately prior to the Closing Date. Without limiting the generality of the foregoing, Buyer shall not shift revenue to Buyer and away from what otherwise would have been revenue of the Company and the Subsidiaries for purposes of determining the Net Revenues of the Company and the Subsidiaries by bundling sales of the product of the Company and the Subsidiaries with products of the Buyer such that Sellers do not receive credit in the Net Revenues for the portion of the price allocated to the products of the Company or any Subsidiary or such allocated price is discounted in a manner not consistent with past practices. Sellers acknowledge and agree that Buyer intends to merge the Company and the Subsidiaries into Buyer at or following the Closing Date and such actions shall not be deemed to be a violation of this **Section 2.4(d)**. Subsequent to such merger, the Buyer's obligations under this **Section 2.4(d)** with respect to the operations of the Company and the Subsidiaries shall continue with respect to such operations as conducted within the Buyer.

ARTICLE III CLOSING AND DELIVERIES

3.1 **Closing.** The closing of the transactions contemplated hereby (the "**Closing**") will take upon the mutual exchange via facsimile or other electronic transmission of executed copies of this Agreement on the date hereof (the "**Closing Date**"). All proceedings to be taken and all documents to be executed and delivered by all parties at the Closing will be deemed to have been taken and executed simultaneously and no proceedings will be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered. The effective time of the Closing will be on 12:01 a.m. Eastern Time on the Closing Date.

3.2 **Deliveries by the Company.** At the Closing, the Company shall deliver, or cause to be delivered, to Buyer the following items:

- (a) The stock certificates representing the Shares, with duly executed stock powers attached in proper form for transfer to Buyer;
- (b) Evidence of each Warrantholder's surrender of such Warrantholder's Warrants in exchange for the payment contemplated by **Section 2.2(b)(ii)**;

(c) Payoff letters and Lien discharge documents with respect to the Senior Credit Agreement, the Subordinated Note and Warrant Purchase Agreement and the PIK Promissory Notes issued to certain Stockholders, and any necessary UCC authorizations or other releases as may be reasonably required to evidence the satisfaction of all such obligations as of the Closing and the release of all Liens securing the such obligations (the "**Payoff Letters**");

(d) The certificate of incorporation, articles of organization or comparable document of the Company and each Subsidiary certified as of a recent date by the Secretary of State (or comparable Governmental Authority) of the jurisdiction of incorporation or organization for such entity;

(e) A certificate of the Secretary of State (or comparable Governmental Authority) of the jurisdiction of incorporation or organization for the Company and each Subsidiary as to the good standing as of the most recent practicable date of the Company and each Subsidiary in its jurisdiction of incorporation or organization;

(f) A certificate of the Secretary of the Company and each Subsidiary, given by him or her on behalf of the Company or Subsidiary, as applicable, and not in his or her individual capacity, certifying as to the bylaws and/or operating agreement of the Company or Subsidiary, as applicable;

(g) A certificate from the Secretary of the Company setting forth the resolutions of the Board of Directors of the Company authorizing the execution, delivery and performance of this Agreement and all agreements to be executed, delivered and performed by the Company in connection herewith;

(h) Written resignations of the directors and certain officers of the Company and the Subsidiaries set forth on **Schedule 3.2(h)**;

(i) Original corporate record books and stock record books of the Company and the Subsidiaries to the extent not in the possession of the Company or the Subsidiaries as of the Closing;

(j) Resignations of the signatories of the bank and other depository accounts and safe deposit boxes of the Company or any Subsidiary from any Persons who are not also employees of the Company or any Subsidiary, except as the Buyer shall direct to the contrary in writing;

(k) Evidence of the termination of the Advisory Agreement and the Fee Letter Guaranty referenced on **Schedule 4.25**;

(l) An affidavit issued to Buyer by an officer of the Company as required by Treasury Regulation Section 1.1445-2(c)(3) certifying that the Company has not been a United States real property holding corporation (as the term is defined in the Code and the Treasury Regulations promulgated in connection therewith) at any time during the five (5)-year period ending on the Closing Date in form and substance reasonably satisfactory to Buyer;

- (m) A counterpart to the Escrow Agreement, duly executed by the Seller Representative and the Escrow Agent;
- (n) A release agreement, in a form to be mutually agreed upon by the Sellers and the Buyer (the “**Release Agreements**”), duly executed by each of the Sellers;
- (o) Such title insurance affidavits and certificates from Sellers as may be required by the title insurance company retained and paid for by Buyer to allow such title company to deliver to Buyer an owner’s policy of title insurance dated as of the Closing Date on a current form, and in an amount acceptable to Buyer, which policy shall insure the validity of the Company’s (or Subsidiary’s) interest in each parcel of Owned Real Property set forth in **Schedule 4.8**, deleting all standard exceptions and all Liens, other than Permitted Liens, and including endorsements for gap, survey, access, location, zoning and other matters deemed necessary or advisable by Buyer;
- (p) Evidence, in a form reasonably acceptable to Buyer, of (i) the cancellation in connection with the transactions contemplated hereby of all outstanding options to purchase shares of Common Stock, issued pursuant to the Company’s Option Plan and termination of the Company’s Option Plan and (ii) the consideration (if any) received or to be received by the holders of such options in connection with such cancellation; and
- (q) The Consents set forth on **Schedule 3.2(g)**.

3.3 **Deliveries by Buyer.** At the Closing, Buyer shall deliver, or cause to be delivered, to the Seller Representative the following items:

- (a) The Initial Base Purchase Price and the Settlement Amounts, in each case, paid in accordance with **Section 2.2** to the Person or Persons entitled thereto;
- (b) The certificate of incorporation of Buyer certified as of a recent date by the Secretary of State of Delaware;
- (c) A certificate of the Secretary of State of Delaware as to the good standing as of a recent date of Buyer in such jurisdiction;
- (d) A certificate of the Secretary of Buyer, given by him or her on behalf of Buyer and not in his or her individual capacity, (i) certifying as to the bylaws of Buyer, and (ii) setting forth the resolutions of the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement and all agreements to be executed, delivered and performed by Buyer in connection herewith; and
- (e) A counterpart to the Escrow Agreement, duly executed by Buyer.

3.4 **Termination of Company Stockholders Agreement.** Effective as of the Closing, the Sellers hereby agree with the Company that the Stockholders Agreement, dated as of September 21, 2006, by and among the Company, Riverside and the other parties thereto (the “**Company Stockholders Agreement**”), shall terminate without further action of the parties thereto in accordance with Section 6.13 thereof.

3.5 **Termination of Warrants.** Effective as of the Closing, the Warrantholders hereby waive any notice requirements in connection with the Warrants and agree with the Company that the Warrants shall be cancelled and, except for rights arising pursuant to this Agreement or any agreement entered into in connection with this Agreement, the Warrantholders shall have no further rights with respect thereto.

ARTICLE IV REPRESENTATIONS AND WARRANTIES RELATING TO THE COMPANY

Except as set forth on the applicable Schedules, the Company represents and warrants to Buyer as follows:

4.1 **Organization; Standing; Authority.**

(a) The Company and each Subsidiary is an entity, duly organized or formed, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization.

(b) The Company and each Subsidiary is duly qualified to do business, and in good standing, in each jurisdiction in which the character of the properties owned or leased by it or in which the conduct of its business requires it to be so qualified, except where the failure to be so qualified or to be in good standing would not, individually or in the aggregate, have a Material Adverse Effect on the Company. **Schedule 4.1** contains a true, complete and correct list of all jurisdictions in which the Company or any Subsidiary is duly qualified to do business.

(c) The Company and each Subsidiary has all requisite power and authority to own, lease and operate the properties and assets now owned, leased or operated by it and to carry on all business activities as presently conducted. The Company has the corporate power and authority to execute and deliver this Agreement and all agreements and documents contemplated hereby to be executed and delivered by it, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and such other agreements and documents and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate or other action on the part of the Company. This Agreement and each other agreement and document to be executed by the Company hereunder has been duly and validly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as limited by the General Enforceability Exceptions.

4.2 **Capitalization.** The authorized capital stock of the Company consists solely of 300,000 shares of Common Stock, of which 34,652.21850 shares are issued and outstanding as of the date of this Agreement, and each issued and outstanding share of Common Stock is duly authorized, validly issued, fully paid and nonassessable. The Shares represent all of the shares of Common Stock outstanding. None of the Shares were issued in violation of the certificate of incorporation or bylaws of the Company or in violation of any applicable Contract or in violation of the preemptive or subscription rights of any Person. Other than the Warrants and the Company Debt Documents and the Company Stockholders Agreement, there are no: (a) outstanding or authorized securities convertible or exchangeable into shares of capital stock of the Company; (b) options, warrants, calls, puts, subscriptions or other rights, agreements or commitments obligating the Company to issue, transfer, redeem, purchase or sell any shares of its capital stock or other securities of the Company; or (c) voting trusts or other agreements or understandings to which the Company is a party or by which the Company is bound with respect to the voting, dividend rights, transfer or other disposition of its shares of capital stock or other securities of the Company other than the Company Stockholders Agreement or otherwise granting any Person any right in respect of the Shares or the Warrants. There are no outstanding or authorized stock appreciation, phantom stock, profit participation or similar rights with respect to the Company. There are no options to acquire Common Stock of the Company outstanding pursuant to the Company's Option Plan and the Sellers will not cause the Company to issue any options in connection with the closing of the transactions contemplated by this Agreement.

4.3 **Subsidiaries.**

(a) The Subsidiaries are the only subsidiaries of the Company. Neither the Company nor any Subsidiary, directly or indirectly, owns or controls any Person (other than the Subsidiary Interests), nor is the Company or any Subsidiary obligated to contribute capital, loan money or otherwise provide funds or make any investment in any other Person.

(b) The authorized capital stock of Greenline consists solely of 1,000 shares of common stock. Greenline has 100 shares issued and outstanding, all of which are owned by the Company and have been duly authorized and validly issued, and which are fully paid and nonassessable (the "**Greenline Shares**").

(c) The authorized capital stock of Greenline Logistics consists solely of 850 shares of common stock. Greenline Logistics has 100 shares issued and outstanding, all of which are owned by Greenline and have been duly authorized and validly issued, and which are fully paid and nonassessable (the "**Greenline Logistics Shares**").

(d) Greenline SC has 100 units issued and outstanding, all of which are owned by Greenline and have been duly authorized and validly issued, and which are fully paid and nonassessable (the "**Greenline SC Units**").

(e) The Company directly or indirectly owns all issued and outstanding Subsidiary Interests free and clear of all Liens other than Permitted Liens. There are no (i) outstanding or authorized securities convertible or exchangeable into capital stock or other equity interests of any Subsidiary, or (ii) authorized or outstanding options, warrants, calls, subscriptions or other rights, agreements or commitments relating to the Subsidiary Interests or with respect to which any Subsidiary is or may be obligated to issue, transfer, redeem, purchase or sell any equity interests of such Subsidiary.

(f) No Subsidiary Interest was issued in violation of the organizational documents of any Subsidiary (as applicable), in violation of any applicable Contract or in violation of the preemptive or subscription rights of any Person. Except for the Company Debt Documents, there are no agreements or understandings to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound with respect to the voting, dividend rights, transfer or other disposition of the Subsidiary Interests or otherwise granting any Person any right in respect of the Subsidiary Interests. There are no outstanding or authorized stock appreciation, phantom stock, profit participation or similar rights with respect to any Subsidiary.

4.4 **No Conflict; Required Filings and Consents.**

(a) Neither the execution and delivery of this Agreement by the Sellers or the Company, nor the consummation by the Sellers or the Company of the transactions contemplated hereby, nor compliance by the Sellers or the Company with any of the provisions hereof, will conflict with or result in a breach of any provisions of the certificate of incorporation, articles of organization or comparable document or bylaws or other organizational documents of the Company or the Subsidiaries.

(b) Except as set forth on **Schedule 4.4**, neither the execution and delivery of this Agreement by the Sellers or the Company, nor the consummation by the Sellers or the Company of the transactions contemplated hereby, nor compliance by the Sellers or the Company with any of the provisions hereof, will (i) constitute or result in the breach of any term, condition or provision of, or constitute a default under, or give rise to any right of termination, cancellation, modification or acceleration with respect to, or result in the creation or imposition of a Lien upon the Shares or Warrants or any property or assets of the Company or the Subsidiaries pursuant to, any note, bond, mortgage, indenture, Material Contract, Real Property Lease or Permit to which the Company or any Subsidiary is a party or to which the Company or any Subsidiary or their respective properties or assets may be subject, (ii) violate or conflict with any Order or Law applicable to the Company or the Subsidiaries or any of their respective properties or assets, (iii) require any notice to, consent, approval or authorization or registration, declaration or filing with any Governmental Authority, or (iv) contravene, conflict with or result in a violation of, or give any Governmental Authority the right to modify, revoke, suspend, cancel or terminate, any Permit of the Company or any Subsidiary.

(c) Other than as set forth on **Schedule 4.4**, no Consent is required to be obtained by the Company or any Subsidiary under any Real Property Lease, Permit, Employee Plan or Material Contract for the consummation by the Sellers or the Company of the transactions contemplated by this Agreement.

4.5 **Financial Statements.**

(a) Copies of the following financial statements have been delivered to Buyer or have been made available to Buyer for its review: (i) the audited consolidated balance sheet of the Company as of December 27, 2009, December 26, 2010 and the draft audited consolidated balance sheet of the Company as of December 25, 2011, and the related audited consolidated statements of operations, stockholders' equity, and cash flows for the fiscal years then ended, together with the notes thereto (the "**Audited Financial Statements**"), and (ii) the unaudited consolidated balance sheet of the Company as of March 25, 2012 (the "**Balance Sheet Date**"), and the related unaudited consolidated statements of operations for the three (3)-month fiscal period then ended (the "**Interim Financial Statements**") and, together with the Audited Financial Statements, the "**Company Financial Statements**").

(b) The Audited Financial Statements have been prepared in accordance with GAAP and fairly present, in all material respects, the financial position, results of operations, stockholders' equity, and cash flows of the Company and the Subsidiaries, on a consolidated basis, as of the dates and for the periods indicated. Except as set forth on **Schedule 4.5**, the Interim Financial Statements have been prepared by management of the Company in accordance with GAAP (except for the absence of footnote disclosure and any customary year end adjustments). The Company Financial Statements were derived from and are consistent with the books and records of the Company and the Subsidiaries.

(c) There are no liabilities or obligations relating to the Company or any Subsidiary of the nature required to be disclosed on a balance sheet prepared in accordance with GAAP or the notes thereto, except for (i) liabilities disclosed, reflected or reserved against on the Company Financial Statements, (ii) liabilities incurred in the ordinary course of business between the Balance Sheet Date and the date hereof, and (iii) liabilities relating to performance obligations under Contracts, including Material Contracts, in accordance with the terms and conditions thereof which are not required by GAAP to be reflected on a consolidated balance sheet of the Company. Neither the Company nor any Subsidiary has entered into any transaction involving the use of special purpose entities for any off-balance sheet liability.

4.6 **Taxes.** Except as set forth on **Schedule 4.6**:

(a) **Tax Returns Filed and Tax Payments.** All Tax Returns required to be filed by or on behalf of the Company have been timely filed and, when filed, were true, correct and complete in all material respects. All Taxes of the Company or any Subsidiary attributable to periods preceding or ending on the Closing Date (whether or not shown on any Tax Return) have either been paid, will be included as a reduction in Final Working Capital, have been incurred in the ordinary course since the date of the Interim Financial Statements or are subject to indemnification under **Section 8.3(a)(iii)**. Copies of all Tax Returns filed by the Company for each of its three (3) most recent fiscal years have been made available to Buyer. The Company is currently not the beneficiary of any extension of time within which to file any Tax Return.

(b) **Withholding.** The Company has duly withheld and paid all Taxes that it is required to withhold and pay in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder or other third party of the Company and all forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(c) Tax Audits. No claim has ever been made by any Taxing Authority in a jurisdiction in which the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction or Taxing Authority. The Tax Returns of the Company that are under audit or have been audited during the past three (3) years by the IRS or other applicable Taxing Authorities, together with a true, correct and complete list of all powers of attorney granted by the Company with respect to any Tax Matter, are set forth in Schedule 4.6(c). The Company has not received from the IRS or any other applicable Taxing Authorities any written notice of underpayment or assessment of Taxes or other deficiency that has not been paid or any objection to any Tax Return filed by the Company whether formally or informally. The Company has delivered to Buyer true, correct and complete copies of all Tax Returns, examination and audit reports, IRS Forms 3115, proposed and final assessments and statements of deficiencies assessed against or agreed to by the Company since January 1, 2008. There are no outstanding Contracts or waivers extending the statutory period of limitations applicable to any Tax Return or extending the time with respect to a Tax assessment or deficiency. There is no written claim or an intent expressed in writing to open an audit, request information, or conduct other review concerning any Tax of the Company, including Taxes of those jurisdictions where the Company has not filed Tax Returns claimed or raised by any authority in writing.

(d) Consolidated Group. Neither the Company nor the Subsidiaries (i) have been a member of an affiliated group of corporations within the meaning of Section 1504 of the Code (other than a group the common parent of which is the Company or (ii) have any liability for Taxes of any Person (other than the Company and the Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of Law), as a transferee or successor or by contract.

(e) No Tax Liens. The Company is not subject to any Liens for Taxes other than Permitted Liens.

(f) Tax Positions. The Company has disclosed on its federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Section 6662 of the Code. The Company has not received a Tax opinion with respect to any transaction relating to the Company other than a transaction in the ordinary course of business. The Company is not and has not been a party to any "reportable transaction" as defined in Section 6707A of the Code and Treasury Regulation Section 1.6011-4(b). The Company is not party to a lease arrangement involving a defeasance of rent, interest or principal.

(g) Consents and Rulings. The Company has not (i) filed any consent or agreement under Section 341(f) of the Code, (ii) applied for any Tax ruling, (iii) entered into a closing agreement as described in Section 7121 of the Code or otherwise (or any corresponding or similar provision of state, municipal, county, local, foreign or other Tax Law) or any other Contract with any Taxing Authority, (iv) made any payments, or is a party to a Contract that could obligate it to make payments as a result of the consummation of the transactions contemplated hereby, that will not be deductible because of Section 162(m) or Section 280G of the Code, or (v) been a party to any Tax allocation, Tax sharing or Tax indemnification Contract.

(h) Real Property Holding Company. The Company is not a “United States real property holding company” within the meaning of Section 897 of the Code.

(i) Accounting Methods. The Company has not agreed to make, nor is it required to make, any adjustment under Section 263A, Section 481 or Section 482 of the Code (or any corresponding or similar provision of state, municipal, county, local, foreign or other Tax Law) by reason of a change in accounting method or otherwise.

(j) Section 355 Transactions. The Company has not been the “distributing corporation” or a “controlled corporation” (within the meaning of Section 355 of the Code) with respect to a transaction described in Section 355 of the Code.

(k) Foreign Tax Matters. The Company does not have a permanent establishment in any foreign country, as defined in any applicable Tax treaty or convention between the United States and such foreign country. The Company has not participated in an international boycott, as defined in Section 999 of the Code.

(l) Tax Agreements and Arrangements. **Schedule 4.6(I)** identifies all Tax Contracts and all Tax Orders of any government or Governmental Authority to which the Company is subject. No property of the Company (i) is “tax-exempt use property” within the meaning of Section 168(h) of the Code, or (ii) secures any debt the interest on which is exempt from Tax under Section 103 of the Code.

(m) Prior Section 338(h)(10) Election. Prior to September 21, 2006, Greenline had been a validly electing S corporation within the meaning of Code §1361 and §1362 at times during its existence. The election under Code § 338(h)(10) relating to the stock purchase on September 21, 2006 was valid and effective for federal income tax purposes.

(n) Effect of Transaction. The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) installment sale or open transaction disposition made on or prior to the Closing Date, (ii) prepaid amount received on or prior to the Closing Date, (iii) use of the cash, modified cash or modified accrual method of accounting, or (iv) “Closing Agreement” as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Law) executed on or prior to the Closing Date.

4.7 Title to Properties and Condition of Assets.

(a) The Company or the Subsidiaries have good and valid title to all of the properties and assets, tangible or intangible, which are used by the Company and the Subsidiaries in connection with the conduct of their business including, without limitation, good and valid title to those assets reflected in the Interim Financial Statements as being owned by the Company or the Subsidiaries, free and clear of all Liens except for Permitted Liens, excluding inventory sold or disposed of by the Company or the Subsidiaries since the Balance Sheet Date in the ordinary course of business consistent with past practice.

(b) **Schedule 4.7** contains a true, correct and complete list, by location, of all material equipment vehicles and other material personal property leased by the Company and the Subsidiaries. The inventory of Greenline as of the date hereof is of a type, quantity (i.e., is not excessive) and quality appropriate for use in fulfilling the orders of Greenline outstanding on the Closing Date in the ordinary course of business, net of applicable reserves to be reflected in the Final Working Capital.

4.8 **Real Property.** **Schedule 4.8** contains a complete and accurate description in all material respects of (a) all of the Real Property owned by the Company or the Subsidiaries (the "**Owned Real Property**") and (b) all of the Real Property leased by the Company or the Subsidiaries (the "**Leased Real Property**"). The Company or a Subsidiary has fee simple title to such Owned Real Property, free and clear of all Liens except for Permitted Liens. The Real Property listed on **Schedule 4.8** comprises all Real Property used in the conduct of the business and operations of the Company and the Subsidiaries as now conducted. Other than the Real Property described on **Schedule 4.8**, except as set forth on **Schedule 4.8**, since September 21, 2006, neither the Company nor any Subsidiary has owned or leased any other Real Property. All Leased Real Property is held under leases or subleases identified on **Schedule 4.8** (collectively, the "**Real Property Leases**") that are valid instruments, enforceable in accordance with their respective terms except as limited by (y) applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally from time to time in effect and (z) the availability of equitable remedies (regardless of whether enforceability is considered in a proceeding at law or in equity) (collectively, the "**General Enforceability Exceptions**"). True, correct and complete copies of each Real Property Lease have been made available to the Buyer. There is no default or breach by the Company or the Subsidiaries, as applicable, or, to the Company's Knowledge, any other party, in the timely performance of any obligation to be performed or paid under any such Real Property Lease or any other provision thereof and no notice of default, termination, dispute, notice or cure has been sent or received by the Company or any Subsidiary since January 1, 2011. Neither the Company's nor any Subsidiary's leasehold interest in any Real Property Lease has been assigned, mortgaged or encumbered. All of the Real Property has access to all utilities as necessary for the operation of the business of the Company and the Subsidiaries as currently conducted. Neither the Company nor any Subsidiary is a lessor, sublessor or grantor under any lease, sublease, consent, license or other instrument granting to any other Person any right to the possession, use, occupancy or enjoyment of any of the Real Property.

4.9 **Compliance with Laws.** Except as set forth on **Schedule 4.9**, the Company and the Subsidiaries:

(a) are, and for the last three (3) years have been, in compliance, in each case in all material respects, with all Laws and Orders applicable to its business and operations and the use of its properties and assets;

(b) have not, in the last three (3) years, received (i) any written notification or communication, or (ii) to the Company's Knowledge, any oral notification directed specifically to the Company or any Subsidiary, from any Governmental Authority or other Person asserting that the Company, any Subsidiary or any Real Property is not in compliance with any Law; and

(c) have issued the Shares and the Subsidiary Interests in compliance with applicable Laws and Orders.

4.10 **Permits. Schedule 4.10** contains a complete list, as of the date of this Agreement, of all material Permits issued to the Company or the Subsidiaries that are currently used by the Company or the Subsidiaries in connection with their respective businesses. The Company and each Subsidiary owns or holds all material Permits necessary for the ownership of properties of the Company and the Subsidiaries and operation of the business of the Company and the Subsidiaries as presently conducted and the Company, the Subsidiaries are in compliance, in all material respects, with all such Permits, all of which are in full force and effect, and neither the Company nor the Subsidiaries have received (a) any written notification or communication, or (b) to the Company's Knowledge, any oral notification directed specifically to the Company or any Subsidiary, from any Governmental Authority asserting any violations, terminations, expirations or revocations of any of such Permits.

4.11 **Employee Benefit Plans.**

(a) **Schedule 4.11(a)** sets forth a correct and complete list of (i) all "employee benefit plans," as defined in Section 3(3) of ERISA, (ii) all other severance pay, salary continuation, bonus, incentive, stock option, retiree medical or life, cafeteria, flexible spending account, retirement, pension, profit sharing or deferred compensation plans, contracts, programs, funds or arrangements of any kind and (iii) all other employee benefit plans, contracts, programs, funds, or arrangements in respect of any current or former employee, equity holder, director, manager, officer, or independent contractor of the Company and the Subsidiaries that are sponsored or maintained by the Company or the Subsidiaries or with respect to which the Company has or could have any obligation or liability, whether actual, potential or contingent (all of the above being hereinafter referred to as "**Employee Plans**"). Other than the Employee Plans, there are no employee benefit plans, contracts, programs, funds or arrangements of any kind for which the Company or any Subsidiary has or could have any obligation or liability.

(b) With respect to each Employee Plan, to the extent applicable, copies of the following materials have been provided or made available to Buyer: (i) all current plan documents and amendments (or a written description of the Employee Plan, if the Employee Plan is otherwise not in writing), (ii) all determination, advisory, or opinion letters from the Internal Revenue Service ("**IRS**"), (iii) all current summary plan descriptions and summaries of material modifications, (iv) all current trust agreements and insurance contracts relating to the funding or payment of benefits, (v) the three most-recently filed annual reports (Form 5500 series), including all attachments and schedules thereto, (vi) nondiscrimination testing reports for the three most-recently completed plan years, and (vii) all handbooks and manuals detailing such Employee Plan.

(c) Each Employee Plan has been maintained, operated, and administered in compliance with its terms and any related documents or agreements and in compliance with all applicable Laws in each case in all material respects. All Persons who have participated in the operation of the Employee Plans and all Employee Plan "fiduciaries" (as defined in Section 3(21) of ERISA) have acted in accordance with applicable Law. The Company and each Subsidiary have performed all obligations required to be performed by it under, and neither the Company nor any Subsidiary is in breach or default of any Employee Plan in any material respect. There has been no non-exempt prohibited transaction (as defined in Section 406 of ERISA or Section 4975 of the Code) with respect to any Employee Plan. No liability for any excise tax has arisen with respect to any Employee Plan under Sections 4971 through 4980G of the Code.

(d) Each Employee Plan intended to be qualified under Section 401(a) of the Code has heretofore been determined by the IRS to be so qualified and each trust created thereunder has heretofore been determined by the IRS to be exempt from Tax under the provisions of Section 501(a) of the Code. No trust maintained or contributed to by the Company or any member of the Controlled Group is intended to be qualified as a voluntary employees' beneficiary association or is intended to be exempt from federal income taxation under Section 501(c)(9) of the Code.

(e) Neither the Company nor any member of the Controlled Group has ever maintained, sponsored, contributed to, had an obligation to maintain, sponsor, or contribute to, or any liability (whether or actual or contingent) with respect to, a "defined benefit plan" as defined in Section 3(35) of ERISA, a plan subject to the requirements of Section 302 or Title IV of ERISA or Section 412 or 430 of the Code, or a "multiemployer plan" as defined in Section 3(37) of ERISA or Section 414(f) of the Code, or a "multiple employer welfare arrangement" as defined in Section 3(40)(A) of ERISA.

(f) Except as required by the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, or similar applicable state Law, none of the Employee Plans provides for or promises retiree medical or life insurance benefits to any current or former equity holder, director, manager, officer, employee or other agent of the Company or any Subsidiary.

(g) All contributions, premiums or payments required to be made with respect to any Employee Plan by the Company or any Subsidiary have been made on or before their due dates or within the applicable grace period for payment without default or have been properly accrued.

(h) There is no pending, or to the Company's Knowledge, threatened Action of any kind with respect to any Employee Plan (other than routine claims for benefits).

(i) Except as set forth on **Schedule 4.11(i)**, neither the execution of this Agreement nor the consummation of the transactions contemplated hereunder will, directly or indirectly, obligate the Company or the Subsidiaries to pay any separation, severance, termination, or similar benefit to, or accelerate the time of vesting for, change the time of payment to, or increase the amount of compensation due to, any employee, former or current employee, officer, director or contractor of the Company or the Subsidiaries.

(j) No amount that could be received (whether in cash or property or the vesting of property) as a result of any of the transactions contemplated by this Agreement by any employee, officer or director of the Company or any of its Affiliates who is a “disqualified individual” (as such term is defined in Treasury Regulation Section 1.280G-1) under any employment, severance or termination agreement, other compensation arrangement or Employee Plan currently in effect would be characterized as an “excess parachute payment” (as such term is defined in Section 280G(b)(1) of the Code). No employment, severance or termination agreement, other compensation arrangement or Employee Plan requires the Company or the Subsidiaries to gross up any former or current employee, officer or director of the Company or the Subsidiaries for any Tax related to Section 4999 of the Code.

(k) No plan requires the Company or the Subsidiaries to gross up any former or current employee, officer, director or contractor for any Tax related to payments under Section 409A of the Code.

(l) All stock options previously issued under the Company’s Option Plan are fully exempt from Section 409A of the Code, and neither the Company nor the Subsidiaries incurred any liability or obligation to withhold any Tax under Section 409A of the Code upon the vesting of any stock option.

(m) Each of the Employee Plans is subject only to the Laws of the U.S. or a political subdivision thereof.

4.12 **Material Contracts.** Set forth on **Schedule 4.12** is a list of each of the following Contracts to which the Company or the Subsidiaries are a party or by which any of their respective properties or assets are bound (other than Real Property Leases, Employee Plans and Contracts related to Employee Plans described in **Section 4.11(b)**) as of the date of this Agreement (the “**Material Contracts**”):

(a) Each partnership or joint venture Contract or Contract otherwise involving a share of profits or losses by the Company or any Subsidiary with any other Person;

(b) Each Contract materially limiting the right of the Company or the Subsidiaries to engage in or compete with any Person in any business or in any geographical area;

(c) Each collective bargaining agreement to which the Company or any Subsidiary is a party;

(d) Each Contract providing for the employment of any Person by the Company or any Subsidiary that is not terminable at will by the Company or the Subsidiaries, as applicable, and without the payment of any severance pay, compensation or benefits other than payment for services through the termination date;

(e) Each Contract involving the acquisition or disposition of any business enterprise whether via stock or asset purchase or otherwise;

(f) Each Contract that provides for capital expenditures with an aggregate outstanding amount of unpaid obligations and commitments in excess of \$100,000;

- (g) Each Contract containing a “most favored nation” pricing agreement;
- (h) Each Contract with respect to Company Debt;
- (i) Each letter of credit by which the Company or any Subsidiary is bound, whether or not drawn upon as of the Closing Date;
- (j) Each Contract that requires the Company or the Subsidiaries to make payments equal to more than \$100,000 in any calendar year that is not terminable without penalty upon less than ninety (90) days prior written notice by the Company or the Subsidiaries, as applicable;
- (k) Each Contract under which the Company or any Subsidiary has granted any license, franchise, permit or right to any Person to use any of the Company Intellectual Property or any Contract pursuant to which the Company or any Subsidiary has a license, franchise, permit or other right to use any Intellectual Property owned by another Person (except for Mass Software);
- (l) Each Contract under which the Company or any Subsidiary is (i) a lessee or sublessee of any machinery, equipment, vehicle or other tangible personal property or (ii) a lessor of any tangible personal property owned by the Company or any Subsidiary, with any single lease under (i) or (ii) providing for annual payments in excess of \$100,000;
- (m) Any broker, sales representative, distributorship or similar Contract;
- (n) Each Contract with a grower or raw material provider;
- (o) Each Contract which affects the voting, transfer, purchase, or acquisition of the Shares or Warrants or any Subsidiary Interest;
- (p) Each written customer Contract (other than purchase orders received in the ordinary course of business) in excess of \$100,000;
- (q) Any warranty with respect to contractual performance or goods sold extended by the Company or any Subsidiary other than in the ordinary course of business;
- (r) Any Contract with any officer, director, Seller or any Affiliate of any Seller, the Company or any Subsidiary;
- (s) Each Contract with a Scheduled Supplier or Scheduled Customer; and
- (t) Any material Contract entered into outside the ordinary course of business.

The Company has made available to the Buyer a true, complete and correct copy of each Material Contract and all amendments thereto. Each of the Material Contracts is in full force and effect and is a legal, valid and binding agreement of the Company or the Subsidiaries, as applicable, and, to the Knowledge of the Company, the other party thereto, subject only to the General Enforceability Exceptions, and there is no default or breach, in each case, in any material respect, by the Company or the Subsidiaries, as applicable, or, to the Company's Knowledge, any other party, in the timely performance of any obligation to be performed or paid thereunder or any other provision thereof. Except as set forth on **Schedule 4.12**, neither the Company nor any Subsidiary has, since January 1, 2011, sent or received (y) any written notice of modification, breach, default, termination or dispute under any Material Contract or (z) to the Company's Knowledge, any oral notice of termination under any Material Contract or any legally binding and agreed upon oral modification to any Material Contract. Except as set forth on **Schedule 4.12**, since December 25, 2011, there has not been any renegotiations or, to the Company's Knowledge, attempts to renegotiate any material changes to the amounts paid or payable to or by the Company or any Subsidiary under any Material Contract.

4.13 **Legal Proceedings.** Except as set forth on **Schedule 4.13**, there are no, and have not for the last three (3) years been, any Actions pending or, to the Company's Knowledge, threatened against the Company or the Subsidiaries or any of their officers, directors or employees (in their capacities as such). Neither the Company nor any Subsidiary is, or for the least three (3) years has been, subject to any Order. Neither the Company nor any Subsidiary is a plaintiff in any pending Action.

4.14 **Intellectual Property.** Notwithstanding anything to the contrary contained in this Agreement (including any other representations and warranties contained in this Agreement other than **Section 4.12**), the representations and warranties contained in this **Section 4.14** and **Section 4.12** as it relates to Intellectual Property licenses or agreements constitute the sole and exclusive representations and warranties of the Company relating to Intellectual Property matters.

(a) **Schedule 4.14(a)** sets forth all the following Company Intellectual Property as of the date of this Agreement: (i) issued Patent Rights and applications therefor; (ii) registered Trademarks and applications therefor; (iii) registered Copyrights and applications therefor; (iv) Domain Names; and (v) Software for which a copyright registration has been filed. Any and all renewal and maintenance fees, annuities or other fees payable to any Governmental Authority to maintain the foregoing Company Intellectual Property as active and due prior to the date hereof have been paid in full. To the Company's Knowledge, all of the foregoing registered Company Intellectual Property is valid, subsisting and enforceable in accordance with applicable Law. Any and all fees payable to third parties (which exceed \$50,000) for licenses of Intellectual Property due prior to the date hereof have been paid in full.

(b) The Company or the Subsidiaries have good and valid title to the Company Intellectual Property, free and clear of all Liens, other than Permitted Liens. No Person is licensed under any of the Company Intellectual Property other than licenses that arise as a matter of law by implication as a result of sales of products and services by the Company and the Subsidiaries. All Intellectual Property material to the business of the Company or any Subsidiary is Company Intellectual Property or is licensed for use by the Company or applicable Subsidiary.

(c) The Company Intellectual Property is not the subject of any Action, and to the Company's Knowledge, no Action is threatened against the Company or the Subsidiaries involving the Company Intellectual Property or the Intellectual Property of another Person, except for office actions by the applicable Governmental Authorities in the normal course of prosecution efforts to register the Company Intellectual Property listed on **Schedule 4.14(a)**. To the Company's Knowledge, the Company and Subsidiaries (including their operation as previously and currently operated) have not infringed upon or misappropriated in any material respect with any Intellectual Property of any other Person.

(d) Neither the Company nor the Subsidiaries have received any written notice within the three (3)-year period prior to the date of this Agreement alleging that the Company Intellectual Property infringes, misappropriates, violates or otherwise conflicts with any Intellectual Property right of any other Person. For the three (3)-year period prior to the date of this Agreement, neither the Company nor the Subsidiaries have threatened or alleged that another Person has infringed, misappropriated, violated or otherwise conflicted with the Company Intellectual Property and neither the Company nor the Subsidiaries are presently aware of any such violations.

4.15 **Insurance.** **Schedule 4.15** sets forth, as of the date of this Agreement, all policies of insurance and bonds maintained by the Company or the Subsidiaries and covering the Company, the Subsidiaries and their respective businesses, and such policies and bonds are in full force and effect, and neither the Company nor the Subsidiaries have received written notice of cancellation of any such insurance policies or bonds or, to the Company's Knowledge, threat of cancellation of any such insurance or bond. **Schedule 4.15** also identifies all material claims that have been made against any such policies of insurance or bonds in the past three (3) years or which are currently pending. Within the past three (3) years, the Company and the Subsidiaries have neither been notified in writing nor, to the Company's Knowledge, received oral notification directed to them that they have been in material breach or default under any such policies of insurance. The Company and the Subsidiaries carry all insurance required by any Contract to which the Company or any Subsidiary is a party or by which they are bound. The Company and the Subsidiaries have not, in the last three (3) years, experienced any denial of insurance coverage. **Schedule 4.15** also sets forth a true, correct and complete list of any self-insurance arrangements by or affecting the Company or any Subsidiary, and all Contracts or arrangements other than policies of insurance, for the transfer or sharing of any risk by the Company or any Subsidiary.

4.16 **Personnel.** Neither the Company nor the Subsidiaries are a party to or subject to any union, labor organization, collective bargaining agreements or labor contracts. As of the date hereof, (a) no labor union or other collective bargaining unit represents or claims to represent any of the Company's or the Subsidiaries' employees and (b) to the Company's Knowledge, there is no union campaign being conducted to solicit cards from employees to authorize a union to request a National Labor Relations Board certifications election with respect to the Company's or the Subsidiaries' employees. There is no strike, or other work stoppage pending or, to the Company's Knowledge, threatened against the Company or any Subsidiary.

4.17 **Environmental Matters.** Except as set forth on Schedule 4.17:

- (a) the Company and the Subsidiaries are, and for the past five (5) years have been, in compliance, in all material respects, with all Environmental Laws, including, without limitation, all Environmental Laws applicable to their use of the Real Property;
- (b) there has been no Release at the Real Property by the Company or the Subsidiaries or, to the Company's Knowledge, any other Person, that requires cleanup or remediation by the Company or the Subsidiaries pursuant to any Environmental Law or the Real Property Leases;
- (c) except for those matters that have been fully and finally resolved more than six (6) years prior to the date of this Agreement or would not have a material impact on the Company or any Subsidiary, neither the Company nor the Subsidiaries have (i) received written notice under the citizen suit provisions of any Environmental Law; (ii) received any written notice of violation, demand letter, or complaint or other Environmental Claim under any Environmental Law; or (iii) been subject to or, to the Company's Knowledge, threatened with any governmental or citizen enforcement action or other Environmental Claim with respect to any Environmental Law;
- (d) there currently are effective all Permits required under any Environmental Law that are necessary for the Company's and the Subsidiaries' activities and operations at the Real Property;
- (e) to the Company's Knowledge, no real property owned or occupied by the Company or any Subsidiary in the past or any waste disposal facilities utilized by the Company or any Subsidiary are subject to any liability for which the Company or its Subsidiaries could reasonably be expected to be named as a potentially responsible party in connection with any Environmental Laws, any Release or threatened Release, or the presence of any Hazardous Substances in, on, under, or from any surface or subsurface soil or water/groundwater;
- (f) to the Company's Knowledge, the Company has made available to the Buyer the following documents in its possession: (i) any and all environmental assessment reports, audits, sampling data, risk assessments and other similar material documents from the six (6) year period preceding the Closing Date with respect to the Company, the Real Property and any real property owned or occupied by the Company in the past including, without limitation, any such materials related to compliance with Environmental Laws and Environmental Claims, and (ii) any and all material documents from the six (6) year period preceding the Closing Date concerning the planned or anticipated capital expenditures required (or anticipated to be necessary) in connection with current or future Environmental Laws or Environmental Claims; and
- (g) neither the Company nor any Subsidiary has assumed any material liabilities of any other Person pursuant to any Environmental Laws under any Contract.

The representations and warranties contained in this **Section 4.17** constitute the sole and exclusive representations and warranties of the Company relating to environmental matters. No disclosure set forth in **Schedule 4.17** shall in any way limit or negate the Sellers' obligation to provide indemnity for Pre-Closing Environmental Noncompliance Fines and Penalties under **Section 8.3(a)(v)**.

4.18 **Conduct of Business in Ordinary Course.** Except for actions taken in connection with the process of selling the Company (including preparing for and implementing the transactions contemplated by this Agreement) and except as set forth on **Schedule 4.18**, since December 25, 2011:

- (a) the Company and the Subsidiaries have conducted their respective businesses and operations in the ordinary course of business consistent with past practice;
- (b) there has not been any Material Adverse Effect on the Company; and
- (c) neither the Company nor the Subsidiaries have:
 - (i) incurred any Company Debt except for Company Debt incurred in the ordinary course of business consistent with past practice under the Company Credit Documents, all of which Company Debt subject to the Company Credit Documents will be paid in full on the Closing Date;
 - (ii) except in the ordinary course of business consistent with past practice, (1) acquired, or disposed of, or licensed or leased, any material property or assets, (2) mortgaged or encumbered any property or assets other than Permitted Liens, or (3) expressly canceled any debts owed to or claims held by the Company or the Subsidiaries;
 - (iii) entered into any Contracts that would constitute a Material Contract, except Contracts made in the ordinary course of business consistent with past practice, or terminated any Material Contract;
 - (iv) except for salary, expense reimbursements or other similar payments made in the ordinary course of business and in amounts consistent with past practices, entered into any Contracts or transactions with, or made or committed to make any payments to any officer or director of the Company or any Subsidiary, any Seller, any Affiliate of the Company or any Subsidiary or any Riverside Related Party except to the extent required by Law or any Contracts existing as of December 25, 2011;
 - (v) except to the extent required by Law or any existing Contracts, entered into, adopted, amended or terminated any Contract relating to the compensation or severance of any employee of the Company or the Subsidiaries other than pursuant to annual compensation reviews in the ordinary course of business consistent with past practice;
 - (vi) made any material change to its accounting (including Tax accounting) methods, principles or practices, except as may be required by GAAP;

- (vii) made any amendment to its certificate of incorporation, articles of organization or comparable document or bylaws or other organizational documents;
- (viii) declared or paid any dividends or distributions or repurchased any shares of capital stock or other equity interests;
- (ix) issued or sold any capital stock, other equity interests or securities convertible into capital stock or other equity interests or options, warrants, calls, subscriptions or other rights to purchase any capital stock, other equity interests or securities convertible into capital stock or other equity interests of the Company or the Subsidiaries or split, combined or subdivided the capital stock or other equity interests of the Company or the Subsidiaries other than the issuance of shares of Common Stock upon the exercise of Warrants;
- (x) suffered any material loss or damage, whether or not covered by insurance, or experienced any material change in the amount and scope of insurance coverage;
- (xi) failed to conduct its cash management customs and practices (including the collection of receivables, payment of payables, maintenance of working capital, and maintenance of inventory control and pricing and credit practices) in the usual and ordinary course of business consistent with past custom and practice;
- (xii) made or granted any increase in, amended or terminated any existing Employee Plan or adopted any new Employee Plan;
- (xiii) made, changed or revoked any material Tax election, settled or compromised any Tax claim or liability or entered into a settlement or compromise, or changed (or made a request to change) any material aspect of its method of accounting for Tax purposes (except as may be required by GAAP) or prepared or filed any Tax return (or amendment thereof) unless such Tax return or election of shall have been prepared in a manner consistent with past practice;
- (xiv) settled any Action;
- (xv) paid any material liability outside the ordinary course of business other than the Selling Expenses; or
- (xvi) agreed in writing or otherwise legally committed to take any of the actions described in sub-clauses (i) through (xv) above.

4.19 **Bank Accounts; Powers of Attorney.** Schedule 4.19 sets forth a true and complete list of (a) the name and address of each bank with which the Company or the Subsidiaries has an account or safe deposit box, (b) the name of each Person authorized to draw thereon or have access thereto and (c) the account number for each bank account of the Company or the Subsidiaries. Schedule 4.19 also sets forth a list of any outstanding powers of attorney executed on behalf of the Company or any Subsidiary.

4.20 **Accounts Receivable.** All accounts and notes receivable of the Company and the Subsidiaries represent sales actually made in the ordinary course of business or valid claims as to which full performance has been rendered by the Company or the Subsidiaries, as applicable. **Schedule 4.20** sets forth a true, correct and complete aged list of unpaid accounts receivable of the Company and its Subsidiaries as of March 25, 2012. All accounts receivable of the Company and the Subsidiaries (net of any reserves for doubtful accounts or credits established in determining Final Working Capital) (a) represent monies due for goods sold and delivered or services rendered, (b) except as set forth on **Schedule 4.20**, to the Company's Knowledge are not subject to any refund or adjustment or any defense, right of set-off or Lien other than Permitted Liens, and no account debtor thereunder has provided written notice refusing to pay any amounts thereunder, and (c) are, to the actual knowledge (without any duty of reasonable inquiry) of the individuals listed on **Schedule 1.2**, collectible at the aggregated recorded amount thereof as reflected in the Final Working Capital (net of allowances for doubtful accounts and reserves for credits as reflected therein and taken into account in determining Final Working Capital).

4.21 **Labor Practices.** There are no pending or, to the Company's Knowledge, threatened material claims, charges, causes of action or demands by any past or present employee of the Company including, without limitation, that such employee was subject to a wrongful discharge in violation of any Law.

4.22 **Corporate Records.** The stock ledgers and minute books of the Company and the Subsidiaries which have been made available for inspection by Buyer are true, complete and correct in all material respects. After taking into account any deliveries under **Section 3.2(f)**, all of the Company's and the Subsidiaries' books and records are, as of the date hereof, in the possession of the Company and the Subsidiaries.

4.23 **Food Safety.** The Company maintains internal controls and protocols related to its manufacturing processes as required by applicable Law. During the last three (3) years neither the Company nor any Subsidiary has received written notice as a result of any external audit that modifications are required to the Company's or the Subsidiaries' internal controls related to their manufacturing processes. Except as set forth on **Schedule 4.23**, the Company and each Subsidiary produces, distributes, stores, labels and markets and, in the last three (3) years, has produced, distributed, stored, labeled and marketed its products in all material respects in accordance with the applicable rules and regulations of the United States Food and Drug Administration and all other applicable Laws and the Company's internal controls and protocols in effect at the time of production, distribution, labeling, storage and distribution. In the last three (3) years, there has been no actual or, to the Company's Knowledge, threatened recall or investigation, either internally or by a Governmental Authority, of any product produced, sold or delivered by the Company or any Subsidiary.

4.24 **Customers; Growers; Suppliers.** Schedule 4.24 attached hereto sets forth, with respect to the last three (3) fiscal years of the Company and the Subsidiaries, a list of (a) the ten (10) largest customers of the Company and the Subsidiaries (based on dollar amounts purchased from the Company and the Subsidiaries) (the “**Scheduled Customers**”) and the dollar amount derived from each of them during each such period, (b) the ten largest growers/producers of green beans provided to the Company (based on dollar amounts purchased by the Company and the Subsidiaries) (the “**Scheduled Growers**”) and (c) the ten (10) largest suppliers of the Company and the Subsidiaries (based on dollar amount purchased by the Company and the Subsidiaries) excluding growers/producers (the “**Scheduled Suppliers**”) and the dollar amount derived from each of them during such period. Except as set forth on Schedule 4.24, neither the Company nor any Subsidiary has received (y) any written notice of the intention of any of the Scheduled Customers, Scheduled Growers or Scheduled Suppliers or any customer of the Hitch-A-Ride Program or material user of back-haul services that did business with the Company or the Subsidiaries in the fiscal year ending December 25, 2011 to cease doing business or to reduce, modify or renegotiate, in any material respect, the business transacted with the Company and the Subsidiaries or (z) to the Company’s Knowledge, oral notice of the intention of any of the Scheduled Customers, Scheduled Growers or Scheduled Suppliers or any customer of the Hitch-A-Ride Program or material user of back-haul services that did business with the Company or the Subsidiaries in the fiscal year ending December 25, 2011 to cease doing business with the Company or its Subsidiaries.

4.25 **Relationships with Related Parties.** Except as set forth in Schedule 4.25, neither any officer or director of the Company or any Subsidiary, any Seller, any Affiliate of the Company or any Subsidiary nor any Riverside Related Party (i) has or has had in the last three (3) years, any interest in any property being used in or pertaining to the business of the Company or any Subsidiary, (ii) owns, or has owned in the last three (3) years, an equity interest or any other financial or profit interest in a Person that has (x) had business dealings or a material financial interest in any transaction with the Company or any Subsidiary or (y) engaged in competition with the Company or any Subsidiary with respect to any line of products or services of the Company or any Subsidiary, or (iii) is a party to any Contract with, or has any claim or right against the Company or any Subsidiary with respect to any Contract, other than salaries, employee benefits or rights in respect of employment or positions as directors in the ordinary course of business.

4.26 **No Brokers.** Except for Harris Williams & Co., no broker, finder or similar agent has been employed by or on behalf of the Sellers or the Company, and no Person with which the Sellers or the Company has had any dealings or communications of any kind is entitled to any brokerage commission, finder’s fee or any similar compensation in connection with this Agreement or the transactions contemplated hereby, in each case that the Company, the Subsidiaries or Buyer would be responsible for.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Each Seller represents and warrants, solely with respect to itself, himself or herself, as the case may be, to Buyer as follows:

5.1 **Authority, Validity and Effect.** Such Seller has all requisite power and authority or capacity to enter into and perform such Seller’s obligations under this Agreement and all agreements and documents contemplated hereby to be executed and delivered by such Seller and to consummate the transactions contemplated hereby, and this Agreement has been duly executed and delivered by such Seller pursuant to all necessary authorization and is the legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, except as limited by the General Enforceability Exceptions.

5.2 **Title.** Such Seller (a) is the record and beneficial owner of the Shares set forth across from such Stockholder's name on **Exhibit A** hereto or the Warrants set forth across from such Warrantholder's name on **Exhibit B** hereto, as the case may be, (b) has full power, right and authority, and any approval required by Law or Contract, to make and enter into this Agreement and to sell, assign, transfer and deliver his, her or its respective Shares to Buyer, or surrender its Warrants, and (c) has good and valid title to his, her or its respective Shares, or Warrants, as the case may be, free and clear of all Liens, other than Liens arising under the Company Stockholders Agreement which Liens will terminate effective upon the Closing without any further action by the parties hereto. Upon the consummation of the transactions contemplated by this Agreement in accordance with the terms hereof, at the Closing, Buyer will acquire good and valid title to the Shares of such Seller as set forth on **Exhibit A**, in each case free and clear of all Liens, other than Liens created by Buyer. No Seller is a party to any option, warrant, put, call, purchase right, or other Contract or commitment (other than this Agreement) that could require any Seller to sell, transfer or otherwise dispose of the Shares or Warrants nor is such Seller bound by any agreement, understanding or commitment with respect to the voting, dividend rights, redemption, sale, put, call, transfer or disposition of any of the Shares or granting any other Person any right in the Shares (other than the Company Stockholders Agreement which will be terminated effective upon the Closing without any further action by the parties hereto).

5.3 **No Conflict.**

(a) Neither the execution and delivery of this Agreement by such Seller, nor the consummation by such Seller of the transactions contemplated hereby, nor compliance by such Seller with any of the provisions hereof, will conflict with or result in a breach of any provisions of the certificate of incorporation, articles of organization or comparable document or bylaws, partnership agreement or other organizational documents of such Seller, if applicable.

(b) Neither the execution and delivery of this Agreement by such Seller, nor the consummation by such Seller of the transactions contemplated hereby, nor compliance by such Seller with any of the provisions hereof, will violate or conflict with any Order or Law applicable to such Seller or by which the Shares or Warrants held by such Seller may be subject. There is no Action pending or, to the actual knowledge of such Seller, threatened against the ability of the Seller to consummate the transactions contemplated by this Agreement. Such Seller is not subject to any Order with respect to such Seller's Shares or Warrants.

**ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to the Sellers as follows:

6.1 **Investment Intent.** The Shares are being purchased for Buyer's own account and not with the view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act and the rules and regulations promulgated thereunder.

6.2 **Organization and Standing.** Buyer is a corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation or organization. Buyer is duly qualified to do business, and is in good standing, in each jurisdiction in which the character of the properties owned or leased by it or in which the conduct of its business requires it to be so qualified, except where the failure to be so qualified or to be in good standing would not have a Material Adverse Effect on Buyer.

6.3 **Authority, Validity and Effect.** Buyer has the requisite corporate power and authority to execute and deliver this Agreement and all agreements and documents contemplated hereby to be executed and delivered by it, and to consummate the transactions contemplated hereby and thereby without obtaining any additional approvals (whether internal or third party). The execution and delivery of this Agreement and such other agreements and documents and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as limited by the General Enforceability Exceptions.

6.4 **No Conflict; Required Consents.**

(a) Neither the execution and delivery of this Agreement by Buyer, nor the consummation by Buyer of the transactions contemplated hereby, nor compliance by Buyer with any of the provisions hereof, will conflict with or result in a breach of any provisions of the articles or certificate of incorporation or bylaws or equivalent organizational documents of Buyer.

(b) Neither the execution and delivery of this Agreement by Buyer, nor the consummation by Buyer of the transactions contemplated hereby, nor compliance by Buyer with any of the provisions hereof, will (i) constitute or result in the breach of any term, condition or provision of, or constitute a default under, or give rise to any right of termination, cancellation or acceleration with respect to, or result in the creation or imposition of any Lien upon any property or assets of Buyer pursuant to any note, bond, mortgage, indenture, license, agreement, lease or other instrument or obligation to which Buyer is a party or by which Buyer or any of Buyer's properties or assets may be subject, or (ii) violate any Order or Law applicable to Buyer or any of its properties or assets.

(c) Other than as set forth on **Schedule 6.4(c)**, no Consent is necessary for the consummation by Buyer of the transactions contemplated by this Agreement.

6.5 **Independent Investigation; No Reliance.** In connection with its investment decision, Buyer and/or its representatives have inspected and conducted such reasonable independent review, investigation and analysis (financial and otherwise) of the Company and the Subsidiaries as desired by Buyer. The purchase of the Shares by Buyer and the consummation of the transactions contemplated hereby by Buyer are not done in reliance upon any representation or warranty by, or information from, the Sellers, the Company, the Subsidiaries or any of their respective Affiliates, employees or representatives, whether oral or written, express or implied, including any implied warranty of merchantability or of fitness for a particular purpose, except for the representations and warranties specifically and expressly set forth in **Article IV** and **Article V** (in each case, as modified by the Schedules), and Buyer acknowledges that the Company and the Sellers expressly disclaim any other representations and warranties. Such purchase and consummation are instead done entirely on the basis of Buyer's own investigation, analysis, judgment and assessment of the present and potential value and earning power of the Company and the Subsidiaries, as well as those representations and warranties by the Company and the Sellers, as applicable, specifically and expressly set forth in **Article IV** and **Article V** (in each case, as modified by the Schedules). Buyer acknowledges that neither the Company nor the Sellers have made any representations or warranties to Buyer regarding the probable success or profitability of the Company, the Subsidiaries or their respective businesses. Buyer further acknowledges that none of the Sellers, the Company, the Subsidiaries nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the Company, the Subsidiaries, their respective businesses or the transactions contemplated by this Agreement not specifically and expressly set forth in **Article IV** and **Article V** (in each case, as modified by the Schedules), and none of the Sellers, the Company, the Subsidiaries or any other Person will have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer or its representatives or Buyer's use of any such information, including any confidential information memoranda distributed on behalf of the Company or the Subsidiaries relating to their respective businesses or other publications or data room (including any electronic or "virtual" data room) information provided or made available to Buyer or its representatives, or any other document or information in any form provided or made available to Buyer or its representatives, including management presentations, in connection with the purchase and sale of the Shares and the transactions contemplated hereby except as expressly set forth in the Agreement.

6.6 **Legal Proceedings.** As of the date of this Agreement, there are no Actions pending or, to the knowledge of the Buyer, threatened against or affecting the Buyer that, if adversely decided, would have a Material Adverse Effect on the Buyer or prevent the consummation of the transactions contemplated by this Agreement.

6.7 **No Brokers.** No broker, finder or similar agent has been employed by or on behalf of Buyer, and no Person with which Buyer has had any dealings or communications of any kind other than Harris Williams & Co. (as agent for Sellers) is entitled to any brokerage commission, finder's fee or any similar compensation in connection with this Agreement or the transactions contemplated hereby.

**ARTICLE VII
COVENANTS AND AGREEMENTS**

7.1 **Publicity.** Buyer, the Company and the Seller Representative will consult with each other and must approve the initial press release issued by or on behalf of each of Buyer, the Company, the Sellers and the Seller Representative with respect to this Agreement and the transactions contemplated hereby. After the Closing, neither the Buyer, the Company, the Sellers nor the Seller Representative will issue any press release inconsistent with the parties' initial press release without the prior written consent of the Buyer (in the case of the Sellers or the Seller Representative) or the Seller Representative (in the case of the Buyer or the Company), except to the extent the disclosing party determines in good faith and on the advice of counsel that it is required to do so by applicable Law. Notwithstanding the foregoing, the Seller Representative will be entitled (a) to issue a "tombstone" or similar advertisement that does not reference the economics of the transactions contemplated hereby, and (b) to communicate the material terms of this Agreement with its current and potential investors. The Sellers and the Seller Representative acknowledge and agree that Landec Corporation, the Buyer's parent company, is a public company, and as such it has determined in good faith and on the advice of counsel that it will be required to file this Agreement in connection with its required filings under applicable securities Laws and is entitled to discuss the material terms of this Agreement and the transactions contemplated hereby with its investors and analysts.

7.2 **Records.** Subject to **Article IX**, with respect to the financial books and records and minute books of the Company and the Subsidiaries relating to matters on or prior to the Closing Date: (a) Buyer shall maintain such books and records in accordance with the Company's normal record keeping policies in effect immediately prior to the Closing and (b) where there is legitimate purpose, including an audit of any Seller by the IRS or any other Taxing Authority or an Action involving a Seller or an indemnification claim or dispute under **Section 2.3** or **Section 2.4**, Buyer shall allow the Sellers and their respective representatives access to such books and records during regular business hours; provided, however, that such access (i) does not unusually disrupt the normal operations of the Company or the Subsidiaries and (ii) is not reasonably likely to adversely affect the ability of the disclosing party to assert attorney-client privilege, work privilege or similar privilege.

7.3 **Further Assurances.** Each of Buyer and the Seller Representative, on behalf of the Sellers, shall use their commercially reasonable efforts to execute and deliver or cause to be executed and delivered to the other party, such other agreements or instruments, in addition to those required by this Agreement, as the either Buyer or the Seller Representative, on behalf of the Sellers, may reasonably request, in order to implement the transactions contemplated by this Agreement.

7.4 **Non-Solicitation of Employees.** Each Seller acknowledges and agrees that at no time during the two (2) year period immediately following the Closing Date, shall such Seller, either directly or indirectly through an Affiliate, induce or attempt to induce the employees listed on **Schedule 7.4** the ("**Restricted Employees**") to leave the employ of the Company or any Subsidiary and/or to accept employment elsewhere; provided, however, that notwithstanding the foregoing, such Seller shall not be prohibited from (a) engaging in any general solicitation (including newspaper, magazine, over the internet or by any search or employment agency) for employment or hiring of any Restricted Employee who responds to such general solicitation if such general solicitation is not specifically directed toward a Restricted Employee or (b) soliciting a Restricted Employee if the employment of such Restricted Employee has ceased for reasons other than a breach of this **Section 7.4**.

7.5 **Non-Disclosure of Proprietary Information.** Each Seller acknowledges that for a period of three (3) years after the Closing Date such Seller shall not disclose any Proprietary Information (as defined below) to anyone other than employees and representatives of Buyer and current and potential investors of Riverside and their affiliated funds except any such Proprietary Information which is required to be disclosed by a Seller in connection with any Action before any Governmental Authority or pursuant to any Law; provided that such Seller shall, to the extent practicable, give reasonable prior notice to the Buyer of the intentions to disclose such Proprietary Information. For purposes of this **Section 7.5**, the term “**Proprietary Information**” shall mean all non-public and all proprietary information relating to the Company or any Subsidiary, its customers and products and services including, without limitation, the following: (a) all formulations, test results, production and manufacturing information and know-how and all other technical information relating to the manufacture, formulation or production of the products or services of the Company or any Subsidiary; (b) all information and records concerning products or services being researched by, under development by or being tested by the Company or any Subsidiary but not yet offered for sale; (c) all Trade Secrets relating to the Company or any Subsidiary; (d) all information concerning pricing policies of the Company or any Subsidiary, the prices charged by the Company or any Subsidiary to its customers, the volume or orders of such customers and other information concerning the transactions of the Company or any Subsidiary with its customers or proposed customers; (e) the customer and prospective customer lists of the Company or any Subsidiary; (f) the producers and growers which provide goods to the Company or any Subsidiary and the prices charged by such parties to the Company and other aspects of the transactions between such parties and the Company or any Subsidiary; (g) financial information concerning the Company or any Subsidiary; (h) information concerning salaries or wages paid to, the work records of and other personnel information relative to employees of the Company or any Subsidiary; (i) information concerning the marketing programs or strategies of the Company or any Subsidiary; and (j) all other confidential and proprietary information of the Company or any Subsidiary. Notwithstanding the foregoing, each Seller acknowledges and agrees that such Seller will be bound by his, her or its obligations under applicable trade secret Law which, in the case of Proprietary Information that qualifies as a Trade Secret, may exceed the obligations imposed under this **Section 7.5**. Nothing in this **Section 7.5** shall be construed to limit or supersede the common law of torts or statutory or other protection of Trade Secrets where such law provides the Company or any Subsidiary with greater protections or protections for a longer duration than that provided under this **Section 7.5**. “**Proprietary Information**” shall not be deemed to mean or refer to information that (i) is or becomes a matter of public knowledge through no fault of a Seller; (ii) is rightfully received by a Seller from a third Person (other than an Affiliate of such Seller) without violation of any duty of confidentiality; (iii) is legally compelled to disclose by an Action or Order pursuant to investigation by a Governmental Authority; or (iv) is general business knowledge obtained through owning and operating the Company and the Subsidiaries.

7.6 **Indemnification.**

(a) For a period of six (6) years after the Closing Date, Buyer shall not, and shall not permit the Company or any of the Subsidiaries to, substantively amend, repeal or modify any provision in the Company's or any of the Subsidiaries' certificate of incorporation, articles of organization or comparable document or bylaws (or other organizational documents) or in any indemnification agreements, if any, in existence on the date hereof as identified on **Schedule 4.12**, relating to the exculpation or indemnification of any officers, employees and directors (unless required by Law), it being the intent of the parties hereto that the past and present officers, employees and directors of the Company and the Subsidiaries shall continue to be entitled to such exculpation and indemnification to the full extent provided in such certificate of incorporation, articles of organization or comparable document or bylaws (or other organizational documents) or indemnification agreements; provided, however, that such rights shall, notwithstanding anything in the applicable documents to the contrary, be limited strictly to amounts received by the Company or any Subsidiary under the Private Company Reimbursement Insurance Policy Declarations issued by Greenwich Insurance Company (the "**Recovered Amounts**") and in no event shall any such officer, employee or director have any right to indemnification from the Company or any Subsidiary or under any policy or policies of the Company and the Subsidiaries (whether under such documents or this Agreement) for amounts in excess of or in addition to the Recovered Amounts for claims arising as a result of acts, omissions, events or circumstances occurring prior to the Closing Date.

(b) Notwithstanding **Section 10.4**, the provisions of this **Section 7.6** are intended to be for the benefit of, and will be enforceable by, each past and present officer, employee and director of the Company and the Subsidiaries, and are in addition to, and not in substitution for, any other right to indemnification or contribution that any such person may have by contract or otherwise.

7.7 **Notice of Release Revocation.** The Seller Representative shall notify the Buyer, on or before the close of business on April 30, 2012, if any employee(s) exercises his/her revocation rights under Section 3 of the Sale Bonus Agreements. If the Buyer does not timely receive such notice, the Buyer shall be entitled to assume that no such revocation has been made and shall cause Greenline to make the payments contemplated under the Sale Bonus Agreements on the next scheduled payroll date. If Buyer timely receives any such notice, Buyer shall not make the payment under the Sale Bonus Agreement to the employee designated in such notice and shall remit such payment to the Seller Representative as required under **Section 2.2(c)**.

**ARTICLE VIII
REMEDIES**

8.1 **Survival.** The representations, warranties, covenants and agreements of the Sellers, the Company and Buyer, contained in this Agreement (including the Schedules attached hereto and the certificates delivered pursuant hereto) will survive the Closing but only to the extent specified in this **Section 8.1**.

(a) All covenants and agreements contained in this Agreement (including the Schedules) that contemplate performance thereof following the Closing will survive the Closing in accordance with their respective terms.

(b) The representations and warranties contained in this Agreement (including the Schedules attached hereto and the certificates delivered pursuant hereto) will survive the Closing Date until the eighteen (18)-month anniversary of the Closing Date; provided, however, that (i) the representations and warranties contained in **Section 4.17** (Environmental) shall survive the Closing for a period of three (3) years, (ii) the representations and warranties set forth in **Section 4.6** (Taxes), solely as they relate to income Taxes, will survive the Closing for the applicable statute of limitations plus sixty (60) days, and (iii) the Fundamental Representations shall survive the Closing and continue in full force and effect indefinitely. Any claim for indemnification under **Section 8.2** or **Section 8.3**, below, properly made in writing pursuant to this **Article VIII** prior to the expiration of the applicable survival period, and the rights of indemnity with respect thereto, shall survive such expiration, but only for purposes of such claim, until the same shall be resolved or judicially determined; and any such claim not submitted in writing prior to the expiration of such applicable survival period shall be deemed to have been waived. For the avoidance of doubt, the parties hereto acknowledge and agree that the applicable survival period for indemnification claims under **Section 8.3(a)(iii)**, **Section 8.3(a)(iv)** and **Section 8.3(a)(v)** shall continue indefinitely.

(c) Notwithstanding anything to the contrary contained in **Section 8.1(b)**, if the Company, any Seller or Buyer, as applicable, commits any intentional misrepresentation or fraud related to any representation or warranty of such party set forth in this Agreement (including the Schedules and Exhibits attached hereto and the certificates delivered pursuant hereto), then such claim for intentional misrepresentation or fraud shall not expire, but rather shall remain in full force and effect for an unlimited period of time.

8.2 **Indemnification by Buyer.** Subject to the limitations set forth in this **Article VIII** (including the provisions of **Section 8.1**), from and after the Closing, Buyer will indemnify and hold harmless the Sellers and their respective successors and permitted assigns, and the officers, employees, directors, managers, members, partners and stockholders of the Sellers (in their capacities as such) and their heirs and personal representatives (collectively, the “**Seller Indemnitees**”) from and against, and will pay to the Seller Indemnitees the amount of, any and all losses, liabilities, claims, damages, penalties, fines, judgments, awards, settlements, out-of-pocket costs, out-of-pocket fees (including reasonable investigation fees), out-of-pocket expenses (including reasonable attorneys’ and accountants’ fees) and disbursements (collectively, “**Losses**”) incurred by any of the Seller Indemnitees following the Closing, whether or not involving a third party claim, arising as a result of (a) any breach of or inaccuracy in the representations and warranties of Buyer contained in this Agreement (including the Schedules and exhibits attached hereto and the certificates delivered pursuant hereto) or (b) any breach of the covenants or agreements of Buyer contained in this Agreement (including the Schedules and exhibits attached hereto and the certificates delivered pursuant hereto).

8.3 **Indemnification by the Sellers.**

(a) Subject to the limitations set forth in this **Article VIII** (including the provisions of **Sections 8.1**), from and after the Closing, the Sellers will severally (in the proportion set forth opposite such Sellers name on **Schedule 2.3(e)**) indemnify and hold harmless Buyer, the Company, the Subsidiaries and their respective successors and permitted assigns, and the officers, employees, directors, managers, members and stockholders of Buyer, the Company and the Subsidiaries (in their capacities as such) (collectively, the “**Buyer Indemnitees**”) from and against, and will pay to the Buyer Indemnitees the amount of, any Losses incurred by any of the Buyer Indemnitees following the Closing, whether or not involving a third party claim, arising as a result of (i) any breach of or inaccuracy in the representations and warranties of the Company contained in this Agreement (including the Schedules attached hereto and the certificates delivered pursuant hereto), (ii) any breach of the covenants or agreements of the Seller Representative contained in this Agreement (including the Schedules), (iii) any income Taxes of the Company or the Subsidiaries for Pre-Closing Tax Periods; provided, however, the Sellers shall not indemnify or hold harmless the Buyer Indemnitees with respect to any liability for gross receipts Taxes, modified gross receipts Taxes, franchise Taxes, net worth Taxes, privilege Taxes or any similar or related Taxes resulting from or with respect to Buyer, the Company or the Subsidiaries initiating or making any voluntary contact on or after the Closing Date with any Taxing Authority in the states identified in **Schedule 8.3(a)** relating to a taxable period or portion thereof ending on or before the Closing Date (a “**Voluntary Disclosure**”), (iv) any Company Debt that is not identified on **Schedule 1.1** or any Selling Expenses that are not fully satisfied at or prior to Closing, (v) any Pre-Closing Environmental Noncompliance Fines and Penalties and (vi) the Proceedings set forth as items 3 and 4 on **Schedule 4.13** to the extent the Losses arising as a result of such items exceed \$10,000 in the aggregate. For the avoidance of doubt, Sellers agree that in the event of a breach of certain provisions of **Section 4.6** as detailed on **Schedule 8.3(a)**, Losses shall include the matters set forth in Item 3 of **Schedule 8.3(a)**.

(b) Subject to the limitations set forth in this **Article VIII** (including the provisions of **Section 8.1**), from and after the Closing, each Seller individually for itself and not for any other Seller will indemnify and hold harmless the Buyer Indemnitees from and against, and will pay to the Buyer Indemnitees the amount of, any Losses incurred by any of the Buyer Indemnitees following the Closing, whether or not involving a third party claim, arising as a result of (i) any breach of or inaccuracy in the representations and warranties of such Seller contained in **Article V** of this Agreement (including the Schedules), and (ii) any breach of the covenants or agreements of such Seller contained in this Agreement (including the Schedules). Subject to Buyer's rights under **Section 8.6(h)**, no Seller will be liable for any claim with respect to another Seller's breach of any representation or warranty contained in **Article V** of this Agreement (including the Schedules) or noncompliance by another Seller of such Sellers' covenants or agreements contained in this Agreement (including the Schedules).

8.4 **Exclusive Remedy.** The parties agree that, from and after the Closing, except in the case of fraud or intentional misrepresentation, the sole and exclusive remedies of the parties for any Losses based upon, arising out of or otherwise in respect of the matters set forth in this Agreement (including representations, warranties, covenants and agreements) and the transactions contemplated hereby, whether based in contract tort, equity or Law, are the indemnification and reimbursement obligations of the parties set forth in this **Article VIII**, and the Buyer Indemnitees expressly waive any and all rights and remedies under the Comprehensive Environmental Response, Compensation and Liability Act and other Environmental Laws in connection with any Losses relating to this Agreement (including the Schedules attached hereto and the certificates delivered pursuant hereto) or the transactions contemplated hereby. The provisions of this **Section 8.4** shall not, however, prevent or limit a cause of action under **Section 8.8** to obtain an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the terms and provisions hereof.

8.5 **Limitations on Indemnification Payments to Seller Indemnitees.** Notwithstanding anything in this Agreement to the contrary, the right of the Seller Indemnitees to indemnification is limited as follows:

(a) The Seller Indemnitees' right to indemnification pursuant to **Section 8.2** on account of any Losses will be reduced by all insurance proceeds actually received by the Seller Indemnitees (net of (i) out-of-pocket costs and expenses relating to collection of such amounts, and (ii) premium increases directly and solely attributable to such Claim). The Seller Indemnitees shall use commercially reasonable efforts to claim and recover any Losses suffered by the Seller Indemnitees under all such insurance policies provided that such reasonable efforts shall not require the commencement or pursuit of any litigation, arbitration or other dispute resolution process. The Seller Indemnitees shall remit to Buyer any such insurance proceeds that are paid to the Seller Indemnitees with respect to Losses for which the Seller Indemnitees have been previously compensated by Buyer pursuant to **Section 8.2**.

(b) The Seller Indemnitees will not be entitled to indemnification pursuant to **Section 8.2** for exemplary or punitive damages.

(c) No Seller Indemnitee shall be entitled to be compensated pursuant to **Section 8.2** more than once for the same Loss.

(d) For purposes of determining the amount of any Loss arising from a breach of any representation or warranty for which a Seller Indemnitee is entitled to indemnification under this **Article VIII**, the terms "material", "Material Adverse Effect" and "in all material respects" and words of similar import shall be disregarded and given no effect. For purposes of determining whether a breach of any representation or warranty exists for purposes of this **Article VIII**, the terms "material", "Material Adverse Effect" and "in all material respects" and words of similar import shall be given effect.

8.6 **Limitations on Indemnification Payments to Buyer Indemnitees.** Notwithstanding anything in this Agreement to the contrary, the right of the Buyer Indemnitees to indemnification is limited as follows:

(a) The Buyer Indemnitees will be entitled to indemnification pursuant to **Section 8.3(a)(i)**, **Section 8.3(a)(v)**, **Section 8.3(a)(vi)** and **Section 8.3(b)(i)** on account of any Losses arising with respect to the matters described in **Section 8.3(a)(i)**, **Section 8.3(a)(v)** and **Section 8.3(b)(i)** to the extent (but only to the extent) that the aggregate amount of all Losses suffered by the Buyer Indemnitees with respect to such matters exceeds Five Hundred Thousand Dollars (\$500,000) (the "**Deductible**"). Notwithstanding the foregoing, the Deductible shall not apply to any indemnification obligations arising under **Section 8.3(a)(i)** and **Section 8.3(b)(i)** from or in connection with (i) any misrepresentation or breach of warranty made by the Company or any Seller in any of the Fundamental Representations, **Section 4.6** (solely as it relates to income Taxes, other than **Section 4.6(m)** which is subject to the Deductible) or **Section 4.20(c)** (Collectability of Accounts Receivable), or (ii) any claims arising from any fraud or intentional misrepresentation by a Seller or the Company.

(b) The total amount of Losses of all of the Buyer Indemnitees for claims under **Section 8.3(a)(i)**, **Section 8.3(a)(v)**, **Section 8.3(a)(vi)** and **Section 8.3(b)(i)** shall in no event exceed (i) Six Million Three Hundred Thousand Dollars (\$6,300,000.00) if there is no Earn-Out Payment made to Sellers under **Section 2.4** or (ii) \$6,300,000 plus 10% of the Earn-Out Payment actually received by the Sellers if there is an Earn-Out Payment made to Sellers under **Section 2.4** (such amount, as applicable, the “**General Cap**”); provided, however, that the General Cap shall not apply to any indemnification obligations arising under **Section 8.3(a)(i)** and **Section 8.3(b)(i)** from or in connection with (i) any claims arising from any fraud or intentional misrepresentation by any Seller or the Company; or (ii) any misrepresentation or breach of warranty made by the Company or any Seller in any Fundamental Representation or in **Section 4.6** (solely as it relates to income Taxes, other than **Section 4.6(m)** which is subject to the General Cap). Notwithstanding the provisions of this **Section 8.6(b)** to the contrary, except in instances of fraud or intentional misrepresentation, in no event shall any Seller have any liability under Article VIII for an amount in excess of the amounts paid to such Seller under Article II (including the Escrow Funds placed in escrow on behalf of such Seller).

(c) The Buyer Indemnitees’ right to indemnification pursuant to **Section 8.3** on account of any Losses will be reduced by all insurance or other third party indemnification proceeds actually received by the Buyer Indemnitees (net of (i) out-of-pocket costs and expenses relating to collection of such amounts and (ii) premium increases directly and solely attributable to the Claim). Buyer shall use commercially reasonable efforts to claim and recover any Losses suffered by the Buyer Indemnitees under all such insurance policies provided that such reasonable efforts shall not require the commencement or pursuit of any litigation, arbitration or other dispute resolution process. The Buyer Indemnitees shall remit to the Seller Representative for the benefit of the Sellers any such insurance proceeds or other third party indemnification proceeds that are paid to the Buyer Indemnitees with respect to Losses for which the Buyer Indemnitees have been previously compensated by Sellers pursuant to **Section 8.3**. Buyer acknowledges and agrees that in the event Buyer makes an indemnity claim for a breach of **Section 4.6(m)**, Buyer shall assign its rights to seek recovery from any third party indemnification source with respect to such claim to the Seller Representative, on behalf of the Sellers, and the Seller Representative will be entitled to seek recovery thereunder.

(d) The Buyer Indemnitees’ right to indemnification pursuant to **Section 8.3** on account of any Losses will be reduced by the amount of reserve reflected on the Interim Financial Statements established for the general category of items or matters similar in nature to the specific items or matters giving rise to such Loss.

(e) The Buyer Indemnitees will not be entitled to indemnification pursuant to **Section 8.3** for exemplary or punitive damages.

- (f) The Buyer Indemnitees will not be entitled to indemnification pursuant to **Section 8.3** for Losses to the extent that such Losses have already been taken into account in determining Final Working Capital pursuant to **Section 2.3** or were a deduction from Gross Proceeds under **Section 2.2(a)**.
- (g) No Buyer Indemnitee shall be entitled to be compensated pursuant to **Section 8.3** more than once for the same Loss.
- (h) In pursuing the collection of any claims for Losses pursuant to **Section 8.3(a)** or **Section 8.3(b)**, the Buyer Indemnitees may provide a Buyer Claim Notice to the Seller Representative and shall proceed first against the Escrow Funds for the amount of such Losses in accordance with the terms of the Escrow Agreement and thereafter, to the extent the amount of such claim is in excess of the then available Escrow Funds or such claim is made after the Escrow Termination Date, directly from (i) each Seller in the proportion set forth opposite such Seller's name on **Schedule 2.3(e)** for Losses pursuant to **Section 8.3(a)** or (ii) the breaching Seller for Losses pursuant to **Section 8.3(b)**.
- (i) Notwithstanding the Buyer's rights under **Section 8.6(h)**, as between the Sellers, with respect to Losses indemnifiable under **Section 8.3(b)**, the breaching Seller shall be solely responsible for Losses arising thereunder. In the event a Buyer Indemnitee is entitled to recover amounts from the Escrow Funds pursuant to **Section 8.6(h)** for a claim arising under **Section 8.3(b)**, the breaching Seller will be required to contribute to the Seller Representative an amount in cash equal to the portion of the Escrow Funds distributed to Buyer as a result of such breach. The Seller Representative shall distribute any amounts received pursuant to this **Section 8.6(i)** to the Sellers on a pro-rata basis. Notwithstanding the foregoing, the amount that would otherwise be paid to the breaching Seller will be distributed instead to the non-breaching Sellers. If a breaching Seller fails to contribute to the Seller Representative an amount in cash equal to the portion of the Escrow Funds distributed to Buyer as a result of such breaching Seller's individual breach, the Seller Representative shall be entitled to withhold the amount such breaching Seller failed to contribute from any future distributions or payments that may be payable such Seller from the Holdback Amount or pursuant to this Agreement, the Escrow Agreement or any other agreement or document executed in connection with this Agreement.
- (j) Each Seller hereby waives any right to (i) seek contribution or other payment from the Company or a Subsidiary with respect to any Losses for which such Seller is required to indemnify the Buyer Indemnitees pursuant to this **Article VIII** or (ii) bring a claim against the current or former directors or officers of the Company as a result of any Losses for which such Seller is required to indemnify the Buyer Indemnitees pursuant to this **Article VIII**.
- (k) For purposes of determining whether a breach of any representation or warranty exists for purposes of this **Article VIII**, the terms "material," "Material Adverse Effect" and "in all material respects" and words of similar import shall be given effect. For purposes of determining the amount of any Loss arising from a breach of any representation or warranty for which a Buyer Indemnitee is entitled to indemnification under this **Article VIII**, the terms "material," "Material Adverse Effect" and "in all material respects" and words of similar import shall be disregarded and given no effect.

(l) Except for Pre-Closing Environmental Noncompliance Fines and Penalties, the Buyer Indemnitees will not be entitled to indemnification for any other Losses relating to the noncompliance matters covered by **Section 8.3(a)(v)**, including, without limitation, any capital improvement costs, equipment modification costs, costs to obtain Permits and/or environmental consultant fees which shall be the responsibility of the Buyer or its Affiliates even if such corrective measures are ordered by any Governmental Authority.

(m) Buyer Indemnitees shall not be entitled to indemnification otherwise available under **Section 8.3(a)(i)** with respect to any Losses arising from the Company's breach of **Section 4.17(b)** to the extent such Losses arise as a result of or in connection with (i) any post-Closing disclosure or reporting to any Governmental Authority or other third-party unless required by any Environmental Law (including as necessary to obtain Permits required by Environmental Law), or required by any binding Order issued by any Governmental Authority or as may otherwise be agreed in writing by Seller Representative in its sole discretion; (ii) any environmental conditions or Releases discovered or found by post-Closing testing or sampling unless such testing or sampling is (A) required by any Environmental Law, or required by any binding Order issued by any Governmental Authority, (B) conducted in connection with industrial construction, maintenance or repair projects, but only to the extent conditions observed during such activities indicate a potential Release which could require Response Action under Environmental Law, (C) in connection with the sale of any of the Owned Real Property to a subsequent owner (who is not an Affiliate of any Buyer Indemnitee), provided that Buyer Indemnitees must first undertake reasonable measures to convince any such potential subsequent owner that such sampling or testing is unnecessary, (D) required by Buyer's landlord in connection with the Leased Real Property, provided that Buyer Indemnitees must first undertake reasonable measures to convince landlord that such sampling or testing is unnecessary, or (E) required or performed by Buyer's existing lenders or in connection with Buyer obtaining financing (provided that Buyer shall not direct lenders to make such request in an effort to otherwise avoid the provisions hereof and the Buyer Indemnitees must first undertake reasonable measures to convince the lender that such sampling or testing is unnecessary); or (iii) any Response Action unless such Response Action is required by Environmental Law, or required by any binding Order issued by any Governmental Authority and Buyer uses commercially reasonable efforts to mitigate the costs of such Response Action, including, e.g., employing the lowest cost measures to achieve the minimum standards applicable to industrial use, including use of risk-based remedies and engineering and institutional controls and deed restrictions that do not prevent or unreasonably inhibit Buyer's ongoing industrial uses of the Real Property. The Sellers shall have the right, in their sole discretion, to control and conduct any such Response Action; provided that the Sellers shall provide the Buyer with a reasonable opportunity to review and comment on any proposed Response Action prior to implementation and final drafts of documents prepared for submission to any Governmental Authority prior to submittal, and the Buyer Indemnitees will provide all reasonable access to all of the Real Property, facilities, books and records as the Sellers and their agents may reasonably request to complete such Response Action.

(a) **Notice of Losses by Seller Indemnitee.** Subject to the limitations set forth in this **Article VIII**, as soon as reasonably practicable after a Seller Indemnitee becomes aware of any claim for indemnification pursuant to **Section 8.2** that may result in a Loss (a "***Claim***"), the Seller Representative shall give written notice thereof (a "***Claims Notice***") to Buyer. A Claims Notice must describe the Claim in reasonable detail, and indicate the amount (estimated, as necessary and to the extent feasible) of the Loss that has been or may be suffered by the applicable Seller Indemnitee. No delay in or failure to give a Claims Notice by the Seller Representative to Buyer pursuant to this **Section 8.7(a)** will adversely affect any of the other rights or remedies that the Seller Representative has under this Agreement, or alter or relieve Buyer of its obligation to indemnify the applicable Seller Indemnitee, except to the extent that Buyer is actually prejudiced thereby. Buyer shall respond to the Seller Representative (a "***Claim Response***") within thirty (30) days (the "***Response Period***") after the date that the Claims Notice is received by the Buyer. Any Claim Response must specify whether or not Buyer disputes the Claim described in the Claims Notice. If Buyer fails to give a Claim Response within the Response Period, Buyer will be deemed not to dispute the Claim described in the related Claims Notice. If Buyer elects not to dispute a Claim described in a Claims Notice, whether by failing to give a timely Claim Response or otherwise, then the amount of Losses alleged in such Claims Notice will be conclusively deemed to be an obligation of Buyer, and Buyer shall pay, in cash, to the Seller Representative within fifteen (15) days after the last day of the applicable Response Period the amount specified in the Claims Notice if the Losses are known or, if the amount of Losses are not determinable at that time, Buyer shall pay, in cash, to the Seller Representative, the amount of Losses specified from time-to-time as the amount of any such Claim becomes known. If Buyer delivers a Claim Response within the Response Period indicating that it disputes one or more of the matters identified in the Claims Notice, Buyer and the Seller Representative shall promptly meet and use their reasonable efforts to settle the dispute. If Buyer and the Seller Representative are unable to reach agreement within thirty (30) days after the conclusion of the Response Period, then either Buyer or the Seller Representative may resort to other legal remedies subject to the limitations set forth in this **Article VIII**.

(b) **Notice of Losses by Buyer Indemnitee.**

(i) *Claims with Determinable Losses.* Subject to the limitations set forth in this **Article VIII**, if any Buyer Indemnitee believes in good faith that it has a claim for indemnification pursuant to **Section 8.3** (a “**Buyer Claim**”), the amount of which is then known, Buyer shall, as soon as reasonably practicable after it becomes aware of such Buyer Claim, notify the Seller Representative or the breaching Seller, as applicable, of such Buyer Claim by means of a written notice describing the Buyer Claim in reasonable detail and setting forth Buyer’s good faith calculation of the Losses incurred by the applicable Buyer Indemnitee with respect thereto (a “**Buyer Claim Notice**” and, together with a Claims Notice, a “**Notice**”). No delay in or failure by Buyer to deliver a Buyer Claim Notice under this **Section 8.7(b)(i)** will adversely affect the applicable Buyer Indemnitee’s right to indemnification pursuant to **Section 8.3**, except to the extent the Seller Representative or any of the Sellers are actually prejudiced thereby. If, by the thirtieth (30th) day following receipt by the Seller Representative or the breaching Seller, as applicable, of a Buyer Claim Notice (the “**Dispute Period**”), Buyer has not received from the Seller Representative or the breaching Seller, as applicable, notice in writing that the Seller Representative or the breaching Seller, as applicable, objects to the Buyer Claim (or the amount of Losses set forth therein) asserted in such Buyer Claim Notice (a “**Dispute Notice**”), then the amount of Losses alleged in the Buyer Claim Notice will be conclusively deemed to be an obligation of Sellers or the breaching Seller, as applicable (subject to the limitations set forth in this **Article VIII**), and the Seller Representative and Buyer shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to pay to Buyer from the Escrow Funds the amount of Losses specified in the Buyer Claim Notice subject to the limitations contained in this **Article VIII**; or, if there are no further Escrow Funds, then (A) in the case of a claim brought pursuant to **Section 8.3(a)**, the Sellers shall severally (in the proportion set forth opposite such Seller’s name on **Schedule 2.3(e)**) pay promptly, in cash, to Buyer the amount of Losses specified in the Buyer Claim Notice subject to the limitations contained in this **Article VIII, or (B)** in the case of a Buyer Claim brought pursuant to **Section 8.3(b)**, the breaching Seller subject to the Buyer Claim shall pay promptly, in cash, to the Buyer the amount of Losses specified in the Buyer Claim Notice subject to the limitations contained in this **Article VIII**.

(ii) *Claims without Determinable Losses.* Subject to the limitations set forth in this **Article VIII**, if any Buyer Indemnitee believes in good faith that it has a Buyer Claim the amount of which cannot reasonably be determined, Buyer shall, as soon as reasonably practicable after it becomes aware of such Buyer Claim, notify the Seller Representative or the breaching Seller, as applicable, by means of a Buyer Claim Notice that contains the information required by **Section 8.7(b)(i)** and a good faith estimate, if possible, of Buyer’s calculation of the Losses that may be incurred by the applicable Buyer Indemnitee with respect thereto. No delay in or the failure by Buyer to deliver a Buyer Claim Notice under this **Section 8.7(b)(ii)** will adversely affect the applicable Buyer Indemnitee’s right to indemnification pursuant to **Section 8.3**, except to the extent the Seller Representative or the breaching Seller, as applicable, is actually prejudiced thereby. If Buyer has not received a Dispute Notice from the Seller Representative or the breaching Seller, as applicable, within the Dispute Period, then the amount of Losses alleged in the Buyer Claim Notice will be conclusively deemed to be an obligation of Sellers or the breaching Seller, as applicable (subject to the limitations set forth in this **Article VIII**), and the Seller Representative and Buyer shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to pay to Buyer from the Escrow Funds the amount of Losses specified from time-to-time as the amount of any such Buyer Claim becomes known, subject to the limitations contained in this **Article VIII**; or if there are no further Escrow Funds, then (A) in the case of a claim brought pursuant to **Section 8.3(a)**, the Sellers shall promptly and severally (in the proportion set forth opposite such Seller’s name on **Schedule 2.3(e)**) pay, in cash, to Buyer the amount of Losses specified from time-to-time as the amounts of any such Buyer Claim becomes known, subject to the limitations contained in this **Article VIII**, or (B) if such Buyer Claim is brought pursuant to **Section 8.3(b)**, then the breaching Seller subject to the Buyer Claim shall promptly pay, in cash, to Buyer the amount of Losses specified from time-to-time as the amounts of any such Buyer Claim becomes known, subject to the limitations contained in this **Article VIII**.

(iii) *Disputes.* If the Seller Representative or the breaching Seller, as applicable, delivers a Dispute Notice to Buyer within the Dispute Period, Buyer and the Seller Representative or the breaching Seller, as applicable, shall promptly meet and use their reasonable efforts to settle the dispute as to whether and to what extent the Buyer Indemnitees are entitled to reimbursement on account of such Buyer Claim. If Buyer, on the one hand, and the Seller Representative or the breaching Seller, on the other hand, are able to reach agreement within thirty (30) days after Buyer receives such Dispute Notice, then (A) the Seller Representative and Buyer shall deliver a joint written instruction to the Escrow Agent setting forth such agreement and instructing the Escrow Agent to pay to Buyer from the Escrow Funds an amount in accordance with such agreement, subject to the limitations contained in this **Article VIII**, or (B) if there are no further Escrow Funds, then (x) if the claim is brought pursuant to **Section 8.3(a)**, Sellers shall severally (in the proportion set forth opposite such Seller's name on **Schedule 2.3(e)**) and promptly pay, in cash, to Buyer the amount of Losses in accordance with such agreement, subject to the limitations contained in this **Article VIII**, or (y) if the Buyer Claim is brought pursuant to **Section 8.3(b)**, the breaching Seller subject to the Buyer Claim shall promptly pay, in cash, to Buyer the amount of the Losses in accordance with such agreement, subject to the limitations contained in this **Article VIII**. If Buyer, on the one hand, and the Seller Representative or the breaching Seller, on the other hand, are unable to reach agreement within thirty (30) days after Buyer receives such Dispute Notice, then either Buyer, on the one hand, or the Seller Representative or the breaching Seller, on the other hand, may resort to other legal remedies, subject to the limitations set forth in this **Article VIII**. For all purposes of this **Article VIII** (including, without limitation, those pertaining to disputes under **Section 8.7(a)** and this **Section 8.7(b)**), Buyer, on the one hand, and the Seller Representative or the breaching Seller, on the other hand, shall cooperate with and make available to the other party and its respective representatives all information, records and data, and shall permit reasonable access to its facilities and personnel, as may be reasonably required in connection with the resolution of such disputes.

(c) **Opportunity to Defend Third Party Claims.** Subject to **Section 9.2**, in the event of any claim by a third party against a Buyer Indemnitee or Seller Indemnitee for which indemnification is available hereunder, the party from which indemnification is sought (with Seller Representative acting on behalf of Sellers with respect to Losses claimed under **Section 8.3(a)** or Losses claimed under **Section 8.3(b)** to the extent Escrow Funds are available), as applicable (each an “**Indemnifying Party**”), has the right, exercisable by written notice to Buyer, on the one hand, or the Seller Representative or the breaching Seller, on the other hand, as applicable, within sixty (60) days of receipt of a Notice from Buyer or the Seller Representative, as applicable, to assume and conduct the defense of such claim with counsel selected by the Indemnifying Party; provided, however, that prior to the Indemnifying Party assuming control of such defense, the Indemnifying Party shall agree in writing that the Indemnifying Party would be responsible to indemnify the Indemnified Party for all Losses if the facts alleged in such Claim were true subject to the limitations on indemnification set forth in this **Article VIII**; provided, however, if the facts alleged in such Claim materially change from the facts upon which the Indemnifying Party initially assumed such defense in writing such that the Indemnifying Party no longer agrees it would be responsible for all of the Losses relating to such Claim then the Indemnifying Party shall promptly provide written notice thereof to the Indemnified Party and the Indemnifying Party will not have the right to continue the control of the defense of such Claim. Notwithstanding the foregoing, an Indemnifying Party shall not be entitled to assume the control of such defense if (i) the claim for indemnification relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation; (ii) such claim seeks an injunction or equitable relief against the Indemnitee; (iii) the Indemnifying Party is also a party to the third party claim and counsel has advised that representation of the Indemnifying Party and Indemnitee by the same counsel would constitute a conflict of interest; (iv) the Indemnifying Party fails or is failing, in good faith, to prosecute or defend such claim; or (v) if the Indemnifying Party is the Sellers or a Seller, as of the date the Indemnifying Party gives notice of its intent to assume the defense, the Escrow Funds less the aggregate amount of outstanding Buyer Claims (not including the applicable third party claim at issue), is not sufficient to satisfy all liabilities for which the Sellers or Seller could be liable hereunder with respect to the third party claim at issue and the Indemnifying Party does not provide to Buyer reasonable evidence of its ability to satisfy indemnification amounts in excess of the Escrow Funds. If the Indemnifying Party has assumed such defense as provided in this **Section 8.7(c)**, the Indemnitee shall have the right to participate in but not control such defense (at its own expense) and the Indemnifying Party will not be liable for any legal expenses subsequently incurred by any Indemnitee in connection with the defense of such Claim unless the Indemnifying Party subsequently surrenders the defense of such Claim to the Indemnitee, in which case, the Indemnifying Party will be responsible for the legal expenses of the Indemnitee after the Indemnifying Party surrenders the defense of such Claim. If the Indemnifying Party does not assume the defense of any third party claim in accordance with this **Section 8.7(c)**, the Indemnitee may continue to defend such claim at the sole cost of the Indemnifying Party (subject to the limitations set forth in this **Article VIII**) and the Indemnifying Party may still participate in, but not control, the defense of such third party claim at the Indemnifying Party’s sole cost and expense and the Indemnitee shall have the right to settle and compromise such third party claim if it acts reasonably and in good faith upon seven (7) calendar days’ notice to, but without having to first obtain the consent of, the Indemnifying Party. Except with the prior written consent of the Indemnitee (such consent not to be unreasonably withheld or delayed), no Indemnifying Party, in the defense of any such claim, will consent to the entry of any judgment or enter into any settlement unless the following shall apply: (i) the sole relief provided in such settlement is monetary damages that are paid in full by the Indemnifying Party, (ii) there is no finding or admission of any violation of Law or any violation of the rights of any Person by any Indemnitee, and (iii) such settlement includes as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnitee of a release from all liability with respect to such claim or litigation. In any such third party claim, the party responsible for the defense of such claim (the “**Responsible Party**”) shall, to the extent reasonably requested by the other party, keep such other party informed as to the status of such claim, including, without limitation, all settlement negotiations and offers. With respect to a third party claim for which the Seller Representative or breaching Seller, as applicable, is the party responsible for the defense, Buyer shall use all reasonable efforts to make available to the Seller Representative or breaching Seller, as applicable, and their respective representatives all books and records of Buyer, the Company and the Subsidiaries relating to such third party claim and shall cooperate in all reasonable respects with the Seller Representative or the breaching Seller, as applicable, in the defense of the third party claim.

(d) **Other Releases of Escrow Funds.** All funds held under the Escrow Agreement minus the amounts of any unresolved Buyer Claims set forth in any then pending Buyer Claim Notices shall be released to the Seller Representative for the benefit of the Stockholders and the Warrantholders on the eighteen (18)-month anniversary of the Closing Date (the “**Escrow Termination Date**”).

8.8 **Specific Performance.** Each party’s obligation under this Agreement is unique. If any party should breach its covenants or agreements under this Agreement, the parties each acknowledge that it would be extremely impracticable to measure the resulting damages; accordingly, the nonbreaching party or parties, in addition to any other available rights or remedies they may have under the terms of this Agreement, may sue in equity for specific performance and/or to obtain an injunction or injunctions to prevent breaches of this Agreement, and each party expressly waives the defense that a remedy in damages will be adequate.

8.9 **Adjustment to Purchase Price.** All indemnification payments made pursuant to this **Article VIII** will be treated as an adjustment to the Purchase Price unless otherwise required by applicable Law.

ARTICLE IX TAX MATTERS

9.1 **Cooperation; Audits; Tax Returns.**

(a) In connection with the preparation of Tax Returns, audit examinations, and any administrative or judicial proceedings relating to the Tax liabilities imposed on the Company or the Subsidiaries for all Tax periods ending on or before the Closing Date (“**Pre-Closing Tax Periods**”), Buyer, on the one hand, and the Sellers, on the other hand, shall cooperate fully with each other, including the furnishing or making available during normal business hours of records, personnel (as reasonably required), books of account, powers of attorney or other materials necessary or helpful for the preparation of such Tax Returns, the conduct of audit examinations or the defense of claims by Taxing Authorities as to the imposition of Taxes. Buyer shall and shall cause the Company and the Subsidiaries to (i) retain all books and records with respect to Tax matters pertinent to the Company and the Subsidiaries relating to any taxable period beginning before the Closing Date until the expiration of the applicable statute of limitations (and, to the extent notified by the Seller Representative, any extension thereof) for the respective taxable periods, and to abide by all record retention agreements entered into with any Taxing Authority, and (ii) give the Seller Representative reasonable written notice prior to transferring, destroying or discarding any such books and records and shall allow the Seller Representative to take possession of such books and records.

(b) Buyer and the Seller Representative shall, upon the other's request, use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

(c) The Seller Representative shall prepare or cause to be prepared all income Tax Returns of the Company or the Subsidiaries for any Pre-Closing Tax Period. The Seller Representative shall provide such income Tax Returns to Buyer at least five days before the due date for such income Tax Returns including any applicable extensions. Buyer shall timely file such income Tax Returns.

9.2 **Controversies.** Notwithstanding **Section 8.7(c)**, this **Section 9.2** shall control any inquiries, assessments, proceedings or similar events with respect to Taxes. Buyer shall promptly notify the Seller Representative (a) upon receipt by Buyer or any Affiliate of the Buyer of any notice of any Tax Matter from any Taxing Authority relating to a taxable period or portion thereof ending on or before the Closing Date or (b) prior to Buyer, the Company or the Subsidiaries initiating any Tax Matter with any Taxing Authority other than the states identified in **Schedule 8.3(a)** relating to a taxable period or portion thereof ending on or before the Closing Date. The Seller Representative may, at the Sellers' expense, participate in and, upon written notice to Buyer, assume the defense of any such Tax Matter. If the Seller Representative assumes such defense, the Seller Representative shall have the authority, with respect to any Tax Matter, to represent the interests of the Company and the Subsidiaries before the relevant Taxing Authority and the Seller Representative shall have the right to control the defense, compromise or other resolution of any such Tax Matter subject to the limitations contained herein, including responding to inquiries, and contesting, defending against and resolving any assessment for additional Taxes or notice of Tax deficiency or other adjustment of Taxes of, or relating to, such Tax Matter. If the Seller Representative has assumed such defense, the Sellers shall bear the cost of such defense. Buyer shall have the right (but not the duty) to participate in the defense of such Tax Matter and to employ counsel, solely at its own expense, separate from the counsel employed by the Seller Representative. The Seller Representative shall not enter into any settlement of or otherwise compromise any such Tax Matter to the extent that it adversely affects the Tax liability of Buyer, the Company, the Subsidiaries or any Affiliate of the foregoing for a post-Closing Tax period without the prior written consent of Buyer, which consent shall not be unreasonably conditioned, withheld or delayed. The Seller Representative shall keep Buyer informed with respect to the commencement, status and nature of any such Tax Matter, and will, in good faith, allow Buyer to consult with it regarding the conduct of or positions taken in any such proceeding.

9.3 **Amendment of Tax Returns.** Unless required by a final determination within the meaning of Section 1313(a) of the Code, neither Buyer nor any of its Affiliates shall amend, refile, revoke or otherwise modify any Tax Return or Tax election of any of the Company or the Subsidiaries with respect to a Pre-Closing Tax Period without the prior written consent of the Seller Representative, which shall not be unreasonably withheld, conditioned or delayed.

9.4 **Certain Taxes.** All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with the transactions contemplated by this Agreement (collectively, "**Transfer Taxes**") will be paid one-half by Seller and one-half by Buyer when due, and all necessary Tax Returns and other documentation with respect to Transfer Taxes will be prepared and filed by the party required to file such Tax Returns under applicable Law.

9.5 **Refunds and Credits.** Any income Tax refund received by Buyer or the Company (or any of their Affiliates), and any amounts credited against income Tax to which Buyer or the Company (or any of their Affiliates) shall become entitled, which refund or credit relates to taxable periods, or portions thereof, ending on or before the Closing Date, shall be for the account of the Sellers, and Buyer shall pay over to the Stockholder Representative an amount equal to such refund or credit within 10 days after receipt or utilization thereof.

ARTICLE X MISCELLANEOUS AND GENERAL

10.1 **Seller Representative.**

(a) The Seller Representative is hereby constituted and appointed as agent and attorney-in-fact for and on behalf of the other the Sellers. Without limiting the generality of the foregoing, the Seller Representative has full power and authority, on behalf of each Seller and his, her or its successors and assigns, to (i) interpret the terms and provisions of this Agreement and the documents to be executed and delivered by the Sellers in connection herewith, including the Escrow Agreement, (ii) execute and deliver and receive deliveries of all agreements, certificates, statements, notices, approvals, extensions, waivers, undertakings, amendments and other documents required or permitted to be given in connection with the consummation of the transactions contemplated by this Agreement, including the Escrow Agreement, (iii) receive service of process in connection with any claims under this Agreement or the Escrow Agreement, (iv) agree to, negotiate and enter into settlements and compromises of, assume the defense of claims, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of the Seller Representative for the accomplishment of the foregoing, (v) give and receive notices and communications, (vi) take all actions necessary or appropriate in the judgment of the Seller Representative on behalf of the Sellers in connection with this Agreement and the Escrow Agreement, (vii) make any determinations and settle any matters in connection with the adjustments to the Purchase Price in **Section 2.3** and the Earn-Out Statement in **Section 2.4**, (viii) authorize delivery to any Buyer Indemnitee of the Escrow Funds or any portion thereof in satisfaction of claims brought by any Buyer Indemnitee for Losses, (ix) distribute the Escrow Funds and any earning and proceeds thereon, and (x) deduct, hold back and/or redirect any funds, including, without limitation, the Holdback Amount, which may be payable to any Seller pursuant to the terms of this Agreement, the Escrow Agreement or any agreements or documents executed and delivered in connection herewith in order to pay, or establish a reserve for, (i) any amount that may be payable by such Seller hereunder (including, without limitation, under **Section 8.6(i)**) or (ii) any costs, fees, expenses and other liabilities incurred by the Seller Representative (in its capacity as such) in connection with this Agreement or its rights or obligations hereunder.

(b) Such agency may be changed by Riverside from time to time upon not less than five (5) days prior written notice to Buyer. The Seller Representative, or any successor hereafter appointed, may resign at any time by written notice to Buyer. A successor Seller Representative will be named by Riverside. All power, authority, rights and privileges conferred in this Agreement to the Seller Representative will apply to any successor Seller Representative.

(c) The Seller Representative will not be liable for any act done or omitted under this Agreement as Seller Representative while acting in good faith, and any act taken or omitted to be taken pursuant to the advice of counsel will be conclusive evidence of such good faith. Buyer agrees that it will not look to the personal assets of the Seller Representative, acting in such capacity, for the satisfaction of any obligations to be performed by the Sellers. In performing any of its duties under this Agreement or any agreements or documents executed and delivered in connection herewith, the Seller Representative will not be liable to the Sellers for any Losses that such Person may incur as a result of any act, or failure to act, by the Seller Representative under this Agreement or any agreements or documents executed and delivered in connection herewith, and the Seller Representative will be indemnified and held harmless by the Sellers for all Losses, except to the extent that the actions or omissions of the Seller Representative were taken or omitted not in good faith. The limitation of liability provisions of this **Section 10.1(c)** will survive the termination of this Agreement and the resignation of the Seller Representative.

(d) Buyer may rely upon any decision, act, consent or instruction of the Seller Representative as being the decision, act, consent or instruction of every Seller, and Buyer is relieved from any liability to any Persons for any acts done by it in accordance with such decision, act, consent or instruction of the Seller Representative.

10.2 **Expenses.** Except as set forth in this Agreement, all costs and expenses (including all legal, accounting, broker, finder or investment banker fees) incurred by the Company or any Seller for which the Company or any Subsidiary is liable in connection with this Agreement and the transactions contemplated hereby will be treated as Selling Expenses to the extent unpaid at the Closing, and in the case of costs and expenses incurred by the Buyer, will be paid by Buyer.

10.3 **Successors and Assigns.** This Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and permitted assigns, but is not assignable by any party without the prior written consent of the other parties hereto; provided, that Buyer may, without the prior written consent of the other parties hereto, at any time after Closing, assign its rights, interests and obligations under this Agreement, in whole or in part, (a) to any subsequent purchaser of Buyer or any portion of its assets or business (whether the sale is structured as a sale of stock, sale of assets, merger or otherwise), (b) for collateral security purposes to any lender providing financing to Buyer or any of its subsidiaries and any extensions, renewals, replacements, refinancings and refundings thereof in whole or in part, and (c) to any of Buyer's Affiliates; provided, in the case of the foregoing clauses (b) and (c), that Buyer remains responsible for its obligations under this Agreement.

10.4 **Third Party Beneficiaries.** Except as set forth in **Article VIII** and **Section 7.6**, each party hereto intends that this Agreement does not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto.

10.5 **Further Assurances.** The parties shall execute such further instruments and take such further actions as may reasonably be necessary to carry out the intent of this Agreement. Each party hereto shall cooperate affirmatively with the other parties, to the extent reasonably requested by such other parties, to enforce rights and obligations herein provided.

10.6 **Notices.** Any notice or other communication provided for herein or given hereunder to a party hereto must be in writing, and (a) sent by facsimile transmission, (b) sent by electronic mail, (c) delivered in person, (d) mailed by first class registered or certified mail, postage prepaid, or (e) sent by Federal Express or other overnight courier of national reputation, addressed as follows:

If to the Company or Buyer:

Apio, Inc.
c/o Landec Corporation
3603 Haven Avenue
Menlo Park, CA 94025
Attention: Gary Steele
Fax: 650-368-9818
email: gsteele@landec.com

with a copy to:

Godfrey & Kahn, S.C.
780 North Water Street
Milwaukee, WI 53202
Attention: Patricia Falb
Fax: (414) 273-5198
email: pfalb@gklaw.com

If to the Seller Representative:

The Riverside Company
45 Rockefeller Center
630 Fifth Avenue, Suite 2400
New York, New York 10111
Attention: Chief Financial Officer
Fax: (212) 265-6478
email: brs@riversidecompany.com

with a copy to:

The Riverside Company
Terminal Tower
50 Public Square
29th Floor
Cleveland, Ohio 44113
Attention: Tim Gosline
Fax: (216) 344-1330
Email: tgosline@riversidecompany.com

and:

Jones Day
77 W. Wacker Drive
Suite 3500
Chicago, Illinois 60601
Attention: Lisa S. Lathrop
Fax: (312) 782-8585
Email: lslathrop@jonesday.com

or to such other address with respect to a party as such party notifies the other in writing as above provided. Each such notice or communication will be effective (i) if given by facsimile, when the successful sending of such facsimile is electronically confirmed, (ii) if given by electronic mail, when electronic evidence of receipt is received, or (iii) if given by any other means specified in the first sentence of this **Section 10.6**, upon delivery or refusal of delivery at the address specified in this **Section 10.6**.

10.7 **Rules of Discovery.** In the event of any Action between or among any of the parties hereto, the applicable rules of discovery in the forum governing such Action shall apply, and nothing contained herein, including, without limitation, rights to access the Company's or any Subsidiary's books and records under **Section 7.2** or **Section 8.7(b)(iii)**, above, shall be deemed to require the Company or its Subsidiaries to provide access to such books and records except as required by the applicable rules of discovery with respect to such Action.

10.8 **Complete Agreement.** This Agreement and the Schedules and exhibits hereto and the other documents delivered by the parties in connection herewith, contain the complete agreement between the parties hereto with respect to the transactions contemplated hereby and thereby and supersede all prior agreements and understandings between the parties hereto with respect thereto.

10.9 **Captions.** The captions contained in this Agreement are for convenience of reference only and do not form a part of this Agreement.

10.10 **Amendment; Waiver.** This Agreement may be amended or modified only by an instrument in writing duly executed by the Seller Representative and Buyer. At any time, the Seller Representative and Buyer may (i) extend the time for the performance of any of the obligations or other acts of the parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (iii) waive compliance with any of the covenants, agreements or conditions contained herein, to the extent permitted by applicable Law. Any agreement to any such extension or waiver will be valid only if set forth in a writing signed by the Seller Representative and Buyer. No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default.

10.11 **Conflict of Interest.** If the Sellers or the Seller Representative so desire, and without the need for any consent or waiver by the Company or Buyer, Jones Day is permitted to represent the Sellers and/or the Seller Representative after the Closing in connection with any matter, including without limitation anything related to the transactions contemplated by this Agreement or any disagreement or dispute relating thereto. Without limiting the generality of the foregoing, after the Closing, Jones Day is permitted to represent the Sellers, the Seller Representative, any of their agents and affiliates, or any one or more of them, in connection with any negotiation, transaction or dispute (“dispute” includes litigation, arbitration or other adversary proceeding) with Buyer, the Company, the Subsidiaries or any of their respective agents or affiliates under or relating to this Agreement, any transaction contemplated by this Agreement, and any related matter, such as claims for indemnification and disputes involving employment or noncompetition or other agreements entered into in connection with this Agreement. Upon and after the Closing, the Company and the Subsidiaries shall cease to have any attorney-client relationship with Jones Day, unless and to the extent Jones Day is specifically engaged in writing by the Company or the Subsidiaries to represent the Company or the Subsidiaries after the Closing and either such engagement involves no conflict of interest with respect to the Sellers or the Seller Representative, or the Sellers or the Seller Representative (as applicable) consent in writing at the time to such engagement. Any such representation of the Company or the Subsidiaries by Jones Day after the Closing will not affect the foregoing provisions hereof. For example, and not by way of limitation, even if Jones Day is representing the Company after the Closing, Jones Day is permitted simultaneously to represent the Sellers and/or the Seller Representative in any matter, including any disagreement or dispute relating hereto. Furthermore, Jones Day is permitted to withdraw from any representation of the Company or the Subsidiaries in order to be able to represent or continue so representing the Sellers or the Seller Representative, even if such withdrawal causes the Company or the Subsidiaries or Buyer additional legal expense (such as to bring new counsel “up to speed”), delay or other prejudice.

10.12 **Governing Law.** This Agreement is to be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its rules of conflict of laws.

10.13 **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

10.14 **Counterparts; Electronic Transmission.** This Agreement may be executed in two or more counterparts (any of which may be delivered by facsimile or email transmission followed promptly by an executed original), each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signatures on Following Pages]

IN WITNESS WHEREOF, Buyer, the Sellers and the Seller Representative have executed this Agreement or caused this Agreement to be executed as of the day and year first above written.

COMPANY:

GREENLINE HOLDING COMPANY

By: /s/ Sarah G. Roth
Name: Sarah G. Roth
Title: Vice President

SELLERS:

2003 RIVERSIDE CAPITAL APPRECIATION FUND, L.P.

By: Riverside Capital Associates 2003, LLC, its general partner

By: /s/ Stewart A. Kohl
Name: Stewart A. Kohl
Title: Co-Chief Executive Officer

2003 RIVERSIDE CAPITAL APPRECIATION FUND (QC), L.P.

By: Riverside Capital Associates 2003, LLC, its general partner

By: /s/ Stewart A. Kohl
Name: Stewart A. Kohl
Title: Co-Chief Executive Officer

[Signature Page to Greenline Stock Purchase Agreement]

SELLERS:

CAROL L. TWYMAN IRREVOCABLE DYNASTY TRUST F/B/O KATHERINE L. TWYMAN

By: /s/ Jeffrey R. Twyman

Name:

Its: Trustee

CAROL L. TWYMAN IRREVOCABLE DYNASTY TRUST F/B/O THEODORE R. TWYMAN

By: /s/ Jeffrey R. Twyman

Name:

Its: Trustee

[Signature Page to Greenline Stock Purchase Agreement]

SELLERS:

/s/ Jeffrey D. Rettig
JEFFREY D. RETTIG

/s/ David Waterman
DAVID WATERMAN

/s/ Anthony L. Gericke
ANTHONY L. GERICKE

/s/ George S. Benson
GEORGE S. BENSON

/s/ Thomas Ryder
THOMAS RYDER

[Signature Page to Greenline Stock Purchase Agreement]

SELLERS:

CORPORATE MEZZANINE III, L.P.

By: /s/ Ahmed Al Khalib
Name:
Title:

CORPORATE MEZZANINE IV, L.P.

By: /s/ Ahmed Al Khalib
Name:
Title:

WESTERN SPRINGS ENTERPRISES, L.P.

By: Western Springs Enterprises Corp., its general partner

By: /s/ John Rea
Name: John Rea
Title: Authorized Person

TRAFALGAR BUSINESS SOLUTIONS LIMITED

By: Salamander Management, Ltd., as Director

By: /s/ Leonard O'Brien
Name:
Title:

[Signature Page to Greenline Stock Purchase Agreement]

SELLER REPRESENTATIVE:

2003 RIVERSIDE CAPITAL APPRECIATION FUND, L.P.

By: Riverside Capital Associates 2003, LLC, its general partner

By: /s/ Stewart A. Kohl

Name: Stewart A. Kohl

Title: Co-Chief Executive Officer

[Signature Page to Greenline Stock Purchase Agreement]

BUYER:

APIO, INC.

By: /s/ Ronald L. Midyett
Name: Ronald L. Midyett
Title: President and Chief Executive Officer

[Signature Page to Greenline Stock Purchase Agreement]

CREDIT AGREEMENT

Dated as of April 23, 2012

by and among

APIO, INC.,
CAL EX TRADING COMPANY,
and
GREENLINE LOGISTICS, INC.,
as the Borrowers,

THE OTHER PERSONS PARTY HERETO THAT ARE
DESIGNATED AS CREDIT PARTIES,

GENERAL ELECTRIC CAPITAL CORPORATION,
as Agent for Lenders,

and

THE OTHER FINANCIAL INSTITUTIONS PARTY HERETO,
as Lenders

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Exhibit 2.1	Closing Checklist
Exhibit 4.2(b)	Form of Compliance Certificate
Exhibit 11.1(a)	Form of Assignment
Exhibit 11.1(b)	Form of Borrowing Base Certificate
Exhibit 11.1(c)	Form of Notice of Borrowing
Exhibit 11.1(d)	Form of Revolving Note
Exhibit 11.1(e)	Form of Swingline Note

CREDIT AGREEMENT

This CREDIT AGREEMENT (including all exhibits and schedules hereof, as the same may be amended, modified and/or restated from time to time, this "Agreement") is entered into as of April 23, 2012, by and among Apio, Inc., a Delaware corporation ("Apio"), Cal Ex Trading Company, a Delaware corporation ("Cal Ex"), GreenLine Logistics, Inc., an Ohio corporation ("GLI") and together with Apio and Cal Ex, each, a "Borrower" and collectively, the "Borrowers", the other Persons party hereto that are designated as a "Credit Party," General Electric Capital Corporation, a Delaware corporation (in its individual capacity, "GE Capital"), as Agent for the several financial institutions from time to time party to this Agreement (each, a "Lender" and collectively, the "Lenders"), and such Lenders.

WITNESSETH:

WHEREAS, the Borrowers have requested, and the Lenders have agreed to make available to the Borrowers, a revolving credit facility (including a letter of credit subfacility) subject to the terms and conditions set forth in this Agreement to (a) fund a portion of the purchase price of the GreenLine Entities acquisition (which entities will be merged into Apio substantially simultaneously with the closing of this Agreement) pursuant to the terms of the Purchase Agreement (the "Closing Date Acquisition"), (b) provide for working capital, capital expenditures and other general corporate purposes of the Borrowers, and (c) fund certain fees and expenses associated with the funding of the Loans and consummation of the Closing Date Acquisition;

WHEREAS, the Borrowers desire to secure all of their Obligations under the Loan Documents by granting to Agent, for the benefit of the Secured Parties, a security interest in and lien upon substantially all of their Property;

WHEREAS, Landec Corporation, a Delaware corporation ("Parent"), directly or indirectly owns all of the Stock and Stock Equivalents of the Borrowers and is willing to pledge to Agent, for the benefit of the Secured Parties, all of the Stock and Stock Equivalents of Apio to secure the Obligations; and

WHEREAS, subject to the terms hereof, each Subsidiary of each Borrower which is not a Borrower is willing to guarantee all of the Obligations of the Borrowers and to grant to Agent, for the benefit of the Secured Parties, a security interest in and lien upon substantially all of its Property.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

**ARTICLE I.
THE CREDITS**

1.1 Amounts and Terms of Commitments.

(a) The Revolving Credit.

(i) Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the Credit Parties contained herein, each Lender severally and not jointly agrees to make Loans to the Borrowers (each such Loan, a "Revolving Loan") from time to time on any Business Day during the period from the Closing Date through the Final Availability Date, in an aggregate principal amount not to exceed at any time outstanding the amount set forth opposite such Lender's name in Schedule 1.1(a) under the heading "Revolving Loan Commitments" (such amount as the same may be reduced or increased from time to time in accordance with this Agreement, being referred to herein as such Lender's "Revolving Loan Commitment"); provided, however, that, after giving effect to any Borrowing of Revolving Loans, the aggregate principal amount of all outstanding Revolving Loans shall not exceed the Maximum Revolving Loan Balance. Subject to the other terms and conditions hereof, amounts borrowed under this Section 1.1(a) may be repaid and reborrowed from time to time. The "Maximum Revolving Loan Balance" from time to time will be the lesser of:

(x) the Consolidated Borrowing Base (as calculated pursuant to the Borrowing Base Certificates) in effect from time to time, or

(y) the Aggregate Revolving Loan Commitment then in effect, less those Reserves, including the PACA Reserve, imposed by Agent in its

Permitted Discretion;

less, in either case, the sum of (x) the aggregate amount of Letter of Credit Obligations plus (y) outstanding Swing Loans.

If at any time the then outstanding principal balance of Revolving Loans exceeds the Maximum Revolving Loan Balance, then the Borrowers shall immediately prepay outstanding Revolving Loans and then cash collateralize outstanding Letters of Credit in an amount sufficient to eliminate such excess in accordance herewith and in a manner satisfactory to the L/C Issuers.

(ii) In addition to the foregoing limitations, after giving effect to any Borrowing of Revolving Loans advanced to any single Borrower, the aggregate principal amount of all outstanding Revolving Loans advanced to that particular Borrower shall not exceed the separate Borrowing Base of that Borrower, less the sum of (x) the aggregate amount of Letter of Credit Obligations incurred by that Borrower as account party, (y) the outstanding Swing Loans advanced to that Borrower and (z) Reserves imposed against the "Borrowing Base" (as calculated pursuant to Exhibit 11.1(b)) of that individual Borrower and its Subsidiaries (the "Separate Borrowing Base Limit").

(iii) If Borrower Representative requests that Lenders make, or permit to remain outstanding Revolving Loans in excess of the Consolidated Borrowing Base (any such excess Revolving Loan is herein referred to as an “Overadvance”), Agent may, in its sole discretion, elect to make, or permit to remain outstanding such Overadvance; provided, however, that Agent may not cause Lenders to make, or permit to remain outstanding, (A) aggregate Revolving Loans in excess of the Aggregate Revolving Loan Commitment less the sum of outstanding Swing Loans plus the aggregate amount of Letter of Credit Obligations or (B) an Overadvance in an aggregate amount in excess of ten percent (10%) of the Aggregate Revolving Loan Commitment. If an Overadvance is made, or permitted to remain outstanding, pursuant to the preceding sentence, then all Lenders shall be bound to make, or permit to remain outstanding, such Overadvance based upon their Commitment Percentage of the Aggregate Revolving Loan Commitment in accordance with the terms of this Agreement, regardless of whether the conditions to lending set forth in Section 2.2 have been met. Furthermore, Required Lenders may prospectively revoke Agent’s ability to make or permit Overadvances by written notice to Agent. All Overadvances shall constitute Base Rate Loans and shall bear interest at the Base Rate plus the Applicable Margin for Revolving Loans and the default rate under Section 1.3(c).

(b) Letters of Credit.

(i) Conditions. On the terms and subject to the conditions contained herein, Borrower Representative may request that one or more L/C Issuers Issue, in accordance with such L/C Issuers’ usual and customary business practices and for the account of the Borrowers, Letters of Credit (denominated in Dollars) from time to time on any Business Day during the period from the Closing Date through the earlier of (x) the Final Availability Date and (y) seven days prior to the date specified in clause (a) of the definition of Revolving Termination Date; provided, however, that no L/C Issuer shall Issue any Letter of Credit upon the occurrence of any of the following or, if after giving effect to such Issuance:

(A) (i) Availability would be less than zero, (ii) the Letter of Credit Obligations for all Letters of Credit would exceed \$5,000,000 (the “L/C Sublimit”) or (iii) the aggregate Revolving Loans to the Borrower for whose account the Letter of Credit was Issued would exceed the Separate Borrowing Base Limit;

(B) the expiration date of such Letter of Credit (i) is not a Business Day, (ii) is more than one year after the date of Issuance thereof or (iii) is later than seven days prior to the date specified in clause (a) of the definition of Revolving Termination Date; provided, however, that any Letter of Credit with a term not exceeding one year may provide for its renewal for additional periods not exceeding one year as long as (x) each of each Borrower and such L/C Issuer have the option to prevent such renewal before the expiration of such term or any such period and (y) neither such L/C Issuer nor any Borrower shall permit any such renewal to extend such expiration date beyond the date set forth in clause (iii); or

(C) (i) any fee due in connection with, and on or prior to, such Issuance has not been paid, (ii) such Letter of Credit is requested to be Issued in a form that is not acceptable to such L/C Issuer or (iii) such L/C Issuer shall not have received, each in form and substance reasonably acceptable to it and duly executed by the Borrowers or Borrower Representative on their behalf, the documents that such L/C Issuer generally uses in the Ordinary Course of Business for the Issuance of letters of credit of the type of such Letter of Credit (collectively, the “L/C Reimbursement Agreement”).

Furthermore, GE Capital as an L/C Issuer may elect only to Issue Letters of Credit in its own name and may only Issue Letters of Credit to the extent permitted by Requirements of Law, and such Letters of Credit may not be accepted by certain beneficiaries such as insurance companies. For each Issuance, the applicable L/C Issuer may, but shall not be required to, determine that, or take notice whether, the conditions precedent set forth in Section 2.2 have been satisfied or waived in connection with the Issuance of any Letter of Credit; provided, however, that no Letter of Credit shall be Issued during the period starting on the first Business Day after the receipt by such L/C Issuer of notice from Agent or the Required Lenders that any condition precedent contained in Section 2.2 is not satisfied and ending on the date all such conditions are satisfied or duly waived.

Notwithstanding anything else to the contrary herein, if any Lender is a Non-Funding Lender or Impacted Lender, no L/C Issuer shall be obligated to Issue any Letter of Credit unless (w) the Non-Funding Lender or Impacted Lender has been replaced in accordance with Section 9.9 or 9.22, (1) the Letter of Credit Obligations of such Non-Funding Lender or Impacted Lender have been cash collateralized, or (2) the Revolving Loan Commitments of the other Lenders have been increased by an amount sufficient to satisfy Agent that all future Letter of Credit Obligations will be covered by all Lenders that are not Non-Funding Lenders or Impacted Lenders, or (3) the Letter of Credit Obligations of such Non-Funding Lender or Impacted Lender have been reallocated to other Lenders in a manner consistent with Section 1.11(e)(ii).

(ii) Notice of Issuance. Borrower Representative shall give the relevant L/C Issuer and Agent a notice of any requested Issuance of any Letter of Credit, which shall be effective only if received by such L/C Issuer and Agent not later than 2:00 p.m. (New York time) on the third Business Day prior to the date of such requested Issuance. Such notice shall be made in a writing or Electronic Transmission substantially in the form of Exhibit 1.1(c), duly completed or in any other written form acceptable to such L/C Issuer (an "L/C Request").

(iii) Reporting Obligations of L/C Issuers. Each L/C Issuer agrees to provide Agent, in form and substance satisfactory to Agent, each of the following on the following dates: (A) (i) on or prior to any Issuance of any Letter of Credit by such L/C Issuer, (ii) immediately after any drawing under any such Letter of Credit or (iii) immediately after any payment (or failure to pay when due) by any Borrower of any related L/C Reimbursement Obligation, notice thereof, which shall contain a detailed description of such Issuance, drawing or payment, and Agent shall provide copies of such notices to each Lender reasonably promptly after receipt thereof; (B) upon the request of Agent (or any Lender through Agent), copies of any Letter of Credit Issued by such L/C Issuer and any related L/C Reimbursement Agreement and such other documents and information as may reasonably be requested by Agent; and (C) on the first Business Day of each calendar week, a schedule of the Letters of Credit Issued by such L/C Issuer, in form and substance reasonably satisfactory to Agent, setting forth the Letter of Credit Obligations for such Letters of Credit outstanding on the last Business Day of the previous calendar week.

(iv) Acquisition of Participations. Upon any Issuance of a Letter of Credit in accordance with the terms of this Agreement resulting in any increase in the Letter of Credit Obligations, each Lender shall be deemed to have acquired, without recourse or warranty, an undivided interest and participation in such Letter of Credit and the related Letter of Credit Obligations in an amount equal to its Commitment Percentage of such Letter of Credit Obligations.

(v) Reimbursement Obligations of the Borrowers. The Borrowers agree to pay to the L/C Issuer of any Letter of Credit, or to Agent for the benefit of such L/C Issuer, each L/C Reimbursement Obligation owing with respect to such Letter of Credit no later than the first Business Day after the Borrowers or Borrower Representative receive notice from such L/C Issuer or from Agent that payment has been made under such Letter of Credit or that such L/C Reimbursement Obligation is otherwise due (the “L/C Reimbursement Date”) with interest thereon computed as set forth in clause (A). In the event that any L/C Reimbursement Obligation is not repaid by the Borrowers as provided in this Section 1.1(b)(v) (or any such payment by the Borrowers is rescinded or set aside for any reason), such L/C Issuer shall promptly notify Agent of such failure (and, upon receipt of such notice, Agent shall notify each Lender) and, irrespective of whether such notice is given, such L/C Reimbursement Obligation shall be payable on demand by the Borrowers with interest thereon computed (A) from the date on which such L/C Reimbursement Obligation arose to the L/C Reimbursement Date, at the interest rate applicable during such period to Revolving Loans that are Base Rate Loans and (B) thereafter until payment in full, at the interest rate applicable during such period to past due Revolving Loans that are Base Rate Loans.

(vi) Reimbursement Obligations of the Revolving Credit Lenders.

(A) Upon receipt of the notice described in Section 1.1(b)(v) from Agent, each Lender shall pay to Agent for the account of such L/C Issuer its Commitment Percentage of such Letter of Credit Obligations (as such amount may be increased pursuant to Section 1.11(e)(ii)).

(B) By making any payments described in Section 1.1(b)(vi)(A) (other than during the continuation of an Event of Default under Section 7.1(f) or 7.1(g)), such Lender shall be deemed to have made a Revolving Loan to the Borrowers, which, upon receipt thereof by Agent for the benefit of such L/C Issuer, the Borrowers shall be deemed to have used in whole to repay such L/C Reimbursement Obligation. Any such payment that is not deemed a Revolving Loan shall be deemed a funding by such Lender of its participation in the applicable Letter of Credit and the Letter of Credit Obligation in respect of the related L/C Reimbursement Obligations. Such participation shall not otherwise be required to be funded. Following receipt by any L/C Issuer of any payment from any Lender pursuant to this Section 1.1(b)(vi) with respect to any portion of any L/C Reimbursement Obligation, such L/C Issuer shall promptly pay to Agent, for the benefit of such Lender, all amounts received by such L/C Issuer (or to the extent such amounts shall have been received by Agent for the benefit of such L/C Issuer, Agent shall promptly pay to such Lender all amounts received by Agent for the benefit of such L/C Issuer) with respect to such portion.

(vii) Obligations Absolute. The obligations of the Borrowers and the Lenders pursuant to Sections 1.1(b)(iv), (v) and (vi) shall be absolute, unconditional and irrevocable and performed strictly in accordance with the terms of this Agreement irrespective of (A) (1) the invalidity or unenforceability of any term or provision in any Letter of Credit, any document transferring or purporting to transfer a Letter of Credit, any Loan Document (including the sufficiency of any such instrument), or any modification to any provision of any of the foregoing, (2) any document presented under a Letter of Credit being forged, fraudulent, invalid, insufficient or inaccurate in any respect or failing to comply with the terms of such Letter of Credit or (3) any loss or delay, including in the transmission of any document, (B) the existence of any setoff, claim, abatement, recoupment, defense or other right that any Person (including any Credit Party) may have against the beneficiary of any Letter of Credit or any other Person, whether in connection with any Loan Document or any other Contractual Obligation or transaction, or the existence of any other withholding, abatement or reduction, (C) in the case of the obligations of any Lender, (1) the failure of any condition precedent set forth in Section 2.2 to be satisfied (each of which conditions precedent the Lenders hereby irrevocably waive) or (2) any adverse change in the condition (financial or otherwise) of any Credit Party and (D) any other act or omission to act or delay of any kind of Agent, any Lender or any other Person or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 1.1(b)(vii), constitute a legal or equitable discharge of any obligation of the Borrowers or any Lender hereunder. No provision hereof shall be deemed to waive or limit the Borrowers' right to seek repayment of any payment of any L/C Reimbursement Obligations from the L/C Issuer under the terms of the applicable L/C Reimbursement Agreement or applicable law.

(c) Swing Loans.

(i) Availability. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the Credit Parties contained herein, the Swingline Lender may, in its sole discretion, make Loans (each a "Swing Loan") available to the Borrowers under the Revolving Loan Commitments from time to time on any Business Day during the period from the Closing Date through the Final Availability Date in an aggregate principal amount at any time outstanding not to exceed its Swingline Commitment; provided, however, that the Swingline Lender may not make any Swing Loan (x) to the extent that after giving effect to such Swing Loan, the aggregate principal amount of all Revolving Loans would exceed the Maximum Revolving Loan Balance; provided further that the aggregate principal amount of all outstanding Swing Loans advanced to a particular Borrower shall not exceed the separate Borrowing Base of that Borrower, less the sum of (1) the aggregate amount of Letter of Credit Obligations incurred by that Borrower as account party, (2) the outstanding Revolving Loans advanced to that Borrower and (3) Reserves imposed against the Separate Borrowing Base Limit of that Borrower; and (y) during the period commencing on the first Business Day after it receives notice from Agent or the Required Lenders that one or more of the conditions precedent contained in Section 2.2 are not satisfied and ending when such conditions are satisfied or duly waived. In connection with the making of any Swing Loan, the Swingline Lender may but shall not be required to determine that, or take notice whether, the conditions precedent set forth in Section 2.2 have been satisfied or waived. Each Swing Loan shall be a Base Rate Loan and must be repaid as provided herein, but in any event must be repaid in full on the Revolving Termination Date. Within the limits set forth in the first sentence of this Section 1.1(c)(i), amounts of Swing Loans repaid may be reborrowed under this Section 1.1(c)(i).

(ii) Borrowing Procedures. In order to request a Swing Loan, Borrower Representative shall give to Agent a notice to be received not later than 2:00 p.m. (New York time) on the day of the proposed Borrowing, which shall be made in a writing or in an Electronic Transmission substantially in the form of Exhibit 1.1(d) or in a writing in any other form acceptable to Agent duly completed (a “Swingline Request”). In addition, if any Notice of Borrowing of Revolving Loans requests a Borrowing of Base Rate Loans, the Swingline Lender may, notwithstanding anything else to the contrary herein, make a Swing Loan to the Borrowers in an aggregate amount not to exceed such proposed Borrowing, and the aggregate amount of the corresponding proposed Borrowing shall be reduced accordingly by the principal amount of such Swing Loan. Agent shall promptly notify the Swingline Lender of the details of the requested Swing Loan. Upon receipt of such notice and subject to the terms of this Agreement, the Swingline Lender may make a Swing Loan available to the Borrowers by making the proceeds thereof available to Agent and, in turn, Agent shall make such proceeds available to the Borrowers on the date set forth in the relevant Swingline Request or Notice of Borrowing.

(iii) Refinancing Swing Loans.

(A) The Swingline Lender may at any time (and shall, no less frequently than once each week) forward a demand to Agent (which Agent shall, upon receipt, forward to each Lender) that each Lender pay to Agent, for the account of the Swingline Lender, such Lender’s Commitment Percentage of the outstanding Swing Loans (as such amount may be increased pursuant to Section 1.11(e)(ii)).

(B) Each Lender shall pay the amount owing by it to Agent for the account of the Swingline Lender on the Business Day following receipt of the notice or demand therefor. Payments received by Agent after 1:00 p.m. (New York time) may, in Agent’s discretion, be deemed to be received on the next Business Day. Upon receipt by Agent of such payment (other than during the continuation of any Event of Default under Section 7.1(f) or 7.1(g)), such Lender shall be deemed to have made a Revolving Loan to the Borrowers, which, upon receipt of such payment by the Swingline Lender from Agent, the Borrowers shall be deemed to have used in whole to refinance such Swing Loan. In addition, regardless of whether any such demand is made, upon the occurrence of any Event of Default under Section 7.1(f) or 7.1(g), each Lender shall be deemed to have acquired, without recourse or warranty, an undivided interest and participation in each Swing Loan in an amount equal to such Lender’s Commitment Percentage of such Swing Loan. If any payment made by any Lender as a result of any such demand is not deemed a Revolving Loan, such payment shall be deemed a funding by such Lender of such participation. Such participation shall not be otherwise required to be funded. Upon receipt by the Swingline Lender of any payment from any Lender pursuant to this Section 1.1(c)(iii) with respect to any portion of any Swing Loan, the Swingline Lender shall promptly pay over to such Lender all payments of principal (to the extent received after such payment by such Lender) and interest (to the extent accrued with respect to periods after such payment) on account of such Swing Loan received by the Swingline Lender with respect to such portion.

(iv) Obligation to Fund Absolute. Each Lender’s obligations pursuant to Section 1.1(c)(iii) shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever, including (A) the existence of any setoff, claim, abatement, recoupment, defense or other right that such Lender, any Affiliate thereof or any other Person may have against the Swingline Lender, Agent, any other Lender or L/C Issuer or any other Person, (B) the failure of any condition precedent set forth in Section 2.2 to be satisfied or the failure of Borrower Representative to deliver a Notice of Borrowing (each of which requirements the Lenders hereby irrevocably waive) and (C) any adverse change in the condition (financial or otherwise) of any Credit Party.

1.2 Evidence of Loans; Notes.

(a) The Revolving Loans made by each Lender shall be evidenced by this Agreement and, if requested by such Lender, a Revolving Note payable to such Lender in an amount equal to such Lender's Revolving Loan Commitment.

(b) Swing Loans made by the Swingline Lender shall be evidenced by this Agreement and, if requested by such Lender, a Swingline Note in an amount equal to the Swingline Commitment.

1.3 Interest.

(a) Subject to Sections 1.3(c) and 1.3(d), each Loan shall bear interest on the outstanding principal amount thereof from the date when made at a rate per annum equal to the LIBOR or the Base Rate, as the case may be, plus the Applicable Margin; provided that Swing Loans may not be LIBOR Rate Loans. Each determination of an interest rate by Agent shall be conclusive and binding on each Borrower and the Lenders in the absence of manifest error. All computations of fees and interest payable under this Agreement shall be made on the basis of a 360-day year and actual days elapsed. Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof.

(b) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the Revolving Termination Date.

(c) At the election of Agent or the Required Lenders while any Event of Default exists (or automatically while any Event of Default under Section 7.1(a), 7.1(f) or 7.1(g) exists), the Borrowers shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the Loans under the Loan Documents from and after the date of occurrence of such Event of Default, at a rate per annum which is determined by adding two percent (2%) per annum to the Applicable Margin then in effect for such Loans (plus the LIBOR or Base Rate, as the case may be). All such default interest shall be payable on written demand (including by electronic mail) from Agent or the Required Lenders.

(d) Anything herein to the contrary notwithstanding, the obligations of the Borrowers hereunder shall be subject to the limitation that payments of interest shall not be required, for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by the respective Lender would be contrary to the provisions of any law applicable to such Lender limiting the highest rate of interest which may be lawfully contracted for, charged or received by such Lender, and in such event the Borrowers shall pay such Lender interest at the highest rate permitted by applicable law ("Maximum Lawful Rate"); provided, however, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, the Borrowers shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Agent, on behalf of Lenders, is equal to the total interest that would have been received had the interest payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Closing Date as otherwise provided in this Agreement.

1.4 Loan Accounts.

(a) Agent, on behalf of the Lenders, shall record on its books and records the amount of each Loan made, the Borrower primarily liable therefor, the interest rate applicable, all payments of principal and interest thereon and the principal balance thereof from time to time outstanding. Agent shall deliver to Borrower Representative on a monthly basis a loan statement setting forth such record for the immediately preceding calendar month. Such record shall, absent manifest error, be conclusive evidence of the amount of the Loans made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so, or any failure to deliver such loan statement shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder (and under any Note) to pay any amount owing with respect to the Loans or provide the basis for any claim against Agent.

(b) Agent, acting as a non-fiduciary agent of the Borrowers solely for tax purposes and solely with respect to the actions described in this Section 1.4(b), shall establish and maintain at its address referred to in Section 9.2 (or at such other address as Agent may notify Borrower Representative) (i) a record of ownership (the "Register") in which Agent agrees to register by book entry the interests (including any rights to receive payment hereunder) of Agent, each Lender and each L/C Issuer in the Revolving Loans, Swing Loans, L/C Reimbursement Obligations, and Letter of Credit Obligations, each of their obligations under this Agreement to participate in each Loan, Letter of Credit, Letter of Credit Obligations, and L/C Reimbursement Obligations, and any assignment of any such interest, obligation or right and (ii) accounts in the Register in accordance with its usual practice in which it shall record (A) the names and addresses of the Lenders and the L/C Issuers (and each change thereto pursuant to Sections 9.9 and 9.22), (B) the Revolving Loan Commitments of each Lender, (C) the amount of each Loan and each funding of any participation described in clause (A), and for LIBOR Rate Loans, the Interest Period applicable thereto, (D) the amount of any principal or interest due and payable or paid, (E) the amount of the L/C Reimbursement Obligations due and payable or paid in respect of Letters of Credit and (F) any other payment received by Agent from a Borrower and its application to the Obligations.

(c) Notwithstanding anything to the contrary contained in this Agreement, the Loans (including any Notes evidencing such Loans and the corresponding obligations to participate in Letter of Credit Obligations and Swing Loans) and the L/C Reimbursement Obligations are registered obligations, the right, title and interest of the Lenders and the L/C Issuers and their assignees in and to such Loans or L/C Reimbursement Obligations, as the case may be, shall be transferable only upon notation of such transfer in the Register and no assignment thereof shall be effective until recorded therein. This Section 1.4 and Section 9.9 shall be construed so that the Loans and L/C Reimbursement Obligations are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code.

(d) The Credit Parties, Agent, the Lenders and the L/C Issuers shall treat each Person whose name is recorded in the Register as a Lender or L/C Issuer, as applicable, for all purposes of this Agreement. Information contained in the Register with respect to any Lender or any L/C Issuer shall be available for access by the Borrowers, Borrower Representative, Agent, such Lender or such L/C Issuer during normal business hours and from time to time upon at least one Business Day's prior notice. No Lender or L/C Issuer shall, in such capacity, have access to or be otherwise permitted to review any information in the Register other than information with respect to such Lender or L/C Issuer unless otherwise agreed by Agent.

1.5 Procedure for Revolving Credit Borrowing.

(a) Each Borrowing of a Revolving Loan shall be made upon Borrower Representative's irrevocable (subject to Section 10.5) written notice delivered to Agent substantially in the form of a Notice of Borrowing or in a writing in any other form acceptable to Agent, which notice (except with respect to the Revolving Loan made on the Closing Date) must be received by Agent prior to 2:00 p.m. (New York time) (i) on the date which is three Business Days prior to the requested Borrowing date in the case of each LIBOR Rate Loan, (ii) on the date which is three Business Days prior to the requested Borrowing date of each Base Rate Loan in excess of \$10,000,000, (iii) on the date which is one Business Day prior to the requested Borrowing date of each Base Rate Loan equal to or less than \$10,000,000 but more than \$5,000,000 and (iv) on the requested Borrowing date in the case of each Base Rate Loan equal to or less than \$5,000,000. Such Notice of Borrowing shall specify:

- (i) the amount of the Borrowing (which shall be in an aggregate minimum principal amount of \$100,000);
- (ii) the requested Borrowing date, which shall be a Business Day;
- (iii) whether the Borrowing is to be comprised of LIBOR Rate Loans or Base Rate Loans; and
- (iv) if the Borrowing is to be LIBOR Rate Loans, the Interest Period applicable to such Loans.

(b) Upon receipt of a Notice of Borrowing, Agent will promptly notify each Lender of such Notice of Borrowing and of the amount of such Lender's Commitment Percentage of the Borrowing.

(c) Unless Agent is otherwise directed in writing by Borrower Representative, the proceeds of each requested Borrowing after the Closing Date will be made available to the Borrowers by Agent by wire transfer of such amount to the Borrowers pursuant to the wire transfer instructions specified in the Disclosure Letter.

1.6 Conversion and Continuation Elections.

(a) The Borrowers shall have the option to (i) request that any Revolving Loan be made as a LIBOR Rate Loan, (ii) convert at any time all or any part of outstanding Loans (other than Swing Loans) from Base Rate Loans to LIBOR Rate Loans, (iii) convert any LIBOR Rate Loan to a Base Rate Loan, subject to Section 10.4 if such conversion is made prior to the expiration of the Interest Period applicable thereto, or (iv) continue all or any portion of any Loan as a LIBOR Rate Loan upon the expiration of the applicable Interest Period. Any Loan or group of Loans having the same proposed Interest Period to be made or continued as, or converted into, a LIBOR Rate Loan must be in a minimum amount of \$1,000,000. Any such election must be made by Borrower Representative by 2:00 p.m. (New York time) on the third Business Day prior to (1) the date of any proposed Revolving Loan which is to bear interest at LIBOR, (2) the end of each Interest Period with respect to any LIBOR Rate Loans to be continued as such, or (3) the date on which the Borrowers wish to convert any Base Rate Loan to a LIBOR Rate Loan for an Interest Period designated by Borrower Representative in such election. If no election is received with respect to a LIBOR Rate Loan by 2:00 p.m. (New York time) on the third Business Day prior to the end of the Interest Period with respect thereto, that LIBOR Rate Loan shall be converted to a Base Rate Loan at the end of its Interest Period. Borrower Representative must make such election by notice to Agent in writing, including by Electronic Transmission. In the case of any conversion or continuation, such election must be made pursuant to a written notice (a "Notice of Conversion/Continuation") substantially in the form of Exhibit 1.6 or in a writing in any other form acceptable to Agent. No Loan shall be made, converted into or continued as a LIBOR Rate Loan, if the conditions to Loans and Letters of Credit in Section 2.2 are not met at the time of such proposed conversion or continuation and Agent or Required Lenders have determined not to make or continue any Loan as a LIBOR Rate Loan as a result thereof.

(b) Upon receipt of a Notice of Conversion/Continuation, Agent will promptly notify each Lender thereof. In addition, Agent will, with reasonable promptness, notify Borrower Representative and the Lenders of each determination of LIBOR; provided that any failure to do so shall not relieve any Borrower of any liability hereunder or provide the basis for any claim against Agent. All conversions and continuations shall be made pro rata according to the respective outstanding principal amounts of the Loans held by each Lender with respect to which the notice was given.

(c) Notwithstanding any other provision contained in this Agreement, after giving effect to any Borrowing, or to any continuation or conversion of any Loans, there shall not be more than five different Interest Periods in effect.

1.7 Optional Termination.

(a) The Borrowers may, at any time upon at least five days' prior written notice by Borrower Representative to Agent, terminate (but not reduce in part) the Aggregate Revolving Loan Commitment; provided, that upon such termination, all Obligations shall be immediately due and payable in full and all Letter of Credit Obligations shall be cash collateralized or otherwise satisfied in accordance herewith.

(b) The notice of any termination shall not thereafter be revocable by the Borrowers or Borrower Representative and Agent will promptly notify each Lender thereof. All Obligations shall be due and payable on the date specified in such notice, including any amounts required pursuant to Sections 1.9 and 10.4.

1.8 Mandatory Prepayments of Loans and Commitment Reductions.

(a) Revolving Loan. The Borrowers shall repay to the Lenders in full on the date specified in clause (a) of the definition of “Revolving Termination Date” the aggregate principal amount of the Revolving Loans and Swing Loans outstanding on such date.

(b) Asset Dispositions; Events of Loss. If a Credit Party or any Subsidiary of a Credit Party shall at any time or from time to time:

(i) make or agree to make a Disposition; or

(ii) suffer an Event of Loss;

and the aggregate amount of the Net Proceeds received by the Credit Parties and their Subsidiaries in connection with such Disposition or Event of Loss and all other Dispositions and Events of Loss occurring during the Fiscal Year exceeds \$500,000, then (A) Borrower Representative shall promptly notify Agent of such proposed Disposition or Event of Loss (including the amount of the estimated Net Proceeds to be received by a Credit Party and/or such Subsidiary in respect thereof) and (B) promptly upon receipt by a Credit Party and/or such Subsidiary of the Net Proceeds of such Disposition or Event of Loss, the Borrowers shall deliver, or cause to be delivered, such excess Net Proceeds to Agent for distribution to the Lenders as a prepayment of the Loans, which prepayment shall be applied in accordance with Section 1.8(e). Notwithstanding the foregoing and provided no Default or Event of Default has occurred and is continuing, such prepayment shall not be required to the extent a Credit Party or such Subsidiary reinvests the Net Proceeds of such Disposition or Event of Loss in productive assets (other than Inventory) of a kind then used or usable in the business of a Borrower or such Subsidiary, within 180 days after the date of such Disposition or Event of Loss or enters into a binding commitment thereof within said 180 day period and subsequently makes such reinvestment; provided that Borrower Representative notifies Agent of such Credit Party's or such Subsidiary's intent to reinvest and of the completion of such reinvestment at the time such proceeds are received and when such reinvestment occurs, respectively. Pending such reinvestment, the Net Proceeds shall be delivered to Agent, for distribution first, to the Swingline Lender as a prepayment of Swing Loans (to the extent of Swing Loans outstanding), but not as a permanent reduction of the Swingline Commitment and thereafter to the Lenders, as a prepayment of the Revolving Loans (to the extent of Revolving Loans then outstanding), but not as a permanent reduction of the Aggregate Revolving Loan Commitment.

(c) Issuance of Securities. Immediately upon the receipt by any Credit Party or any Subsidiary of any Credit Party of the Net Issuance Proceeds of the issuance of Stock or Stock Equivalents (including any capital contribution) or debt securities (other than Net Issuance Proceeds from the issuance of (i) debt securities in respect of Indebtedness permitted hereunder, and (ii) Excluded Equity Issuances), the Borrowers shall deliver, or cause to be delivered, to Agent an amount equal to such Net Issuance Proceeds, for application to the Loans in accordance with Section 1.8(e).

(d) [reserved].

(e) Application of Prepayments. Subject to Section 1.10(c), any prepayments pursuant to Section 1.8(b), or 1.8(c), shall be applied first to prepay outstanding Swing Loans and second to prepay outstanding Revolving Loans without a permanent reduction of the Aggregate Revolving Loan Commitment. To the extent permitted by the foregoing sentence, amounts prepaid shall be applied first to any Base Rate Loans then outstanding and then to outstanding LIBOR Rate Loans with the shortest Interest Periods remaining. Together with each prepayment under this Section 1.8, the Borrowers shall pay any amounts required pursuant to Section 10.4.

(f) No Implied Consent. Provisions contained in this Section 1.8 for the application of proceeds of certain transactions shall not be deemed to constitute consent of the Lenders to transactions that are not otherwise permitted by the terms hereof or the other Loan Documents.

1.9 Fees.

(a) Fees. The Borrowers shall pay to Agent, for Agent's own account, fees in the amounts and at the times set forth in a letter agreement between the Borrowers and Agent dated as of March 13, 2012 (as amended from time to time, the "Fee Letter").

(b) Unused Commitment Fee. The Borrowers shall pay to Agent a fee (the "Unused Commitment Fee") for the account of each Lender in an amount equal to:

(i) the average daily balances of the Revolving Loan Commitment of such Lender during the preceding calendar month, less

(ii) the sum of (x) the average daily balance of all Revolving Loans held by such Lender plus (y) the average daily amount of Letter of Credit Obligations held by such Lender, plus (z) in the case of the Swingline Lender, the average daily balance of all outstanding Swing Loans held by such Swingline Lender, in each case, during the preceding calendar month;

provided, in no event shall the amount computed pursuant to clauses (i) and (ii) be less than zero,

(iii) multiplied by three eighths of one percent (0.375%) per annum.

The total fee paid by the Borrowers will be equal to the sum of all of the fees due to the Lenders, subject to Section 1.11(e)(vi). Such fee shall be payable monthly in arrears on the first day of each calendar month following the date hereof. The Unused Commitment Fee provided in this Section 1.9(b) shall accrue at all times from and after the execution and delivery of this Agreement. For purposes of this Section 1.9(b), the Revolving Loan Commitment of any Non-Funding Lender shall be deemed to be zero.

(c) Letter of Credit Fee. The Borrowers agree to pay to Agent for the ratable benefit of the Lenders, as compensation to such Lenders for Letter of Credit Obligations incurred hereunder, (i) without duplication of costs and expenses otherwise payable to Agent or Lenders hereunder or fees otherwise paid by the Borrowers, all reasonable and documented costs and expenses incurred by Agent or any Lender on account of such Letter of Credit Obligations, and (ii) for each calendar month during which any Letter of Credit Obligation shall remain outstanding, a fee (the "Letter of Credit Fee") in an amount equal to the product of the average daily undrawn face amount of all Letters of Credit Issued, guaranteed or supported by risk participation agreements multiplied by a per annum rate equal to the Applicable Margin with respect to Revolving Loans which are LIBOR Rate Loans; provided, however, at Agent's or Required Lenders' option, while an Event of Default exists (or automatically while an Event of Default under Section 7.1(a), 7.1(f) or 7.1(g) exists), such rate shall be increased by two percent (2%) per annum. Such fee shall be paid to Agent for the benefit of the Lenders in arrears, on the first day of each calendar month and on the date on which all L/C Reimbursement Obligations have been discharged. In addition, the Borrowers shall pay to Agent, any L/C Issuer or any prospective L/C Issuer, as appropriate, on demand, such L/C Issuer's or prospective L/C Issuer's customary fees at then prevailing rates, without duplication of fees otherwise payable hereunder (including all per annum fees), charges and expenses of such L/C Issuer or prospective L/C Issuer in respect of the application for, and the Issuance, negotiation, acceptance, amendment, transfer and payment of, each Letter of Credit or otherwise payable pursuant to the application and related documentation under which such Letter of Credit is Issued.

1.10 Payments by the Borrowers.

(a) All payments (including prepayments) to be made by each Credit Party on account of principal, interest, fees and other amounts required hereunder shall be made without set-off, recoupment, counterclaim or deduction of any kind, shall, except as otherwise expressly provided herein, be made to Agent (for the ratable account of the Persons entitled thereto) at the address for payment specified in the signature page hereof in relation to Agent (or such other address as Agent may from time to time specify in accordance with Section 9.2), including payments utilizing the ACH system, and shall be made in Dollars and by wire transfer or ACH transfer in immediately available funds (which shall be the exclusive means of payment hereunder), no later than 2:00 p.m. (New York time) on the date due. Any payment which is received by Agent later than 2:00 p.m. (New York time) may in Agent's discretion be deemed to have been received on the immediately succeeding Business Day and any applicable interest or fee shall continue to accrue. Each Borrower and each other Credit Party hereby irrevocably waives the right to direct the application during the continuance of an Event of Default of any and all payments in respect of any Obligation and any proceeds of Collateral. Each Borrower hereby authorizes Agent and each Lender to make a Revolving Loan (which shall be a Base Rate Loan and which may be a Swing Loan) to pay (i) interest, principal (including Swing Loans), L/C Reimbursement Obligations, agent fees, Unused Commitment Fees and Letter of Credit Fees, in each instance, on the date due, or (ii) after five days' prior written notice to Borrower Representative (including by electronic mail), other fees, costs or expenses payable by a Borrower or any of its Subsidiaries hereunder or under the other Loan Documents.

(b) Subject to the provisions set forth in the definition of "Interest Period" herein, if any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(c) During the continuance of an Event of Default, Agent may, and shall upon the direction of Required Lenders apply any and all payments received by Agent in respect of any Obligation in accordance with the respective clauses first through seventh set forth below. Notwithstanding any provision herein to the contrary, all payments made by Credit Parties to Agent after any or all of the Obligations have been accelerated (so long as such acceleration has not been rescinded), including proceeds of Collateral, shall be applied as follows:

first, to payment of costs and expenses, including Attorney Costs, of Agent payable or reimbursable by the Credit Parties under the Loan Documents;

second, to payment of Attorney Costs of Lenders payable or reimbursable by the Borrowers under this Agreement;

third, to payment of all accrued unpaid interest on the Obligations and fees owed to Agent, Lenders and L/C Issuers;

fourth, to payment of principal of the Obligations including L/C Reimbursement Obligations then due and payable, any Obligations under a Secured Rate Contract and cash collateralization of unmaturing L/C Reimbursement Obligations to the extent not then due and payable);

fifth, to payment of any other amounts owing constituting Obligations;

sixth, to payment of all outstanding principal, interest, fees and expenses owing to GE Capital (or any of its Affiliates) in connection with the Equipment Loan in accordance with the provisions of the Equipment Loan Documents; and

seventh, any remainder shall be for the account of and paid to whoever may be lawfully entitled thereto.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category and (ii) each of the Lenders or other Persons entitled to payment shall receive an amount equal to its pro rata share of amounts available to be applied pursuant to clauses third, fourth and fifth above.

1.11 Payments by the Lenders to Agent; Settlement.

(a) Agent may, on behalf of Lenders, disburse funds to the Borrowers for Loans requested. Each Lender shall reimburse Agent on demand for all funds disbursed on its behalf by Agent, or if Agent so requests, each Lender will remit to Agent its Commitment Percentage of any Loan before Agent disburses same to the Borrowers. If Agent elects to require that each Lender make funds available to Agent prior to disbursement by Agent to the Borrowers, Agent shall advise each Lender by telephone or fax of the amount of such Lender's Commitment Percentage of the Loan requested by Borrower Representative no later than the Business Day prior to the scheduled Borrowing date applicable thereto, and each such Lender shall pay Agent such Lender's Commitment Percentage of such requested Loan, in same day funds, by wire transfer to Agent's account, as set forth on Agent's signature page hereto, no later than 1:00 p.m. (New York time) on such scheduled Borrowing date. Nothing in this Section 1.11(a) or elsewhere in this Agreement or the other Loan Documents, including the remaining provisions of Section 1.11, shall be deemed to require Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its Revolving Loan Commitments hereunder or to prejudice any rights that Agent, any Lender or the Borrowers may have against any Lender as a result of any default by such Lender hereunder.

(b) At least once each calendar week or more frequently at Agent's election (each, a "Settlement Date"), Agent shall advise each Lender by telephone or fax of the amount of such Lender's Commitment Percentage of principal, interest and Fees paid for the benefit of Lenders with respect to each applicable Loan. Agent shall pay to each Lender such Lender's Commitment Percentage (except as otherwise provided in Sections 1.1(b)(vi) and 1.11(e)) of principal, interest and fees paid by the Borrowers since the previous Settlement Date for the benefit of such Lender on the Loans held by it. Such payments shall be made by wire transfer to such Lender not later than 2:00 p.m. (New York time) on the next Business Day following each Settlement Date.

(c) Availability of Lender's Commitment Percentage. Agent may assume that each Lender will make its Commitment Percentage of each Revolving Loan available to Agent on each Borrowing date. If such Commitment Percentage is not, in fact, paid to Agent by such Lender when due, Agent will be entitled to recover such amount on demand from such Lender without setoff, counterclaim or deduction of any kind. If any Lender fails to pay the amount of its Commitment Percentage forthwith upon Agent's demand, Agent shall promptly notify Borrower Representative and the Borrowers shall immediately repay such amount to Agent. Nothing in this Section 1.11(c) shall be deemed to require Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its Revolving Loan Commitments hereunder or to prejudice any rights that the Borrowers may have against any Lender as a result of any default by such Lender hereunder. Without limiting the provisions of Section 1.11(b), to the extent that Agent advances funds to the Borrowers on behalf of any Lender and is not reimbursed therefor on the same Business Day as such advance is made, Agent shall be entitled to retain for its account all interest accrued on such advance from the date such advance was made until reimbursed by the applicable Lender.

(d) Return of Payments.

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from the Borrowers and such related payment is not received by Agent, then Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind.

(ii) If Agent determines at any time that any amount received by Agent under this Agreement or any other Loan Document must be returned to any Credit Party or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to any Borrower or such other Person, without setoff, counterclaim or deduction of any kind, and Agent will be entitled to set-off against future distributions to such Lender any such amounts (with interest) that are not repaid on demand.

(e) Non-Funding Lenders; Procedures.

(i) Responsibility. The failure of any Non-Funding Lender to make any Revolving Loan, Letter of Credit Obligation or any payment required by it, or to make any payment required by it under any Loan Document, or to fund any purchase of any participation to be made or funded by it (including with respect to any Swing Loan) on the date specified therefor shall not relieve any other Lender (each such other Lender, an "Other Lender") of its obligations to make such loan, fund the purchase of any such participation, or make any other such required payment on such date, and neither Agent nor, other than as expressly set forth herein, any other Lender shall be responsible for the failure of any Non-Funding Lender to make a loan, fund the purchase of a participation or make any other required payment under any Loan Document.

(ii) Reallocation. If any Lender is a Non-Funding Lender, all or a portion of such Non-Funding Lender's Letter of Credit Obligations (unless such Lender is the L/C Issuer that Issued such Letter of Credit) and reimbursement obligations with respect to Swing Loans shall, at Agent's election at any time or upon any L/C Issuer's or Swingline Lender's, as applicable, written request delivered to Agent (whether before or after the occurrence of any Default or Event of Default), be reallocated to and assumed by the Lenders that are not Non-Funding Lenders or Impacted Lenders pro rata in accordance with their Commitment Percentages of the Aggregate Revolving Loan Commitment (calculated as if the Non-Funding Lender's Commitment Percentage was reduced to zero and each other Lender's Commitment Percentage had been increased proportionately), provided that no Lender shall be reallocated any such amounts or be required to fund any amounts that would cause the sum of its outstanding Revolving Loans, outstanding Letter of Credit Obligations, amounts of its participations in Swing Loans and its pro rata share of unparticipated amounts in Swing Loans to exceed its Revolving Loan Commitment.

(iii) Voting Rights. Notwithstanding anything set forth herein to the contrary, including Section 9.1, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" (or be, or have its Loans and Revolving Loan Commitments, included in the determination of "Required Lenders" or "Lenders directly affected" pursuant to Section 9.1) for any voting or consent rights under or with respect to any Loan Document, provided that (A) the Revolving Loan Commitment of a Non-Funding Lender may not be increased, (B) the principal of a Non-Funding Lender's Loans may not be reduced or forgiven, and (C) the interest rate applicable to Obligations owing to a Non-Funding Lender may not be reduced in such a manner that by its terms affects such Non-Funding Lender more adversely than other Lenders, in each case without the consent of such Non-Funding Lender. Moreover, for the purposes of determining Required Lenders, the Loans, Letter of Credit Obligations, and Revolving Loan Commitments held by Non-Funding Lenders shall be excluded from the total Loans and Revolving Loan Commitments outstanding.

(iv) Borrower Payments to a Non-Funding Lender. Agent shall be authorized to use all payments received by Agent for the benefit of any Non-Funding Lender pursuant to this Agreement to pay in full the Aggregate Excess Funding Amount to the appropriate Secured Parties. Following such payment in full of the Aggregate Excess Funding Amount, Agent shall be entitled to hold such funds as cash collateral in a non-interest bearing account up to an amount equal to such Non-Funding Lender's unfunded Revolving Loan Commitment and to use such amount to pay such Non-Funding Lender's funding obligations hereunder until the Obligations are paid in full in cash, all Letter of Credit Obligations have been discharged or cash collateralized and all Revolving Loan Commitments have been terminated. Upon any such unfunded obligations owing by a Non-Funding Lender becoming due and payable, Agent shall be authorized to use such cash collateral to make such payment on behalf of such Non-Funding Lender. With respect to such Non-Funding Lender's failure to fund Revolving Loans or purchase participations in Letters of Credit or Letter of Credit Obligations, any amounts applied by Agent to satisfy such funding shortfalls shall be deemed to constitute a Revolving Loan or amount of the participation required to be funded and, if necessary to effectuate the foregoing, the other Lenders shall be deemed to have sold, and such Non-Funding Lender shall be deemed to have purchased, Revolving Loans or Letter of Credit participation interests from the other Lenders until such time as the aggregate amount of the Revolving Loans and participations in Letters of Credit and Letter of Credit Obligations are held by the Lenders in accordance with their Commitment Percentages of the Aggregate Revolving Loan Commitment. Any amounts owing by a Non-Funding Lender to Agent which are not paid when due shall accrue interest at the interest rate applicable during such period to Revolving Loans that are Base Rate Loans. In the event that Agent is holding cash collateral of a Non-Funding Lender that cures pursuant to Section 1.11(e)(v) or ceases to be a Non-Funding Lender pursuant to the definition of Non-Funding Lender, Agent shall return the unused portion of such cash collateral to such Lender. The "Aggregate Excess Funding Amount" of a Non-Funding Lender shall be the aggregate amount of (A) all unpaid obligations owing by such Lender to Agent, L/C Issuers, Swingline Lender, and other Lenders under the Loan Documents, including such Lender's pro rata share of all Revolving Loans, Letter of Credit Obligations and Swing Loans, plus, without duplication, (B) all amounts of such Non-Funding Lender's Letter of Credit Obligations and reimbursement obligations with respect to Swing Loans reallocated to other Lenders pursuant to Section 1.11(e)(ii).

(v) Cure. A Lender may cure its status as a Non-Funding Lender under clause (a) of the definition of Non-Funding Lender if such Lender (A) fully pays to Agent, on behalf of the applicable Secured Parties, the Aggregate Excess Funding Amount, plus all interest due thereon and (B) timely funds the next Revolving Loan required to be funded by such Lender or makes the next reimbursement required to be made by such Lender. Any such cure shall not relieve any Lender from liability for breaching its contractual obligations hereunder.

(vi) Fees. A Lender that is a Non-Funding Lender pursuant to clause (a) of the definition of Non-Funding Lender shall not earn and shall not be entitled to receive, and the Borrowers shall not be required to pay, such Lender's portion of the Unused Commitment Fee during the time such Lender is a Non-Funding Lender pursuant to clause (a) thereof. In the event that any reallocation of Letter of Credit Obligations occurs pursuant to Section 1.11(e)(ii), during the period of time that such reallocation remains in effect, the Letter of Credit Fee payable with respect to such reallocated portion shall be payable to (A) all Lenders based on their pro rata share of such reallocation or (B) to the L/C Issuer for any remaining portion not reallocated to any other Lenders.

(f) Procedures. Agent is hereby authorized by each Credit Party and each other Secured Party to establish procedures (and to amend such procedures from time to time) to facilitate administration and servicing of the Loans and other matters incidental thereto. Without limiting the generality of the foregoing, Agent is hereby authorized to establish procedures to make available or deliver, or to accept, notices, documents and similar items on, by posting to or submitting and/or completion on, E-systems.

1.12 Borrower Representative. Apio hereby (i) is designated and appointed by each Borrower as its representative and agent on its behalf (the “Borrower Representative”) and (ii) accepts such appointment as Borrower Representative, in each case, for the purposes of issuing Notices of Borrowings, Notices of Conversion/Continuation, L/C Requests and Swingline Requests, delivering certificates including Compliance Certificates and Borrowing Base Certificates, giving instructions with respect to the disbursement of the proceeds of the Loans, selecting interest rate options, giving and receiving all other notices and consents hereunder or under any of the other Loan Documents and taking all other actions (including in respect of compliance with covenants) on behalf of any Borrower or the Borrowers under the Loan Documents. Agent and each Lender may regard any notice or other communication pursuant to any Loan Document from Borrower Representative as a notice or communication from all Borrowers. Each warranty, covenant, agreement and undertaking made on behalf of a Borrower by Borrower Representative shall be deemed for all purposes to have been made by such Borrower and shall be binding upon and enforceable against such Borrower to the same extent as if the same had been made directly by such Borrower.

1.13 Eligible Accounts. All of the Accounts owned by each Credit Party and properly reflected as “Eligible Accounts” in the most recent Borrowing Base Certificates delivered by Borrower Representative to Agent shall be “Eligible Accounts” for purposes of this Agreement, except any Account to which any of the exclusionary criteria set forth below applies. Agent shall have the right to modify, eliminate or, in consultation with Borrower Representative, establish Reserves against Eligible Accounts from time to time in its Permitted Discretion. In addition, Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the applicable criteria, to adjust advance rates and, in consultation with Borrower Representative, to establish new criteria and with respect to Eligible Accounts, in its Permitted Discretion, subject to the approval of Required Lenders in the case of adjustments or new criteria or changes in advance rates which have the effect of making more credit available. Eligible Accounts shall not include the following Accounts of a Credit Party:

(a) Past Due Accounts. Accounts that are not paid within 60 days following its original invoice date;

(b) Cross Aged Accounts. Accounts that are the obligations of an Account Debtor if fifty percent (50%) or more of the Dollar amount of all Accounts owing by that Account Debtor are ineligible under Section 1.13(a);

(c) Foreign Accounts. Accounts that are the obligations of an Account Debtor located in a foreign country (other than Canada) unless payment thereof is assured by either (i) a letter of credit assigned and delivered to Agent, satisfactory to Agent in its good faith credit judgment as to form, amount and Issuer or (ii) Foreign Credit Insurance on terms and in amounts satisfactory to Agent in its good faith credit judgment;

(d) Government Accounts. Accounts that are the obligation of an Account Debtor that is the United States government or a political subdivision thereof, or any state, county or municipality or department, agency or instrumentality thereof unless Agent, in its sole discretion, has agreed to the contrary in writing, or the applicable Credit Party has complied with respect to such obligation with the Federal Assignment of Claims Act of 1940, or any applicable state, county or municipal law restricting the assignment thereof with respect to such obligation;

(e) Contra Accounts. Accounts to the extent a Borrower or any Subsidiary thereof is liable for goods sold or services rendered by the applicable Account Debtor to such Borrower or any Subsidiary thereof but only to the extent of the potential offset;

(f) Chargebacks/Partial Payments/Disputed. Any Account to the extent that any defense, counterclaim, setoff or dispute is asserted as to such Account;

(g) Inter-Company/Affiliate Accounts. Accounts that arise from a sale to any Affiliate of any Credit Party;

(h) Concentration Risk. Accounts to the extent that such Account, together with all other Accounts owing by such Account Debtor and its Affiliates as of any date of determination exceed (i) with respect to Costco, Walmart and Sam's Club, twenty-five percent (25%) of all Eligible Accounts, and (ii) with respect to all other Account Debtors, fifteen percent (15%) of all Eligible Accounts;

(i) Credit Risk. Accounts that are otherwise determined to be unacceptable by Agent in its Permitted Discretion, upon the delivery of prior or contemporaneous notice (oral or written) of such determination to Borrower Representative;

(j) Pre-Billing. Accounts with respect to which an invoice, reasonably acceptable to Agent in form and substance, has not been sent to the applicable Account Debtor;

(k) Defaulted Accounts; Bankruptcy. Accounts where:

(i) the Account Debtor obligated upon such Account suspends business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as they come due; or

(ii) a petition is filed by or against any Account Debtor obligated upon such Account under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors;

(l) Employee Accounts. Accounts that arise from a sale to any director, officer, other employee, or to any entity that has any common officer or director with any Credit Party;

(m) Progress Billing. Accounts (i) as to which a Credit Party is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process, or (ii) if the Account represents a progress billing consisting of an invoice for goods sold or used or services rendered pursuant to a contract under which the Account Debtor's obligation to pay that invoice is subject to a Credit Party's completion of further performance under such contract or is subject to the equitable lien of a surety bond issuer;

(n) Bill and Hold. Accounts that arise with respect to goods that are delivered on a bill-and-hold basis;

(o) C.O.D. Accounts that arise with respect to goods that are delivered on a cash-on-delivery basis;

(p) Credit Limit. Accounts to the extent such Account exceeds any credit limit established by Agent, in its Permitted Discretion, following prior notice of such limit by Agent to Borrower Representative;

(q) Non-Acceptable Alternative Currency. Accounts that are payable in any currency other than United States Dollars;

(r) Other Liens Against Receivables. Accounts that (i) are not owned by a Credit Party or (ii) are subject to any right, claim, Lien or other interest of any other Person, other than (1) the interest of the suppliers of a Credit Party's Inventory as addressed by the PACA Reserve and (2) Liens in favor of Agent securing the Obligations;

(s) Conditional Sale. Accounts that arise with respect to goods that are placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor is conditional;

(t) Judgments, Notes or Chattel Paper. Accounts that are evidenced by a judgment, Instrument or Chattel Paper;

(u) Not Bona Fide. Accounts that are not true and correct statements of bona fide indebtedness incurred in the amount of such Account for merchandise sold to or services rendered and accepted by the applicable Account Debtor;

(v) Ordinary Course; Sales of Equipment or Bulk Sales. Accounts that do not arise from the sale of goods or the performance of services by a Credit Party in the Ordinary Course of Business, including sales of Equipment and bulk sales; or

(w) Not Perfected. Accounts as to which Agent's Lien thereon, on behalf of itself and the other Secured Parties, is not a first priority perfected Lien.

1.14 Eligible Inventory. All of the Inventory owned by each Credit Party and properly reflected as "Eligible Inventory" or "Eligible In-Transit Inventory" in the most recent Borrowing Base Certificates delivered by Borrower Representative to Agent shall be "Eligible Inventory" or "Eligible In-Transit Inventory," as applicable, for purposes of this Agreement, except any Inventory to which any of the exclusionary criteria set forth below or in the component definitions herein applies. Agent shall have the right to modify, eliminate or, in consultation with Borrower Representative, establish Reserves against Eligible Inventory from time to time in its Permitted Discretion. In addition, Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the applicable criteria, to adjust advance rates and, in consultation with Borrower Representative, to establish new criteria with respect to Eligible Inventory and Eligible In-Transit Inventory in its Permitted Discretion, subject to the approval of Required Lenders in the case of adjustments, new criteria or changes in advance rates which have the effect of making more credit available. Eligible Inventory shall not include the following Inventory of a Credit Party:

(a) Excess/Obsolete/Slow-Moving. Inventory that is either excess, obsolete, unsaleable, shopworn, seconds, or Slow-Moving Inventory;

(b) Damaged. Inventory that is damaged or unfit for sale;

(c) Locations < \$100,000. Inventory that is located at any site if the aggregate book value of Inventory at any such location is less than \$100,000;

(d) Consignment. Inventory that is placed on consignment;

(e) Off-Site. Inventory that (i) is not located on premises owned, leased or rented by a Credit Party and set forth in Schedule 3.21 or (ii) is stored at a leased location, unless Agent has given its prior consent thereto and unless (x) a reasonably satisfactory landlord waiver has been delivered to Agent, or (y) Reserves satisfactory to Agent have been established with respect thereto, (iii) is stored with a bailee or warehouseman unless (x) a reasonably satisfactory, acknowledged bailee letter has been received by Agent with respect thereto and (y) Reserves satisfactory to Agent have been established with respect thereto, or (iv) is located at an owned location subject to a mortgage in favor of a lender other than Agent, unless a reasonably satisfactory mortgage waiver has been delivered to Agent;

(f) In-Transit. Inventory that is in transit, except for Eligible In-Transit Inventory and Inventory in transit between domestic locations of Credit Parties as to which Agent's Liens have been perfected at origin and destination;

(g) Customized. Inventory subject to any licensing, trademark, trade name or copyright agreements with any third parties (other than another Credit Party) which would require any consent of any third party (other than another Credit Party) for the sale or disposition of that Inventory (which consent has not been obtained) or the payment of any monies to any third party upon such sale or other disposition (to the extent of such monies);

(h) Packing/Shipping Materials. Inventory that consists of packing or shipping materials (other than non-branded packaging material), or manufacturing supplies;

(i) Tooling. Inventory that consists of tooling or replacement parts;

(j) Display. Inventory that consists of display items;

(k) Returns. Inventory that consists of goods which have been returned by the buyer;

(l) Freight. Inventory that consists of any costs associated with "freight-in" charges;

- (m) Hazardous Materials. Inventory that consists of Hazardous Materials or goods that can be transported or sold only with licenses that are not readily available;
- (n) Un-insured. Inventory that is not covered by casualty insurance reasonably acceptable to Agent;
- (o) Not Owned/Other Liens. Inventory that is not owned by a Credit Party or is subject to Liens other than Permitted Liens described in Section 5.1(b), (c), (d) and (f) or rights of any other Person (including the rights of a purchaser that has made progress payments and the rights of a surety that has issued a bond to assure a Credit Party's performance with respect to that Inventory);
- (p) Unperfected. Inventory that is not subject to a first priority Lien in favor of Agent on behalf of itself and the Secured Parties, except for Liens described in Section 5.1(d) (subject to Reserves);
- (q) Negotiable Bill of Sale. Inventory that is covered by a negotiable document of title, unless such document has been delivered to Agent with all necessary endorsements, free and clear of all Liens except Liens in favor of Agent, on behalf of itself and the Secured Parties; or
- (r) Not Ordinary Course. Inventory (other than raw materials) that is not of a type held for sale in the Ordinary Course of Business of a Credit Party.

ARTICLE II. CONDITIONS PRECEDENT

2.1 Conditions of Initial Loans. The obligation of each Lender to make its initial Loans and of each L/C Issuer to Issue, or cause to be Issued, the initial Letters of Credit hereunder is subject to satisfaction of the following conditions in a manner satisfactory to Agent:

- (a) Loan Documents. Agent shall have received on or before the Closing Date all of the agreements, documents, instruments and other items set forth on the closing checklist attached as Exhibit 2.1, each in form and substance reasonably satisfactory to Agent;
- (b) Availability. Not more than \$15,000,000 in Revolving Loans shall be advanced on the Closing Date, and after giving effect to (i) the consummation of the Related Transactions and payment of all costs and expenses in connection therewith, (ii) funding of the initial Loans, (iii) the issuance of the initial Letters of Credit and (iv) the Reserves to be established on the Closing Date, Availability shall be not less than \$5,000,000;
- (c) Related Transactions. The Related Transactions shall have closed in the manner contemplated by the Related Agreements without waiver of any of the conditions precedent set forth in the Related Agreements, and shall otherwise be in form and substance reasonably satisfactory to Agent. Agent shall have received evidence that (i) Apio shall have received all issued and outstanding Stock and Stock Equivalents of GreenLine Holding Company for a purchase price not to exceed \$70,000,000, and (ii) Parent shall have contributed not less than \$17,000,000 (net of up to \$12,000,000 of cash balances used by Apio as part of the purchase price described in clause (i) above) in cash as new equity or debt in Apio.

(d) Repayment of Prior Lender Obligations; Satisfaction of Outstanding L/Cs. (i) Agent shall have received a fully executed pay-off letter reasonably satisfactory to Agent confirming that all obligations owing by any Credit Party to Prior Lender will be repaid in full from the proceeds of the initial Loans and all Liens upon any of the Property of the Credit Parties or any of their Subsidiaries in favor of Prior Lender shall be terminated by Prior Lender immediately upon such payment; and (ii) all letters of credit issued or guaranteed by Prior Lender shall have been cash collateralized or supported by a Letter of Credit Issued pursuant hereto, as mutually agreed upon by Agent, the Borrowers and Prior Lender;

(e) Approvals. Agent shall have received (i) satisfactory evidence that the Credit Parties have obtained all required consents and approvals of all Persons including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Loan Documents and the consummation of the Related Transactions or (ii) an officer's certificate in form and substance reasonably satisfactory to Agent affirming that no such consents or approvals are required; and

(f) Payment of Fees. The Borrowers shall have paid the fees required to be paid on the Closing Date in the respective amounts specified in Section 1.9 (including the fees specified in the Fee Letter), and shall have reimbursed Agent for all fees, costs and expenses of closing presented as of the Closing Date.

2.2 Conditions to All Borrowings. Except as otherwise expressly provided herein, no Lender or L/C Issuer shall be obligated to fund any Loan or incur any Letter of Credit Obligation, if, as of the date thereof:

(a) any representation or warranty by any Credit Party contained herein or in any other Loan Document is untrue or incorrect in any material respect (without duplication of any materiality qualifier contained therein) as of such date, except to the extent that such representation or warranty expressly relates to an earlier date (in which event such representations and warranties were untrue or incorrect in any material respect (without duplication of any materiality qualifier contained therein) as of such earlier date), and Agent or Required Lenders have determined not to make such Loan or incur such Letter of Credit Obligation as a result of the fact that such warranty or representation is untrue or incorrect;

(b) any Default or Event of Default has occurred and is continuing or would reasonably be expected to result after giving effect to any Loan (or the incurrence of any Letter of Credit Obligation), and Agent or Required Lenders shall have determined not to make any Loan or incur any Letter of Credit Obligation as a result of that Default or Event of Default;

(c) after giving effect to any Loan (or the incurrence of any Letter of Credit Obligations), the aggregate outstanding amount of the Revolving Loans would exceed the Maximum Revolving Loan Balance (except as provided in Section 1.1(a)); or

(d) after giving effect to any Loan and the contemporaneous uses of proceeds thereof, the Borrowers' cash and Cash Equivalents would exceed \$5,000,000.

The request by Borrower Representative and acceptance by the Borrowers of the proceeds of any Loan or the incurrence of any Letter of Credit Obligations shall be deemed to constitute, as of the date thereof, (i) a representation and warranty by the Borrowers that the conditions in this Section 2.2 have been satisfied and (ii) a reaffirmation by each Credit Party of the granting and continuance of Agent's Liens, on behalf of itself and the Secured Parties, pursuant to the Collateral Documents.

**ARTICLE III.
REPRESENTATIONS AND WARRANTIES**

The Credit Parties, jointly and severally, represent and warrant to Agent and each Lender that the following are, and after giving effect to the Related Transactions will be, true, correct and complete:

3.1 Corporate Existence and Power. Each Credit Party and each of their respective Subsidiaries:

(a) is a corporation, limited liability company or limited partnership, as applicable, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as applicable;

(b) has the power and authority and all governmental licenses, authorizations, Permits, consents and approvals (i) to own its assets and carry on its business, and (ii) to execute, deliver, and perform its obligations under, the Loan Documents and the Related Agreements to which it is a party;

(c) is duly qualified as a foreign corporation, limited liability company or limited partnership, as applicable, and licensed and in good standing, under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification or license; and

(d) is in compliance with all Requirements of Law;

except, in each case referred to in Sections 3.1(b)(i), (c) or (d), to the extent that the failure to do so would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

3.2 Corporate Authorization; No Contravention. The execution, delivery and performance by each of the Credit Parties of this Agreement, and by each Credit Party and each of their respective Subsidiaries of any other Loan Document and Related Agreement to which such Person is party, have been duly authorized by all necessary action, and do not and will not:

(i) contravene the terms of any of that Person's Organization Documents;

(ii) conflict with or result in any material breach or contravention of, or result in the creation of any Lien under, any document evidencing any material Contractual Obligation to which such Person is a party or any order, injunction, writ or decree of any Governmental Authority to which such Person or its Property is subject; or

(iii) violate any Requirement of Law in any material respect.

3.3 Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Credit Party or any Subsidiary of any Credit Party of this Agreement, any other Loan Document or Related Agreement except (a) for recordings and filings in connection with the Liens granted to Agent under the Collateral Documents, (b) those obtained or made on or prior to the Closing Date and (c) in the case of any Related Agreement, those which, if not obtained or made, would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

3.4 Binding Effect. This Agreement and each other Loan Document and Related Agreement to which any Credit Party or any Subsidiary of any Credit Party is a party constitute the legal, valid and binding obligations of such Person which is a party thereto, enforceable against such Person in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

3.5 Litigation. Except as specifically disclosed in Schedule 3.5, there are no actions, suits, proceedings, claims or disputes pending, or to the best knowledge of each Credit Party, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, against any Credit Party, any Subsidiary of any Credit Party or any of their respective Properties which:

- (a) purport to affect or pertain to this Agreement, any other Loan Document or Related Agreement, or any of the transactions contemplated hereby or thereby; or
- (b) would reasonably be expected to result in monetary judgment(s) or relief, individually or in the aggregate, in excess of \$350,000; or
- (c) seek an injunction or other equitable relief which would reasonably be expected to have a Material Adverse Effect.

No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement, any other Loan Document or any Related Agreement, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided. As of the Closing Date, no Credit Party or any Subsidiary of any Credit Party is the subject of an audit or, to each Credit Party's knowledge, any review or investigation by any Governmental Authority (excluding the IRS and other taxing authorities) concerning the violation or possible violation of any Requirement of Law.

3.6 No Default. No Default or Event of Default exists or would result from the incurring of any Obligations by any Credit Party or the grant or perfection of Agent's Liens on the Collateral or the consummation of the Related Transactions. No Credit Party and no Subsidiary of any Credit Party is in default under or with respect to any Contractual Obligation in any respect which, individually or together with all such defaults, would reasonably be expected to have a Material Adverse Effect.

3.7 ERISA Compliance. Schedule 3.7 sets forth, as of the Closing Date, a complete and correct list of, and that separately identifies, (a) all Title IV Plans, (b) all Multiemployer Plans and (c) all material Benefit Plans. Each Benefit Plan, and each trust thereunder, intended to qualify for tax exempt status under Section 401 or 501 of the Code or other Requirements of Law so qualifies. Except for those that would not reasonably be expected to result in Liabilities in excess of \$350,000 in the aggregate, (x) each Benefit Plan is in compliance with applicable provisions of ERISA, the Code and other Requirements of Law, (y) there are no existing or pending (or to the knowledge of any Credit Party, threatened) claims (other than routine claims for benefits in the normal course), sanctions, actions, lawsuits or other proceedings or investigation involving any Benefit Plan to which any Credit Party incurs or otherwise has or could have an obligation or any Liability and (z) no ERISA Event is reasonably expected to occur. On the Closing Date, no ERISA Event has occurred in connection with which obligations and liabilities (contingent or otherwise) remain outstanding.

3.8 Use of Proceeds; Margin Regulations. No Credit Party and no Subsidiary of any Credit Party is engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock. A description of the Credit Parties' sources and uses of funds on the Closing Date, including Loans and Letters of Credit made or Issued on the Closing Date and a funds flow memorandum detailing how funds from each source are to be transferred to particular uses, has been provided to Agent in accordance with the Disclosure Letter.

3.9 Ownership of Property; Liens. As of the Closing Date, the Real Estate listed in Schedule 3.9 constitutes all of the Real Estate of each Credit Party and each of their respective Subsidiaries. Each of the Credit Parties and each of their respective Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all Real Estate, and good and valid title to all owned personal property and valid leasehold interests in all leased personal property, in each instance, necessary or used in the ordinary conduct of their respective businesses. As of the Closing Date, none of the Real Estate of any Credit Party or any Subsidiary of any Credit Party is subject to any Liens other than Permitted Liens. As of the Closing Date, Schedule 3.9 also describes any purchase options, rights of first refusal or other similar contractual rights pertaining to any Real Estate. As of the Closing Date, all material permits required to have been issued or appropriate to enable the Real Estate to be lawfully occupied and used for all of the purposes for which it is currently occupied and used have been lawfully issued and are in full force and effect.

3.10 Taxes. All U.S. federal income tax returns and all other material state, local and foreign tax returns, reports and statements required to be filed by any Tax Affiliate (collectively, the "Tax Returns") have been filed with the appropriate Governmental Authorities, all such Tax Returns are true and correct in all material respects, and all U.S. federal income taxes and other material taxes, assessments and other governmental charges and impositions reflected therein or otherwise due and payable have been paid prior to the date on which any Liability may be added thereto for non-payment thereof except for those contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are maintained on the books of the appropriate Tax Affiliate in accordance with GAAP. As of the Closing Date, no Tax Return is under audit or examination by any Governmental Authority, and no written notice of any audit or examination or any assertion of any claim for Taxes has been given or made by any Governmental Authority.

3.11 Financial Condition.

(a) Each of (i) (A) the audited consolidated (and unaudited consolidating) balance sheet of Parent and its Subsidiaries dated May 29, 2011, (B) the audited consolidated balance sheet of the GreenLine Entities dated December 26, 2010, and (C) the draft audited consolidated balance sheet of the GreenLine Entities dated December 25, 2011, in each case together with the related consolidated and, in the case of Parent, unaudited consolidating statements of income or operations, shareholders' equity and cash flows for the Fiscal Year ended on each such date and (ii) the unaudited consolidated interim balance sheet of Apio and its Subsidiaries and the unaudited consolidated interim balance sheet of the GreenLine Entities dated February 26, 2012 and March 25, 2012, respectively, and the related consolidated statements of income, shareholders' equity and cash flows for Apio and its Subsidiaries and the GreenLine Entities, respectively, for the nine and three fiscal months then ended, respectively, in each case, as delivered to Agent in accordance with the Disclosure Letter:

(x) were prepared in accordance with GAAP consistently applied throughout the respective periods covered thereby, except as otherwise expressly noted therein, subject to, in the case of the unaudited interim financial statements, normal year-end adjustments and the lack of footnote disclosures; and

(y) present fairly in all material respects the combined financial condition of Apio and its Subsidiaries and the GreenLine Entities, respectively, as of the dates thereof and results of operations for the periods covered thereby.

(b) The pro forma unaudited consolidated balance sheet of Apio and its Subsidiaries dated as of April 19, 2012, and delivered to Agent in accordance with the Disclosure Letter, was prepared by Apio giving pro forma effect to the Related Transactions, was based on the unaudited consolidated and consolidating, as applicable, balance sheets of Apio and its Subsidiaries and the GreenLine Entities dated February 26, 2012 and February 19, 2012, respectively, and was prepared in accordance with GAAP, with only such adjustments thereto as would be required in a manner consistent with GAAP.

(c) Since (a) May 29, 2011, with respect to Parent and its Subsidiaries, and (b) December 26, 2010, with respect to the GreenLine Entities, there has been no Material Adverse Effect.

(d) The Credit Parties and their Subsidiaries have no Indebtedness other than Indebtedness permitted pursuant to Section 5.5 and have no Contingent Obligations other than Contingent Obligations permitted pursuant to Section 5.9.

(e) All financial performance projections delivered to Agent, including the financial performance projections delivered on the Closing Date to Agent in accordance with the Disclosure Letter, represent the Borrowers' best good faith estimate of future financial performance and are based on assumptions believed by the Borrowers to be fair and reasonable in light of current market conditions, it being acknowledged and agreed by Agent and Lenders that projections as to future events are not to be viewed as facts and that the actual results during the period or periods covered by such projections may differ from the projected results.

3.12 Environmental Matters. Except as set forth in Schedule 3.12, and except where any failures to comply would not reasonably be expected to result in, either individually or in the aggregate, Material Environmental Liabilities to the Credit Parties and their Subsidiaries, (a) the operations of each Credit Party and each Subsidiary of each Credit Party are and have been in compliance with all applicable Environmental Laws, including obtaining, maintaining and complying with all Permits required by any applicable Environmental Law, (b) no Credit Party and no Subsidiary of any Credit Party is party to, and no Credit Party and no Subsidiary of any Credit Party and no Real Estate currently (or to the knowledge of any Credit Party previously) owned, leased, subleased, operated or otherwise occupied by or for any such Person is subject to or the subject of, any Contractual Obligation or any pending (or, to the knowledge of any Credit Party, threatened) order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice relating in any manner to any Environmental Laws, (c) no Lien in favor of any Governmental Authority securing, in whole or in part, Environmental Liabilities has attached to any Property of any Credit Party or any Subsidiary of any Credit Party and, to the knowledge of any Credit Party, no facts, circumstances or conditions exist that could reasonably be expected to result in any such Lien attaching to any such Property, (d) no Credit Party and no Subsidiary of any Credit Party has caused or suffered to occur a Release of Hazardous Materials at, to or from any Real Estate, (e) all Real Estate currently (or to the knowledge of any Credit Party previously) owned, leased, subleased, operated or otherwise occupied by or for any such Credit Party and each Subsidiary of each Credit Party is free of contamination by any Hazardous Materials, and (f) no Credit Party and no Subsidiary of any Credit Party (i) is or has been engaged in, or has permitted any current or former tenant to engage in, operations in violation of any Environmental Law or (ii) knows of any facts, circumstances or conditions reasonably constituting notice of a violation of any Environmental Law, including receipt of any information request or notice of potential responsibility under the Comprehensive Environmental Response, Compensation and Liability Act or similar Environmental Laws. Each Credit Party has made available to Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential Environmental Liabilities, in each case to the extent such reports, reviews, audits and documents are in their possession, custody, control or otherwise available to the Credit Parties.

3.13 Regulated Entities. None of any Credit Party, any Person controlling any Credit Party, or any Subsidiary of any Credit Party, is (a) an "investment company" within the meaning of the Investment Company Act of 1940 or (b) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other federal or state statute, rule or regulation limiting its ability to incur Indebtedness, pledge its assets or perform its Obligations under the Loan Documents.

3.14 Solvency. Both before and after giving effect to (a) the Loans made and Letters of Credit Issued on or prior to the date this representation and warranty is made or remade, (b) the disbursement of the proceeds of such Loans to or as directed by Borrower Representative, (c) the consummation of the Related Transactions and (d) the payment and accrual of all transaction costs in connection with the foregoing, both the Credit Parties taken as a whole and each Borrower individually are Solvent.

3.15 Labor Relations. There are no strikes, work stoppages, slowdowns or lockouts existing, pending (or, to the knowledge of any Credit Party, threatened) against or involving any Credit Party or any Subsidiary of any Credit Party, except for those that would not, in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3.15, as of the Closing Date, (a) there is no collective bargaining or similar agreement with any union, labor organization, works council or similar representative covering any employee of any Credit Party or any Subsidiary of any Credit Party, (b) no petition for certification or election of any such representative is existing or pending with respect to any employee of any Credit Party or any Subsidiary of any Credit Party and (c) no such representative has sought certification or recognition with respect to any employee of any Credit Party or any Subsidiary of any Credit Party.

3.16 Intellectual Property. Schedule 3.16 sets forth a true and complete list of the following Intellectual Property each Credit Party owns, licenses or otherwise has the right to use (excluding "off the shelf" licenses or similar non-customized software products): (a) Intellectual Property that is registered or subject to applications for registration, (b) Internet Domain Names and (c) material Intellectual Property and material Software, separately identifying that owned and licensed to such Credit Party and including for each of the foregoing items (i) the owner, (ii) the title, (iii) the jurisdiction in which such item has been registered or otherwise arises or in which an application for registration has been filed, (iv) as applicable, the registration or application number and registration or application date and (v) any IP Licenses or other rights (including franchises) granted by such Credit Party with respect thereto. Each Credit Party and each Subsidiary of each Credit Party owns, or is licensed to use, all Intellectual Property necessary to conduct its business as currently conducted except for such Intellectual Property the failure of which to own or license would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. To the knowledge of each Credit Party, (x) the conduct and operations of the businesses of each Credit Party and each Subsidiary of each Credit Party does not infringe, misappropriate, dilute, violate or otherwise impair any Intellectual Property owned by any other Person and (y) no other Person has contested any right, title or interest of any Credit Party or any Subsidiary of any Credit Party in, or relating to, any Intellectual Property, other than, in each case, as cannot reasonably be expected to affect the Loan Documents and the transactions contemplated therein and would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.17 Brokers' Fees; Transaction Fees. Except for fees payable to Agent and Lenders, none of the Credit Parties or any of their respective Subsidiaries has any obligation to any Person in respect of any finder's, broker's or investment banker's fee in connection with the transactions contemplated hereby.

3.18 Insurance. A list of all insurance policies of any nature maintained, as of the Closing Date, for current occurrences by each Credit Party, including issuers, coverages and deductibles, has been provided to Agent in accordance with the Disclosure Letter. Each of the Credit Parties and each of their respective Subsidiaries and their respective Properties are insured with financially sound and reputable insurance companies which are not Affiliates of the Borrowers, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses of the same size and character as the business of the Credit Parties and, to the extent relevant, owning similar Properties in localities where such Person operates.

3.19 Ventures, Subsidiaries and Affiliates; Outstanding Stock. Except as set forth in Schedule 3.19, as of the Closing Date, no Credit Party and no Subsidiary of any Credit Party (a) has any Subsidiaries, or (b) is engaged in any joint venture or partnership with any other Person, or is an Affiliate of any other Person. All issued and outstanding Stock and Stock Equivalents of each of the Credit Parties and each of their respective Subsidiaries are duly authorized and validly issued, fully paid, non-assessable, and free and clear of all Liens other than, with respect to the Stock and Stock Equivalents of the Borrowers and Subsidiaries of the Borrowers, those in favor of Agent, for the benefit of the Secured Parties. All such securities were issued in compliance with all applicable state and federal laws concerning the issuance of securities. All of the issued and outstanding Stock of each Credit Party and each Subsidiary of each Credit Party is owned by each of the Persons and in the amounts set forth in Schedule 3.19. Except as set forth in Schedule 3.19, there are no pre-emptive or other outstanding rights to purchase, options, warrants or similar rights or agreements pursuant to which any Credit Party may be required to issue, sell, repurchase or redeem any of its Stock or Stock Equivalents or any Stock or Stock Equivalents of its Subsidiaries. Set forth in Schedule 3.19 is a true and complete organizational chart of the Credit Parties and all of their Subsidiaries, which the Credit Parties shall update upon notice to Agent promptly following the incorporation, organization or formation of any Subsidiary.

3.20 Jurisdiction of Organization; Chief Executive Office. Schedule 3.20 lists each Credit Party's jurisdiction of organization, legal name and organizational identification number, if any, and the location of such Credit Party's chief executive office or sole place of business, in each case as of the date hereof, and such Schedule 3.20 also lists all jurisdictions of organization and legal names of such Credit Party for the five years preceding the Closing Date.

3.21 Locations of Inventory, Equipment and Books and Records. Each Credit Party's inventory and equipment (other than inventory or equipment in transit) and books and records concerning the Collateral are kept at the locations listed in Schedule 3.21 (which Schedule 3.21 shall be promptly updated by the Credit Parties upon notice to Agent as permanent Collateral locations change).

3.22 Deposit Accounts and Other Accounts. A list of all banks and other financial institutions at which any Credit Party maintains deposit or other accounts as of the Closing Date has been provided to Agent in accordance with the Disclosure Letter, and such list correctly identifies the name, address and any other relevant contact information reasonably requested by Agent with respect to each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

3.23 Government Contracts. Except as set forth in Schedule 3.23, as of the Closing Date, no Credit Party is a party to any contract or agreement with any Governmental Authority and no Credit Party's Accounts are subject to the Federal Assignment of Claims Act (31 U.S.C. Section 3727) or any similar state or local law.

3.24 Customer and Trade Relations. As of the Closing Date, except as otherwise disclosed to Agent in writing, there exists no actual or, to the knowledge of any Credit Party, threatened termination or cancellation of, or any material adverse modification or change in (a) the business relationship of any Credit Party with any customer or group of customers whose purchases during the preceding 12 calendar months caused them to be ranked among the five largest customers of such Credit Party or (b) the business relationship of any Credit Party with any supplier essential to its operations.

3.25 Bonding. Except as set forth in Schedule 3.25, as of the Closing Date, no Credit Party is a party to or bound by any surety bond agreement, indemnification agreement therefor or bonding requirement with respect to products or services sold by it.

3.26 Purchase Agreement. As of the Closing Date, the Borrowers have delivered to Agent a complete and correct copy of the Purchase Agreement (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith). As of the Closing Date, no Credit Party and no other Person party thereto is in default in the performance or compliance with any provisions thereof. The Purchase Agreement complies with, and the Closing Date Acquisition is being consummated in accordance with, all applicable laws. The Purchase Agreement is in full force and effect as of the Closing Date and has not been terminated, rescinded or withdrawn. All requisite approvals by Governmental Authorities having jurisdiction over Sellers, any Credit Party or the other Persons referenced therein with respect to the transactions contemplated by the Purchase Agreement have been obtained, and no such approvals impose any conditions to the consummation of the transactions contemplated by the Purchase Agreement or to the conduct by any Credit Party of its business thereafter. As of the Closing Date and any other date on which representations and warranties are otherwise remade or deemed remade thereunder, (a) to the best of each Credit Party's knowledge, none of the Sellers' representations or warranties in the Purchase Agreement contain any untrue statement of a fact or omit any fact necessary to make the statements therein not misleading and (b) each of the representations and warranties given by each applicable Credit Party in the Purchase Agreement is true and correct.

3.27 Full Disclosure. None of the representations or warranties made by any Credit Party or any of their Subsidiaries in the Loan Documents as of the date such representations and warranties are made or deemed made, and none of the statements contained in each exhibit, report, statement or certificate furnished by or on behalf of any Credit Party or any of their Subsidiaries in connection with the Loan Documents (including the offering and disclosure materials, if any, delivered by or on behalf of any Credit Party to Agent or the Lenders prior to the Closing Date), taken as a whole contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered.

3.28 Foreign Assets Control Regulations and Anti-Money Laundering. Each Credit Party and each Subsidiary of each Credit Party is and will remain in compliance in all material respects with all U.S. economic sanctions laws, Executive Orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), and all applicable anti-money laundering and counter-terrorism financing provisions of the Bank Secrecy Act and all regulations issued pursuant to it. No Credit Party and no Subsidiary or, with respect to the immediately succeeding clause (a) only, Affiliate of a Credit Party (a) is a Person designated by the U.S. government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List") with which a U.S. Person cannot deal with or otherwise engage in business transactions, (b) is a Person who is otherwise the target of U.S. economic sanctions laws such that a U.S. Person cannot deal or otherwise engage in business transactions with such Person or (c) is controlled by (including by virtue of such person being a director or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any person or entity on the SDN List or a foreign government that is the target of U.S. economic sanctions prohibitions such that the entry into, or performance under, this Agreement or any other Loan Document would be prohibited under U.S. law.

3.29 Patriot Act. The Credit Parties and each of their Subsidiaries are in compliance with (a) the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department and any other enabling legislation or executive order relating thereto, (b) the Patriot Act and (c) other federal or state laws relating to "*know your customer*" and anti-money laundering rules and regulations. No part of the proceeds of any Loan will be used directly or indirectly for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

ARTICLE IV. AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that, so long as any Lender shall have any Revolving Loan Commitment hereunder, or any Loan or other Obligation (other than contingent indemnification Obligations to the extent no claim giving rise thereto has been asserted) shall remain unpaid or unsatisfied:

4.1 Financial Statements. Each Credit Party shall maintain, and shall cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with sound business practices to permit the preparation of financial statements in conformity with GAAP (provided that monthly and quarterly financial statements shall not be required to have footnote disclosures and are subject to normal year-end adjustments). The Borrowers shall deliver to Agent and each Lender by Electronic Transmission and in detail reasonably satisfactory to Agent and the Required Lenders:

(a) as soon as available, but not later than 90 days after the end of each Fiscal Year, a copy of the audited consolidated and unaudited consolidating balance sheets of Parent and each of its Subsidiaries as at the end of such year and the related (i) audited consolidated statements of income or operations, shareholders' equity and cash flows, (ii) unaudited consolidating statement of income, and (iii) unaudited statement of cash flows for Apio, Cal Ex and GLI on a consolidated basis, in each case for such Fiscal Year and setting forth in comparative form the figures for the previous Fiscal Year, and accompanied by (1) the report of any "Big Four" or other nationally-recognized independent certified public accounting firm reasonably acceptable to Agent, which report shall contain an unqualified opinion stating that such consolidated financial statements present fairly in all material respects the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years, and not include any explanatory paragraph expressing substantial doubt as to going concern status, and (2) an acknowledgment from such accounting firm (by electronic mail or written correspondence) as to the form of consolidating balance sheet and statement of income used in preparing such audited consolidated financial statements; and

(b) as soon as available, but not later than 30 days after the end of each fiscal month of each year, a copy of the unaudited consolidated balance sheets of Apio and each of its Subsidiaries, and the related consolidated statements of income, shareholders' equity and cash flows as of the end of such fiscal month and for the portion of the Fiscal Year then ended, all certified on behalf of the Borrowers by an appropriate Responsible Officer of Borrower Representative as being complete and correct and fairly presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of Apio and its Subsidiaries, subject to normal year-end adjustments and absence of footnote disclosures.

4.2 Appraisals; Certificates; Other Information. The Borrowers shall furnish to Agent and each Lender by Electronic Transmission:

(a) together with each delivery of financial statements pursuant to Sections 4.1(a) and 4.1(b), (i) a management discussion and analysis report, in reasonable detail, signed by the chief financial officer of Borrower Representative, describing the operations and financial condition of the Credit Parties and their Subsidiaries for the fiscal month and the portion of the Fiscal Year then ended (or for the Fiscal Year then ended in the case of annual financial statements), and (ii) a report setting forth in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year and the corresponding figures from the most recent projections for the current Fiscal Year delivered pursuant to Section 4.2(k) and discussing the reasons for any significant variations;

(b) concurrently with the delivery of the financial statements referred to in Sections 4.1(a) and 4.1(b), a fully and properly completed Compliance Certificate in the form of Exhibit 4.2(b), certified on behalf of the Borrowers by a Responsible Officer of Borrower Representative;

(c) promptly after the same are sent, copies of all financial statements and reports which any Credit Party sends to its shareholders or other equity holders, as applicable, generally and promptly after the same are filed, copies of all financial statements and regular, periodic or special reports which such Person may make to, or file with, the Securities and Exchange Commission or any successor or similar Governmental Authority;

(d) as soon as available and in any event within 12 days after the end of each Fiscal Month (or on the second Business Day of each calendar week at any time Availability is less than \$3,600,000), and at such other times as Agent may require in its Permitted Discretion, Borrowing Base Certificates, each certified on behalf of the applicable Borrower by a Responsible Officer of Borrower Representative, setting forth the Borrowing Base of each Borrower as of the end of the most-recently ended Fiscal Month or calendar week, as applicable or as of such other date as Agent may require in its Permitted Discretion;

(e) concurrently with the delivery of the Borrowing Base Certificates, a summary of Inventory by location and type with a supporting perpetual Inventory report, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(f) concurrently with the delivery of the Borrowing Base Certificates, a monthly trial balance showing Accounts outstanding aged from invoice date as follows: one to 30 days, 31 to 60 days, 61 to 90 days and 91 days or more, accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(g) concurrently with the delivery of the Borrowing Base Certificates, an aging of accounts payable accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(h) at any time that Availability is less than \$3,600,000, on a weekly basis or at such more frequent intervals as Agent may request from time to time in its Permitted Discretion (together with a copy of all or any part of such delivery requested by any Lender in writing after the Closing Date), collateral reports, including all additions and reductions (cash and non-cash) with respect to Accounts of the Credit Parties in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion each of which shall be prepared by Borrower Representative as of the last day of the immediately preceding week or the date two days prior to the date of any request;

(i) to Agent, at the time of delivery of each of the monthly financial statements delivered pursuant to Section 4.1(b);

(i) a reconciliation of the most recent Borrowing Base Certificates, general ledger and month-end accounts receivable aging of each Borrower to such Borrower's general ledger and monthly financial statements delivered pursuant to Section 4.1(b), in each case, accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(ii) a reconciliation of the perpetual inventory by location to each Borrower's most recent Borrowing Base Certificates, general ledger and monthly Financial Statements delivered pursuant to Section 4.1(b), in each case, accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(iii) a reconciliation of the accounts payable aging to each Borrower's general ledger and monthly Financial Statements delivered pursuant to Section 4.1(b), in each case, accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion; and

(iv) a reconciliation of the outstanding Loans as set forth in the monthly loan account statement provided by Agent to each Borrower's general ledger and monthly Financial Statements delivered pursuant to Section 4.1(b), in each case, accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(j) at the time of delivery of each of the annual financial statements delivered pursuant to Section 4.1, (i) a listing of government contracts of each Borrower subject to the Federal Assignment of Claims Act of 1940 or any similar state or municipal law; and (ii) a list of any applications for the registration of any Patent, Trademark or Copyright filed by any Credit Party with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in each case entered into or filed in the prior Fiscal Quarter.

(k) as soon as available and in any event no later than the 15th day of each Fiscal Year of the Borrowers, projections of the Credit Parties (and their Subsidiaries') consolidated and consolidating financial performance for the forthcoming three Fiscal Years on a year by year basis, and for the current Fiscal Year on a month by month basis;

(l) promptly upon receipt thereof, copies of any reports submitted by the Borrowers' certified public accountants in connection with each annual, interim or special audit or review of any type of the financial statements or internal control systems of any Credit Party made by such accountants, including any comment letters submitted by such accountants to management of any Credit Party in connection with their services;

(m) upon Agent's request from time to time and at the expense of the Credit Parties, the Credit Parties shall permit and enable Agent to obtain appraisals in form and substance and from appraisers reasonably satisfactory to Agent stating the then Net Orderly Liquidation Value, or such other value as determined by Agent, of all or any portion of the Inventory of any Credit Party or any Subsidiary of any Credit Party; provided, that notwithstanding any provision herein to the contrary, the Credit Parties shall only be obligated to reimburse Agent for the expenses of such appraisals occurring twice per year or more frequently so long as an Event of Default has occurred and is continuing;

(n) promptly upon receipt or delivery thereof, all notices and other correspondences relating to the Earnout Obligation or to any proposed purchase price adjustments under the Purchase Agreement;

(o) concurrently with the delivery of all periodic reports delivered to the issuer of any Foreign Credit Insurance in favor of any Credit Party, copies of all such reports; and

(p) promptly, such additional business, financial, corporate affairs, perfection certificates and other information with respect to any of the Credit Parties as Agent may from time to time reasonably request.

4.3 Notices. The Borrowers shall notify promptly Agent and each Lender of each of the following (and in no event later than three Business Days after a Responsible Officer becomes aware thereof):

(a) the occurrence or existence of any Default or Event of Default, or any event or circumstance that foreseeably will become a Default or Event of Default;

(b) any breach or non-performance of, or any default under any Contractual Obligation of any Credit Party or any Subsidiary of any Credit Party, or any violation of, or non-compliance with, any Requirement of Law, which would reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect, including a description of such breach, non-performance, default, violation or non-compliance and the steps, if any, such Person has taken, is taking or proposes to take in respect thereof;

(c) any dispute, litigation, investigation, proceeding or suspension which may exist at any time between any Credit Party or any Subsidiary of any Credit Party and any Governmental Authority which would reasonably be expected to result, either individually or in the aggregate, in Liabilities in excess of \$350,000;

(d) the commencement of, or any material development in, any litigation or proceeding affecting any Credit Party or any Subsidiary of any Credit Party (i) in which the amount of damages claimed is \$350,000 or more, (ii) in which injunctive or similar relief is sought and which, if adversely determined, would reasonably be expected to have a Material Adverse Effect, or (iii) in which the relief sought is an injunction or other stay of the performance of this Agreement, any other Loan Document or any Related Agreement;

(e) (i) the receipt by any Credit Party of any notice of violation of or potential liability or similar notice under Environmental Law, (ii)(A) unpermitted Releases, (B) the existence of any condition that could reasonably be expected to result in violations of or Liabilities under, any Environmental Law or (C) the commencement of, or any material change to, any action, investigation, suit, proceeding, audit, claim, demand, dispute alleging a violation of or Liability under any Environmental Law which in the case of clauses (A), (B) and (C), in the aggregate for all such clauses, would reasonably be expected to result in Material Environmental Liabilities, (iii) the receipt by any Credit Party of notification that any Property of any Credit Party is subject to any Lien in favor of any Governmental Authority securing, in whole or in part, Environmental Liabilities and (iv) any proposed acquisition or lease of Real Estate, if such acquisition or lease would have a reasonable likelihood of resulting in Material Environmental Liabilities;

(f) (i) on or prior to any filing by any ERISA Affiliate of any notice of any reportable event under Section 4043 of ERISA, or intent to terminate any Title IV Plan, a copy of such notice (ii) promptly, and in any event within ten days, after any officer of any ERISA Affiliate knows or has reason to know that a request for a minimum funding waiver under Section 412 of the Code has been filed with respect to any Title IV Plan or Multiemployer Plan, a notice describing such waiver request and any action that any ERISA Affiliate proposes to take with respect thereto, together with a copy of any notice filed with the PBGC or the IRS pertaining thereto, and (iii) promptly, and in any event within ten days after any officer of any ERISA Affiliate knows or has reason to know that an ERISA Event will or has occurred, a notice describing such ERISA Event, and any action that any ERISA Affiliate proposes to take with respect thereto, together with a copy of any notices received from or filed with the PBGC, IRS, Multiemployer Plan or other Benefit Plan pertaining thereto;

- (g) any Material Adverse Effect subsequent to the date of the most recent audited financial statements delivered to Agent and Lenders pursuant to this Agreement;
- (h) any material change in accounting policies or financial reporting practices by any Credit Party or any Subsidiary of any Credit Party;
- (i) any labor controversy resulting in or threatening to result in any strike, work stoppage, boycott, shutdown or other labor disruption against or involving any Credit Party or any Subsidiary of any Credit Party if the same would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;
- (j) the creation, establishment or acquisition of any Subsidiary or the issuance by or to any Credit Party of any Stock or Stock Equivalent;
- (k) (i) the creation, or filing with the IRS or any other Governmental Authority, of any Contractual Obligation or other document extending, or having the effect of extending, the period for assessment or collection of any income or franchise or other material taxes with respect to any Tax Affiliate and (ii) the creation of any Contractual Obligation of any Tax Affiliate, or the receipt of any request directed to any Tax Affiliate, to make any material adjustment under Section 481(a) of the Code, by reason of a change in accounting method or otherwise; and
- (l) if the Accounts owing by any Account Debtor and its Affiliates to the Borrowers and their Subsidiaries exceed (i) with respect to Costco, Walmart and Sam's Club, twenty-five percent (25%), and (ii) with respect to all other Account Debtors, fifteen percent (15%), in each case of all Accounts owing by all Account Debtors as of any date.

Each notice pursuant to this Section 4.3 shall be in electronic form accompanied by a statement by a Responsible Officer of Borrower Representative, on behalf of the Borrowers, setting forth details of the occurrence referred to therein, and stating what action the Borrowers or other Person proposes to take with respect thereto and at what time. Each notice under Section 4.3(a) shall describe with particularity any and all clauses or provisions of this Agreement or other Loan Document that have been breached or violated.

4.4 Preservation of Corporate Existence, Etc. Each Credit Party shall, and shall cause each of its Subsidiaries to:

- (a) preserve and maintain in full force and effect its organizational existence and good standing under the laws of its jurisdiction of incorporation, organization or formation, as applicable, except as permitted by Section 5.3;
- (b) preserve and maintain in full force and effect all rights, privileges, qualifications, permits, licenses and franchises necessary in the normal conduct of its business except as permitted by Sections 5.2 and 5.3 and except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;

(c) use its commercially reasonable efforts, in the Ordinary Course of Business, to preserve its business organization and preserve the goodwill and business of the customers, suppliers and others having material business relations with it;

(d) preserve or renew all of its registered trademarks, trade names and service marks, the non-preservation of which would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; and

(e) conduct its business and affairs without infringement of or interference with any Intellectual Property of any other Person in any material respect and shall comply in all material respects with the terms of its IP Licenses.

4.5 Maintenance of Property. Each Credit Party shall maintain, and shall cause each of its Subsidiaries to maintain, and preserve all its Property which is used or useful in its business in good working order and condition, ordinary wear and tear excepted and shall make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

4.6 Insurance.

(a) Each Credit Party shall, and shall cause each of its Subsidiaries to, (i) maintain or cause to be maintained in full force and effect all policies of insurance of any kind with respect to the Property and businesses of the Credit Parties and such Subsidiaries (including Flood Insurance (to the extent the Collateral consists of any Real Estate) and policies of fire, theft, product liability, public liability, property damage, other casualty, employee fidelity, workers' compensation, business interruption and employee health and welfare insurance) with financially sound and reputable insurance companies or associations (in each case that are not Affiliates of the Borrowers) of a nature and providing such coverage as is sufficient and as is customarily carried by businesses of the size and character of the business of such Person and (ii) cause all such insurance relating to any Property or business of such Person to name Agent as additional insured or lenders loss payee as agent for the Lenders, as appropriate. All policies of insurance on real and personal Property of the Credit Parties and their Subsidiaries will contain an endorsement, in form and substance acceptable to Agent, showing loss payable to Agent (Form CP 1218 or equivalent and naming Agent as lenders loss payee as agent for the Lenders) and extra expense and business interruption endorsements. Such endorsement, or an independent instrument furnished to Agent, will provide that the insurance companies will give Agent at least 30 days' prior written notice before any such policy or policies of insurance shall be altered or canceled and that no act or default of the Credit Parties or any other Person shall affect the right of Agent to recover under such policy or policies of insurance in case of loss or damage. Each Credit Party and its Subsidiaries shall direct all present and future insurers under its "All Risk" policies of property insurance to pay all proceeds payable thereunder directly to Agent. If any insurance proceeds are paid by check, draft or other instrument payable to any Credit Party or any of its Subsidiaries and Agent jointly, Agent may endorse such Person's name thereon and do such other things as Agent may deem advisable to reduce the same to cash. Agent acknowledges and agrees that (1) the forms and limits of insurance in effect as of the Closing Date and described in the Disclosure Letter satisfy the requirements set forth in clause (i) above as of the Closing Date, and (2) notwithstanding the requirement in clause (i) above, Federal Flood Insurance shall not be required for Real Estate Collateral not located in a Special Flood Hazard Area.

(b) Unless the Credit Parties provide Agent with evidence of the insurance coverage required by this Agreement, Agent may purchase insurance at the Credit Parties' expense to protect Agent's and Lenders' interests in the Credit Parties' and their Subsidiaries' properties. This insurance may, but need not, protect the Credit Parties' and their Subsidiaries' interests. The coverage that Agent purchases may not pay any claim that any Credit Party or any its Subsidiaries makes or any claim that is made against such Person in connection with said Property. The Borrowers may later cancel any insurance purchased by Agent, but only after providing Agent with evidence that there has been obtained insurance as required by this Agreement. If Agent purchases insurance, the Credit Parties will be responsible for the costs of that insurance, including interest and any other charges Agent may impose in connection with the placement of insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance shall be added to the Obligations. The costs of the insurance may be more than the cost of insurance the Borrowers may be able to obtain on their own.

(c) The Credit Parties appoint Agent as their attorney-in-fact to settle or adjust all property damage claims under its casualty insurance policies; provided, that such power of attorney shall only be exercised so long as an Event of Default has occurred and is continuing or if the casualty claim exceeds \$1,000,000. Agent shall have no duty to exercise such power of attorney, but may do so at its discretion.

4.7 Payment of Obligations. Each Credit Party shall, and shall cause each of its Subsidiaries to, pay, discharge and perform as the same shall become due and payable or required to be performed, all their respective obligations and liabilities, including:

(a) all U.S. federal income tax and other material tax liabilities, assessments and governmental charges or levies upon it or its Property, unless (i) the same are being contested in good faith by appropriate proceedings diligently prosecuted which stay the filing or enforcement of any Lien and for which adequate reserves in accordance with GAAP are being maintained by such Person; and (ii) the aggregate Liabilities secured by such Lien do not exceed \$350,000.

(b) all lawful claims which, if unpaid, would by law become a Lien upon its Property unless the same are being contested in good faith by appropriate proceedings diligently prosecuted which stay the imposition or enforcement of any Lien and for which adequate reserves in accordance with GAAP are being maintained by such Person;

(c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained herein, in any other Loan Documents and/or in any instrument or agreement evidencing such Indebtedness;

(d) the performance of all obligations under any Contractual Obligation to such Credit Party or any of its Subsidiaries is bound, or to which it or any of its Property is subject, including the Related Agreements, except where the failure to perform would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; and

(e) payments to the extent necessary to avoid the imposition of a Lien with respect to, or the involuntary termination of any underfunded Benefit Plan.

4.8 Compliance with Laws. Each Credit Party shall, and shall cause each of its Subsidiaries to, comply with all Requirements of Law of any Governmental Authority having jurisdiction over it or its business, except where the failure to comply would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

4.9 Inspection of Property and Books and Records. Each Credit Party shall maintain and shall cause each of its Subsidiaries to maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Person. Each Credit Party shall, and shall cause each of its Subsidiaries to, with respect to each owned, leased, or controlled property, during normal business hours and upon reasonable advance notice (unless an Event of Default shall have occurred and be continuing, in which event no notice shall be required and Agent shall have access at any and all times during the continuance thereof): (a) provide access to such property to Agent and any of its Related Persons, as frequently as Agent determines to be appropriate; and (b) permit Agent and any of its Related Persons to conduct field examinations, audit, inspect and make extracts and copies (or take originals if reasonably necessary) from all of such Credit Party's books and records, and evaluate and make physical verifications of the Inventory and other Collateral in any manner and through any medium that Agent considers advisable, in each instance, at the Credit Parties' expense; provided the Credit Parties shall only be obligated to reimburse Agent for the expenses for two such field examinations, audits and inspections per year or more frequently if an Event of Default has occurred and is continuing. Any Lender may accompany Agent or its Related Persons in connection with any inspection at such Lender's expense.

4.10 Use of Proceeds. The Borrowers shall use the proceeds of the Loans solely as follows: (a) first, to refinance on the Closing Date, Prior Indebtedness and then to pay on the Closing Date a portion of the \$70,000,000 purchase price to consummate the Related Transactions, (b) to pay costs and expenses of the Related Transactions and costs and expenses required to be paid pursuant to Section 2.1, (c) to pay Obligations in accordance with this Agreement and the other Loan Documents, and (d) for working capital, capital expenditures and other general corporate purposes not in contravention of any Requirement of Law and not in violation of this Agreement.

4.11 Cash Management Systems. Each Credit Party shall enter into, and cause each depository, securities intermediary or commodities intermediary to enter into, Control Agreements providing for “springing” cash dominion with respect to each deposit, securities, commodity or similar account maintained by such Credit Party (other than (a) any payroll account so long as such payroll account is a zero balance account, (b) petty cash accounts, amounts on deposit in which do not exceed \$10,000 in the aggregate at any one time and (c) withholding tax and fiduciary accounts) as of and after the Closing Date. With respect to collection accounts subject to “springing” Control Agreements, (y) unless and until either (1) an Event of Default has occurred and is continuing, or (2) Availability falls below \$1,000,000 for five consecutive Business Days at any time during the first 89 days following the Closing Date, or (3) Availability falls below \$3,600,000 for five consecutive days at any time on or after the 90th day following the Closing Date, Agent shall not deliver to the relevant depository, securities, intermediary or commodities intermediary a notice or other instruction which provides for exclusive control over such account by Agent, and (z) subject to the agreement of the relevant depository, securities, intermediary or commodities intermediary, exclusive control shall return to “springing” cash dominion if Availability equals or exceeds \$3,600,000 for 90 consecutive days so long as no Event of Default is otherwise continuing at such time. With respect to disbursement accounts subject to “springing” Control Agreements, unless and until an Event of Default has occurred and is continuing, Agent shall not deliver to the relevant depository, securities, intermediary or commodities intermediary a notice or other instruction which provides for exclusive control over such account by Agent. The Credit Parties shall not maintain cash on deposit in disbursement accounts in excess of outstanding checks and wire transfers payable from such accounts and amounts necessary to meet minimum balance requirements. The Credit Parties shall establish lockboxes subject to Control Agreements and direct all Account Debtors to remit all payments directly to those lockboxes.

4.12 Landlord Agreements. With respect to each location where Inventory with an aggregate book value of or at least \$100,000 is located, each Credit Party shall use commercially reasonable efforts to obtain a landlord agreement or bailee or mortgagee waivers, as applicable, from the lessor of each leased property, bailee in possession of any Collateral or mortgagee of any owned property with respect to each location where any Collateral is stored or located, which agreement shall be reasonably satisfactory in form and substance to Agent.

4.13 Further Assurances.

(a) Each Credit Party shall ensure that all written information, exhibits and reports furnished to Agent or the Lenders do not and will not contain any untrue statement of a material fact and do not and will not omit to state any material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances in which made, and will promptly disclose to Agent and the Lenders and correct any defect or error that may be discovered therein or in any Loan Document or in the execution, acknowledgement or recordation thereof.

(b) Promptly upon request by Agent, the Credit Parties shall (and, subject to the limitations hereinafter set forth, shall cause each of their Subsidiaries to) take such additional actions and execute such documents as Agent may reasonably require from time to time in order (i) to carry out more effectively the purposes of this Agreement or any other Loan Document, (ii) to subject to the Liens created by any of the Collateral Documents any of the Properties, rights or interests covered by any of the Collateral Documents, (iii) to perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and the Liens intended to be created thereby, and (iv) to better assure, convey, grant, assign, transfer, preserve, protect and confirm to the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document. Without limiting the generality of the foregoing and except as otherwise approved in writing by Required Lenders, the Credit Parties shall cause each of their Subsidiaries to guarantee the Obligations and to cause each such Subsidiary to grant to Agent, for the benefit of the Secured Parties, a security interest in, subject to the limitations hereinafter set forth, all of such Subsidiary's Property to secure such guaranty. Furthermore and except as otherwise approved in writing by Required Lenders, each Credit Party shall, and shall cause each of its Subsidiaries to, pledge all of the Stock and Stock Equivalents of each of its respective Subsidiaries, in each instance, to Agent, for the benefit of the Secured Parties, to secure the Obligations. In connection with each pledge of Stock and Stock Equivalents, the Credit Parties shall deliver, or cause to be delivered, to Agent, irrevocable proxies and stock powers and/or assignments, as applicable, duly executed in blank. In the event any Credit Party or any Subsidiary of any Credit Party acquires any Real Estate, simultaneously with such acquisition, such Person shall execute and/or deliver, or cause to be executed and/or delivered, to Agent, (v) an appraisal complying with FIRREA, (w) within 45 days of receipt of notice from Agent that Real Estate Collateral is located in a Special Flood Hazard Area, Federal Flood Insurance as required by Section 4.6(a), (x) a fully executed Mortgage, in form and substance reasonably satisfactory to Agent together with an A.L.T.A. lender's title insurance policy issued by a title insurer reasonably satisfactory to Agent, in form and substance and in an amount reasonably satisfactory to Agent insuring that the Mortgage is a valid and enforceable first priority Lien on the respective property, free and clear of all defects, encumbrances and Liens, (y) then current A.L.T.A. surveys, certified to Agent by a licensed surveyor sufficient to allow the issuer of the lender's title insurance policy to issue such policy without a survey exception and (z) an environmental site assessment prepared by a qualified firm reasonably acceptable to Agent, in form and substance satisfactory to Agent. In addition to the obligations set forth in Section 4.6(a) and clause 4.3(b)(w), within 45 days after written notice from Agent to Credit Parties that any Real Estate Collateral is located in a Special Flood Hazard Area, Credit Parties shall satisfy the Federal Flood Insurance requirements of Section 4.6(a).

(c) In the event any portion of the Earnout Obligation shall at any time be evidenced by a promissory note, the holder of such note and Agent shall have entered into a Subordination Agreement with respect thereto.

4.14 Environmental Matters. Each Credit Party shall, and shall cause each of its Subsidiaries to, comply with, and maintain its Real Estate, whether owned, leased, subleased or otherwise operated or occupied, in compliance with, all applicable Environmental Laws (including by implementing any Remedial Action necessary to achieve such compliance) or that is required by orders and directives of any Governmental Authority except where the failure to comply would not reasonably be expected to, individually or in the aggregate, result in a Material Environmental Liability. Without limiting the foregoing, if an Event of Default is continuing or if Agent at any time has a reasonable basis to believe that there exist violations of Environmental Laws by any Credit Party or any Subsidiary of any Credit Party or that there exist any Environmental Liabilities, then each Credit Party shall, promptly upon receipt of request from Agent, cause the performance of, and allow Agent and its Related Persons access to such Real Estate for the purpose of conducting, such environmental audits and assessments, including subsurface sampling of soil and groundwater, and cause the preparation of such reports, in each case as Agent may from time to time reasonably request. Such audits, assessments and reports, to the extent not conducted by Agent or any of its Related Persons, shall be conducted and prepared by reputable environmental consulting firms reasonably acceptable to Agent and shall be in form and substance reasonably acceptable to Agent.

4.15 Post-Closing Obligations. As a material inducement to Agent and Lenders entering into and performing their respective obligations under this Agreement, Credit Parties hereby agree to complete delivery and/or performance of each item set forth on Schedule 4.15 on or prior to the date indicated with respect thereto on Schedule 4.15.

**ARTICLE V.
NEGATIVE COVENANTS**

Each Credit Party covenants and agrees that, so long as any Lender shall have any Revolving Loan Commitment hereunder, or any Loan or other Obligation (other than contingent indemnification Obligations to the extent no claim giving rise thereto has been asserted) shall remain unpaid or unsatisfied:

5.1 Limitation on Liens. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to, directly or indirectly, make, create, incur, assume or suffer to exist any Lien upon or with respect to any part of its Property, whether now owned or hereafter acquired, except (collectively, "Permitted Liens"):

(a) any Lien existing on the Property of a Credit Party or a Subsidiary of a Credit Party on the Closing Date and set forth in Schedule 5.1 securing Indebtedness outstanding on such date and permitted by Section 5.5(c), including replacement Liens on the Property currently subject to such Liens securing Indebtedness permitted by Section 5.5(c);

(b) any Lien created under any Loan Document;

(c) Liens for taxes, fees, assessments or other governmental charges (i) which are not past due or remain payable without penalty, or (ii) the non-payment of which is permitted by Section 4.7;

(d) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other similar Liens arising in the Ordinary Course of Business (including the interest of the suppliers of a Credit Party's Inventory as addressed by the PACA Reserve) which are not past due or remain payable without penalty or which are being contested in good faith and by appropriate proceedings diligently prosecuted, which proceedings have the effect of preventing the forfeiture or sale of the Property subject thereto and for which adequate reserves in accordance with GAAP are being maintained;

(e) Liens (other than any Lien imposed by ERISA) consisting of pledges or deposits required in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other social security legislation or to secure the performance of tenders, statutory obligations, surety, stay, customs and appeals bonds, bids, leases, governmental contract, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or to secure liability to insurance carriers;

(f) Liens consisting of judgment or judicial attachment liens (other than for payment of taxes, assessments or other governmental charges), provided that the enforcement of such Liens is effectively stayed and all such Liens secure claims in the aggregate at any time outstanding for the Credit Parties and their Subsidiaries not exceeding \$350,000;

(g) easements, rights-of-way, covenants, zoning and other restrictions, minor defects or other irregularities in title, and other similar encumbrances incurred in the Ordinary Course of Business which, either individually or in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the Property subject thereto or interfere in any material respect with the ordinary conduct of the businesses of any Credit Party or any Subsidiary of any Credit Party;

(h) Liens on any Property acquired or held by any Credit Party or any Subsidiary of any Credit Party securing Indebtedness incurred or assumed for the purpose of financing (or refinancing) all or any part of the cost of acquiring such Property and permitted under Section 5.5(d); provided that (i) any such Lien attaches to such Property concurrently with or within 20 days after the acquisition thereof, (ii) such Lien attaches solely to the Property so acquired in such transaction and the proceeds thereof, and (iii) the principal amount of the debt secured thereby does not exceed one hundred percent (100%) of the cost of such Property;

(i) Liens securing Capital Lease Obligations permitted under Section 5.5(d);

(j) any interest or title of a lessor or sublessor under any lease permitted by this Agreement;

(k) Liens arising from the filing of precautionary uniform commercial code financing statements with respect to any lease permitted by this Agreement;

(l) non-exclusive licenses and sublicenses granted by a Credit Party and leases or subleases (by a Credit Party as lessor or sublessor) to third parties in the Ordinary Course of Business not interfering with the business of the Credit Parties or any of their Subsidiaries;

(m) Liens in favor of collecting banks arising by operation of law under Section 4-210 of the Uniform Commercial Code or, with respect to collecting banks located in the State of New York, under 4-208 of the Uniform Commercial Code;

(n) Liens (including the right of set-off) in favor of a bank or other depository institution arising as a matter of law encumbering deposits;

(o) Liens in favor of customs and revenue authorities arising as a matter of law which secure payment of customs duties in connection with the importation of goods in the Ordinary Course of Business; and

(p) any Lien created under the Equipment Loan or the Real Estate Loans.

5.2 Disposition of Assets. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to, directly or indirectly, sell, assign, lease, convey, transfer or otherwise dispose of (whether in one or a series of transactions) any Property (including the Stock of any Subsidiary of any Credit Party, whether in a public or a private offering or otherwise, and accounts and notes receivable, with or without recourse) or enter into any agreement to do any of the foregoing, except:

(a) dispositions to any Person other than an Affiliate of a Credit Party of inventory, or worn-out, obsolete or surplus equipment having a book value not exceeding \$350,000 in the aggregate in any Fiscal Year, all in the Ordinary Course of Business;

(b) dispositions (other than of (i) the Stock of any Subsidiary of any Credit Party or (ii) any Accounts of any Credit Party) not otherwise permitted hereunder which are made for fair market value and the mandatory prepayment in the amount of the Net Proceeds of such disposition is made if and to the extent required by Section 1.8; provided, that (i) at the time of any disposition, no Event of Default shall exist or shall result from such disposition, (ii) not less than ninety percent (90%) of the aggregate sales price from such disposition shall be paid in cash, (iii) the aggregate fair market value of all assets so sold by the Credit Parties and their Subsidiaries, together, shall not exceed in any Fiscal Year \$1,000,000 and (iv) after giving effect to such disposition, the Credit Parties are in compliance on a pro forma basis with the covenants set forth in Article VI, recomputed for the most recent Fiscal Quarter for which financial statements have been delivered;

(c) (i) dispositions of Cash Equivalents in the Ordinary Course of Business made to a Person that is not an Affiliate of any Credit Party and (ii) conversions of Cash Equivalents into cash or other Cash Equivalents; and

(d) transactions permitted under Section 5.1(l).

5.3 Consolidations and Mergers. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to merge, consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except upon not less than five Business Days prior written notice to Agent, (a) GLI may merge with, or dissolve or liquidate into, Apio, so long as Apio is the continuing or surviving entity, and (b) any Subsidiary of a Borrower may merge with, or dissolve or liquidate into, a Borrower or a Wholly-Owned Subsidiary of a Borrower, provided that such Borrower or such Wholly-Owned Subsidiary shall be the continuing or surviving entity and all actions required to maintain perfected Liens on the Stock of the surviving entity and other Collateral in favor of Agent shall have been completed.

5.4 Acquisitions; Loans and Investments. No Credit Party shall and no Credit Party shall suffer or permit any of its Subsidiaries to (i) purchase or acquire, or make any commitment to purchase or acquire any Stock or Stock Equivalents, or any obligations or other securities of, or any interest in, any Person, including the establishment or creation of a Subsidiary, or (ii) make or commit to make any Acquisitions, or any other acquisition of all or substantially all of the assets of another Person, or of any business or division of any Person, including, by way of merger, consolidation or other combination or (iii) make or purchase, or commit to make or purchase, any advance, loan, extension of credit or capital contribution to or any other investment in, any Person including a Borrower, any Affiliate of a Borrower or any Subsidiary of a Borrower (the items described in clauses (i), (ii) and (iii) are referred to as "Investments"), except:

(a) Investments in cash and Cash Equivalents;

(b) Investments consisting of extensions of credit or capital contributions by any Credit Party to or in any other then existing Credit Party; provided, that (i) if any Credit Party executes and delivers to any Borrower a note (collectively, the "Intercompany Notes") to evidence any Investments described in this Section 5.4(b), that Intercompany Note shall be pledged and delivered to Agent pursuant to the Guaranty and Security Agreement as additional collateral security for the Obligations; (ii) each Borrower shall accurately record all intercompany transactions on its books and records; (iii) at the time any such intercompany loan or advance is made by any Borrower to any other Credit Party and after giving effect thereto, each such Borrower shall be Solvent; (iv) Availability is not less than \$3,600,000 after giving effect to such intercompany loan; and (v) the aggregate amount of such intercompany Indebtedness owing by any Credit Party shall not exceed \$500,000 at any one time outstanding.

(c) Investments received as the non-cash portion of consideration received in connection with transactions permitted pursuant to Section 5.2(b);

(d) Investments acquired in connection with the settlement of delinquent Accounts in the Ordinary Course of Business or in connection with the bankruptcy or reorganization of suppliers or customers;

(e) Investments existing on the Closing Date and set forth in Schedule 5.4; and

(f) loans or advances to employees permitted under Section 5.6; and

(g) loans and advances to growers, and prepayments on purchase contracts with growers, in each case made or entered into in the Ordinary Course of Business and in an aggregate outstanding amount not to exceed \$5,000,000.

5.5 Limitation on Indebtedness. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to, create, incur, assume, permit to exist, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except (collectively, "Permitted Indebtedness"):

(a) the Obligations;

(b) Indebtedness consisting of Contingent Obligations described in clause (j) of the definition of "Indebtedness" and permitted pursuant to Section 5.9;

(c) Indebtedness existing on the Closing Date and set forth in Schedule 5.5 including Permitted Refinancings thereof;

(d) Indebtedness not to exceed \$500,000 in the aggregate at any time outstanding, consisting of Capital Lease Obligations or secured by Liens permitted by Section 5.1(h) and Permitted Refinancings thereof;

(e) unsecured intercompany Indebtedness permitted pursuant to Section 5.4(b);

(f) Indebtedness arising under the Fee Agreement;

(g) Indebtedness evidenced by the Parent Note;

(h) Indebtedness incurred pursuant to the Equipment Loan and the Real Estate Loans;

(i) the Earnout Obligation; and

(j) other unsecured Indebtedness owing to Persons that are not Affiliates of the Credit Parties not exceeding \$500,000 in the aggregate at any time outstanding.

5.6 Employee Loans and Transactions with Affiliates. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to, enter into any transaction with any Affiliate of a Credit Party or its Subsidiaries, except:

(a) as expressly permitted by this Agreement;

(b) in the Ordinary Course of Business and pursuant to the reasonable requirements of the business of such Credit Party or such Subsidiary upon fair and reasonable terms no less favorable to such Credit Party or such Subsidiary than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of a Credit Party or such Subsidiary and which are disclosed in writing to Agent;

(c) loans or advances to employees of Credit Parties for travel, entertainment and relocation expenses and other ordinary business purposes in the Ordinary Course of Business not to exceed \$250,000 in the aggregate outstanding at any time;

(d) non-cash loans or advances made by a Credit Party to employees of Credit Parties that are simultaneously used by such Persons to purchase Stock or Stock Equivalents of a Credit Party;

(e) in accordance with the Parent Note; and

(f) in accordance with the Fee Agreement.

All such transactions existing as of the Closing Date are described in Schedule 5.6.

5.7 Compensation. No Credit Party shall, and no Credit Party shall permit any of its Subsidiaries to, pay any management, consulting or similar fees to any Affiliate of any Credit Party or to any officer, director or employee of any Credit Party or any Affiliate of any Credit Party except:

(a) payment of reasonable compensation to officers and employees for actual services rendered to the Credit Parties and their Subsidiaries in the Ordinary Course of Business; and

(b) payment of directors' fees and reimbursement of actual out-of-pocket expenses incurred in connection with attending board of director meetings not to exceed in the aggregate, with respect to all such items, \$10,000 in any Fiscal Year of the Borrowers; and

(c) payments to Parent pursuant to the Fee Agreement.

5.8 Margin Stock; Use of Proceeds. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to, use any portion of the Loan proceeds, directly or indirectly, to purchase or carry Margin Stock or repay or otherwise refinance Indebtedness of any Credit Party or others incurred to purchase or carry Margin Stock, or otherwise in any manner which is in contravention of any Requirement of Law or in violation of this Agreement.

5.9 Contingent Obligations. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Contingent Obligations except in respect of the Obligations and except:

(a) endorsements for collection or deposit in the Ordinary Course of Business;

(b) Rate Contracts entered into in the Ordinary Course of Business for bona fide hedging purposes and not for speculation with Agent's prior written consent;

(c) Contingent Obligations of the Credit Parties and their Subsidiaries existing as of the Closing Date and listed in Schedule 5.9, including extension and renewals thereof which do not increase the amount of such Contingent Obligations or impose materially more restrictive or adverse terms on the Credit Parties or their Subsidiaries as compared to the terms of the Contingent Obligation being renewed or extended;

(d) Contingent Obligations arising under indemnity agreements to title insurers to cause such title insurers to issue to Agent title insurance policies;

(e) Contingent Obligations arising with respect to customary indemnification obligations in favor of (i) sellers in connection with Acquisitions permitted hereunder and (ii) purchasers in connection with dispositions permitted under Section 5.2(b);

(f) Contingent Obligations arising under Letters of Credit;

(g) Contingent Obligations arising under guaranties made in the Ordinary Course of Business of obligations of any Credit Party, which obligations are otherwise permitted hereunder; provided that if such obligation is subordinated to the Obligations, such guaranty shall be subordinated to the same extent; and

- (h) other Contingent Obligations not exceeding \$350,000 in the aggregate at any time outstanding.

For the avoidance of doubt, obligations arising under purchase contracts entered into with growers by Borrowers in the Ordinary Course of Business are not considered "Contingent Obligations."

5.10 Compliance with ERISA. No ERISA Affiliate shall cause or suffer to exist (a) any event that could result in the imposition of a Lien on any asset of a Credit Party or a Subsidiary of a Credit Party with respect to any Title IV Plan or Multiemployer Plan or (b) any other ERISA Event, that would, in the aggregate, result in Liabilities in excess of \$350,000. No Credit Party shall cause or suffer to exist any event that could result in the imposition of a Lien with respect to any Benefit Plan.

5.11 Restricted Payments. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to: (a) declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any Stock or Stock Equivalent; (b) purchase, redeem or otherwise acquire for value any Stock or Stock Equivalent now or hereafter outstanding; or (c) make any payment or prepayment of principal of, premium, if any, interest, fees, redemption, exchange, purchase, retirement, defeasance, sinking fund or similar payment with respect to, Subordinated Indebtedness or the Earnout Obligation (the items described in clauses (a), (b) and (c) are referred to as "Restricted Payments"), except that:

(i) any Wholly-Owned Subsidiary of a Borrower may declare and pay dividends to a Borrower or any other Wholly-Owned Subsidiary of a Borrower; and

(ii) so long as (A) no Default or Event of Default has occurred and is continuing or would result therefrom, (B) Availability is not less than \$3,600,000 after giving effect thereto, and (C) Borrowers are in compliance with the Fixed Charge Coverage Ratio covenant set forth in Section 6.1 as of the fiscal month-end immediately preceding the date such payment is proposed to be made, after giving effect to such payment as if it had been made during such fiscal month then

(1) Apio may make any payment with respect to the Earnout Obligation;

(2) Apio may make payments to Parent pursuant to the Fee Agreement; and

(3) at any time on or after the 91st day following the Closing Date, Apio may make any payment to Parent under the Parent Note.

5.12 Change in Business. No Credit Party shall, and no Credit Party shall permit any of its Subsidiaries to, engage in any line of business substantially different from those lines of business carried on by it on the Closing Date and reasonably incidental thereto.

5.13 Change in Structure. Except as expressly permitted under Section 5.3, no Credit Party shall, and no Credit Party shall permit any of its Subsidiaries to, make any material changes in its equity capital structure, issue any Stock or Stock Equivalents or amend any of its Organization Documents in any material respect and, in each case, in any respect adverse to Agent or Lenders.

5.14 Changes in Accounting, Name or Jurisdiction of Organization. No Credit Party shall, and no Credit Party shall suffer or permit any of its Subsidiaries to, (a) make any significant change in accounting treatment or reporting practices, except as required by GAAP, (b) change the Fiscal Year or method for determining Fiscal Quarters of any Credit Party or of any consolidated Subsidiary of any Credit Party, (c) change its name as it appears in official filings in its jurisdiction of organization or (d) change its jurisdiction of organization, in the case of clause (c) and (d), without at least 20 days' prior written notice to Agent and the acknowledgement of Agent that all actions required by Agent, including those to continue the perfection of its Liens, have been completed.

5.15 Amendments to Related Agreements and Subordinated Indebtedness.

(a) No Credit Party shall and no Credit Party shall permit any of its Subsidiaries, to (i) amend, supplement, waive or otherwise modify any provision of, any Related Agreement (other than the Subordinated Indebtedness Documents) in a manner adverse to Agent or Lenders or which would reasonably be expected to have a Material Adverse Effect, or (ii) take or fail to take any action under any Related Agreement that would reasonably be expected to have a Material Adverse Effect.

(b) No Credit Party shall, and no Credit Party shall permit any of its Subsidiaries directly or indirectly to, change or amend the terms of (i) any Subordinated Indebtedness Document, except to the extent permitted by the applicable Subordination Agreement or (ii) any other Subordinated Indebtedness not subject to a Subordination Agreement, if the effect of such change or amendment is to: (A) increase the interest rate on such Indebtedness by more than 200 basis points per annum; (B) shorten the dates upon which payments of principal or interest are due on such Indebtedness; (C) add or change in a manner adverse to the Credit Parties any event of default or add or make more restrictive any covenant with respect to such Indebtedness; (D) change in a manner adverse to the Credit Parties the prepayment provisions of such Indebtedness; (E) change the subordination provisions thereof (or the subordination terms of any guaranty thereof); or (F) change or amend any other term if such change or amendment would materially increase the obligations of the Credit Parties or confer additional material rights on the holder of such Indebtedness in a manner adverse to the Credit Parties, Agent or Lenders.

5.16 No Negative Pledges.

(a) No Credit Party shall, and no Credit Party shall permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual restriction or encumbrance of any kind on the ability of any Credit Party or Subsidiary to pay dividends or make any other distribution on any of such Credit Party's or Subsidiary's Stock or Stock Equivalents or to pay fees, including management fees, or make other payments and distributions to a Borrower or any other Credit Party. No Credit Party shall, and no Credit Party shall permit any of its Subsidiaries to, directly or indirectly, enter into, assume or become subject to any Contractual Obligation prohibiting or otherwise restricting the existence of any Lien upon any of its assets in favor of Agent, whether now owned or hereafter acquired except in connection with any document or instrument governing Liens permitted pursuant to Sections 5.1(h) and 5.1(i) provided that any such restriction contained therein relates only to the asset or assets subject to such permitted Liens.

(b) No Credit Party shall issue any Stock or Stock Equivalents (i) if such issuance would result in an Event of Default under [Section 7.1\(k\)](#) and (ii) unless such Stock and Stock Equivalents are pledged to Agent, for the benefit of the Secured Parties, as security for the Obligations, on substantially the same terms and conditions as the Stock and Stock Equivalents of the Credit Parties owned by such other Persons are pledged to Agent as of the Closing Date.

5.17 [OFAC; Patriot Act](#). No Credit Party shall, and no Credit Party shall permit any of its Subsidiaries to fail to comply with the laws, regulations and executive orders referred to in [Sections 3.28](#) and [3.29](#).

5.18 [Sale-Leasebacks](#). No Credit Party shall, and no Credit Party shall permit any of its Subsidiaries to, engage in a sale leaseback, synthetic lease or similar transaction involving any of its assets.

5.19 [Hazardous Materials](#). No Credit Party shall, and no Credit Party shall permit any of its Subsidiaries to, cause or suffer to exist any Release of any Hazardous Material at, to or from any Real Estate that would violate any Environmental Law, form the basis for any Material Environmental Liabilities or otherwise adversely affect the value or marketability of any Real Estate (whether or not owned by any Credit Party or any Subsidiary of any Credit Party).

5.20 [Prepayments of Other Indebtedness](#). No Credit Party shall, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness prior to its scheduled maturity, other than (a) the Obligations, (b) Indebtedness secured by a Permitted Lien if the asset securing such Indebtedness has been sold or otherwise disposed of in a transaction permitted hereunder, (c) a Permitted Refinancing of Indebtedness permitted under [Section 5.5\(c\)](#) or (d), and (d) prepayment of intercompany Indebtedness to Credit Parties.

ARTICLE VI. FINANCIAL COVENANTS

Each Credit Party covenants and agrees that, so long as any Lender shall have any Revolving Loan Commitment hereunder, or any Loan or other Obligation (other than contingent indemnification Obligations to the extent no claim giving rise thereto has been asserted) shall remain unpaid or unsatisfied:

6.1 [Fixed Charge Coverage Ratio](#). The Credit Parties shall not permit, as of the last day of the most recent fiscal month for which monthly financial statements have been delivered to Agent in accordance with [Section 4.1\(b\)](#), the Fixed Charge Coverage Ratio for the periods set forth below not to exceed the ratios corresponding thereto:

<u>Period</u>	<u>Fixed Charge Coverage Ratio</u>
04/23/2012 – 05/27/2012	0.90 to 1.0
04/23/2012 – 06/24/2012	0.90 to 1.0
04/23/2012 – 07/29/2012	0.90 to 1.0
04/23/2012 – 08/26/2012	1.0 to 1.0
04/23/2012 – 09/30/2012	1.0 to 1.0
04/23/2012 – 10/28/2012	1.0 to 1.0
04/23/2012 – 11/25/2012	1.10 to 1.0
04/23/2012 – 12/30/2012	1.10 to 1.0
04/23/2012 – 01/27/2013	1.10 to 1.0
04/23/2012 – 02/24/2013	1.10 to 1.0
04/23/2012 – 03/31/2013	1.10 to 1.0
04/23/2012 – 04/28/2013	1.10 to 1.0
The 12-month period ending on the last day of each fiscal month thereafter	1.10 to 1.0

“[Fixed Charge Coverage Ratio](#)” shall be calculated in the manner set forth in [Exhibit 4.2\(b\)](#).

**ARTICLE VII.
EVENTS OF DEFAULT**

7.1 Events of Default. Any of the following shall constitute an “Event of Default”:

(a) Non-Payment. Any Credit Party fails (i) to pay when and as required to be paid herein, any amount of principal of, or interest on, any Loan, including after maturity of the Loans, or to pay any L/C Reimbursement Obligation or (ii) to pay within three Business Days after the same shall become due, any fee or any other amount payable hereunder or pursuant to any other Loan Document;

(b) Representation or Warranty. (i) Any representation, warranty or certification by or on behalf of any Credit Party or any of its Subsidiaries made or deemed made herein, in any other Loan Document, or which is contained in any certificate, document or financial or other statement by any such Person, or their respective Responsible Officers, furnished at any time under this Agreement, or in or under any other Loan Document, shall prove to have been incorrect in any material respect (without duplication of other materiality qualifiers contained herein or therein) on or as of the date made or deemed made or (ii) any information contained in any Borrowing Base Certificate is untrue or incorrect in any respect (other than (A) inadvertent, immaterial errors not exceeding \$350,000 in the aggregate in any Borrowing Base Certificate and (B) errors understating the Borrowing Base);

(c) Specific Defaults. Any Credit Party fails to perform or observe any term, covenant or agreement contained in any of Section 1.8(e), 4.1, 4.2(a), 4.2(b), 4.2(d), 4.3(a), 4.6, 4.9, 4.10, 4.11, 4.15 or 9.10(d) or Article V or VI or the Fee Letter ;

(d) Other Defaults. Any Credit Party or Subsidiary of any Credit Party fails to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document, and such default shall continue unremedied for a period of 20 days after the earlier to occur of (i) the date upon which a Responsible Officer of any Credit Party becomes aware of such default and (ii) the date upon which written notice thereof is given to Borrower Representative by Agent or Required Lenders;

(e) Cross-Default. Any Credit Party or any Subsidiary of any Credit Party (i) fails to make any payment in respect of any Indebtedness (other than the Obligations) or Contingent Obligation (other than the Obligations) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$1,000,000 when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the document relating thereto on the date of such failure; or (ii) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Indebtedness or Contingent Obligation (other than Contingent Obligations owing by one Credit Party with respect to the obligations of another Credit Party permitted hereunder or earnouts permitted hereunder), if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness to be declared to be due and payable prior to its stated maturity (without regard to any subordination terms with respect thereto), or such Contingent Obligation to become payable or cash collateral in respect thereof to be demanded;

(f) Insolvency; Voluntary Proceedings. A Borrower, individually, ceases or fails, or the Credit Parties and their Subsidiaries on a consolidated basis, cease or fail, to be Solvent, or any Credit Party or any Subsidiary of any Credit Party: (i) generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) except as expressly permitted under Section 5.3, voluntarily ceases to conduct its business in the ordinary course; (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing;

(g) Involuntary Proceedings. (i) Any involuntary Insolvency Proceeding is commenced or filed against any Credit Party or any Subsidiary of any Credit Party, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against any such Person’s Properties and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy; (ii) any Credit Party or Subsidiary of any Credit Party admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) any Credit Party or any Subsidiary of any Credit Party acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its Property or business;

(h) Monetary Judgments. One or more judgments, non-interlocutory orders, decrees or arbitration awards shall be entered against any one or more of the Credit Parties or any of their respective Subsidiaries involving in the aggregate a liability of \$350,000 or more (excluding amounts covered by insurance to the extent the relevant independent third party insurer has not denied coverage therefor), and the same shall remain unsatisfied, unvacated and unstayed pending appeal for a period of 30 days after the entry thereof;

(i) Non-Monetary Judgments. One or more non-monetary judgments, orders or decrees shall be rendered against any one or more of the Credit Parties or any of their respective Subsidiaries which has or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, and there shall be any period of ten consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(j) Collateral. Any material provision of any Loan Document shall for any reason cease to be valid and binding on or enforceable against any Credit Party or any Subsidiary of any Credit Party party thereto or any Credit Party or any Subsidiary of any Credit Party shall so state in writing or bring an action to limit its obligations or liabilities thereunder; or any Collateral Document shall for any reason (other than pursuant to the terms thereof) cease to create a valid security interest in the Collateral purported to be covered thereby or such security interest shall for any reason cease to be a perfected and first priority security interest subject only to Permitted Liens;

(k) Ownership. (i) Parent ceases to directly own one hundred percent (100%) of the issued and outstanding Stock and Stock Equivalents of Apio free and clear of all Liens, rights, options, warrants or other similar agreements or understandings, other than Liens in favor of Agent, for the benefit of the Secured Parties or (ii) each Borrower ceases to own one hundred percent (100%) of the issued and outstanding Stock and Stock Equivalents of each of its Subsidiaries (other than Apio Cooling, for which Apio ceases to own sixty percent (60%) of the issued and outstanding Stock and Stock Equivalents thereof), free and clear of all Liens, rights, options, warrants or other similar agreements or understandings, other than Liens in favor of Agent, for the benefit of the Secured Parties;

(l) Invalidity of Subordination Provisions. The subordination provisions of any Subordination Agreement or any other agreement or instrument governing any Subordinated Indebtedness shall for any reason be revoked or invalidated, or otherwise cease to be in full force and effect, or any Person shall contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations, for any reason shall not have the priority contemplated by this Agreement or such subordination provisions; or

(m) Damage; Casualty. Any event occurs, whether or not insured or insurable, as a result of which revenue-producing activities cease or are substantially curtailed at facilities of the Credit Parties generating more than ten percent (10%) of the Borrowers' consolidated revenues for the Fiscal Year preceding such event and such cessation or curtailment continues for more than 30 days.

7.2 Remedies. Upon the occurrence and during the continuance of any Event of Default, Agent may, and shall at the request of the Required Lenders:

(a) declare all or any portion of the Revolving Loan Commitment of each Lender to make Loans or of the L/C Issuer to Issue Letters of Credit to be suspended or terminated, whereupon such Revolving Loan Commitments shall forthwith be suspended or terminated;

(b) declare all or any portion of the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable; without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by each Credit Party; and/or

(c) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable law;

provided, however, that upon the occurrence of any event specified in Section 7.1(f) or 7.1(g) (in the case of clause (i) of Section 7.1(g)) upon the expiration of the 60 day period mentioned therein), the obligation of each Lender to make Loans and the obligation of the L/C Issuer to Issue Letters of Credit shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of Agent, any Lender or the L/C Issuer.

7.3 Rights Not Exclusive. The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

7.4 Cash Collateral for Letters of Credit. If an Event of Default has occurred and is continuing, this Agreement (or the Revolving Loan Commitment) shall be terminated for any reason or if otherwise required by the terms hereof, Agent may, and upon request of Required Lenders, shall, demand (which demand shall be deemed to have been delivered automatically upon any acceleration of the Loans and other obligations hereunder pursuant to Section 7.2), and the Borrowers shall thereupon deliver to Agent, to be held for the benefit of the L/C Issuer, Agent and the Lenders entitled thereto, an amount of cash equal to one hundred and five percent (105%) of the amount of L/C Reimbursement Obligations as additional collateral security for Obligations. Agent may at any time apply any or all of such cash and cash collateral to the payment of any or all of the Credit Parties' Obligations. The remaining balance of the cash collateral will be returned to the Borrowers when all Letters of Credit have been terminated or discharged, all Revolving Loan Commitments have been terminated and all Obligations have been paid in full in cash.

**ARTICLE VIII.
THE AGENT**

8.1 Appointment and Duties.

(a) Appointment of Agent. Each Lender and each L/C Issuer hereby appoints GE Capital (together with any successor Agent pursuant to Section 8.9) as Agent hereunder and authorizes Agent to (i) execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Credit Party, (ii) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Agent under such Loan Documents and (iii) exercise such powers as are incidental thereto.

(b) Duties as Collateral and Disbursing Agent. Without limiting the generality of Section 8.1(a), Agent shall have the sole and exclusive right and authority (to the exclusion of the Lenders and L/C Issuers), and is hereby authorized, to (i) act as the disbursing and collecting agent for the Lenders and the L/C Issuers with respect to all payments and collections arising in connection with the Loan Documents (including in any proceeding described in Section 7.1(g) or any other bankruptcy, insolvency or similar proceeding), and each Person making any payment in connection with any Loan Document to any Secured Party is hereby authorized to make such payment to Agent, (ii) file and prove claims and file other documents necessary or desirable to allow the claims of the Secured Parties with respect to any Obligation in any proceeding described in Section 7.1(f) or (g) or any other bankruptcy, insolvency or similar proceeding (but not to vote, consent or otherwise act on behalf of such Person), (iii) act as collateral agent for each Secured Party for purposes of the perfection of all Liens created by such agreements and all other purposes stated therein, (iv) manage, supervise and otherwise deal with the Collateral, (v) take such other action as is necessary or desirable to maintain the perfection and priority of the Liens created or purported to be created by the Loan Documents, (vi) except as may be otherwise specified in any Loan Document, exercise all remedies given to Agent and the other Secured Parties with respect to the Collateral, whether under the Loan Documents, applicable Requirements of Law or otherwise and (vii) execute any amendment, consent or waiver under the Loan Documents on behalf of any Lender that has consented in writing to such amendment, consent or waiver; provided, however, that Agent hereby appoints, authorizes and directs each Lender and L/C Issuer to act as collateral sub-agent for Agent, the Lenders and the L/C Issuers for purposes of the perfection of Liens with respect to any deposit account maintained by a Credit Party with, and cash and Cash Equivalents held by, such Lender or L/C Issuer, and may further authorize and direct the Lenders and the L/C Issuers to take further actions as collateral sub-agents for purposes of enforcing such Liens or otherwise to transfer the Collateral subject thereto to Agent, and each Lender and L/C Issuer hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed.

(c) Limited Duties. Under the Loan Documents, Agent (i) is acting solely on behalf of the Secured Parties (except to the limited extent provided in Section 1.4(b) with respect to the Register), with duties that are entirely administrative in nature, notwithstanding the use of the defined term "Agent," the terms "agent," "Agent" and "collateral agent" and similar terms in any Loan Document to refer to Agent, which terms are used for title purposes only, (ii) is not assuming any obligation under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Lender, L/C Issuer or any other Person and (iii) shall have no implied functions, responsibilities, duties, obligations or other liabilities under any Loan Document, and each Secured Party, by accepting the benefits of the Loan Documents, hereby waives and agrees not to assert any claim against Agent based on the roles, duties and legal relationships expressly disclaimed in clauses (i) through (iii).

8.2 Binding Effect. Each Secured Party, by accepting the benefits of the Loan Documents, agrees that (a) any action taken by Agent or the Required Lenders (or, if expressly required hereby, a greater proportion of the Lenders) in accordance with the provisions of the Loan Documents, (b) any action taken by Agent in reliance upon the instructions of Required Lenders (or, where so required, such greater proportion) and (c) the exercise by Agent or the Required Lenders (or, where so required, such greater proportion) of the powers set forth herein or therein, together with such other powers as are incidental thereto, shall be authorized and binding upon all of the Secured Parties.

8.3 Use of Discretion.

(a) Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided, that Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Agent to liability or that is contrary to any Loan Document or applicable Requirement of Law.

(b) Agent shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Credit Party or its Affiliates that is communicated to or obtained by Agent or any of its Affiliates in any capacity.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Credit Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Agent in accordance with the Loan Documents for the benefit of all the Lenders and the L/C Issuer; provided that the foregoing shall not prohibit (i) Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (ii) each of the L/C Issuer and the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (iii) any Lender from exercising setoff rights in accordance with Section 9.11 or (iv) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Credit Party under any bankruptcy or other debtor relief law; and provided further that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then (A) the Required Lenders shall have the rights otherwise ascribed to Agent pursuant to Section 7.2 and (B) in addition to the matters set forth in clauses (ii), (iii) and (iv) of the preceding proviso and subject to Section 9.11, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

8.4 Delegation of Rights and Duties. Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person (including any Secured Party). Any such Person shall benefit from this Article VIII to the extent provided by Agent.

8.5 Reliance and Liability.

(a) Agent may, without incurring any liability hereunder, (i) treat the payee of any Note as its holder until such Note has been assigned in accordance with Section 9.9, (ii) rely on the Register to the extent set forth in Section 1.4, (iii) consult with any of its Related Persons and, whether or not selected by it, any other advisors, accountants and other experts (including advisors to, and accountants and experts engaged by, any Credit Party) and (iv) rely and act upon any document and information (including those transmitted by Electronic Transmission) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(b) None of Agent and its Related Persons shall be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, and each Secured Party, Parent, each Borrower and each other Credit Party hereby waive and shall not assert (and each of Parent and the Borrowers shall cause each other Credit Party to waive and agree not to assert) any right, claim or cause of action based thereon, except to the extent of liabilities resulting primarily from the gross negligence or willful misconduct of Agent or, as the case may be, such Related Person (each as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the duties expressly set forth herein. Without limiting the foregoing, Agent:

(i) shall not be responsible or otherwise incur liability for any action or omission taken in reliance upon the instructions of the Required Lenders or for the actions or omissions of any of its Related Persons selected with reasonable care (other than employees, officers and directors of Agent, when acting on behalf of Agent);

(ii) shall not be responsible to any Lender, L/C Issuer or other Person for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document;

(iii) makes no warranty or representation, and shall not be responsible, to any Lender, L/C Issuer or other Person for any statement, document, information, representation or warranty made or furnished by or on behalf of any Credit Party or any Related Person of any Credit Party in connection with any Loan Document or any transaction contemplated therein or any other document or information with respect to any Credit Party, whether or not transmitted or (except for documents expressly required under any Loan Document to be transmitted to the Lenders) omitted to be transmitted by Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by Agent in connection with the Loan Documents; and

(iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Loan Document, whether any condition set forth in any Loan Document is satisfied or waived, as to the financial condition of any Credit Party or as to the existence or continuation or possible occurrence or continuation of any Default or Event of Default and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from Borrower Representative, any Lender or L/C Issuer describing such Default or Event of Default clearly labeled “notice of default” (in which case Agent shall promptly give notice of such receipt to all Lenders);

and, for each of the items set forth in Sections 8.5(b)(i) through (iv), each Lender, L/C Issuer, Parent and each Borrower hereby waives and agrees not to assert (and each of Parent and each Borrower shall cause each other Credit Party to waive and agree not to assert) any right, claim or cause of action it might have against Agent based thereon.

(c) Each Lender and L/C Issuer (i) acknowledges that it has performed and will continue to perform its own diligence and has made and will continue to make its own independent investigation of the operations, financial conditions and affairs of the Credit Parties and (ii) agrees that it shall not rely on any audit or other report provided by Agent or its Related Persons (an “Agent Report”). Each Lender and L/C Issuer further acknowledges that any Agent Report (i) is provided to the Lenders and L/C Issuers solely as a courtesy, without consideration, and based upon the understanding that such Lender or L/C Issuer will not rely on such Agent Report, (ii) was prepared by Agent or its Related Persons based upon information provided by the Credit Parties solely for Agent’s own internal use, (iii) may not be complete and may not reflect all information and findings obtained by Agent or its Related Persons regarding the operations and condition of the Credit Parties. Neither Agent nor any of its Related Persons makes any representations or warranties of any kind with respect to (i) any existing or proposed financing, (ii) the accuracy or completeness of the information contained in any Agent Report or in any related documentation, (iii) the scope or adequacy of Agent’s and its Related Persons’ due diligence, or the presence or absence of any errors or omissions contained in any Agent Report or in any related documentation, and (iv) any work performed by Agent or Agent’s Related Persons in connection with or using any Agent Report or any related documentation.

(d) Neither Agent nor any of its Related Persons shall have any duties or obligations in connection with or as a result of any Lender or L/C Issuer receiving a copy of any Agent Report. Without limiting the generality of the forgoing, neither Agent nor any of its Related Persons shall have any responsibility for the accuracy or completeness of any Agent Report, or the appropriateness of any Agent Report for any Lender’s or L/C Issuer’s purposes, and shall have no duty or responsibility to correct or update any Agent Report or disclose to any Lender or L/C Issuer any other information not embodied in any Agent Report, including any supplemental information obtained after the date of any Agent Report. Each Lender and L/C Issuer releases, and agrees that it will not assert, any claim against Agent or its Related Persons that in any way relates to any Agent Report or arises out of any Lender or L/C Issuer having access to any Agent Report or any discussion of its contents, and agrees to indemnify and hold harmless Agent and its Related Persons from all claims, liabilities and expenses relating to a breach by any Lender or L/C Issuer arising out of such Lender’s or L/C Issuer’s access to any Agent Report or any discussion of its contents.

8.6 Agent Individually. Agent and its Affiliates may make loans and other extensions of credit to, acquire Stock and Stock Equivalents of, engage in any kind of business with, any Credit Party or Affiliate thereof as though it were not acting as Agent and may receive separate fees and other payments therefor. To the extent Agent or any of its Affiliates makes any Loan or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the terms “Lender,” “Required Lender” and any similar terms shall, except where otherwise expressly provided in any Loan Document, include Agent or such Affiliate, as the case may be, in its individual capacity as Lender or as one of the Required Lenders, respectively.

8.7 Lender Credit Decision.

(a) Each Lender and each L/C Issuer acknowledges that it shall, independently and without reliance upon Agent, any Lender or L/C Issuer or any of their Related Persons or upon any document (including any offering and disclosure materials in connection with the syndication of the Loans) solely or in part because such document was transmitted by Agent or any of its Related Persons, conduct its own independent investigation of the financial condition and affairs of each Credit Party and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by Agent to the Lenders or L/C Issuers, Agent shall not have any duty or responsibility to provide any Lender or L/C Issuer with any credit or other information concerning the business, prospects, operations, Property, financial and other condition or creditworthiness of any Credit Party or any Affiliate of any Credit Party that may come in to the possession of Agent or any of its Related Persons.

(b) If any Lender or L/C Issuer has elected to abstain from receiving MNPI concerning the Credit Parties or their Affiliates, such Lender or L/C Issuer acknowledges that, notwithstanding such election, Agent and/or the Credit Parties will, from time to time, make available syndicate-information (which may contain MNPI) as required by the terms of, or in the course of administering the Loans to the credit contact(s) identified for receipt of such information on the Lender’s administrative questionnaire who are able to receive and use all syndicate-level information (which may contain MNPI) in accordance with such Lender’s compliance policies and contractual obligations and applicable law, including federal and state securities laws; provided, that if such contact is not so identified in such questionnaire, the relevant Lender or L/C Issuer hereby agrees to promptly (and in any event within one Business Day) provide such a contact to Agent and the Credit Parties upon request therefor by Agent or the Credit Parties. Notwithstanding such Lender’s or L/C Issuer’s election to abstain from receiving MNPI, such Lender or L/C Issuer acknowledges that if such Lender or L/C Issuer chooses to communicate with Agent, it assumes the risk of receiving MNPI concerning the Credit Parties or their Affiliates.

(a) Each Lender agrees to reimburse Agent and each of its Related Persons (to the extent not reimbursed by any Credit Party) promptly upon demand, severally and ratably, for any costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and Other Taxes paid in the name of, or on behalf of, any Credit Party) that may be incurred by Agent or any of its Related Persons in connection with the preparation, syndication, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including preparation for and/or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to its rights or responsibilities under, any Loan Document.

(b) Each Lender further agrees to indemnify Agent and each of its Related Persons (to the extent not reimbursed by any Credit Party), severally and ratably, from and against Liabilities (including, to the extent not indemnified pursuant to Section 8.8(c), taxes, interests and penalties imposed for not properly withholding or backup withholding on payments made to or for the account of any Lender) that may be imposed on, incurred by or asserted against Agent or any of its Related Persons in any matter relating to or arising out of, in connection with or as a result of any Loan Document, any Related Agreement or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by Agent or any of its Related Persons under or with respect to any of the foregoing; provided, however, that no Lender shall be liable to Agent or any of its Related Persons to the extent such liability has resulted primarily from the gross negligence or willful misconduct of Agent or, as the case may be, such Related Person, as determined by a court of competent jurisdiction in a final non-appealable judgment or order.

(c) To the extent required by any applicable law, Agent may withhold from any payment to any Lender under a Loan Document an amount equal to any applicable withholding tax. If the IRS or any other Governmental Authority asserts a claim that Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate certification form was not delivered, was not properly executed, or fails to establish an exemption from, or reduction of, withholding tax with respect to a particular type of payment, or because such Lender failed to notify Agent or any other Person of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), or Agent reasonably determines that it was required to withhold taxes from a prior payment but failed to do so, such Lender shall promptly indemnify Agent fully for all amounts paid, directly or indirectly, by such Agent as tax or otherwise, including penalties and interest, and together with all expenses incurred by Agent, including legal expenses, allocated internal costs and out-of-pocket expenses. Agent may offset against any payment to any Lender under a Loan Document, any applicable withholding tax that was required to be withheld from any prior payment to such Lender but which was not so withheld, as well as any other amounts for which Agent is entitled to indemnification from such Lender under this Section 8.8(c).

8.9 Resignation of Agent or L/C Issuer.

(a) Agent may resign at any time by delivering notice of such resignation to the Lenders and Borrower Representative, effective on the date set forth in such notice or, if no such date is set forth therein, upon the date such notice shall be effective in accordance with the terms of this Section 8.9. If Agent delivers any such notice, the Required Lenders shall have the right to appoint a successor Agent. If, after 30 days after the date of the retiring Agent's notice of resignation, no successor Agent has been appointed by the Required Lenders that has accepted such appointment, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent from among the Lenders. Each appointment under this Section 8.9 (a) shall be subject to the prior consent of Borrower Representative, which may not be unreasonably withheld but shall not be required during the continuance of an Event of Default.

(b) Effective immediately upon its resignation, (i) the retiring Agent shall be discharged from its duties and obligations under the Loan Documents, (ii) the Lenders shall assume and perform all of the duties of Agent until a successor Agent shall have accepted a valid appointment hereunder, (iii) the retiring Agent and its Related Persons shall no longer have the benefit of any provision of any Loan Document other than with respect to any actions taken or omitted to be taken while such retiring Agent was, or because such Agent had been, validly acting as Agent under the Loan Documents and (iv) subject to its rights under Section 8.3, the retiring Agent shall take such action as may be reasonably necessary to assign to the successor Agent its rights as Agent under the Loan Documents. Effective immediately upon its acceptance of a valid appointment as Agent, a successor Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Agent under the Loan Documents.

(c) Any L/C Issuer may refuse to Issue a Letter of Credit in its sole discretion.

8.10 Release of Collateral or Guarantors. Each Lender and L/C Issuer hereby consents to the release and hereby directs Agent to release (or, in the case of clause (b)(ii), release or subordinate) the following:

(a) any Subsidiary of a Borrower from its guaranty of any Obligation if all of the Stock and Stock Equivalents of such Subsidiary owned by any Credit Party are sold or transferred in a transaction permitted under the Loan Documents (including pursuant to a waiver or consent); and

(b) any Lien held by Agent for the benefit of the Secured Parties against (i) any Collateral that is sold, transferred, conveyed or otherwise disposed of by a Credit Party in a transaction permitted by the Loan Documents (including pursuant to a waiver or consent), (ii) any Property subject to a Lien permitted hereunder in reliance upon Section 5.1(h) or 5.1(i) and (iii) all of the Collateral and all Credit Parties, upon (A) termination of the Revolving Loan Commitments, (B) payment and satisfaction in full of all Loans, all L/C Reimbursement Obligations and all other Obligations under the Loan Documents and all Obligations arising under Secured Rate Contracts, that Agent has theretofore been notified in writing by the holder of such Obligation are then due and payable, (C) deposit of cash collateral with respect to all contingent Obligations (or, as an alternative to cash collateral in the case of any Letter of Credit Obligation, receipt by Agent of a back-up letter of credit), in amounts and on terms and conditions and with parties satisfactory to Agent and each Indemnitee that is, or may be, owed such Obligations (excluding contingent Obligations (other than L/C Reimbursement Obligations) as to which no claim has been asserted) and (D) to the extent requested by Agent, receipt by Agent and the Secured Parties of liability releases from the Credit Parties each in form and substance acceptable to Agent. Each Lender and L/C Issuer hereby directs Agent, and Agent hereby agrees, upon receipt of at least five Business Days' advance notice from Borrower Representative, to execute and deliver or file such documents and to perform other actions reasonably necessary to release the guaranties and Liens when and as directed in this Section 8.10.

8.11 Additional Secured Parties. The benefit of the provisions of the Loan Documents directly relating to the Collateral or any Lien granted thereunder shall extend to and be available to any Secured Party that is not a Lender or L/C Issuer party hereto as long as, by accepting such benefits, such Secured Party agrees, as among Agent and all other Secured Parties, that such Secured Party is bound by (and, if requested by Agent, shall confirm such agreement in a writing in form and substance acceptable to Agent) this Article VIII and Sections 9.3, 9.9, 9.10, 9.11, 9.17, 9.24 and 10.1 (and, solely with respect to L/C Issuers, Section 1.1(c)) and the decisions and actions of Agent and the Required Lenders (or, where expressly required by the terms of this Agreement, a greater proportion of the Lenders or other parties hereto as required herein) to the same extent a Lender is bound; provided, however, that, notwithstanding the foregoing, (a) such Secured Party shall be bound by Section 8.8 only to the extent of Liabilities, costs and expenses with respect to or otherwise relating to the Collateral held for the benefit of such Secured Party, in which case the obligations of such Secured Party thereunder shall not be limited by any concept of pro rata share or similar concept, (b) each of Agent, the Lenders and the L/C Issuers party hereto shall be entitled to act at its sole discretion, without regard to the interest of such Secured Party, regardless of whether any Obligation to such Secured Party thereafter remains outstanding, is deprived of the benefit of the Collateral, becomes unsecured or is otherwise affected or put in jeopardy thereby, and without any duty or liability to such Secured Party or any such Obligation and (c) except as otherwise set forth herein, such Secured Party shall not have any right to be notified of, consent to, direct, require or be heard with respect to, any action taken or omitted in respect of the Collateral or under any Loan Document.

**ARTICLE IX.
MISCELLANEOUS**

9.1 Amendments and Waivers.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by any Credit Party therefrom, shall be effective unless the same shall be in writing and signed by Agent, the Required Lenders (or by Agent with the consent of the Required Lenders), and the Borrowers, and then such waiver shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all the Lenders directly affected thereby (or by Agent with the consent of all the Lenders directly affected thereby), in addition to Agent and the Required Lenders (or by Agent with the consent of the Required Lenders) and the Borrowers, do any of the following:

(i) increase or extend the Revolving Loan Commitment of any Lender (or reinstate any Revolving Loan Commitment terminated pursuant to Section 7.2(a));

(ii) postpone or delay any date fixed for, or reduce or waive, any scheduled installment of principal or any payment of interest, fees or other amounts (other than principal) due to the Lenders (or any of them) or L/C Issuer hereunder or under any other Loan Document (for the avoidance of doubt, mandatory prepayments pursuant to Section 1.8 (other than scheduled installments under Section 1.8(a)) may be postponed, delayed, reduced, waived or modified with the consent of Required Lenders);

(iii) reduce the principal of, or the rate of interest specified herein or the amount of interest payable in cash specified herein on any Loan, or of any fees or other amounts payable hereunder or under any other Loan Document, including L/C Reimbursement Obligations;

(iv) amend or modify Section 1.10(c);

(v) change the percentage of the Revolving Loan Commitments or of the aggregate unpaid principal amount of the Loans which shall be required for the Lenders or any of them to take any action hereunder;

(vi) amend this Section 9.1 or, subject to Section 9.1(e), the definition of Required Lenders or any provision providing for consent or other action by all Lenders; or

(vii) discharge any Credit Party from its respective payment Obligations under the Loan Documents, or release all or substantially all of the Collateral, except as otherwise may be provided in this Agreement or the other Loan Documents;

it being agreed that all Lenders shall be deemed to be directly affected by an amendment or waiver of the type described in the preceding Sections 9.1(a)(v), (vi) and (vii).

(b) No amendment, waiver or consent shall, unless in writing and signed by Agent, the Swingline Lender or the L/C Issuer, as the case may be, in addition to the Required Lenders or all Lenders directly affected thereby, as the case may be (or by Agent with the consent of the Required Lenders or all the Lenders directly affected thereby, as the case may be), affect the rights or duties of Agent, the Swingline Lender or the L/C Issuer, as applicable, under this Agreement or any other Loan Document. No amendment, modification or waiver of this Agreement or any Loan Document altering the ratable treatment of Obligations arising under Secured Rate Contracts resulting in such Obligations being junior in right of payment to principal on the Loans or resulting in Obligations owing to any Secured Swap Provider becoming unsecured (other than releases of Liens permitted in accordance with the terms hereof), in each case in a manner adverse to any Secured Swap Provider, shall be effective without the written consent of such Secured Swap Provider or, in the case of a Secured Rate Contract provided or arranged by GE Capital or an Affiliate of GE Capital, GE Capital.

(c) No amendment or waiver shall, unless signed by Agent and Required Lenders (or by Agent with the consent of Required Lenders): (i) amend or waive compliance with the conditions precedent to the obligations of Lenders to make any Revolving Loan (or of L/C Issuer to Issue any Letter of Credit) in Section 2.2; (ii) amend or waive non-compliance with any provision of Section 1.1(b)(iii); (iii) waive any Default or Event of Default for the purpose of satisfying the conditions precedent to the obligations of Lenders to make any Revolving Loan (or of any L/C Issuer to Issue any Letter of Credit) in Section 2.2; (iv) amend or waive this Section 9.1(c) or the definitions of the terms used in this Section 9.1(c) insofar as the definitions affect the substance of this Section 9.1(c); or (v) amend or modify the definitions of Eligible Accounts, Eligible Inventory or Borrowing Base, including any increase in the percentage advance rates in the definition of Borrowing Base, in a manner which would increase the availability of credit under the Revolving Loan. No amendment or waiver shall, unless signed by Agent and all Lenders (or by Agent with the consent of all Lenders) in addition to the Required Lenders (or by Agent with the consent of the Required Lenders), change the definition of (x) the term Required Lenders, (y) the percentage of Lenders which shall be required for Lenders to take any action hereunder or (z) any specific right of Required Lenders to grant or withhold consent or take or omit to take any action hereunder.

(d) Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" (or be, or have its Loans and Revolving Loan Commitments, included in the determination of "Required Lenders" or "Lenders directly affected" pursuant to this Section 9.1) for any voting or consent rights under or with respect to any Loan Document, except that a Non-Funding Lender shall be treated as an "affected Lender" for purposes of Sections 9.1(a)(i) and 9.1(a)(iii) solely with respect to an increase in such Non-Funding Lender's Revolving Loan Commitments, a reduction of the principal amount owed to such Non-Funding Lender or, unless such Non-Funding Lender is treated the same as the other Lenders holding Loans of the same type, a reduction in the interest rates applicable to the Loans held by such Non-Funding Lender. Moreover, for the purposes of determining Required Lenders, the Loans and Revolving Loan Commitments held by Non-Funding Lenders shall be excluded from the total Loans and Revolving Loan Commitments outstanding.

(e) Notwithstanding anything set forth herein to the contrary, this Agreement may be amended with the written consent of Agent, Borrower Representative and the Required Lenders to (i) add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the outstanding principal and accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans and the accrued interest and fees in respect thereof and (ii) include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(f) Notwithstanding anything to the contrary contained in this Section 9.1, (i) Borrowers may amend Schedule 3.19 and 3.21 upon notice to Agent, (ii) Agent may amend Schedule 1.1(b) to reflect Sales entered into pursuant to Section 9.9, and (iii) Agent and Borrowers may amend or modify this Agreement and any other Loan Document to (1) cure any ambiguity, omission, defect or inconsistency therein, or (2) grant a new Lien for the benefit of the Secured Parties, extend an existing Lien over additional Property for the benefit of the Secured Parties or join additional Persons as Credit Parties; provided that no Accounts or Inventory of such Person shall be included as Eligible Accounts or Eligible Inventory until a field examination (and, if required by Agent, an Inventory appraisal) with respect thereto has been completed to the satisfaction of Agent, including the establishment of Reserves required in Agent's Permitted Discretion.

9.2 Notices.

(a) Addresses. All notices and other communications required or expressly authorized to be made by this Agreement shall be given in writing, unless otherwise expressly specified herein, and (i) addressed to the address set forth on the applicable signature page hereto, (ii) posted to Intralinks® (to the extent such system is available and set up by or at the direction of Agent prior to posting) in an appropriate location by uploading such notice, demand, request, direction or other communication to www.intralinks.com, faxing it to 866-545-6600 with an appropriate bar-code fax coversheet or using such other means of posting to Intralinks® as may be available and reasonably acceptable to Agent prior to such posting, (iii) posted to any other E-System approved by or set up by or at the direction of Agent or (iv) addressed to such other address as shall be notified in writing (A) in the case of the Borrowers, Agent and the Swingline Lender, to the other parties hereto and (B) in the case of all other parties, to Borrower Representative and Agent. Transmissions made by electronic mail or E-Fax to Agent shall be effective only (x) for notices where such transmission is specifically authorized by this Agreement, (y) if such transmission is delivered in compliance with procedures of Agent applicable at the time and previously communicated to Borrower Representative, and (z) if receipt of such transmission is acknowledged by Agent.

(b) Effectiveness. (i) All communications described in Section 9.2(a) and all other notices, demands, requests and other communications made in connection with this Agreement shall be effective and be deemed to have been received (i) if delivered by hand, upon personal delivery, (ii) if delivered by overnight courier service, one Business Day after delivery to such courier service, (iii) if delivered by mail, three Business Days after deposit in the mail, (iv) if delivered by facsimile (other than to post to an E-System pursuant to clause (a)(ii) or (a)(iii) above), upon sender's receipt of confirmation of proper transmission, and (v) if delivered by posting to any E-System, on the later of the Business Day of such posting and the Business Day access to such posting is given to the recipient thereof in accordance with the standard procedures applicable to such E-System; provided, however, that no communications to Agent pursuant to Article I shall be effective until received by Agent.

(ii) The posting, completion and/or submission by any Credit Party of any communication pursuant to an E-System shall constitute a representation and warranty by the Credit Parties that any representation, warranty, certification or other similar statement required by the Loan Documents to be provided, given or made by a Credit Party in connection with any such communication is true, correct and complete to the extent required by the Loan Documents except as expressly noted in such communication or E-System.

(c) Each Lender shall notify Agent in writing of any changes in the address to which notices to such Lender should be directed, of addresses of its Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as Agent shall reasonably request.

9.3 Electronic Transmissions.

(a) Authorization. Subject to the provisions of Section 9.2(a), each of Agent, Lenders, each Credit Party and each of their Related Persons, is authorized (but not required) to transmit, post or otherwise make or communicate, in its sole discretion, Electronic Transmissions in connection with any Loan Document and the transactions contemplated therein. Each Credit Party and each Secured Party hereto acknowledges and agrees that the use of Electronic Transmissions is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing the transmission of Electronic Transmissions.

(b) Signatures. Subject to the provisions of Section 9.2(a), (i)(A) no posting to any E-System shall be denied legal effect merely because it is made electronically, (B) each E-Signature on any such posting shall be deemed sufficient to satisfy any requirement for a "signature" and (C) each such posting shall be deemed sufficient to satisfy any requirement for a "writing," in each case including pursuant to any Loan Document, any applicable provision of any UCC, the federal Uniform Electronic Transactions Act, the Electronic Signatures in Global and National Commerce Act and any substantive or procedural Requirement of Law governing such subject matter, (ii) each such posting that is not readily capable of bearing either a signature or a reproduction of a signature may be signed, and shall be deemed signed, by attaching to, or logically associating with such posting, an E-Signature, upon which Agent, each Secured Party and each Credit Party may rely and assume the authenticity thereof, (iii) each such posting containing a signature, a reproduction of a signature or an E-Signature shall, for all intents and purposes, have the same effect and weight as a signed paper original and (iv) each party hereto or beneficiary hereto agrees not to contest the validity or enforceability of any posting on any E-System or E-Signature on any such posting under the provisions of any applicable Requirement of Law requiring certain documents to be in writing or signed; provided, however, that nothing herein shall limit such party's or beneficiary's right to contest whether any posting to any E-System or E-Signature has been altered after transmission.

(c) Separate Agreements. All uses of an E-System shall be governed by and subject to, in addition to Section 9.2 and this Section 9.3, the separate terms, conditions and privacy policy posted or referenced in such E-System (or such terms, conditions and privacy policy as may be updated from time to time, including on such E-System) and related Contractual Obligations executed by Agent and Credit Parties in connection with the use of such E-System.

(d) LIMITATION OF LIABILITY. ALL E-SYSTEMS AND ELECTRONIC TRANSMISSIONS SHALL BE PROVIDED "AS IS" AND "AS AVAILABLE." NONE OF AGENT, ANY LENDER OR ANY OF THEIR RELATED PERSONS WARRANTS THE ACCURACY, ADEQUACY OR COMPLETENESS OF ANY E-SYSTEMS OR ELECTRONIC TRANSMISSION AND DISCLAIMS ALL LIABILITY FOR ERRORS OR OMISSIONS THEREIN. NO WARRANTY OF ANY KIND IS MADE BY AGENT, ANY LENDER OR ANY OF THEIR RELATED PERSONS IN CONNECTION WITH ANY E-SYSTEMS OR ELECTRONIC COMMUNICATION, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS. Each of each Borrower, each other Credit Party executing this Agreement and each Secured Party agrees that Agent has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Electronic Transmission or otherwise required for any E-System.

9.4 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Agent or any Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. No course of dealing between any Credit Party, any Affiliate of any Credit Party, Agent or any Lender shall be effective to amend, modify or discharge any provision of this Agreement or any of the other Loan Documents.

9.5 Costs and Expenses. Any action taken by any Credit Party under or with respect to any Loan Document, even if required under any Loan Document or at the request of Agent or Required Lenders, shall be at the expense of such Credit Party, and neither Agent nor any other Secured Party shall be required under any Loan Document to reimburse any Credit Party or any Subsidiary of any Credit Party therefor except as expressly provided therein. In addition, the Borrowers agree to pay or reimburse within two Business Days after written demand (including by electronic mail) (a) Agent for all reasonable out-of-pocket costs and expenses incurred by it or any of its Related Persons, in connection with the investigation, development, preparation, negotiation, syndication, execution, interpretation or administration of, any modification of any term of or termination of, any Loan Document, any commitment or proposal letter therefor, any other document prepared in connection therewith or the consummation and administration of any transaction contemplated therein, in each case including Attorney Costs of Agent, the cost of environmental audits, Collateral audits and appraisals, background checks and similar expenses; (b) Agent for all costs and expenses incurred by it or any of its Related Persons in connection with internal audit reviews, field examinations and Collateral examinations (which shall be reimbursed, in addition to the out-of-pocket costs and expenses of such examiners, at the per diem rate per individual charged by Agent for its examiners); (c) each of Agent, its Related Persons, and L/C Issuer for all costs and expenses incurred in connection with (i) any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out," (ii) the enforcement or preservation of any right or remedy under any Loan Document, any Obligation, with respect to the Collateral or any other related right or remedy or (iii) the commencement, defense, conduct of, intervention in, or the taking of any other action (including preparation for and/or response to any subpoena or request for document production relating thereto) with respect to, any proceeding (including any bankruptcy or insolvency proceeding) related to any Credit Party, any Subsidiary of any Credit Party, Loan Document, Obligation or Related Transaction, including Attorney Costs and (d) fees and disbursements of Attorney Costs of one law firm on behalf of all Lenders (other than Agent) incurred in connection with any of the matters referred to in clause (c).

9.6 Indemnity.

(a) Each Credit Party agrees to indemnify, hold harmless and defend Agent, each Lender, each L/C Issuer and each of their respective Related Persons (each such Person being an "Indemnitee") from and against all Liabilities (including brokerage commissions, fees and other compensation) that may be imposed on, incurred by or asserted against any such Indemnitee in any matter relating to or arising out of, in connection with or as a result of (i) any Loan Document, any Related Agreement, any Obligation (or the repayment thereof), any Letter of Credit, the use or intended use of the proceeds of any Loan or the use of any Letter of Credit or any securities filing of, or with respect to, any Credit Party, (ii) any commitment letter, proposal letter or term sheet with any Person or any Contractual Obligation, arrangement or understanding with any broker, finder or consultant, in each case entered into by or on behalf of the GreenLine Entities, any other Credit Party or any Affiliate of any of them in connection with any of the foregoing and any Contractual Obligation entered into in connection with any E-Systems or other Electronic Transmissions, (iii) any actual or prospective investigation, litigation or other proceeding, whether or not brought by any such Indemnitee or any of its Related Persons, any holders of securities or creditors (and including reasonable attorneys' fees in any case), whether or not any such Indemnitee, Related Person, holder or creditor is a party thereto, and whether or not based on any securities or commercial law or regulation or any other Requirement of Law or theory thereof, including common law, equity, contract, tort or otherwise or (iv) any other act, event or transaction related, contemplated in or attendant to any of the foregoing (collectively, the "Indemnified Matters"); provided, however, that no Credit Party shall have any liability under this Section 9.6 to any Indemnitee with respect to any Indemnified Matter, and no Indemnitee shall have any liability with respect to any Indemnified Matter other than (to the extent otherwise liable), to the extent such liability has resulted primarily from the gross negligence or willful misconduct of such Indemnitee, as determined by a court of competent jurisdiction in a final non-appealable judgment or order. Furthermore, each of each Borrower and each other Credit Party executing this Agreement waives and agrees not to assert against any Indemnitee, and shall cause each other Credit Party to waive and not assert against any Indemnitee, any right of contribution with respect to any Liabilities that may be imposed on, incurred by or asserted against any Related Person. This Section 9.6 shall not apply to any "taxes of an Indemnitee, other than taxes that represent losses, claims and damages arising from such non-tax claim.

(b) Without limiting the foregoing, "Indemnified Matters" includes all Environmental Liabilities, including those arising from, or otherwise involving, any Property of any Credit Party or any Related Person of any Credit Party or any actual, alleged or prospective damage to Property or natural resources or harm or injury alleged to have resulted from any Release of Hazardous Materials on, upon or into such Property or natural resource or any Property on or contiguous to any Real Estate of any Credit Party or any Related Person of any Credit Party, whether or not, with respect to any such Environmental Liabilities, any Indemnitee is a mortgagee pursuant to any leasehold mortgage, a mortgagee in possession, the successor-in-interest to any Credit Party or any Related Person of any Credit Party or the owner, lessee or operator of any Property of any Related Person through any foreclosure action, in each case except to the extent such Environmental Liabilities (i) are incurred solely following foreclosure by Agent or following Agent or any Lender having become the successor-in-interest to any Credit Party or any Related Person of any Credit Party and (ii) are attributable solely to acts of such Indemnitee.

9.7 Marshaling; Payments Set Aside. No Secured Party shall be under any obligation to marshal any Property in favor of any Credit Party or any other Person or against or in payment of any Obligation. To the extent that any Secured Party receives a payment from a Borrower, from any other Credit Party, from the proceeds of the Collateral, from the exercise of its rights of setoff, any enforcement action or otherwise, and such payment is subsequently, in whole or in part, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not occurred.

9.8 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that any assignment by any Lender shall be subject to the provisions of Section 9.9, and provided further that no Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent and each Lender.

9.9 Assignments and Participations; Binding Effect.

(a) Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrowers, the other Credit Parties signatory hereto and Agent and when Agent shall have been notified by each Lender that such Lender has executed it. Thereafter, it shall be binding upon and inure to the benefit of, but only to the benefit of, Parent, the Borrowers, the other Credit Parties hereto (in each case except for Article VIII), Agent, each Lender and each L/C Issuer receiving the benefits of the Loan Documents and, to the extent provided in Section 8.11, each other Secured Party and, in each case, their respective successors and permitted assigns. Except as expressly provided in any Loan Document (including in Section 8.9), none of Parent, any Borrower, any other Credit Party, any L/C Issuer or Agent shall have the right to assign any rights or obligations hereunder or any interest herein.

(b) Right to Assign. Each Lender may sell, transfer, negotiate or assign (a "Sale") all or a portion of its rights and obligations hereunder (including all or a portion of its Revolving Loan Commitments and its rights and obligations with respect to Loans and Letters of Credit) to (i) any existing Lender (other than a Non-Funding Lender or Impacted Lender), (ii) any Affiliate or Approved Fund of any existing Lender (other than a Non-Funding Lender or Impacted Lender) or (iii) any other Person acceptable (which acceptance shall not be unreasonably withheld or delayed) to Agent and, with respect to Sales of Revolving Loan Commitments, each L/C Issuer that is a Lender and, as long as no Event of Default is continuing, Borrower Representative (which acceptances shall be deemed to have been given unless an objection is delivered to Agent within five Business Days after notice of a proposed sale is delivered to Borrower Representative); provided, however, that (v) such Sales must be ratable among the obligations owing to and owed by such Lender with respect to the Revolving Loans, (w) for each Loan, the aggregate outstanding principal amount (determined as of the effective date of the applicable Assignment) of the Loans, Revolving Loan Commitments and Letter of Credit Obligations subject to any such Sale shall be in a minimum amount of \$1,000,000, unless such Sale is made to an existing Lender or an Affiliate or Approved Fund of any existing Lender, is of the assignor's (together with its Affiliates and Approved Funds) entire interest in such facility or is made with the prior consent of Borrower Representative (to the extent required) and Agent, (x) such Sales shall be effective only upon the acknowledgement in writing of such Sale by Agent, (y) interest accrued prior to and through the date of any such Sale may not be assigned, and (z) such Sales by Lenders who are Non-Funding Lenders due to clause (a) of the definition of Non-Funding Lender shall be subject to Agent's prior written consent in all instances, unless in connection with such Sale, such Non-Funding Lender cures, or causes the cure of, its Non-Funding Lender status as contemplated in Section 1.11(e)(v). Agent's refusal to accept a Sale to a Credit Party, an Affiliate of a Credit Party, a holder of Subordinated Debt or an Affiliate of such a holder, or to any Person that would be a Non-Funding Lender or an Impacted Lender, or the imposition of conditions or limitations (including limitations on voting) upon Sales to such Persons, shall not be deemed to be unreasonable.

(c) Procedure. The parties to each Sale made in reliance on Section 9.9(b) (other than those described in Section 9.9(e) or (f)) shall execute and deliver to Agent an Assignment via an electronic settlement system designated by Agent (or, if previously agreed with Agent, via a manual execution and delivery of the Assignment) evidencing such Sale, together with any existing Note subject to such Sale (or any affidavit of loss therefor acceptable to Agent), any tax forms required to be delivered pursuant to Section 10.1 and payment of an assignment fee in the amount of \$3,500 to Agent, unless waived or reduced by Agent; provided, that (i) if a Sale by a Lender is made to an Affiliate or an Approved Fund of such assigning Lender, then no assignment fee shall be due in connection with such Sale, and (ii) if a Sale by a Lender is made to an assignee that is not an Affiliate or Approved Fund of such assignor Lender, and concurrently to one or more Affiliates or Approved Funds of such Assignee, then only one assignment fee of \$3,500 shall be due in connection with such Sale (unless waived or reduced by Agent). Upon receipt of all the foregoing, and conditioned upon such receipt and, if such Assignment is made in accordance with clause (iii) of Section 9.9(b), upon Agent (and Borrower Representative, if applicable) consenting to such Assignment, from and after the effective date specified in such Assignment, Agent shall record or cause to be recorded in the Register the information contained in such Assignment.

(d) Effectiveness. Subject to the recording of an Assignment by Agent in the Register pursuant to Section 1.4(b), (i) the assignee thereunder shall become a party hereto and, to the extent that rights and obligations under the Loan Documents have been assigned to such assignee pursuant to such Assignment, shall have the rights and obligations of a Lender, (ii) any applicable Note shall be transferred to such assignee through such entry and (iii) the assignor thereunder shall, to the extent that rights and obligations under this Agreement have been assigned by it pursuant to such Assignment, relinquish its rights (except for those surviving the termination of the Revolving Loan Commitments and the payment in full of the Obligations) and be released from its obligations under the Loan Documents, other than those relating to events or circumstances occurring prior to such assignment (and, in the case of an Assignment covering all or the remaining portion of an assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto).

(e) Grant of Security Interests. In addition to the other rights provided in this Section 9.9, each Lender may grant a security interest in, or otherwise assign as collateral, any of its rights under this Agreement, whether now owned or hereafter acquired (including rights to payments of principal or interest on the Loans), to (A) any federal reserve bank (pursuant to Regulation A of the Federal Reserve Board), without notice to Agent or (B) any holder of, or trustee for the benefit of the holders of, such Lender's Indebtedness or equity securities, by notice to Agent; provided, however, that no such holder or trustee, whether because of such grant or assignment or any foreclosure thereon (unless such foreclosure is made through an assignment in accordance with Section 9.9(b)), shall be entitled to any rights of such Lender hereunder and no such Lender shall be relieved of any of its obligations hereunder.

(f) Participants and SPVs. In addition to the other rights provided in this Section 9.9, each Lender may, (x) with notice to Agent, grant to an SPV the option to make all or any part of any Loan that such Lender would otherwise be required to make hereunder (and the exercise of such option by such SPV and the making of Loans pursuant thereto shall satisfy the obligation of such Lender to make such Loans hereunder) and such SPV may assign to such Lender the right to receive payment with respect to any Obligation and (y) without notice to or consent from Agent or the Borrowers, sell participations to one or more Persons in or to all or a portion of its rights and obligations under the Loan Documents (including all its rights and obligations with respect to the Revolving Loans and Letters of Credit); provided, however, that, whether as a result of any term of any Loan Document or of such grant or participation, (i) no such SPV or participant shall have a commitment, or be deemed to have made an offer to commit, to make Loans hereunder, and, except as provided in the applicable option agreement, none shall be liable for any obligation of such Lender hereunder, (ii) such Lender's rights and obligations, and the rights and obligations of the Credit Parties and the Secured Parties towards such Lender, under any Loan Document shall remain unchanged and each other party hereto shall continue to deal solely with such Lender, which shall remain the holder of the Obligations in the Register, except that (A) each such participant and SPV shall be entitled to the benefit of Article X, but, with respect to Section 10.1, only to the extent such participant or SPV delivers the tax forms such Lender is required to collect pursuant to Section 10.1(f) and then only to the extent of any amount to which such Lender would be entitled in the absence of any such grant or participation and (B) each such SPV may receive other payments that would otherwise be made to such Lender with respect to Loans funded by such SPV to the extent provided in the applicable option agreement and set forth in a notice provided to Agent by such SPV and such Lender, provided, however, that in no case (including pursuant to clause (A) or (B)) shall an SPV or participant have the right to enforce any of the terms of any Loan Document, and (iii) the consent of such SPV or participant shall not be required (either directly, as a restraint on such Lender's ability to consent hereunder or otherwise) for any amendments, waivers or consents with respect to any Loan Document or to exercise or refrain from exercising any powers or rights such Lender may have under or in respect of the Loan Documents (including the right to enforce or direct enforcement of the Obligations), except for those described in clauses (ii) and (iii) of Section 9.1(a) with respect to amounts, or dates fixed for payment of amounts, to which such participant or SPV would otherwise be entitled and, in the case of participants, except for those described in clause (vi) of Section 9.1(a). No party hereto shall institute (and each Borrower and Parent shall cause each other Credit Party not to institute) against any SPV grantee of an option pursuant to this Section 9.9(f) any bankruptcy, reorganization, insolvency, liquidation or similar proceeding, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper of such SPV; provided, however, that each Lender having designated an SPV as such agrees to indemnify each Indemnitee against any Liability that may be incurred by, or asserted against, such Indemnitee as a result of failing to institute such proceeding (including a failure to be reimbursed by such SPV for any such Liability). The agreement in the preceding sentence shall survive the termination of the Revolving Loan Commitments and the payment in full of the Obligations.

Each Lender that sells a participation in any of its Obligations or identifies an SPV shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each participant and SPV and the principal amounts (and stated interest) of each participant's and/or SPV's interest in a Loan or Loan Document (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or SPV or any information relating to a participant's or SPV's interest in any Loan or Loan Document) to any person except to the extent that such disclosure is necessary to establish that such participation or other obligation is in registered form under Section 5f.103-1(c) of the U.S. Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

9.10 Non-Public Information; Confidentiality.

(a) Non-Public Information. Each of Agent, each Lender and L/C Issuer acknowledges and agrees that it may receive material non-public information ("MNPI") hereunder concerning the Credit Parties and their Affiliates and agrees to use such information in compliance with all relevant policies, procedures and applicable Requirements of Laws (including United States federal and state security laws and regulations).

(b) Confidential Information. Each of Agent, each Lender and each L/C Issuer and Agent agrees to use all reasonable efforts to maintain, in accordance with its customary practices, the confidentiality of information obtained by it pursuant to any Loan Document and designated in writing by any Credit Party as confidential, except that such information may be disclosed (i) with Borrower Representative's consent, (ii) to Related Persons of such Lender, L/C Issuer or Agent, as the case may be, or to any Person that any L/C Issuer causes to Issue Letters of Credit hereunder, that are advised of the confidential nature of such information and are instructed to keep such information confidential in accordance with the terms hereof, (iii) to the extent such information presently is or hereafter becomes (A) publicly available other than as a result of a breach of this Section 9.10 or (B) available to such Lender, L/C Issuer or Agent or any of their Related Persons, as the case may be, from a source (other than any Credit Party) not known by them to be subject to disclosure restrictions, (iv) to the extent disclosure is required by applicable Requirements of Law or other legal process or requested or demanded by any Governmental Authority, (v) to the extent necessary or customary for inclusion in league table measurements, (vi) (A) to the National Association of Insurance Commissioners or any similar organization, any examiner or any nationally recognized rating agency or (B) otherwise to the extent consisting of general portfolio information that does not identify Credit Parties, (vii) to current or prospective assignees, SPVs (including the investors or prospective investors therein) or participants, direct or contractual counterparties to any Secured Rate Contracts and to their respective Related Persons, in each case to the extent such assignees, investors, participants, counterparties or Related Persons agree to be bound by provisions substantially similar to the provisions of this Section 9.10 (and such Person may disclose information to their respective Related Persons in accordance with clause (ii)), (viii) to any other party hereto, and (ix) in connection with the exercise or enforcement of any right or remedy under any Loan Document, in connection with any litigation or other proceeding to which such Lender, L/C Issuer or Agent or any of their Related Persons is a party or bound, or to the extent necessary to respond to public statements or disclosures by Credit Parties or their Related Persons referring to a Lender, L/C Issuer or Agent or any of their Related Persons. In the event of any conflict between the terms of this Section 9.10 and those of any other Contractual Obligation entered into with any Credit Party (whether or not a Loan Document), the terms of this Section 9.10 shall govern.

(c) Tombstones. Each Credit Party consents to the publication by Agent or any Lender of any press releases, tombstones, advertising or other promotional materials (including via any Electronic Transmission) relating to the financing transactions contemplated by this Agreement using such Credit Party's name, product photographs, logo or trademark, provided that such Credit Party has first had an opportunity to review and approve such materials (such consent not to be unreasonable withheld or delayed).

(d) Press Release and Related Matters. No Credit Party shall, and no Credit Party shall permit any of its Affiliates to, issue any press release or other public disclosure (other than required SEC filings) using the name, logo or otherwise referring to GE Capital or of any of its Affiliates, the Loan Documents or any transaction contemplated herein or therein to which GE Capital or any of its affiliates is party without the prior written consent of GE Capital or such Affiliate (such consent not to be unreasonably withheld or delayed) except to the extent required to do so under applicable Requirements of Law and then, only after consulting with GE Capital.

(e) Distribution of Materials to Lenders and L/C Issuers. The Credit Parties acknowledge and agree that the Loan Documents and all reports, notices, communications and other information or materials provided or delivered by, or on behalf of, the Credit Parties hereunder (collectively, the "Borrower Materials") may be disseminated by, or on behalf of, Agent, and made available, to the Lenders and the L/C Issuers by posting such Borrower Materials on an E-System. The Credit Parties authorize Agent to download copies of their logos from its website and post copies thereof on an E-System.

(f) Material Non-Public Information. The Credit Parties hereby agree that if either they, any parent company or any Subsidiary of the Credit Parties has publicly traded equity or debt securities in the U.S., they shall (and shall cause such parent company or Subsidiary, as the case may be, to) (i) identify in writing, and (ii) to the extent reasonably practicable, clearly and conspicuously mark such Borrower Materials that contain only information that is publicly available or that is not material for purposes of U.S. federal and state securities laws as "PUBLIC." The Credit Parties agree that by identifying such Borrower Materials as "PUBLIC" or publicly filing such Borrower Materials with the Securities and Exchange Commission, then Agent, the Lenders and the L/C Issuers shall be entitled to treat such Borrower Materials as not containing any MNPI for purposes of U.S. federal and state securities laws. The Credit Parties further represent, warrant, acknowledge and agree that the following documents and materials shall be deemed to be PUBLIC, whether or not so marked, and do not contain any MNPI: (A) the Loan Documents, including the schedules and exhibits attached thereto, and (B) administrative materials of a customary nature prepared by the Credit Parties or Agent (including, Notices of Borrowing, Notices of Conversion/Continuation, L/C Requests, Swingline requests and any similar requests or notices posted on or through an E-System). Before distribution of any Borrower Materials, the Credit Parties agree to execute and deliver to Agent a letter authorizing distribution of the evaluation materials to prospective Lenders and their employees willing to receive MNPI, and a separate letter authorizing distribution of evaluation materials that do not contain MNPI and represent that no MNPI is contained therein.

9.11 Set-off; Sharing of Payments.

(a) Right of Setoff. Each of Agent, each Lender, each L/C Issuer and each Affiliate (including each branch office thereof) of any of them is hereby authorized, without notice or demand (each of which is hereby waived by each Credit Party), at any time and from time to time during the continuance of any Event of Default and to the fullest extent permitted by applicable Requirements of Law, to set off and apply any and all deposits (whether general or special, time or demand, provisional or final) at any time held and other Indebtedness, claims or other obligations at any time owing by Agent, such Lender, such L/C Issuer or any of their respective Affiliates to or for the credit or the account of the Borrowers or any other Credit Party against any Obligation of any Credit Party now or hereafter existing, whether or not any demand was made under any Loan Document with respect to such Obligation and even though such Obligation may be unmatured. No Lender or L/C Issuer shall exercise any such right of setoff without the prior consent of Agent or Required Lenders. Each of Agent, each Lender and each L/C Issuer agrees promptly to notify Borrower Representative and Agent after any such setoff and application made by such Lender or its Affiliates; provided, however, that the failure to give such notice shall not affect the validity of such setoff and application. The rights under this Section 9.11 are in addition to any other rights and remedies (including other rights of setoff) that Agent, the Lenders, the L/C Issuer, their Affiliates and the other Secured Parties, may have.

(b) Sharing of Payments, Etc. If any Lender, directly or through an Affiliate or branch office thereof, obtains any payment of any Obligation of any Credit Party (whether voluntary, involuntary or through the exercise of any right of setoff or the receipt of any Collateral or "proceeds" (as defined under the applicable UCC) of Collateral) other than pursuant to Section 9.9 or Article X and such payment exceeds the amount such Lender would have been entitled to receive if all payments had gone to, and been distributed by, Agent in accordance with the provisions of the Loan Documents, such Lender shall purchase for cash from other Lenders such participations in their Obligations as necessary for such Lender to share such excess payment with such Lenders to ensure such payment is applied as though it had been received by Agent and applied in accordance with this Agreement (or, if such application would then be at the discretion of the Borrowers, applied to repay the Obligations in accordance herewith); provided, however, that (a) if such payment is rescinded or otherwise recovered from such Lender or L/C Issuer in whole or in part, such purchase shall be rescinded and the purchase price therefor shall be returned to such Lender or L/C Issuer without interest and (b) such Lender shall, to the fullest extent permitted by applicable Requirements of Law, be able to exercise all its rights of payment (including the right of setoff) with respect to such participation as fully as if such Lender were the direct creditor of the applicable Credit Party in the amount of such participation. If a Non-Funding Lender receives any such payment as described in the previous sentence, such Lender shall turn over such payments to Agent in an amount that would satisfy the cash collateral requirements set forth in Section 1.11(e).

9.12 Counterparts; Facsimile Signature. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

9.13 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

9.14 Captions. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

9.15 Independence of Provisions. The parties hereto acknowledge that this Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters, and that such limitations, tests and measurements are cumulative and must each be performed, except as expressly stated to the contrary in this Agreement.

9.16 Interpretation. This Agreement is the result of negotiations among and has been reviewed by counsel to Credit Parties, Agent, each Lender and other parties hereto, and is the product of all parties hereto. Accordingly, this Agreement and the other Loan Documents shall not be construed against the Lenders or Agent merely because of Agent's or Lenders' involvement in the preparation of such documents and agreements. Without limiting the generality of the foregoing, each of the parties hereto has had the advice of counsel with respect to Sections 9.18 and 9.19.

9.17 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Borrowers, the Lenders, the L/C Issuers party hereto, Agent and, subject to the provisions of Section 8.11, each other Secured Party, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. Neither Agent nor any Lender shall have any obligation to any Person not a party to this Agreement or the other Loan Documents.

9.18 Governing Law and Jurisdiction.

(a) Governing Law. The laws of the State of New York shall govern all matters arising out of, in connection with or relating to this Agreement, including its validity, interpretation, construction, performance and enforcement (including any claims sounding in contract or tort law arising out of the subject matter hereof and any determinations with respect to post-judgment interest).

(b) Submission to Jurisdiction. Any legal action or proceeding with respect to any Loan Document shall be brought exclusively in the courts of the State of New York located in the City of New York, Borough of Manhattan, or of the United States of America for the Southern District of New York and, by execution and delivery of this Agreement, each Borrower and each other Credit Party executing this Agreement hereby accepts for itself and in respect of its Property, generally and unconditionally, the jurisdiction of the aforesaid courts; provided that nothing in this Agreement shall limit the right of Agent to commence any proceeding in the federal or state courts of any other jurisdiction to the extent Agent determines that such action is necessary or appropriate to exercise its rights or remedies under the Loan Documents. The parties hereto (and, to the extent set forth in any other Loan Document, each other Credit Party) hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions.

(c) Service of Process. Each Credit Party hereby irrevocably waives personal service of any and all legal process, summons, notices and other documents and other service of process of any kind and consents to such service in any suit, action or proceeding brought in the United States of America with respect to or otherwise arising out of or in connection with any Loan Document by any means permitted by applicable Requirements of Law, including by the mailing thereof (by registered or certified mail, postage prepaid) to the address of the Borrowers specified herein (and shall be effective when such mailing shall be effective, as provided therein). Each Credit Party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(d) Non-Exclusive Jurisdiction. Nothing contained in this Section 9.18 shall affect the right of Agent or any Lender to serve process in any other manner permitted by applicable Requirements of Law or commence legal proceedings or otherwise proceed against any Credit Party in any other jurisdiction.

9.19 WAIVER OF JURY TRIAL. THE PARTIES HERETO, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ANY OTHER TRANSACTION CONTEMPLATED HEREBY AND THEREBY. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

9.20 Entire Agreement; Release; Survival.

(a) THE LOAN DOCUMENTS EMBODY THE ENTIRE AGREEMENT OF THE PARTIES AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS RELATING TO THE SUBJECT MATTER THEREOF AND ANY PRIOR LETTER OF INTEREST, COMMITMENT LETTER, CONFIDENTIALITY AND SIMILAR AGREEMENTS INVOLVING ANY CREDIT PARTY AND ANY LENDER OR ANY L/C ISSUER OR ANY OF THEIR RESPECTIVE AFFILIATES RELATING TO A FINANCING OF SUBSTANTIALLY SIMILAR FORM, PURPOSE OR EFFECT OTHER THAN THE FEE LETTER. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THIS AGREEMENT AND ANY OTHER LOAN DOCUMENT, THE TERMS OF THIS AGREEMENT SHALL GOVERN (UNLESS OTHERWISE EXPRESSLY STATED IN SUCH OTHER LOAN DOCUMENT OR SUCH TERMS OF SUCH OTHER LOAN DOCUMENTS ARE NECESSARY TO COMPLY WITH APPLICABLE REQUIREMENTS OF LAW, IN WHICH CASE SUCH TERMS SHALL GOVERN TO THE EXTENT NECESSARY TO COMPLY THEREWITH).

(b) Execution of this Agreement by the Credit Parties constitutes a full, complete and irrevocable release of any and all claims which each Credit Party may have at law or in equity in respect of all prior discussions and understandings, oral or written, relating to the subject matter of this Agreement and the other Loan Documents. In no event shall any Indemnitee be liable on any theory of liability for any special, indirect, consequential or punitive damages (including any loss of profits, business or anticipated savings). Each of each Borrower and each other Credit Party signatory hereto hereby waives, releases and agrees (and shall cause each other Credit Party to waive, release and agree) not to sue upon any such claim for any special, indirect, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(c) (i) Any indemnification or other protection provided to any Indemnitee pursuant to this Section 9.20, Sections 9.5 (Costs and Expenses) and 9.6 (Indemnity) and Article VIII (Agent) and Article X (Taxes, Yield Protection and Illegality) and (ii) the provisions of Section 8.1 of the Guaranty and Security Agreement, in each case, shall (x) survive the termination of the Revolving Loan Commitments and the payment in full of all other Obligations and (y) with respect to clause (i), inure to the benefit of any Person that at any time held a right thereunder (as an Indemnitee or otherwise) and, thereafter, its successors and permitted assigns.

9.21 Patriot Act. Each Lender that is subject to the Patriot Act hereby notifies the Credit Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act.

9.22 Replacement of Lender. Within 45 days after: (i) receipt by Borrower Representative of written notice and demand from any Lender that is not Agent or an Affiliate of Agent (an "Affected Lender") for payment of additional costs as provided in Section 10.1, 10.3 and/or 10.6; or (ii) any failure by any Lender (other than Agent or an Affiliate of Agent) to consent to a requested amendment, waiver or modification to any Loan Document in which Required Lenders have already consented to such amendment, waiver or modification but the consent of each Lender (or each Lender directly affected thereby, as applicable) is required with respect thereto, the Borrowers may, at their option, notify Agent and such Affected Lender (or such non-consenting Lender) of the Borrowers' intention to obtain, at the Borrowers' expense, a replacement Lender ("Replacement Lender") for such Affected Lender (or such non-consenting Lender), which Replacement Lender shall be reasonably satisfactory to Agent. In the event the Borrowers obtain a Replacement Lender within 45 days following notice of its intention to do so, the Affected Lender (or such non-consenting Lender) shall sell and assign its Loans and Revolving Loan Commitments to such Replacement Lender, at par, provided that the Borrowers have reimbursed such Affected Lender for its increased costs for which it is entitled to reimbursement under this Agreement through the date of such sale and assignment. In the event that a replaced Lender does not execute an Assignment pursuant to Section 9.9 within five Business Days after receipt by such replaced Lender of notice of replacement pursuant to this Section 9.22 and presentation to such replaced Lender of an Assignment evidencing an assignment pursuant to this Section 9.22, the Borrowers shall be entitled (but not obligated) to execute such an Assignment on behalf of such replaced Lender, and any such Assignment so executed by the Borrowers, the Replacement Lender and Agent, shall be effective for purposes of this Section 9.22 and Section 9.9. Notwithstanding the foregoing, with respect to a Lender that is a Non-Funding Lender or an Impacted Lender, Agent may, but shall not be obligated to, obtain a Replacement Lender and execute an Assignment on behalf of such Non-Funding Lender or Impacted Lender at any time with three Business Days' prior notice to such Lender (unless notice is not practicable under the circumstances) and cause such Lender's Loans and Revolving Loan Commitments to be sold and assigned, in whole or in part, at par. Upon any such assignment and payment and compliance with the other provisions of Section 9.9, such replaced Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such replaced Lender to indemnification hereunder shall survive.

9.23 Cross-Guaranty. The Obligations of each Credit Party are subject to the cross-guaranty provision set forth in Article 2 of the Guaranty and Security Agreement.

9.24 Creditor-Debtor Relationship. The relationship between Agent, each Lender and the L/C Issuer, on the one hand, and the Credit Parties, on the other hand, is solely that of creditor and debtor. No Secured Party has any fiduciary relationship or duty to any Credit Party arising out of or in connection with, and there is no agency, tenancy or joint venture relationship between the Secured Parties and the Credit Parties by virtue of, any Loan Document or any transaction contemplated therein.

9.25 Actions in Concert. Notwithstanding anything contained herein to the contrary, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights against any Credit Party arising out of this Agreement or any other Loan Document (including exercising any rights of setoff) without first obtaining the prior written consent of Agent or Required Lenders, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the other Loan Documents shall be taken in concert and at the direction or with the consent of Agent or Required Lenders.

**ARTICLE X.
TAXES, YIELD PROTECTION AND ILLEGALITY**

10.1 Taxes.

(a) Except as otherwise provided in this Section 10.1, each payment by any Credit Party under any Loan Document shall be made free and clear of all present or future taxes, levies, imposts, deductions, charges or withholdings imposed by any Governmental Authority and all liabilities with respect thereto (and without deduction for any of them) (collectively, but excluding Excluded Taxes, the "Taxes").

(b) If any Taxes shall be required by any Requirement of Law to be deducted from or in respect of any amount payable under any Loan Document to any Secured Party (i) such amount shall be increased as necessary to ensure that, after all required deductions for Taxes are made (including deductions applicable to any increases to any amount under this Section 10.1), such Secured Party receives the amount it would have received had no such deductions been made, (ii) the relevant Credit Party shall make such deductions, (iii) the relevant Credit Party shall timely pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable Requirements of Law and (iv) as soon as practicable after such payment is made, the relevant Credit Party shall deliver to Agent an original or certified copy of a receipt evidencing such payment or other evidence of payment reasonably satisfactory to Agent.

(c) In addition, the Borrowers agree to pay, and authorize Agent to pay in their name, any stamp, documentary, excise or property tax, charges or similar levies imposed by any applicable Requirement of Law or Governmental Authority and all Liabilities with respect thereto (including by reason of any delay in payment thereof), in each case arising from the execution, delivery or registration of, or otherwise with respect to, any Loan Document or any transaction contemplated therein (collectively, but excluding Other Connection Taxes imposed with respect to an assignment pursuant to Section 9.9(b) or a sale of a participation pursuant to Section 9.9(f), the “Other Taxes”). The Swingline Lender may, without any need for notice, demand or consent from the Borrowers or Borrower Representative, by making funds available to Agent in the amount equal to any such payment, make a Swing Loan to the Borrowers in such amount, the proceeds of which shall be used by Agent in whole to make such payment. As soon as is practicable after the date of any payment of Other Taxes by any Credit Party, the Borrowers shall furnish to Agent, at its address referred to in Section 9.2, the original or a certified copy of a receipt evidencing payment thereof or other evidence of payment reasonably satisfactory to Agent.

(d) The Borrowers shall reimburse and indemnify, within 30 days after receipt of demand therefor (with copy to Agent), each Secured Party for all Taxes and Other Taxes (including any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 10.1) paid by such Secured Party and any Liabilities arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. A certificate of the Secured Party (or of Agent on behalf of such Secured Party) claiming any compensation under this Section 10.1(d), setting forth the amounts to be paid thereunder and delivered to Borrower Representative with copy to Agent, shall be conclusive, binding and final for all purposes, absent manifest error. In determining such amount, Agent and such Secured Party may use any reasonable averaging and attribution methods.

(e) Any Lender claiming any additional amounts payable pursuant to this Section 10.1 shall use its commercially reasonable efforts (consistent with its internal policies and Requirements of Law) to change the jurisdiction of its Lending Office if such a change would reduce any such additional amounts (or any similar amount that may thereafter accrue) and would not, in the sole determination of such Lender, be otherwise disadvantageous to such Lender.

(f) (i) Each Non-U.S. Lender Party shall (w) on or prior to the date such Non-U.S. Lender Party becomes a “Non-U.S. Lender Party” hereunder, (x) on or prior to the date on which any such form or certification expires or becomes obsolete, (y) after the occurrence of any event requiring a change in the most recent form or certification previously delivered by it pursuant to this clause (i) and (z) from time to time if requested by Borrower Representative or Agent (or, in the case of a participant or SPV, the relevant Lender), provide Agent and Borrower Representative (or, in the case of a participant or SPV, the relevant Lender) with two completed originals of each of the following, as applicable: (A) IRS Forms W-8ECI (claiming a complete exemption from U.S. withholding tax with respect to all payments to be made to such Non-U.S. Lender Party under the Loan Documents because the income is effectively connected with a U.S. trade or business), IRS Forms W-8BEN (claiming exemption from U.S. withholding tax under an income tax treaty with respect to all payments to be made to such Non-U.S. Lender Party under the Loan Documents) and/or IRS Forms W-8IMY (together with appropriate forms, certifications and supporting statements) or any successor forms (in each case establishing a complete exemption from U.S. withholding tax with respect to all payments to be made to such Non-U.S. Lender Party under the Loan Documents), (B) in the case of a Non-U.S. Lender Party claiming exemption under Sections 871(h) or 881(c) of the Code, Form W-8BEN (claiming exemption from U.S. withholding tax under the portfolio interest exemption) or any successor form and a certificate in form and substance acceptable to Agent that such Non-U.S. Lender Party is not (1) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (2) a “10 percent shareholder” of the Borrowers within the meaning of Section 881(c)(3)(B) of the Code or (3) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code and (C) any other applicable document prescribed by the IRS certifying as to the entitlement of such Non-U.S. Lender Party to such exemption from United States withholding tax or reduced rate with respect to all payments to be made to such Non-U.S. Lender Party under the Loan Documents; provided, that in the case of a Non-U.S. Lender Party that, due to a change in any Requirement of Law occurring after the date that such Non-U.S. Lender Party becomes a Non-U.S. Lender Party, is unable to provide the forms and/or certificates described in clauses (A) or (B) above, such Non-U.S. Lender Party shall, to the extent permitted by applicable law, provide forms and/or certificates described in clauses (A) or (B) above, in each case, establishing a reduced rate of U.S. withholding tax with respect to all payments to be made to such Non-U.S. Lender Party under the Loan Documents). Unless Borrower Representative and Agent have received forms or other documents satisfactory to them indicating that payments under any Loan Document to or for a Non-U.S. Lender Party are not subject to United States withholding tax or are subject to such tax at a rate reduced by an applicable tax treaty, the Credit Parties and Agent shall withhold amounts required to be withheld by applicable Requirements of Law from such payments at the applicable statutory rate.

(ii) Each U.S. Lender Party shall (A) on or prior to the date such U.S. Lender Party becomes a “U.S. Lender Party” hereunder, (B) on or prior to the date on which any such form or certification expires or becomes obsolete, (C) after the occurrence of any event requiring a change in the most recent form or certification previously delivered by it pursuant to this [Section 10.1\(f\)](#) and (D) from time to time if requested by Borrower Representative or Agent (or, in the case of a participant or SPV, the relevant Lender), provide Agent and Borrower Representative (or, in the case of a participant or SPV, the relevant Lender) with two completed originals of Form W-9 (certifying that such U.S. Lender Party is entitled to an exemption from U.S. backup withholding tax) or any successor form.

(iii) Each Lender having sold a participation in any of its Obligations or identified an SPV as such to Agent shall collect from such participant or SPV the documents described in this [Section 10.1\(f\)](#) and provide them to Agent.

(iv) If a payment made to a Non-U.S. Lender Party would be subject to United States federal withholding tax imposed by FATCA if such Non-U.S. Lender Party fails to comply with the applicable reporting requirements of FATCA, such Non-U.S. Lender Party shall deliver to Agent and Borrower Representative any documentation under any Requirement of Law or reasonably requested by Agent or Borrower Representative sufficient for Agent or Borrowers to comply with their obligations under FATCA and to determine that such Non-U.S. Lender has complied with such applicable reporting requirements.

(g) If any Secured Party determines, in its sole discretion exercised in good faith, that it has received a refund of or credit against any Taxes as to which it has been indemnified pursuant to this [Article X](#) (a “Tax Benefit”), it shall pay to the applicable Credit Party an amount equal to such Tax Benefit (but only to the extent of indemnity payments made under this [Article X](#) with respect to the taxes giving rise to such Tax Benefit), net of all out-of-pocket expenses (including taxes) of such Secured Party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such Tax Benefit). Such Credit Party, upon the request of such Secured Party, shall repay to such Secured Party the amount paid over pursuant to this [Section 10.1\(g\)](#) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Secured Party is required to repay such Tax Benefit to such Governmental Authority. Notwithstanding anything to the contrary in this [Section 10.1\(g\)](#), in no event will a Secured Party be required to pay any amount to a Credit Party pursuant to this [Section 10.1\(g\)](#), the payment of which would place the Secured Party in a less favorable net after-tax position than the Secured Party would have been in if the indemnification payments or additional amounts giving rise to such Tax Benefit had never been paid. This paragraph shall not be construed to require any Secured Party to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the indemnifying party or any other person.

10.2 **Illegality.** If after the date hereof any Lender shall determine that the introduction of any Requirement of Law, or any change in any Requirement of Law or in the interpretation or administration thereof, has made it unlawful, or that any central bank or other Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to make LIBOR Rate Loans, then, on notice thereof by such Lender to the Borrowers through Agent, the obligation of that Lender to make LIBOR Rate Loans shall be suspended until such Lender shall have notified Agent and Borrower Representative that the circumstances giving rise to such determination no longer exists.

(a) Subject to [Section 10.2\(c\)](#), if any Lender shall determine that it is unlawful to maintain any LIBOR Rate Loan, the Borrowers shall prepay in full all LIBOR Rate Loans of such Lender then outstanding, together with interest accrued thereon, either on the last day of the Interest Period thereof if such Lender may lawfully continue to maintain such LIBOR Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBOR Rate Loans, together with any amounts required to be paid in connection therewith pursuant to [Section 10.4](#).

(b) If the obligation of any Lender to make or maintain LIBOR Rate Loans has been terminated, Borrower Representative may elect, by giving notice to such Lender through Agent that all Loans which would otherwise be made by any such Lender as LIBOR Rate Loans shall be instead Base Rate Loans.

(c) Before giving any notice to Agent pursuant to this Section 10.2, the affected Lender shall designate a different Lending Office with respect to its LIBOR Rate Loans if such designation will avoid the need for giving such notice or making such demand and will not, in the judgment of such Lender, be illegal or otherwise disadvantageous to such Lender.

10.3 Increased Costs and Reduction of Return.

(a) If any Lender or L/C Issuer shall determine that, due to either (i) the introduction of, or any change in, or in the interpretation of, any Requirement of Law or (ii) the compliance with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), in the case of either clause (i) or (ii) above subsequent to the date hereof, (x) there shall be any increase in the cost (excluding any cost for Taxes and Other Taxes) to such Lender or L/C Issuer of agreeing to make or making, funding or maintaining any LIBOR Rate Loans or of Issuing or maintaining any Letter of Credit, or (y) such Lender or L/C Issuer is subjected to any tax resulting from a change in the basis of taxation of payments under any Loan or Loan Documents, then the Borrowers shall be liable for, and shall from time to time, within 30 days of demand therefor by such Lender or L/C Issuer (with a copy of such demand to Agent), pay to Agent for the account of such Lender or L/C Issuer, additional amounts as are sufficient to compensate such Lender or L/C Issuer for such increased costs; provided, that the Borrowers shall not be required to compensate any Lender or L/C Issuer pursuant to this Section 10.3(a) for any increased costs incurred more than 180 days prior to the date that such Lender or L/C Issuer notifies Borrower Representative, in writing of the increased costs and of such Lender's or L/C Issuer's intention to claim compensation thereof; provided, further, that if the circumstance giving rise to such increased costs is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If any Lender or L/C Issuer shall have determined that:

(i) the introduction of any Capital Adequacy Regulation;

(ii) any change in any Capital Adequacy Regulation;

(iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof; or

(iv) compliance by such Lender or L/C Issuer (or its Lending Office) or any entity controlling such Lender or L/C Issuer, with any Capital Adequacy Regulation;

affects the amount of capital required or expected to be maintained by such Lender or L/C Issuer or any entity controlling such Lender or L/C Issuer and (taking into consideration such Lender's or such entities' policies with respect to capital adequacy and such Lender's or L/C Issuer's desired return on capital) determines that the amount of such capital is increased as a consequence of its Revolving Loan Commitment(s), loans, credits or obligations under this Agreement, then, within 30 days of demand of such Lender or L/C Issuer (with a copy to Agent), the Borrowers shall pay to such Lender or L/C Issuer, from time to time as specified by such Lender or L/C Issuer, additional amounts sufficient to compensate such Lender or L/C Issuer (or the entity controlling the Lender or L/C Issuer) for such increase; provided, that the Borrowers shall not be required to compensate any Lender or L/C Issuer pursuant to this Section 10.3(b) for any amounts incurred more than 180 days prior to the date that such Lender or L/C Issuer notifies Borrower Representative, in writing of the amounts and of such Lender's or L/C Issuer's intention to claim compensation thereof; provided, further, that if the event giving rise to such increase is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof.

(c) Notwithstanding anything herein to the contrary, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith shall be deemed to be a change in a Requirement of Law under Section 10.3(a) and/or a change in a Capital Adequacy Regulation under Section 10.3(b), as applicable, regardless of the date enacted, adopted or issued.

10.4 Funding Losses. The Borrowers agree to reimburse each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of:

(a) the failure of the Borrowers to make any payment or mandatory prepayment of principal of any LIBOR Rate Loan (including payments made after any acceleration thereof);

(b) the failure of the Borrowers to borrow, continue or convert a Loan after Borrower Representative has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/Continuation;

(c) the failure of the Borrowers to make any prepayment after the Borrowers have given a notice in accordance with Section 1.7;

(d) the prepayment (including pursuant to Section 1.8) of a LIBOR Rate Loan on a day which is not the last day of the Interest Period with respect thereto; or

(e) the conversion pursuant to Section 1.6 of any LIBOR Rate Loan to a Base Rate Loan on a day that is not the last day of the applicable Interest Period;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its LIBOR Rate Loans hereunder or from fees payable to terminate the deposits from which such funds were obtained; provided that, with respect to the expenses described in Sections 10.4(d) and (e), such Lender shall have notified Agent of any such expense within two Business Days of the date on which such expense was incurred. Solely for purposes of calculating amounts payable by the Borrowers to the Lenders under this Section 10.4 and under Section 10.3(a): each LIBOR Rate Loan made by a Lender (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the LIBOR used in determining the interest rate for such LIBOR Rate Loan by a matching deposit or other borrowing in the interbank Eurodollar market for a comparable amount and for a comparable period, whether or not such LIBOR Rate Loan is in fact so funded.

10.5 Inability to Determine Rates. If Agent shall have determined in good faith that for any reason adequate and reasonable means do not exist for ascertaining the LIBOR for any requested Interest Period with respect to a proposed LIBOR Rate Loan or that the LIBOR applicable pursuant to Section 1.3(a) for any requested Interest Period with respect to a proposed LIBOR Rate Loan does not adequately and fairly reflect the cost to the Lenders of funding or maintaining such Loan, Agent will forthwith give notice of such determination to Borrower Representative and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBOR Rate Loans hereunder shall be suspended until Agent revokes such notice in writing. Upon receipt of such notice, Borrower Representative may revoke any Notice of Borrowing or Notice of Conversion/Continuation then submitted by it. If Borrower Representative does not revoke such notice, the Lenders shall make, convert or continue the Loans, as proposed by Borrower Representative, in the amount specified in the applicable notice submitted by Borrower Representative, but such Loans shall be made, converted or continued as Base Rate Loans.

10.6 Reserves on LIBOR Rate Loans. The Borrowers shall pay to each Lender, as long as such Lender shall be required under regulations of the Federal Reserve Board to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional costs on the unpaid principal amount of each LIBOR Rate Loan equal to actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error), payable on each date on which interest is payable on such Loan provided Borrower Representative shall have received at least 15 days' prior written notice (with a copy to Agent) of such additional interest from the Lender. If a Lender fails to give notice 15 days prior to the relevant Interest Payment Date, such additional interest shall be payable 15 days from receipt of such notice.

10.7 Certificates of Lenders. Any Lender claiming reimbursement or compensation pursuant to this Article X shall deliver to Borrower Representative (with a copy to Agent) a certificate setting forth in reasonable detail the amount payable to such Lender hereunder and such certificate shall be conclusive and binding on the Borrowers in the absence of manifest error.

**ARTICLE XI.
DEFINITIONS**

11.1 Defined Terms. The following terms are defined in the Sections referenced opposite such terms:

“Affected Lender”	9.22
“Agent Report”	8.5(c)
“Aggregate Excess Funding Amount”	1.11(e)
“Apio”	Preamble
“Borrower” and “Borrowers”	Preamble
“Borrower Materials”	9.10(e)
“Borrower Representative”	1.12
“Cal Ex”	Preamble
“Closing Date Acquisition”	Recitals
“EBITDA”	Exhibit 4.2(b)
“Eligible Accounts”	1.13
“Eligible Inventory”	1.14
“Event of Default”	7.1
“Fee Letter”	1.9(a)
“Fixed Charge Coverage Ratio”	Exhibit 4.2(b)
“GE Capital”	Preamble
“GLI”	Preamble
“Indemnified Matters”	9.6
“Indemnitees”	9.6
“Intercompany Note”	5.4(b)
“Interest Coverage Ratio”	Exhibit 4.2(b)
“Interest Expense”	Exhibit 4.2(b)
“Investments”	5.4
“L/C Reimbursement Agreement”	1.1(c)
“L/C Reimbursement Date”	1.1(c)
“L/C Request”	1.1(c)
“L/C Sublimit”	1.1(c)
“Lender”	Preamble
“Letter of Credit Fee”	1.9(c)
“Maximum Revolving Loan Balance”	1.1(b)
“Maximum Lawful Rate”	1.3(d)
“MNPI”	9.10(a)
“Notice of Conversion/Continuation”	1.6(a)
“OFAC”	3.28
“Overadvance”	1.1(b)
“Other Taxes”	10.1(c)
“Parent”	Recitals
“Permitted Indebtedness”	5.5
“Permitted Liens”	5.1
“Register”	1.4(b)
“Restricted Payments”	5.11
“Replacement Lender”	9.22
“Revolving Loan Commitment”	1.1(b)
“Revolving Loan”	1.1(b)
“Sale”	9.9(b)
“SDN List”	3.28
“Separate Borrowing Base Limit”	1.1(a)
“Settlement Date”	1.11(b)
“Swing Loan”	1.1(d)
“Swingline Request”	1.1(d)
“Tax Returns”	3.10
“Taxes”	10.1(a)
“Unused Commitment Fee”	1.9(b)

In addition to the terms defined elsewhere in this Agreement, the following terms have the following meanings:

“Account” means, as at any date of determination, all “accounts” (as such term is defined in the UCC) of the Credit Parties, including the unpaid portion of the obligation of a customer of a Credit Party in respect of Inventory purchased by and shipped to such customer and/or the rendition of services by a Credit Party, as stated on the respective invoice of a Credit Party, net of any credits, rebates or offsets owed to such customer.

“Account Debtor” means the customer of a Credit Party who is obligated on or under an Account.

“Acquisition” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of fifty percent (50%) of the Stock and Stock Equivalents of any Person or otherwise causing any Person to become a Subsidiary of a Borrower, or (c) a merger or consolidation or any other combination with another Person.

“Affiliate” means, with respect to any Person, each officer, director, general partner or joint-venturer of such Person and any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person; provided, however, that no Secured Party shall be an Affiliate of any Credit Party or of any Subsidiary of any Credit Party solely by reason of the provisions of the Loan Documents. For purposes of this definition, “control” means the possession of either (a) the power to vote, or the beneficial ownership of, ten percent (10%) or more of the voting Stock of such Person (either directly or through the ownership of Stock Equivalents) or (b) the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Agent” means GE Capital in its capacity as administrative agent for the Lenders hereunder, and any successor administrative agent.

“Aggregate Revolving Loan Commitment” means the combined Revolving Loan Commitments of the Lenders, which shall initially be in the amount of \$25,000,000, as such amount may be reduced from time to time pursuant to this Agreement.

“Apio Cooling” means Apio Cooling, a California limited partnership.

“Applicable Margin” means (i) with respect Base Rate Loans, one percent (1%) per annum and (ii) with respect to LIBOR Rate Loans, two percent (2%) per annum. Notwithstanding anything herein to the contrary, Swing Loans may not be LIBOR Rate Loans.

“Approved Fund” means, with respect to any Lender, any Person (other than a natural Person) that (a) (i) is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the Ordinary Course of Business or (ii) temporarily warehouses loans for any Lender or any Person described in clause (i) and (b) is advised or managed by (i) such Lender, (ii) any Affiliate of such Lender or (iii) any Person (other than an individual) or any Affiliate of any Person (other than an individual) that administers or manages such Lender.

“Assignment” means an assignment agreement entered into by a Lender, as assignor, and any Person, as assignee, pursuant to the terms and provisions of Section 9.9 (with the consent of any party whose consent is required by Section 9.9), accepted by Agent, substantially in the form of Exhibit 11.1(a) or any other form approved by Agent.

“Attorney Costs” means and includes all reasonable fees and disbursements of any law firm or other external counsel.

“Availability” means, as of any date of determination, the amount by which (a) the Maximum Revolving Loan Balance, exceeds (b) the aggregate outstanding principal balance of Revolving Loans.

“Bankruptcy Code” means the Federal Bankruptcy Reform Act of 1978.

“Base Rate” means, for any day, a rate per annum equal to the highest of (a) the rate last quoted by The Wall Street Journal as the “Prime Rate” in the United States or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by Agent) or any similar release by the Federal Reserve Board (as determined by Agent), (b) the sum of one-half of one percent (0.50%) per annum and the Federal Funds Rate, and (c) the sum of (x) LIBOR calculated for each such day based on an Interest Period of one month determined two Business Days prior to such day, plus (y) the excess of the Applicable Margin for LIBOR Rate Loans over the Applicable Margin for Base Rate Loans, in each instance, as of such day. Any change in the Base Rate due to a change in any of the foregoing shall be effective on the effective date of such change in the Federal Funds Rate or LIBOR for an Interest Period of three months.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Benefit Plan” means any employee benefit plan as defined in Section 3(3) of ERISA (whether governed by the laws of the United States or otherwise) to which any Credit Party incurs or otherwise has any obligation or liability, contingent or otherwise.

“Borrowing” means a borrowing hereunder consisting of Loans made to or for the benefit of the Borrowers on the same day by the Lenders pursuant to Article I.

“Borrowing Base” means, as of any date of determination by Agent, from time to time, an amount equal to the sum at such time of:

- (a) up to eighty-five percent (85%) of the book value of Eligible Accounts (other than Foreign Eligible Accounts) at such time; and
- (b) up to the Foreign Eligible Percentage of the book value of Foreign Eligible Accounts at such time; and

(c) up to eighty-five percent (85%) of the book value of Eligible Inventory (other than Foreign Eligible In-Transit Inventory), multiplied by the NOLV Factor; and

(d) up to the Foreign Eligible Percentage of the book value of Foreign Eligible In-Transit Inventory, multiplied by the NOLV Factor;

in each case less Reserves established by Agent at such time in its Permitted Discretion.

“Borrowing Base Certificate” means a certificate of Borrower Representative, on behalf of each Credit Party, in substantially the form of Exhibit 11.1(b), duly completed as of a date acceptable to Agent in its sole discretion.

“Business Day” means any day that is not a Saturday, Sunday or a day on which banks are required or authorized to close in New York, New York, or San Francisco, California, and, when determined in connection with notices and determinations in respect of LIBOR or any LIBOR Rate Loan or any funding, conversion, continuation, Interest Period or payment of any LIBOR Rate Loan, that is also a day on which dealings in Dollar deposits are carried on in the London interbank market.

“Capital Adequacy Regulation” means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of any Lender or of any corporation controlling a Lender.

“Capital Lease” means, with respect to any Person, any lease of, or other arrangement conveying the right to use, any Property by such Person as lessee that has been or should be accounted for as a capital lease on a balance sheet of such Person prepared in accordance with GAAP.

“Capital Lease Obligations” means, at any time, with respect to any Capital Lease, any lease entered into as part of any sale leaseback transaction of any Person or any synthetic lease, the amount of all obligations of such Person that is (or that would be, if such synthetic lease or other lease were accounted for as a Capital Lease) capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“Cash Equivalents” means (a) any readily-marketable securities (i) issued by, or directly, unconditionally and fully guaranteed or insured by the United States federal government or (ii) issued by any agency of the United States federal government the obligations of which are fully backed by the full faith and credit of the United States federal government, (b) any readily-marketable direct obligations issued by any other agency of the United States federal government, any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case having a rating of at least “A-1” from S&P or at least “P-1” from Moody’s, (c) any commercial paper rated at least “A-1” by S&P or “P-1” by Moody’s and issued by any Person organized under the laws of any state of the United States, (d) any Dollar-denominated time deposit, insured certificate of deposit, overnight bank deposit or bankers’ acceptance issued or accepted by (i) any Lender or (ii) any commercial bank that is (A) organized under the laws of the United States, any state thereof or the District of Columbia, (B) “adequately capitalized” (as defined in the regulations of its primary federal banking regulators) and (C) has Tier 1 capital (as defined in such regulations) in excess of \$250,000,000 and (e) shares of any United States money market fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clause (a), (b), (c) or (d) with maturities as set forth in the proviso below, (ii) has net assets in excess of \$500,000,000 and (iii) has obtained from either S&P or Moody’s the highest rating obtainable for money market funds in the United States; provided, that (A) the maturities of all obligations specified in clause (b) and consisting of municipal bonds shall not exceed two years, and (B) the maturities of all other obligations specified in any of clause (a), (b), (c) or (d) shall not exceed 365 days.

“Closing Date” means April 23, 2012.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means all Property and interests in Property (other than leasehold interests in Real Estate) and proceeds thereof now owned or hereafter acquired by any Credit Party, any of their respective Subsidiaries and any other Person who has granted a Lien to Agent, in or upon which a Lien is granted or purported to be granted or now or hereafter exists in favor of any Lender or Agent for the benefit of Agent, Lenders and other Secured Parties, whether under this Agreement or under any other documents executed by any such Persons and delivered to Agent or any other Secured Party.

“Collateral Documents” means, collectively, the Guaranty and Security Agreement, the Mortgages, each Control Agreement, and all other security agreements, pledge agreements, patent and trademark security agreements, lease assignments, guaranties and other similar agreements, and all amendments, restatements, modifications or supplements thereof or thereto, by or between any one or more of any Credit Party, any of their respective Subsidiaries or any other Person pledging or granting a lien on Collateral or guarantying the payment and performance of the Obligations, and any Lender or Agent for the benefit of Agent, the Lenders and other Secured Parties now or hereafter delivered to the Lenders or Agent pursuant to or in connection with the transactions contemplated hereby, and all financing statements (or comparable documents now or hereafter filed in accordance with the UCC or comparable law) against any such Person as debtor in favor of any Lender or Agent for the benefit of Agent, the Lenders and the other Secured Parties, as secured party, as any of the foregoing may be amended, restated and/or modified from time to time.

“Commitment Percentage” means, as to any Lender, the percentage equivalent of such Lender’s Revolving Loan Commitment divided by the Aggregate Revolving Loan; provided that following acceleration of the Loans, such term means, as to any Lender, the percentage equivalent of the principal amount of the Loans held by such Lender, divided by the aggregate principal amount of the Loans held by all Lenders.

“Contingent Obligation” means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person: (a) with respect to any Indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; (b) with respect to any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (c) under any Rate Contracts; (d) to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement; or (e) for the obligations of another Person through any agreement to purchase, repurchase or otherwise acquire such obligation or any Property constituting security therefor, to provide funds for the payment or discharge of such obligation or to maintain the solvency, financial condition or any balance sheet item or level of income of another Person. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determined amount, the maximum amount so guaranteed or supported.

“Contractual Obligations” means, as to any Person, any provision of any security (whether in the nature of Stock, Stock Equivalents or otherwise) issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement (other than a Loan Document) to which such Person is a party or by which it or any of its Property is bound or to which any of its Property is subject.

“Control Agreement” means, with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance satisfactory to Agent, among Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried and the Credit Party maintaining such account, effective to grant “control” (within the meaning of Articles 8 and 9 under the applicable UCC) over such account to Agent.

“Conversion Date” means any date on which the Borrowers convert a Base Rate Loan to a LIBOR Rate Loan or a LIBOR Rate Loan to a Base Rate Loan.

“Copyrights” means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordings thereof and all applications in connection therewith.

“Credit Parties” means each Borrower, each of its Subsidiaries and each other Person (a) which executes a guaranty of the Obligations, (b) which grants a Lien on all or substantially all of its assets to secure payment of the Obligations and (c) all of the Stock of which is pledged to Agent for the benefit of the Secured Parties. For the avoidance of doubt, Parent shall not be considered to be a “Credit Party.”

“Default” means any event or circumstance that, with the passing of time or the giving of notice or both, would (if not cured or otherwise remedied during such time) become an Event of Default.

“Disclosure Letter” means that certain Disclosure Letter dated as of even date herewith, made by the Credit Parties in favor of Agent and Lenders.

“Disposition” means (a) the sale, lease, conveyance or other disposition of Property, other than sales or other dispositions expressly permitted under Sections 5.2(a), 5.2(c) and 5.2(d), and (b) the sale or transfer by a Borrower or any Subsidiary of a Borrower of any Stock or Stock Equivalent issued by any Subsidiary of a Borrower and held by such transferor Person.

“Dollars,” “dollars” and “\$” each mean lawful money of the United States of America.

“Earnout Obligation” means the additional consideration not to exceed \$7,000,000 to be paid by Apio to Sellers upon the satisfaction of certain terms and conditions set forth in Section 2.4 of the Purchase Agreement.

“Electronic Transmission” means each document, instruction, authorization, file, information and any other communication transmitted, posted or otherwise made or communicated by e-mail or E-Fax, or otherwise to or from an E-System.

“Eligible In-Transit Inventory” means raw materials or finished goods Inventory owned by a Credit Party which (a) is in transit under FOB destination terms (i) to one of such Credit Party’s domestic Account Debtors or (ii) to one of such Credit Party’s foreign Account Debtors pursuant to purchase orders placed with Cal Ex that will create an Eligible Account upon delivery of such Inventory, (b) has been paid for by such Credit Party, (c) is fully insured (including by Foreign Credit Insurance on terms and in amounts satisfactory to Agent in its good faith credit judgment with respect to Inventory described in clause (a)(ii) above, (d) is subject to a first priority perfected security interest in and lien upon such goods in favor of Agent (except for any possessory lien upon such goods in the possession of a freight carrier or shipping company securing only the freight charges for the transportation of such goods to such Credit Party), and (e) otherwise meets the criteria for “Eligible Inventory” hereunder; provided, that in no event shall the value of “Eligible In-Transit Inventory” at any time exceed \$5,000,000.

“Environmental Laws” means all Requirements of Law and Permits imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the workplace, the environment and natural resources, and including public notification requirements and environmental transfer of ownership, notification or approval statutes.

“Environmental Liabilities” means all Liabilities (including costs of Remedial Actions, natural resource damages and costs and expenses of investigation and feasibility studies, including the cost of environmental consultants and the cost of attorney’s fees) that may be imposed on, incurred by or asserted against any Credit Party or any Subsidiary of any Credit Party as a result of, or related to, any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law or otherwise, arising under any Environmental Law or in connection with any environmental, health or safety condition or with any Release and resulting from the ownership, lease, sublease or other operation or occupation of property by any Credit Party or any Subsidiary of any Credit Party, whether on, prior or after the date hereof.

“Equipment” means all “equipment,” as such term is defined in the UCC, now owned or hereafter acquired by any Credit Party, wherever located.

“Equipment Loan” means the loan made to Apio pursuant to the terms of the Equipment Loan Documents.

“Equipment Loan Collateral” means all of the equipment and related collateral described in the Equipment Loan Collateral Schedule.

“Equipment Loan Collateral Schedule” means that certain Collateral Schedule No. 8727912-001, dated as of the date hereof, by and between GE Capital (or any of its Affiliates) and Apio.

“Equipment Loan Documents” means and includes the Equipment Loan Collateral Schedule, the Master Security Agreement by and between GE Capital (or any of its Affiliates) and Apio which is incorporated by reference into the Equipment Loan Collateral Schedule, and the promissory note in the original principal amount of \$12,660,000 made payable by Apio to the order of GE Capital (or any of its affiliates), each dated as of the date hereof, together with all documents, instruments and agreements related thereto.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means, collectively, any Credit Party and any Person under common control or treated as a single employer with, any Credit Party, within the meaning of Section 414(b), (c), (m) or (o) of the Code.

“ERISA Event” means any of the following: (a) a reportable event described in Section 4043(b) of ERISA (or, unless the 30-day notice requirement has been duly waived under the applicable regulations, Section 4043(c) of ERISA) with respect to a Title IV Plan; (b) the withdrawal of any ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of any ERISA Affiliate from any Multiemployer Plan; (d) with respect to any Multiemployer Plan, the filing of a notice of reorganization, insolvency or termination (or treatment of a plan amendment as termination) under Section 4041A of ERISA; (e) the filing of a notice of intent to terminate a Title IV Plan (or treatment of a plan amendment as termination) under Section 4041 of ERISA; (f) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (g) the failure to make any required contribution to any Title IV Plan or Multiemployer Plan when due; (h) the imposition of a lien under Section 412 or 430(k) of the Code or Section 303 or 4068 of ERISA on any property (or rights to property, whether real or personal) of any ERISA Affiliate; (i) the failure of a Benefit Plan or any trust thereunder intended to qualify for tax exempt status under Section 401 or 501 of the Code or other Requirements of Law to qualify thereunder; (j) a Title IV plan is in “at risk” status within the meaning of Code Section 430(i); (k) a Multiemployer Plan is in “endangered status” or “critical status” within the meaning of Section 432(b) of the Code; and (l) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of any material liability upon any ERISA Affiliate under Title IV of ERISA other than for PBGC premiums due but not delinquent.

“Event of Loss” means, with respect to any Property, any of the following: (a) any loss, destruction or damage of such Property; (b) any pending or threatened institution of any proceedings for the condemnation or seizure of such Property or for the exercise of any right of eminent domain; or (c) any actual condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, of such Property, or confiscation of such Property or the requisition of the use of such Property.

“Excluded Equity Issuance” means Net Issuance Proceeds resulting from the issuance of (a) Stock or Stock Equivalents by a Wholly-Owned Subsidiary of a Borrower to a Borrower or another Wholly-Owned Subsidiary of a Borrower constituting an Investment permitted hereunder and (b) Stock or Stock Equivalents by a Credit Party to another Credit Party.

“Excluded Tax” means with respect to any Secured Party: (a) taxes imposed on or measured by net income or net profits (however denominated), branch profits taxes and franchise taxes imposed in lieu of net income or net profits taxes, in each case (i) imposed on any Secured Party as a result of such Secured Party being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes; (b) withholding taxes to the extent that the obligation to withhold amounts existed on the date that such Person became a “Secured Party” under this Agreement in the capacity under which such Person makes a claim under Section 10.1(b) or designates a new Lending Office, except in each case to the extent such Person is a direct or indirect assignee (other than pursuant to Section 9.22) of any other Secured Party that was entitled, at the time the assignment to such Person became effective, to receive additional amounts under Section 10.1(b); (c) taxes that are directly attributable to the failure (other than as a result of a change in any Requirement of Law) by any Secured Party to deliver the documentation required to be delivered pursuant to Section 10.1(f); and (d) in the case of a Non-U.S Lender Party, any United States federal withholding taxes imposed on amounts payable to such Non-U.S. Lender Party as a result of such Non-U.S. Lender Party’s failure to comply with FATCA to establish a complete exemption from withholding thereunder.

“E-Fax” means any system used to receive or transmit faxes electronically.

“E-Signature” means the process of attaching to or logically associating with an Electronic Transmission an electronic symbol, encryption, digital signature or process (including the name or an abbreviation of the name of the party transmitting the Electronic Transmission) with the intent to sign, authenticate or accept such Electronic Transmission.

“E-System” means any electronic system approved by Agent, including Intralinks® and ClearPar® and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by Agent, any of its Related Persons or any other Person, providing for access to data protected by passcodes or other security system.

“FATCA” means sections 1471, 1472, 1473 and 1474 of the Code, the United States Treasury Regulations promulgated thereunder and published guidance with respect thereto.

“Federal Flood Insurance” means federally backed Flood Insurance available under the National Flood Insurance Program to owners of real property improvements located in Special Flood Hazard Areas in a community participating in the National Flood Insurance Program.

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as determined by Agent in a commercially reasonable manner.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“Fee Agreement” means that certain Fee Agreement dated as of April 23, 2012 (as in effect as of the Closing Date), among Parent, Apio and Lifecore Biomedical, Inc., a Delaware corporation.

“FEMA” means the Federal Emergency Management Agency, a component of the U.S. Department of Homeland Security that administers the National Flood Insurance Program.

“Final Availability Date” means the earlier of the Revolving Termination Date and one Business Day prior to the date specified in clause (a) of the definition of Revolving Termination Date.

“FIRREA” means the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

“Fiscal Quarter” means any quarter in any Fiscal Year, the duration of such quarter being defined in accordance with GAAP applied consistently with that applied in the preparation of Parent’s financial statements referred to in [Section 4.1](#).

“Fiscal Year” means any of the annual accounting periods of the Credit Parties ending on the last Sunday in May of each calendar year.

“Flood Insurance” means, for any Real Estate Collateral located in a Special Flood Hazard Area, Federal Flood Insurance or private insurance that (a) meets the requirements set forth by FEMA in its *Mandatory Purchase of Flood Insurance Guidelines* and (b) shall be in an amount equal to the full, unpaid balance of the Loans and any prior liens on the Real Estate up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Agent, with deductibles not to exceed \$50,000.

“Foreign Eligible Accounts” means Eligible Accounts that are the obligations of an Account Debtor located in a foreign country (other than Canada) and that satisfy the criterion in [clause \(ii\)](#) of [Section 1.13\(c\)](#).

“Foreign Eligible In-Transit Inventory” means Eligible In-Transit Inventory of the type described in [clause \(a\)\(ii\)](#) of the definition of “Eligible In-Transit Inventory.”

“Foreign Eligible Percentage” means, with respect to any Foreign Eligible Accounts or Foreign Eligible In-Transit Inventory, the lesser of (a) 85% or (b) the sum of (i) the “Insured Percentage” with respect to such Accounts or Inventory as set forth in the applicable policy of Foreign Credit Insurance, minus (ii) five percent (5.0%).

“GAAP” means generally accepted accounting principles in the United States of America, as in effect from time to time, set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants, in the statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions and comparable stature and authority within the accounting profession) that are applicable to the circumstances as of the date of determination. Subject to [Section 11.3](#), all references to “GAAP” shall be to GAAP applied consistently with the principles used in the preparation of the financial statements described in [Section 3.11\(a\)](#).

“Governmental Authority” means any nation, sovereign or government, any state or other political subdivision thereof, any agency, authority or instrumentality thereof and any entity or authority exercising executive, legislative, taxing, judicial, regulatory or administrative functions of or pertaining to government, including any central bank, stock exchange, regulatory body, arbitrator, public sector entity, supra-national entity (including the European Union and the European Central Bank) and any self-regulatory organization (including the National Association of Insurance Commissioners).

“GreenLine Entities” means, collectively, GreenLine Holding Company, a Delaware corporation, GreenLine Foods, Inc., an Ohio corporation, GreenLine Logistics, Inc., an Ohio corporation and GreenLine South Carolina Properties, LLC, an Ohio limited liability company.

“Guaranty and Security Agreement” means that certain Guaranty and Security Agreement, dated as of even date herewith, in form and substance reasonably acceptable to Agent and the Borrowers, made by the Credit Parties in favor of Agent, for the benefit of the Secured Parties, as the same may be amended, restated and/or modified from time to time.

“Hazardous Material” means any substance, material or waste that is classified, regulated or otherwise characterized under any Environmental Law as hazardous, toxic, a contaminant or a pollutant or by other words of similar meaning or regulatory effect, including petroleum or any fraction thereof, asbestos, polychlorinated biphenyls and radioactive substances.

“Impacted Lender” means any Lender that fails to provide Agent, within three Business Days following Agent’s written request, satisfactory assurance that such Lender will not become a Non-Funding Lender.

“Indebtedness” of any Person means, without duplication: (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of Property or services (other than trade payables entered into in the Ordinary Course of Business); (c) the face amount of all letters of credit issued for the account of such Person and without duplication, all drafts drawn thereunder and all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments issued by such Person; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of Property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property); (f) all Capital Lease Obligations; (g) the principal balance outstanding under any synthetic lease, off-balance sheet loan or similar off balance sheet financing product; (h) all indebtedness referred to in clauses (a) through (g), secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in Property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness; and (i) all Contingent Obligations described in clause (a) of the definition thereof in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (i).

“Insolvency Proceeding” means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each case in clauses (a) and (b), undertaken under U.S. federal, state or foreign law, including the Bankruptcy Code.

“Intellectual Property” means all rights, title and interests in or relating to intellectual property and industrial property arising under any Requirement of Law and all IP Ancillary Rights relating thereto, including all Copyrights, Patents, Trademarks, Internet Domain Names, Trade Secrets and IP Licenses.

“Interest Payment Date” means, (a) with respect to any LIBOR Rate Loan (other than a LIBOR Rate Loan having an Interest Period of six months) the last day of each Interest Period applicable to such Loan, (b) with respect to any LIBOR Rate Loan having an Interest Period of six months, the last day of each three month interval and, without duplication, the last day of such Interest Period, and (c) with respect to Base Rate Loans (including Swing Loans) the first day of each month.

“Interest Period” means, with respect to any LIBOR Rate Loan, the period commencing on the Business Day such Loan is disbursed or continued or on the Conversion Date on which a Base Rate Loan is converted to the LIBOR Rate Loan and ending on the date one, two, three or six months thereafter, as selected by Borrower Representative in its Notice of Borrowing or Notice of Conversion/Continuation; provided that:

(a) if any Interest Period pertaining to a LIBOR Rate Loan would otherwise end on a day which is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day;

(b) any Interest Period pertaining to a LIBOR Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period for any Revolving Loan shall extend beyond the Revolving Termination Date.

“Internet Domain Name” means all right, title and interest (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to internet domain names.

“Inventory” means all of the “inventory” (as such term is defined in the UCC) of the Credit Parties, including, but not limited to, all merchandise, raw materials, parts, supplies, work-in-process and finished goods intended for sale, together with all the containers, packing, packaging, shipping and similar materials related thereto, and including such inventory as is temporarily out of a Credit Party’s custody or possession, including inventory on the premises of others and items in transit, in each case, excluding Equipment.

“IP Ancillary Rights” means, with respect to any Intellectual Property, as applicable, all foreign counterparts to, and all divisionals, reversions, continuations, continuations-in-part, reissues, reexaminations, renewals and extensions of, such Intellectual Property and all income, royalties, proceeds and Liabilities at any time due or payable or asserted under or with respect to any of the foregoing or otherwise with respect to such Intellectual Property, including all rights to sue or recover at law or in equity for any past, present or future infringement, misappropriation, dilution, violation or other impairment thereof, and, in each case, all rights to obtain any other IP Ancillary Right.

“IP License” means all Contractual Obligations (and all related IP Ancillary Rights), whether written or oral, granting any right, title and interest in or relating to any Intellectual Property.

“IRS” means the Internal Revenue Service of the United States and any successor thereto.

“Issue” means, with respect to any Letter of Credit, to issue, extend the expiration date of, renew (including by failure to object to any automatic renewal on the last day such objection is permitted), increase the face amount of, or reduce or eliminate any scheduled decrease in the face amount of, such Letter of Credit, or to cause any Person to do any of the foregoing. The terms “Issued” and “Issuance” have correlative meanings.

“L/C Issuer” means any Lender or an Affiliate thereof or a bank or other legally authorized Person, in each case, reasonably acceptable to Agent, in such Person’s capacity as an issuer of Letters of Credit hereunder.

“L/C Reimbursement Obligation” means, for any Letter of Credit, the obligation of the Borrowers to the L/C Issuer thereof or to Agent, as and when matured, to pay all amounts drawn under such Letter of Credit.

“Lending Office” means, with respect to any Lender, the office or offices of such Lender specified as its “Lending Office” beneath its name on the applicable signature page hereto, or such other office or offices of such Lender as it may from time to time notify Borrower Representative and Agent.

“Letter of Credit” means documentary or standby letters of credit Issued for the account of the Borrowers by L/C Issuers, and bankers’ acceptances issued by a Borrower, for which Agent and Lenders have incurred Letter of Credit Obligations.

“Letter of Credit Obligations” means all outstanding obligations incurred by Agent and Lenders at the request of the Borrowers or Borrower Representative, whether direct or indirect, contingent or otherwise, due or not due, in connection with the Issuance of Letters of Credit by L/C Issuers or the purchase of a participation as set forth in Section 1.1(c) with respect to any Letter of Credit. The amount of such Letter of Credit Obligations shall equal the maximum amount that may be payable by Agent and Lenders thereupon or pursuant thereto.

“Liabilities” means all claims, actions, suits, judgments, damages, losses, liability, obligations, responsibilities, fines, penalties, sanctions, costs, fees, taxes, commissions, charges, disbursements and expenses (including those incurred upon any appeal or in connection with the preparation for and/or response to any subpoena or request for document production relating thereto), in each case of any kind or nature (including interest accrued thereon or as a result thereto and fees, charges and disbursements of financial, legal and other advisors and consultants), whether joint or several, whether or not indirect, contingent, consequential, actual, punitive, treble or otherwise.

“LIBOR” means, for each Interest Period, the offered rate per annum for deposits of Dollars for the applicable Interest Period that appears on Reuters Screen LIBOR 01 Page as of 11:00 A.M. (London, England time) two Business Days prior to the first day in such Interest Period. If no such offered rate exists, such rate will be the rate of interest per annum, as determined by Agent at which deposits of Dollars in immediately available funds are offered at 11:00 A.M. (London, England time) two Business Days prior to the first day in such Interest Period by major financial institutions reasonably satisfactory to Agent in the London interbank market for such Interest Period for the applicable principal amount on such date of determination.

“LIBOR Rate Loan” means a Loan that bears interest based on LIBOR.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or otherwise), security interest or other security arrangement and any other preference, priority or preferential arrangement of any kind or nature whatsoever, including those created by, arising under or evidenced by any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the UCC or any comparable law) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under a lease which is not a Capital Lease regardless of whether or not any financing statements are filed by a lessor in connection with any such operating lease.

“Loan” means any loan made or deemed made by any Lender hereunder.

“Loan Documents” means this Agreement, the Notes, the Fee Letter, the Collateral Documents, the Master Agreement for Standby Letters of Credit, the Master Agreement for Documentary Letters of Credit, the Subordination Agreement and all documents delivered to Agent and/or any Lender in connection with any of the foregoing.

“Margin Stock” means “margin stock” as such term is defined in Regulation T, U or X of the Federal Reserve Board.

“Material Adverse Effect” means an effect that results in or causes, or could reasonably be expected to result in or cause, a material adverse change in any of: (a) the condition (financial or otherwise) of any Credit Party or, business, performance, operations or Property of the Credit Parties and their Subsidiaries taken as a whole; (b) the ability of any Credit Party, any Subsidiary of any Credit Party or any other Person (other than Agent or Lenders) to perform its obligations under any Loan Document as and when due; or (c) the validity or enforceability of any Loan Document or the rights and remedies of Agent, the Lenders and the other Secured Parties under any Loan Document.

“Material Environmental Liabilities” means Environmental Liabilities exceeding \$1,000,000 in the aggregate.

“Mortgage” means any deed of trust, leasehold deed of trust, mortgage, leasehold mortgage, deed to secure debt, leasehold deed to secure debt or other document creating a Lien on Real Estate or any interest in Real Estate.

“Multiemployer Plan” means any multiemployer plan, as defined in Section 3(37) or 4001(a)(3) of ERISA, as to which any ERISA Affiliate incurs or otherwise has any obligation or liability, contingent or otherwise.

“National Flood Insurance Program” means the program created by the U.S. Congress pursuant to the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973, as revised by the National Flood Insurance Reform Act of 1994, that mandates the purchase of flood insurance to cover real property improvements located in Special Flood Hazard Areas in participating communities and provides protection to property owners through a federal insurance program.

“Net Issuance Proceeds” means, in respect of any issuance of debt or equity, cash proceeds (including cash proceeds as and when received in respect of non-cash proceeds received or receivable in connection with such issuance), net of underwriting discounts and out-of-pocket costs and expenses paid or incurred in connection therewith in favor of any Person not an Affiliate of a Borrower.

“Net Orderly Liquidation Value” means the cash proceeds of Inventory and/or Equipment, as applicable, which could be obtained in an orderly liquidation (net of all liquidation expenses, costs of sale, operating expenses and retrieval and related costs), as determined pursuant to the most recent third-party appraisal of such Inventory and/or Equipment delivered to Agent by an appraiser reasonably acceptable to Agent.

“Net Proceeds” means proceeds in cash, checks or other cash equivalent financial instruments (including Cash Equivalents) as and when received by the Person making a Disposition, as well as insurance proceeds and condemnation and similar awards received on account of an Event of Loss, net of: (a) in the event of a Disposition (i) the direct costs relating to such Disposition excluding amounts payable to a Borrower or any Affiliate of a Borrower, (ii) sale, use or other transaction taxes paid or payable as a result thereof, and (iii) amounts required to be applied to repay principal, interest and prepayment premiums and penalties on Indebtedness secured by a Lien on the asset which is the subject of such Disposition; and (b) in the event of an Event of Loss, (i) so long as no Default or Event of Default has occurred and is continuing, all money actually applied to repair or reconstruct the damaged Property or Property affected by the condemnation or taking, (ii) all of the costs and expenses reasonably incurred in connection with the collection of such proceeds, award or other payments, and (iii) any amounts retained by or paid to parties having superior rights to such proceeds, awards or other payments.

“NOLV Factor” means, as of the date of the appraisal of Inventory most recently received by Agent, the quotient of the Net Orderly Liquidation Value of Inventory divided by the book value of Inventory, expressed as a percentage. The NOLV Factor will be increased or reduced promptly upon receipt by Agent of each updated appraisal.

“Non-Funding Lender” means any Lender that has: (a) failed to fund any payments required to be made by it under the Loan Documents within two Business Days after any such payment is due (excluding expense and similar reimbursements that are subject to good faith disputes); (b) given written notice (and Agent has not received a revocation in writing), to a Borrower, Agent, any Lender, or the L/C Issuer or has otherwise publicly announced (and Agent has not received notice of a public retraction) that such Lender believes it will fail to fund payments or purchases of participations required to be funded by it under the Loan Documents or one or more other syndicated credit facilities; (c) failed to fund, and not cured, loans, participations, advances, or reimbursement obligations under one or more other syndicated credit facilities, unless subject to a good faith dispute; or (d) (i) become subject to a voluntary or involuntary case under the Bankruptcy Code or any similar bankruptcy laws, (ii) a custodian, conservator, receiver or similar official appointed for it or any substantial part of such Person’s assets, or (iii) made a general assignment for the benefit of creditors, been liquidated, or otherwise been adjudicated as, or determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent or bankrupt, and for this clause (d), Agent has determined that such Lender is reasonably likely to fail to fund any payments required to be made by it under the Loan Documents.

“Non-U.S. Lender Party” means each of Agent, each Lender, each L/C Issuer, each SPV and each participant, in each case that is not a United States person as defined in Section 7701(a)(30) of the Code.

“Note” means any Revolving Note or Swingline Note and “Notes” means all such Notes.

“Notice of Borrowing” means a notice given by Borrower Representative to Agent pursuant to Section 1.5, in substantially the form of Exhibit 11.1(c).

“Obligations” means all Loans, and other Indebtedness, advances, debts, liabilities, obligations, covenants and duties owing by any Credit Party to any Lender, Agent, any L/C Issuer, any Secured Swap Provider or any other Person required to be indemnified, that arises under any Loan Document or any Secured Rate Contract, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guaranty, indemnification or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired.

“Ordinary Course of Business” means, in respect of any transaction involving any Person, the ordinary course of such Person’s business, as conducted by any such Person in accordance with past practice and undertaken by such Person in good faith and not for purposes of evading any covenant or restriction in any Loan Document.

“Organization Documents” means, (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation and any shareholder rights agreement, (b) for any partnership, the partnership agreement and, if applicable, certificate of limited partnership, (c) for any limited liability company, the operating agreement and articles or certificate of formation or (d) any other document setting forth the manner of election or duties of the officers, directors, managers or other similar persons, or the designation, amount or relative rights, limitations and preference of the Stock of a Person.

“Other Connection Taxes” means, with respect to any Secured Party, taxes imposed as a result of a present or former connection between such Secured Party and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than such connection arising solely from any Secured Party having executed, delivered or performed its obligations or received a payment under, or enforced, any Loan Document).

“Other Senior Indebtedness” means the Equipment Loan and the Real Estate Loan.

“Other Senior Indebtedness Documents” means the Equipment Loan Documents and the Real Estate Loan Documents (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith).

“PACA” shall mean the Perishable Agricultural Commodities Act, 7 U.S.C. § 499e(c) (or any successor legislation thereto), and any regulations promulgated thereunder.

“PACA Reserve” shall mean the Borrowing Base reserve established by Agent from time to time based upon the aggregate amount of unpaid trade payables for Inventory of each Borrower subject to PACA, producers’ liens or similar laws.

“Parent Note” means that certain Subordinated Promissory Note in the original principal amount of \$6,300,000, executed by Apio in favor of Parent and evidencing the loan made by Parent to Apio to enable Apio to consummate the transactions contemplated by the Purchase Agreement.

“Patents” means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to letters patent and applications therefor.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56.

“PBGC” means the United States Pension Benefit Guaranty Corporation any successor thereto.

“Permits” means, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance or permission from, and any other Contractual Obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Permitted Discretion” means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

“Permitted Refinancing” means Indebtedness constituting a refinancing or extension of Indebtedness permitted under Section 5.5(c) or 5.5(d) that: (a) has an aggregate outstanding principal amount not greater than the aggregate principal amount of the Indebtedness being refinanced or extended; (b) has a weighted average maturity (measured as of the date of such refinancing or extension) and maturity no shorter than that of the Indebtedness being refinanced or extended; (c) is not entered into as part of a sale leaseback transaction; (d) is not secured by a Lien on any assets other than the collateral securing the Indebtedness being refinanced or extended; (e) the obligors of which are the same as the obligors of the Indebtedness being refinanced or extended; and (f) is otherwise on terms no less favorable to the Credit Parties and their Subsidiaries, taken as a whole, than those of the Indebtedness being refinanced or extended.

“Person” means any individual, partnership, corporation (including a business trust and a public benefit corporation), joint stock company, estate, association, firm, enterprise, trust, limited liability company, unincorporated association, joint venture and any other entity or Governmental Authority.

“Pledged Collateral” has the meaning specified in the Guaranty and Security Agreement and shall include any other Collateral required to be delivered to Agent pursuant to the terms of any Collateral Document.

“Prior Indebtedness” means the Indebtedness and obligations specified in Schedule 11.1.

“Prior Lender” means KeyBank National Association.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

“Purchase Agreement” means that certain Stock Purchase Agreement, dated as of the date hereof, by and among GreenLine Holding Company, 2003 Riverside Capital Appreciation Fund, L.P., 2003 Riverside Capital Appreciation Fund (QC), L.P., the other Sellers party thereto, and Apio.

“Rate Contracts” means swap agreements (as such term is defined in Section 101 of the Bankruptcy Code) and any other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates.

“Real Estate” means any real estate owned, leased, subleased or otherwise operated or occupied by any Credit Party or any Subsidiary of any Credit Party.

“Real Estate Loans” means the loans in the original principal amount of \$19,156,250 made to Apio pursuant to the terms of the Real Estate Loan Documents.

“Real Estate Loan Documents” means and includes the Loan Agreement of even date herewith by and between GE Capital, Apio, Apio Cooling, GreenLine Foods, Inc., and GreenLine South Carolina Properties, LLC, together with all documents, instruments and agreements related thereto.

“Related Agreements” means the Purchase Agreement and the Other Senior Indebtedness Documents.

“Related Persons” means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisor (including those retained in connection with the satisfaction or attempted satisfaction of any condition set forth in Article II) and other consultants and agents of or to such Person or any of its Affiliates.

“Related Transactions” means the transactions contemplated by the Related Agreements.

“Releases” means any release, threatened release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material into or through the environment.

“Remedial Action” means all actions required to (a) clean up, remove, treat or in any other way address any Hazardous Material in the indoor or outdoor environment, (b) prevent or minimize any Release so that a Hazardous Material does not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment or (c) perform pre remedial studies and investigations and post-remedial monitoring and care with respect to any Hazardous Material.

“Required Lenders” means at any time (a) Lenders then holding at least sixty-six and two-thirds percent (66-2/3%) of the sum of the Aggregate Revolving Loan Commitment then in effect, or (b) if the Aggregate Revolving Loan Commitments have terminated, Lenders then holding at least sixty-six and two-thirds percent (66-2/3%) of the sum of the aggregate unpaid principal amount of Loans (other than Swing Loans) then outstanding, outstanding Letter of Credit Obligations, amounts of participations in Swing Loans and the principal amount of unparticipated portions of Swing Loans.

“Requirement of Law” means, with respect to any Person, the common law and any federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“Reserves” means, with respect to the Borrowing Base (a) reserves under Section 1.14(e), (b) the PACA Reserve and (c) such other reserves against Eligible Accounts, Eligible Inventory or Availability that Agent may, in its Permitted Discretion, establish from time to time in consultation with Borrower Representative. Without limiting the generality of the foregoing, Reserves established to ensure the payment of accrued interest expenses or Indebtedness shall be deemed to be an exercise of Agent’s Permitted Discretion.

“Responsible Officer” means the chief executive officer or the president of a Borrower or Borrower Representative, as applicable, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants or delivery of financial information, the chief financial officer or the treasurer of a Borrower or Borrower Representative, as applicable, or any other officer having substantially the same authority and responsibility.

“Revolving Note” means a promissory note of the Borrowers payable to a Lender in substantially the form of Exhibit 11.1(d), evidencing Indebtedness of the Borrowers under the Revolving Loan Commitment of such Lender.

“Revolving Termination Date” means the earlier to occur of: (a) April 23, 2017; and (b) the date on which the Aggregate Revolving Loan Commitment shall terminate in accordance with the provisions of this Agreement.

“Secured Party” means (a) Agent, each Lender, each L/C Issuer, each other Indemnitee and each other holder of any Obligation of a Credit Party including each Secured Swap Provider, and (b) GE Capital (or any of its Affiliates), as the holder of the Equipment Loan.

“Secured Rate Contract” means any Rate Contract between a Borrower and the counterparty thereto, which (a) has been provided or arranged by GE Capital or an Affiliate of GE Capital, or (b) Agent has acknowledged in writing constitutes a “Secured Rate Contract” hereunder.

“Secured Swap Provider” means (a) a Lender or an Affiliate of a Lender (or a Person who was a Lender or an Affiliate of a Lender at the time of execution and delivery of a Rate Contract) who has entered into a Secured Rate Contract with a Borrower, or (b) a Person with whom Borrower has entered into a Secured Rate Contract provided or arranged by GE Capital or an Affiliate of GE Capital, and any assignee thereof.

“Sellers” has the meaning given to such term in the Purchase Agreement.

“Slow-Moving Inventory” means Inventory that has not been offered for sale or that has not sold in the prior 12-month period.

“Software” means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing.

“Solvent” means, with respect to any Person as of any date of determination, that, as of such date, (a) the value of the assets of such Person (both at fair value and present fair saleable value) is greater than the total amount of liabilities (including contingent and unliquidated liabilities) of such Person, (b) such Person is able to pay all liabilities of such Person as such liabilities mature and (c) such Person does not have unreasonably small capital. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities shall be computed at the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Special Flood Hazard Area” means an area that FEMA’s current flood maps indicate has at least a one percent (1%) chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year.

“SPV” means any special purpose funding vehicle identified as such in a writing by any Lender to Agent.

“Stock” means all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting.

“Stock Equivalents” means all securities convertible into or exchangeable for Stock or any other Stock Equivalent and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any Stock or any other Stock Equivalent, whether or not presently convertible, exchangeable or exercisable.

“Subordinated Indebtedness” means any Indebtedness of any Credit Party or any Subsidiary of any Credit Party which is subordinated to the Obligations as to right and time of payment and as to other rights and remedies thereunder and having such other terms as are, in each case, satisfactory to Agent, including the Indebtedness evidenced by the Parent Note.

“Subordinated Indebtedness Documents” means, collectively, the documents evidencing the Subordinated Indebtedness, if any.

“Subordination Agreement” means any subordination agreement by and among Agent, the Credit Parties and the issuer of any Subordinated Indebtedness on terms and conditions satisfactory to Agent, as the same may be amended, restated and/or modified from time to time subject to the terms thereof.

“Subsidiary” means, with respect to any Person, any corporation, partnership, joint venture, limited liability company, association or other entity, the management of which is, directly or indirectly, controlled by, or of which an aggregate of more than fifty percent (50%) of the voting Stock is, at the time, owned or controlled directly or indirectly by, such Person or one or more Subsidiaries of such Person.

“Swingline Commitment” means \$2,500,000.

“Swingline Lender” means GE Capital Financial Inc. or, upon the resignation of GE Capital as Agent hereunder, any other Lender (or Affiliate or Approved Fund of any Lender) that agrees, with the approval of Agent (or, if there is no such successor Agent, the Required Lenders) and the Borrowers, to act as the Swingline Lender hereunder.

“Swingline Note” means a promissory note of the Borrowers payable to the Swingline Lender, in substantially the form of Exhibit 11.1(e), evidencing the Indebtedness of the Borrowers to the Swingline Lender resulting from the Swing Loans made to the Borrowers by the Swingline Lender.

“Tax Affiliate” means, (a) each Borrower and its Subsidiaries and (b) any Affiliate of a Borrower with which such Borrower files or is eligible to file consolidated, combined or unitary tax returns.

“Title IV Plan” means a pension plan subject to Title IV of ERISA, other than a Multiemployer Plan, to which any ERISA Affiliate incurs or otherwise has any obligation or liability, contingent or otherwise.

“Trade Secrets” means all right, title and interest (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to trade secrets.

“Trademark” means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and, in each case, all goodwill associated therewith, all registrations and recordations thereof and all applications in connection therewith.

“UCC” means the Uniform Commercial Code of any applicable jurisdiction and, if the applicable jurisdiction shall not have any Uniform Commercial Code, the Uniform Commercial Code as in effect from time to time in the State of New York.

“United States” and “U.S.” each means the United States of America.

“U.S. Lender Party” means each of Agent, each Lender, each L/C Issuer, each SPV and each participant, in each case that is a United States person as defined in Section 7701(a)(30) of the Code.

“Wholly-Owned Subsidiary” of a Person means any Subsidiary of such Person, all of the Stock and Stock Equivalents of which (other than directors’ qualifying shares required by law) are owned by such Person, either directly or through one or more Wholly-Owned Subsidiaries of such Person.

11.2 Other Interpretive Provisions.

(a) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement or in any other Loan Document shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meanings of defined terms shall be equally applicable to the singular and plural forms of the defined terms. Terms (including uncapitalized terms) not otherwise defined herein and that are defined in the UCC shall have the meanings therein described.

(b) The Agreement. The words “hereof,” “herein,” “hereunder” and words of similar import when used in this Agreement or any other Loan Document shall refer to this Agreement or such other Loan Document as a whole and not to any particular provision of this Agreement or such other Loan Document; Section, Schedule and Exhibit references are to this Agreement or such other Loan Documents unless otherwise specified.

(c) Certain Common Terms. The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term “including” is not limiting and means “including without limitation.”

(d) Performance; Time. Whenever any performance obligation hereunder or under any other Loan Document (other than a payment obligation) shall be stated to be due or required to be satisfied on a day other than a Business Day, such performance shall be made or satisfied on the next succeeding Business Day. For the avoidance of doubt, the initial payments of interest and fees relating to the Obligations (other than amounts due on the Closing Date) shall be due and paid on the first day of the first month or quarter, as applicable, following the entry of the Obligations onto the operations systems of Agent, but in no event later than the first day of the second month or quarter, as applicable, following the Closing Date. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.” If any provision of this Agreement or any other Loan Document refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(e) Contracts. Unless otherwise expressly provided herein or in any other Loan Document, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, shall be deemed to include all subsequent amendments, thereto, restatements and substitutions thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) Laws. References to any statute or regulation may be made by using either the common or public name thereof or a specific cite reference and are to be construed as including all statutory and regulatory provisions related thereto or consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

11.3 Accounting Terms and Principles. All accounting determinations required to be made pursuant hereto shall, unless expressly otherwise provided herein, be made in accordance with GAAP. No change in the accounting principles used in the preparation of any financial statement hereafter adopted by the Credit Parties shall be given effect for purposes of measuring compliance with any provision of Article V or VI unless the Borrowers, Agent and the Required Lenders agree to modify such provisions to reflect such changes in GAAP and, unless such provisions are modified, all financial statements, Compliance Certificates and similar documents provided hereunder shall be provided together with a reconciliation between the calculations and amounts set forth therein before and after giving effect to such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to in Article V and Article VI shall be made, without giving effect to any election under Accounting Standards Codification 825-10 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Credit Party or any Subsidiary of any Credit Party at “fair value.” A breach of a financial covenant contained in Article VI shall be deemed to have occurred as of any date of determination by Agent or as of the last day of any specified measurement period, regardless of when the financial statements reflecting such breach are delivered to Agent.

11.4 Payments. Agent may set up standards and procedures to determine or redetermine the equivalent in Dollars of any amount expressed in any currency other than Dollars and otherwise may, but shall not be obligated to, rely on any determination made by any Credit Party or any L/C Issuer. Any such determination or redetermination by Agent shall be conclusive and binding for all purposes, absent manifest error. No determination or redetermination by any Secured Party or any Credit Party and no other currency conversion shall change or release any obligation of any Credit Party or of any Secured Party (other than Agent and its Related Persons) under any Loan Document, each of which agrees to pay separately for any shortfall remaining after any conversion and payment of the amount as converted. Agent may round up or down, and may set up appropriate mechanisms to round up or down, any amount hereunder to nearest higher or lower amounts and may determine reasonable de minimis payment thresholds.

[signature pages follow]

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

“Borrower”

APIO, INC.

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Vice President

CAL EX TRADING COMPANY

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Vice President

“Borrower Representative”

APIO, INC.

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Vice President

Address for notices:

% Landec Corporation
3603 Haven Avenue
Menlo Park, CA 94025
Attention: Gary Steele
Facsimile: (650) 368-9818
Email: gsteele@landec.com

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

“Borrower”

GREENLINE LOGISTICS, INC.

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Secretary and Treasurer

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

“Agent”
GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Wafa Shalabi

Name: Wafa Shalabi

Title: Duly Authorized Signatory

Address for Notices:

General Electric Capital Corporation
101 California Street, Suite 1500
San Francisco, CA 94111
Attention: Account Manager (Apio)
Telephone: (415) 277-7423
Facsimile: (415) 944-1796

With copies to:

General Electric Capital Corporation
10 Riverview Drive
Danbury, CT 06810
Attention: Jill Zellmer
Facsimile: (203) 749-4562

General Electric Capital Corporation
12750 High Bluff Dr., Suite 200
San Diego, CA 92130
Attention: Legal Counsel
Facsimile: (858) 726-6221

McDermott Will & Emery LLP
2049 Century Park East, Suite 3800
Los Angeles, California 90067
Attention: Adam G. Spiegel
Facsimile: (310) 277-4730

Address for payments:

Deutsche Bank Trust Company Americas
60 Wall Street, 6th Floor
New York, New York, 10005
Account Number 50286174
ABA No. 021-001-033
Account Name: GECC/CFS – Agented Deals
Reference: CFK 1819 / Apio Inc.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the day and year first above written

“Lender” and “Swingline Lender”

GE CAPITAL FINANCIAL INC.

By: /s/ Woodrow Broaders Jr.

Name: Woodrow Broaders Jr.

Title: Duly Authorized Signatory

Address for Notices:

General Electric Capital Corporation
101 California Street, Suite 1500
San Francisco, CA 94111
Attention: Account Manager (Apio)
Telephone: (415) 277-7423
Facsimile: (415) 944-1796

With a copy to:

GE Capital Financial Inc.
6510 Millrock Drive, Suite 200
Salt Lake City, Utah 84121
Attention: Chief Financial Officer

Lending Office:

GE Capital Financial Inc.
c/o General Electric Capital Corporation
201 Merritt Seven
Norwalk, CT 06851
Attention: Apio Account Manager

With a copy to:

GE Capital Financial Inc.
6510 Millrock Drive, Suite 200
Salt Lake City, Utah 84121
Attention: Chief Financial Officer

Schedule 1.1(a)

Revolving Loan Commitments

GE Capital Financial Inc.

\$25,000,000

SCHEDULE 3.5
LITIGATION

1. Cal Ex Trading Company and Apio, Inc.

None.

2. Greenline Entities

None.

SCHEDULE 3.7
ERISA

1. **Cal Ex Trading Company and Apio, Inc.**

Landec Corporation 401(k) Plan.

2. **Greenline Entities**

1. Greenline Food, Inc. Welfare Benefit Plan that provides the following:

- UnitedHealthcare Choice Plus High Option Medical (UnitedHealthcare Insurance Company).
- UnitedHealthcare Choice Plus Base Option Medical Plan (UnitedHealthcare Insurance Company).
- UnitedHealthcare Choice Plus Low Option Medical (UnitedHealthcare Insurance Company).
- UnitedHealthcare Dental PPO (UnitedHealthcare Insurance Company).
- UnitedHealthcare Vision (UnitedHealthcare Insurance Company).
- UnitedHealthcare Group Life, Accidental Death and Dismemberment Insurance (UnitedHealthcare Insurance Company).
- UnitedHealthcare Supplemental Life Insurance (UnitedHealthcare Insurance Company).
- UnitedHealthcare Short Term Disability Insurance (UnitedHealthcare Insurance Company).
- UnitedHealthcare Long Term Disability Insurance (UnitedHealthcare Insurance Company).

2. GreenLine Foods, Inc. 401(k) Profit Sharing Plan and Trust.

3. 2012 Director Level Bonus Plan

4. 2012 Sales Staff Bonus Plan.

5. 2011 Executive Bonus Plan.

6. 2012 Executive Bonus Plan.

7. GreenLine Foods Inc. Flexible Benefit Plan.

**SCHEDULE 3.9
OWNERSHIP OF PROPERTY; LIENS**

1 **Cal Ex Trading Company and Apio, Inc.**

Owned Property

Entity	Location
Apio, Inc.	4575 W. Main St. Guadalupe, CA 93434

Leased Property

Entity	Location
Cal Ex Trading Company	290 Station Way Ste. B Arroyo Grande, CA 93420
Apio, Inc.	151 Obispo Street, Guadalupe, CA 93434 (one room in a cooler)
Apio, Inc.	1211 Peralta Street, Guadalupe, CA 93434
Apio, Inc.	4555 W. Main St., Guadalupe, CA 93434
Apio, Inc.	1100 Tama Lane, Santa Maria, CA 93455 (self storage units 047, 048, 049, 057, and 067)

Purchase Options, Rights of First Refusal, or Other Similar Rights

None.

2. **Greenline Entities**

Owned Real Property (Combined)

Location
12700 S. Dixie Highway, Bowling Green, OH 43402
26 Industrial Drive, Hanover, PA 17331
205 Bryant Blvd., Rock Hill, SC 29732

Leased Real Property (Combined)

Location
49 Black Meadow Road, Chester, NY 10918, subject to that certain Lease Agreement effective January 1, 2007, by and between ADR Bulbs, Inc. and GreenLine Foods, Inc. on a month to month basis.
9095 17 th Place, Vero Beach, FL 32966, subject to that certain Commercial Lease Agreement dated November 18, 2003, by and between GreenLine Florida Properties, LLC and GreenLine Foods, Inc., as amended on October 31, 2011.
7909 S. Crossway Drive, Pico Rivera, CA 90660, subject to that certain Sublease Agreement dated March 23, 2010, by and between Herb Thyme Farms, Inc. and GreenLine Foods, Inc., as amended on January 31, 2012. The parties will be entering into an Amended and Restated Sublease in connection with the transactions contemplated by the Purchase Agreement.
8600 S. Wilkinson Drive, Perrysburg, OH 43551, subject to that certain Lease Agreement dated August 12, 2009, by and between Briarfield Commons, LLC and GreenLine Foods, Inc.
P-501 Rd. 2, McClure, OH 43534 (Damascus Township, Henry County, OH (Farm 193 Acres)), subject to that certain Farm Lease Agreement dated September 21, 2006, by and between GreenLine Farms, LLC and GreenLine Foods, Inc., as amended on October 31, 2011.
Lease of Bowling Green, Ohio parking lot, subject to that certain letter agreement dated July 13, 2006 by and between CMC Group, Inc. and GreenLine Foods, Inc.
4280 Stacks Road, College Park, GA 30349, subject to that certain Atlanta Commercial Board of Realtors, Inc. Commercial Lease Agreement dated June 19, 2009, by and between Brickhouse Properties LLC and GreenLine Foods, Inc., as amended on October 31, 2010.

Owned and Leased Real Property Leased or Subleased to Third Parties (Combined)

Location
26 Industrial Drive, Hanover, PA 17331 to Keystone Bean, LLC pursuant to that certain Lease Agreement dated November 15, 2007 by and between GreenLine Foods, Inc. and Key Bean, LLC.
1,493 square feet of 8600 S. Wilkinson Drive, Perrysburg, OH to Herb Thyme Farms, Inc. pursuant to that certain Sublease Agreement dated January 1, 2010, by and between GreenLine Foods, Inc. and Herb Thyme Farms, Inc., as amended on January 1, 2012.
205 Bryant Blvd., Rock Hill, SC 29732 to Herb Thyme Farms, Inc. as successor-in-interest to Herbal Gardens, Inc. pursuant to that certain Lease Agreement dated November 28, 2006 by and between GreenLine South Carolina Properties, LLC and Herb Thyme Farms, Inc. as successor-in-interest to Herbal Gardens, Inc., as amended on April 1, 2008 and January 31, 2012.

Purchase Options, Rights of First Refusal, or Other Similar Rights

None.

SCHEDULE 3.12
ENVIRONMENTAL

1. Cal Ex Trading Company and Apio, Inc.

None.

2. Greenline Entities

None.

**SCHEDULE 3.15
LABOR RELATIONS**

1 **Cal Ex Trading Company and Apio, Inc.**

None.

2. **Greenline Entities**

None.

**SCHEDULE 3.16
INTELLECTUAL PROPERTY**

1. **Cal Ex Trading Company and Apio, Inc.**

Trademarks and Trademark Application

Registered Owner	Country	Trademark	Status	Application/Registration Number	Filing/Registration Date
Apio, Inc.	Canada	BREATHWAY	Registered	TMA665741	Jun 6 2006
Apio, Inc.	Canada	EAT SMART	Registered	TMA700914	Nov 15 2007
Apio, Inc.	Canada	EAT SMART	Registered	TMA585156	Jul 14 2003
Apio, Inc.	Canada	MATRIX DESIGN	Registered	TMA670883	Aug 23 2006
Apio, Inc.	CTM	BREATHWAY	Registered	004436028	Jul 12 2006
Apio, Inc.	El Salvador	EAT SMART	Registered	55	Apr 1 2003
Apio, Inc.	Guatemala	EAT SMART	Registered	123421	Apr 22 2003
Apio, Inc.	Japan	CAL EX	Registered	4608482	Sep 27 2002 (Renewal due)
Apio, Inc.	Japan	EAT SMART	Registered	4565183	May 10 2002
Apio, Inc.	Mexico	EAT SMART	Registered	787862	Apr 24 2003 (Renewal due)
Apio, Inc.	Philippines	CASINO	Registered	42000008194	Dec 5 2004
Apio, Inc.	Taiwan	CASINO	Registered	00986673	Feb 16 2002
Apio, Inc.	U.S.	BREATHWAY	Registered	3133571	Aug 22 2006 (8 & 15 due)
Apio, Inc.	U.S.	CAL EX	Registered	2423247	Jan 23 2001
Apio, Inc.	U.S.	CASINO	Registered	2549383	Mar 19 2002 (renewed)
Apio, Inc.	U.S.	CLEARLY FRESH	Registered	3902233	Jan 4 2011
Apio, Inc.	U.S.	EAT SMART	Registered	3441896	Jun 3 2008
Apio, Inc.	U.S.	EAT SMART	Registered	3297565	Sep 25 2007
Apio, Inc.	U.S.	EAT SMART	Registered	2580711	Jun 18 2002
Apio, Inc.	U.S.	EXTENDS FRESHNESS NATURALLY	Registered	3438390	May 27 2008
Apio, Inc.	U.S.	EXTENDS FRESHNESS NATURALLY	Registered	3359708	Dec 25 2007
Apio, Inc.	U.S.	FRESH GATHERINGS	Registered	4084888	Jan 10 2012
Apio, Inc.	U.S.	LUCKY 21	Registered	3471591	Jul 22 2008
Apio, Inc.	U.S.	Matrix design	Registered	3151380	Oct 3 2006 (8 & 15 due)
Apio, Inc.	U.S.	SUPERBROCC	Pending	85/518, 715	1/18/2012
Apio, Inc.	U.S.	SUPERBROCCOLI	Pending	85/518, 717	1/18/2012
Apio, Inc.	U.S.	Vegetable tray design	Registered	3125057	Aug 1 2006 (8 & 15 due)
Apio, Inc.	U.S.	COCINA FRESCA	Pending	851316, 610	OA Response Due 5/10/11
Apio, Inc.	U.S.	Sales es Vida	Pending	85/587, 214	4/3/2012
Apio, Inc.	U.S.	Fiestas Frescas	Pending	85/573, 072	3/19/2012

Patents and Patent Applications

Docket	Subject Matter	Country	App. No.	Patent No. or status
9209-1JP	Food Package	Japan	JPA 4-502393	JP61502
10621-1DE	Gas-permeable Membrane	Germany	EPA9691638.6, ex PCT/US96/07939 (W096/38495)	EP828,783
10621-1FR	as 10621-1FR	France	as 10621-1DE	EP828,783
10621-1GB	as 10621-1FR	Gt. Britain	as 10621-1DE	EP828,783
10621-1JP	Gas-permeable Membrane	Japan	JPA 536626, ex PCT as 10621- 1DE	4,040,678
10621-1EP1	MAP-Gas- permeable Membrane	EP (CH-DE-FR-GB-IT-LI-NL designated)	EPA01205128 (div of EPA9691638.6)	1,215,229
10621-1DE1	MAP Gas-permeable Membrane	Germany	EPA01205128	1,215,229
10621-1FR1	MAP Gas-permeable Membrane	France	EPA01205128	1,215,229
10621-1GB1	MAP Gas-permeable Membrane	Great Britain	EPA01205128	1,215,229
10621-1IT1	MAP Gas-permeable Membrane	Italy	EPA01205128	1,215,229
10621-1NL1	MAP Gas-permeable Membrane	Netherlands	EPA01205128	1,215,229
10621-1JP1	MAP Gas-permeable Membrane	Japan	2007-079984	Pending
12521JP	Gas-permeable Membrane	Japan	JPA0-560790 ex PCTIUS99/16576 (WO 00/04787)	4,447,167
13282-1	Packaging of Bananas	USA	09/858,190 (priority from 60/325762)	8,110,232
13282-1CA	Packaging of Bananas	Canada	CAA 09,358 Ex PCT/US01/40732 (WO 01/92118)	2,409,358
13282-1EP	Packaging of Bananas	Europe	EPA 01959756.6 ex PCT as 13282-1CA	
13282-1DE	Packaging of Bananas	Germany	01959756.6	1289855
13282-1GB	Packaging of Bananas	Great Britain	01959756.6	1289855
13282-1NL	Packaging of Bananas	Netherlands	01959756.6	1289855
13282-1JP	Packaging of Bananas	Japan	JPA 2001-588101 ex PCT as 13282-1CA	Pending
13282-1DE1	Packaging of Bananas	Germany	04027190.0	1516827
13282-1DK1	Packaging of Bananas	Denmark	04027190.0	1516827
13282-1FR1	Packaging of Bananas	France	04027190.0	1516827
13282-1GB1	Packaging of Bananas	Great Britain	04027190.0	1516827
13282-1NL1	Packaging of Bananas	Netherlands	04027190.0	1516827
13282-2	Packaging of respiring biological materials.	USA	09/989,682 CIP of 09/858,190	7,601,374
13282-2DE	Packaging of respiring biological materials.	Germany	02793966.9	1448068
13282-2DK	Packaging of respiring biological materials.	Denmark	02793966.9	1448068
13282-2FR	Packaging of respiring biological materials.	France	02793966.9	1448068
13282-2GB	Packaging of respiring biological materials.	Great Britain	02793966.9	1448068
13282-2NL	Packaging of respiring biological materials.	Netherlands	02793966.9	1448068
	Party Tray Cover	USA		0482280
14181	Party Tray	USA	10/222,435	7,083,818
14255-1	Gas-permeable Membranes	USA	10/742,548	7,329,452
14255-1CA	Gas-permeable Membranes	Canada	2510614	Pending
14255-1EP	Gas-permeable Membranes	Europe	03814267.5	1581438
14255-1DE	Gas-permeable Membranes	Germany	03814267.5	1581438
14255-1FR	Gas-permeable Membranes	France	03814267.5	1581438
14255-1GB	Gas-permeable Membranes	Great Britain	03814267.5	1581438
14752-1US	Packaging	USA	10/597,515	Pending
14752-1CA	Packaging	Canada	2554425	Pending
14752-1DE	Packaging	Germany	20 2004 021 139.4	Pending
14752-1EP	Packaging	Europe	4814227.7	Pending
14753-1US	Container	USA	10/596,754	Pending
16226-1US	Combinations of Atmosphere Control Members	USA	11/989,513	Pending
16226-1CA	Combinations of Atmosphere Control Members	Canada	2,616,847	Pending
16226-1EP	Combinations of Atmosphere Control Members	Europe	06788895.8	Pending
16226-1JP	Combinations of Atmosphere Control Members	Japan	2008-524225	Pending

Copyrights and Copyright Applications

None.

Trade Secrets

None.

Internet Domain Names

Domain Name	Status
www.breatheway.com	Active
www.caextrading.com	Inactive
www.apioinc.com	Active
www.eatsmartnews.com	Inactive
www.eat-smart.net	Active
www.eatsmartrecipes.com	Inactive
www.eatsmartfreshfoods.com	Inactive
www.veggiecated.com	Inactive
www.myfreshvegetables.com	Inactive
www.visiteatsmart.com	Inactive
www.myeatsmart.com	Inactive
www.clearlyfreshbags.com	Active
www.eatsmartbeneforte.com	Active
www.goeatsmart.com	Inactive
www.superbroccoli.com	Inactive

2. Greenline Entities

Trademarks and Trademark Applications

MARK	APPLN NO.	FILED	REGN NO.	REGN DATE	OWNER	STATUS
SIDE KITS	85/180153	11/18/10			GreenLine Foods, Inc.	Allowed
SUNSHINE BLEND	76/112089	8/18/00	2648130	11/12/02	GreenLine Foods, Inc.	Registered
GL & DESIGN	74/306199	8/21/92	1768811	5/4/93	GreenLine Foods, Inc.	Registered
REENLINE	73/650197	3/19/87	1460274	10/06/87	GreenLine Foods, Inc.	Registered
MASHABLES	77/307765	10/18/07	3502880	9/16/08	GreenLine Foods, Inc.	Registered

Patents and Patent Applications

TITLE	APPLN NO.	FILED	REGISTERED	Current Owner	STATUS
Method of Preparing Green Beans and the Resulting Product	12395055	12/20/1991	4/6/1993	Greenline Foods, inc.	Registered
AUTOMATIC DEFECT DETECTOR AND REJECTER	12395055	2/27/09	N/A	Greenline Foods, Inc.	Pending

Copyrights and Copyright Applications

Title	Regn No.	Regn Date	Owner
FRENCH BEANS LABEL	VA 1664798	5/29/08	GreenLine Foods, Inc.
MASHABLES BUTTERNUT SQUASH	VA 1713914	6/4/08	GreenLine Foods, Inc.
HARICOT VERT FRENCH BEANS LABEL	VA 1655108	5/27/08	GreenLine Foods, Inc.
ZUCCHINI SQUASH PACKAGING	VA 1664797	5/29/08	GreenLine Foods, Inc.

Domain Names

Domain Name	Status
greenlinefoods.com	Active
greenlinebeans.com	Inactive
greenlinefoods.info	Inactive
greenlinefoods.net	Inactive
greenlinefoods.org	Inactive
greenlinelogistics.com	Inactive

SCHEDULE 3.19
VENTURES, SUBSIDIARIES AND AFFILIATES; OUTSTANDING STOCK

1. **Cal Ex Trading Company and Apio, Inc.**

Partnerships and Joint Ventures

Entity	Entity	Interest
Apio, Inc.	Apio Cooling A California Limited Partnership	Apio, Inc. is general partner of and has a 60% interest Apio Cooling.
Apio, Inc.	Heger Farms	Apio, Inc. owns a 50% equity interest in Heger Farms' 2011/2012 broccoli crop.
Apio, Inc.	Mainas Farms	Apio, Inc. owns a 50% equity interest in Mainas Farms' 2011/2012 broccoli crop.

Capitalization

Entity	Issued and Outstanding Stock	Holder	Percentage of Stock Owned by Holder
Apio, Inc.	100 Common Shares	Landec Corporation	100%
Cal Ex Trading Company	1,000 Common Shares	Apio, Inc.	100%
Apio Cooling A California Limited Partnership	30 Limited Partnership Units (defined in the Limited Partnership Agreement as a limited partnership interest representing a total Capital Contribution of \$10,000).	Apio, Inc.	60% of Units and General Partner

Organizational Chart

Entity	State of Formation	Ownership
Landec Corporation	Delaware	
Apio, Inc.	Delaware	Owned 100% by Landec Corporation.
Cal Ex Trading Company	Delaware	Owned 100% by Apio, Inc.
Apio Cooling A California Limited Partnership	California	Apio, Inc. is General Partner and owns 60%.

Pre-emptive or Other Outstanding Rights to Purchase, Option, Warrants, or Similar Rights

None.

Agreements Requiring Credit Party to Issue, Sell or Redeem Stock or Stock Equivalents

None.

2. **Greenline Entities**

Partnerships and Joint Ventures

Publix 5 Brothers arrangement pursuant to which 5 Brothers acts as the main sales contact between Greenline and Publix. 5 Brothers takes orders for processed beans from Publix and Greenline fills said orders and bills 5 Brothers for these sales.

Organizational Chart and Capitalization

Entity	State of Formation	Ownership of All Issued and Outstanding Stock
GreenLine Holding Company	Delaware	Owned 100% by Apio, Inc.
GreenLine Foods, Inc.	Ohio	Owned 100% by GreenLine Holding Company.
GreenLine Logistics, Inc.	Ohio	Owned 100% by GreenLine Foods, Inc.
GreenLine South Carolina Properties, LLC	Ohio	Owned 100% by GreenLine Foods, Inc.

Pre-emptive or Other Outstanding Rights to Purchase, Option, Warrants, or Similar Rights

None.

Agreements Requiring Credit Party to Issue, Sell or Redeem Stock or Stock Equivalents

None.

**SCHEDULE 3.20
 JURISDICTION OF ORGANIZATION; CHIEF EXECUTIVE OFFICE**

1 **Cal Ex Trading Company and Apio, Inc.**

Entity	Type of Organization	State of Organization	Organization File Number	Chief Executive Office	Prior Organizational Jurisdictions and Legal Names (prior 5 years)
Apio, Inc.	Corporation	Delaware	2863977	4575 W. Main St. Guadalupe, CA 93434	Apio Acquisition Corporation, a Delaware corporation
Cal Ex Trading Company	Corporation	Delaware	3513748	4575 W. Main St. Guadalupe, CA 93434	None.

2. **Greenline Entities**

Entity	Type of Organization	State of Organization	Organization File Number	Chief Executive Office	Prior Organizational Jurisdictions and Legal Names (prior 5 years)
GreenLine Holding Company	Corporation	Delaware	4198769	8600 S. Wilkinson Way, Suite G Perrysburg, OH 43551	None.
GreenLine Foods, Inc.	Corporation	Ohio	1642181	8600 S. Wilkinson Way, Suite G Perrysburg, OH 43551	None.
GreenLine Logistics, Inc.	Corporation	Ohio	1094684	8600 S. Wilkinson Way, Suite G Perrysburg, OH 43551	None.
GreenLine South Carolina Properties, LLC	Limited Liability Company	Ohio	1404935	8600 S. Wilkinson Way, Suite G Perrysburg, OH 43551	None.

**SCHEDULE 3.21
LOCATIONS OF INVENTORY, EQUIPMENT AND BOOKS AND RECORDS**

1 Cal Ex Trading Company and Apio, Inc.

Books and Records

Entity	Location
Apio, Inc.	4575 W. Main St. Guadalupe, CA 93434
Cal Ex Trading Company	4575 W. Main St. Guadalupe, CA 93434

Owned and Leased Property Containing Inventory and Equipment

Entity	Location
Apio, Inc.	4575 W. Main St., Guadalupe, CA 93434
Apio, Inc.	4595 W. Main St., Guadalupe, CA 93434
Cal Ex Trading Company	290 Station Way Ste. B, Arroyo Grande, CA 93420

Third Party Collateral Locations

Entity	Location
CCL Label (Apio, Inc.)	1209 W. Bailey St., Sioux Falls, SD 57117
Ortec Incorporated (Apio, Inc.)	505 Gentry Memorial Highway, Easley, SC 29640
Sunrise Logistics, Inc.(Apio, Inc.)	400 Wabash Rd., Ephrata, PA 17522
Coast Poly, LLC (Apio, Inc.)	4980 Statz Street, Ste. 130, Las Vegas, NV 89081
Santa Maria Self Storage (Apio, Inc.)	1100 Tama Ln., Santa Maria, CA 93454
DermaMed Coatings Company, LLC (Apio, Inc.)	381 Geneva Ave., Tallmadge, OH 44278

2. Greenline Entities

Books and Records

Entity	Location
GreenLine Holding Company	8600 S. Wilkinson Way, Suite G Perrysburg, OH 43551
GreenLine Foods, Inc.	8600 S. Wilkinson Way, Suite G Perrysburg, OH 43551
GreenLine Logistics, Inc.	8600 S. Wilkinson Way, Suite G Perrysburg, OH 43551
GreenLine South Carolina Properties, LLC	8600 S. Wilkinson Way, Suite G Perrysburg, OH 43551

Owned and Leased Property Containing Inventory and Equipment

Entity	Location
GreenLine Foods, Inc.	12700 S. Dixie Highway, Bowling Green, OH 43402
GreenLine Foods, Inc. (leased to GreenLine Florida Properties, LLC)	9095 17th Place, Vero Beach, FL 32966
GreenLine Foods, Inc. (leased to GreenLine Farms, LLC)	P-501 Rd. 2, McClure, OH 43534
GreenLine Foods, Inc. (subleased to Keystone Bean, LLC)	26 Industrial Dr., Hanover, PA 17331
GreenLine Foods, Inc.(leased to ADR Bulbs, Inc.)	49 Black Meadow Road, Chester, NY 10918
GreenLine Foods, Inc. (leased to Herb Thyme Farms, Inc.)	7909 S. Crossway Drive, Pico Rivera, CA 90660
GreenLine Foods, Inc. (leased to Herb Thyme Farms, Inc.)	205 Bryant Blvd., Rock Hill, SC 29732

Third Party Collateral Locations

Entity	Location
Bellcas Exportando S.A.	KM 47 Carretera Interamericana Sumpango, Sacatepequez, Guatemala
Cooperativa Agricola Integal Uion de Cuatro Pinos, R.L.	Calle 4 Pinos, Zona 1, Santiago, Sacatepequez, Guatemala

**SCHEDULE 3.23
GOVERNMENT CONTRACTS**

1. **Cal Ex Trading Company and Apio, Inc.**

None.

2. **Greenline Entities**

None.

**SCHEDULE 3.25
BONDING**

1. **Cal Ex Trading Company and Apio, Inc.**

None.

2. **Greenline Entities**

None.

**SCHEDULE 3.26
PURCHASE AGREEMENT**

(See attached)

[Attached as separately as Exhibit 10.1 to the Form 8-K]

Schedule 4.15

Post-Closing Obligations

OBLIGATION / DELIVERABLE	DUE DATE
Agent shall have received the original stock certificate for GLI, together with an appropriate stock power executed in blank	4/26/12
Agent shall have received certificates of insurance naming Agent as additional insured with respect to all of GLI's property and liability insurance, together with loss payee endorsements with respect to all of GLI's property insurance, all as required in accordance with Section 4.6(a)	4/26/12
Agent shall have received the legal opinion of special Ohio counsel for GLI in form and substance reasonable satisfactory to Agent	4/30/12
Agent shall have received the Master Agreement for Standby Letters of Credit, duly executed by each Borrower	4/27/12
Agent shall have received the Deposit Account Control Agreement with respect to the deposit account of GLI maintained at KeyBank, duly executed by GLI and KeyBank	4/30/12
Agent shall have received a collateral access agreement in form and substance satisfactory to Agent with respect to Apio's leased location in Perrysburg, Ohio	7/23/12
Borrower shall use reasonable commercial efforts to deliver to Agent collateral access agreements in form and substance satisfactory to Agent with respect to Apio's leased locations in (a) Vero Beach, FL, (b) Pico Rivera, CA, (c) Henry County, OH, and (d) Chester, NY	7/23/12

**SCHEDULE 5.1
LIENS**

1. **Cal Ex Trading Company and Apio, Inc.**

None.

2. **Greenline Entities**

The following liens will be terminated on the Closing Date:

Secured Party	Debtor	Jurisdiction	Date of Filing	Filing No.	Collateral
KeyBank National Association	GL Holdings	Delaware SOS	9/22/06; continued 4/13/11	63283306; 1381220	All assets
	GL Foods	Ohio SOS	9/22/06; continued 4/13/11	OH00106894313; 20111030117	All assets
		Ohio SOS	9/22/06; continued 4/13/11	OH00106894424; 20111030116	All assets
		Ohio SOS	9/22/06; continued 4/13/11	OH00106894424; 20111030116	All assets
		York County, PA	11/20/07	Book 1934, Page 121	All equipment, machinery, furniture, building materials and all other goods in which Debtor has, and which are or are to become fixtures related to real property at specific location (26 Industrial Dr, Hanover, PA)
		Wood County, OH	11/28/07	2007 00303	All equipment, machinery, furniture, building materials and all other goods in which Debtor has, and which are or are to become fixtures related to real property at specific location (12700 S Dixie Hwy, Bowling Green, OH)
	GL Logistics	Ohio SOS	9/22/06; continued 4/13/11	OH00106894535; 20111030075	All assets
GL South Carolina	Ohio SOS	9/22/06; continued 4/13/11	OH00106894757; 20111030080	All assets	

**SCHEDULE 5.4
INVESTMENTS**

1. **Cal Ex Trading Company and Apio, Inc.**

Credit Party	Entity	Interest
Apio, Inc.	Windset Holdings 2010 Ltd., a Canada corporation	Apio, Inc. holds 150,000 senior preferred shares and 201 common shares of Windset.
Apio, Inc.	Apio Cooling A California Limited Partnership	Apio, Inc. is general partner of and has a 60% equity interest in Apio Cooling.
Apio, Inc.	Heger Farms	Apio, Inc. owns a 50% equity interest in Heger Farms' 2011/2012 broccoli crop.
Apio, Inc.	Mainas Farms	Apio, Inc. owns a 50% equity interest in Mainas Farms' 2011/2012 broccoli crop.
Apio, Inc.	Cal Ex Trading Company	Owned 100% by Apio, Inc.

2. **Greenline Entities**

Apio, Inc. will acquire all of the equity interest in GreenLine Holding Company simultaneously with Closing:

Entity	State of Formation	Ownership
GreenLine Holding Company	Delaware	
GreenLine Foods, Inc.	Ohio	Owned 100% by GreenLine Holding Company.
GreenLine Logistics, Inc.	Ohio	Owned 100% by GreenLine Foods, Inc.
GreenLine South Carolina Properties, LLC	Ohio	Owned 100% by GreenLine Foods, Inc.

**SCHEDULE 5.5
INDEBTEDNESS**

1. **Cal Ex Trading Company and Apio, Inc.**

Credit Parties	Obligation	Amount	Description
Apio, Inc. and Cal Ex Trading Company	Continuing Guarantee	\$16,166,666.74	Credit Agreement, dated as of April 30, 2010, between Wells Fargo Bank, National Association and Lifecore Biomedical, LLC.

2. **Greenline Entities**

None.

SCHEDULE 5.6
TRANSACTIONS WITH AFFILIATES

1. **Cal Ex Trading Company and Apio, Inc.**

Windset Holdings 2010 Ltd., a Canadian corporation (“Windset”)

1. The Chairman of Apio and Windset entered into a land lease in July 2009, which included an option to purchase the land in Santa Maria, California for \$10.5 million. Windset exercised its option to purchase the land from the Apio Chairman on March 2, 2011. Windset intends to initially construct 64 acres of indoor vegetable production along with the required support facilities for growing, harvesting, grading and selling numerous varieties of hydroponically grown tomatoes.
2. Apio purchases produce from Windset.
3. Apio plans to sell Windset packaging membranes in the future, and Windset must purchase a certain amount of membranes, or pay Apio minimum dollar thresholds.

Beachside Produce LLC, a California limited liability company (“Beachside”)

1. Beachside is owned by a group of entities and persons, including the Apio Chairman.
2. Apio purchases produce from and provides services to Beachside.
3. Beachside purchases produce and services from and provides services to Apio.

Heger Farms and Mainas Farms (See Schedules 3.19 and 5.4)

1. Apio, Inc. owns a 50% equity interest in Heger Farms’ 2011/2012 broccoli crop.
2. Apio, Inc. owns a 50% equity interest in Mainas Farms’ 2011/2012 broccoli crop.

2. **Greenline Entities**

1. Greenline purchases beans from a related party, Rettig Farms, Inc. The owner of Rettig Farms, Inc. is related to Jeffrey Rettig, a shareholder and officer of the Company.
-

**SCHEDULE 5.9
CONTINGENT OBLIGATIONS**

1. **Cal Ex Trading Company and Apio, Inc.**

Credit Parties	Obligation	Amount	Description
Apio, Inc. and Cal Ex Trading Company	Continuing Guarantee	\$16,166,666.74	Credit Agreement, dated as of April 30, 2010, between Wells Fargo Bank, National Association and Lifecore Biomedical, LLC.

2. **Greenline Entities**

None.

**SCHEDULE 11.1
PRIOR INDEBTEDNESS**

1. **Cal Ex Trading Company and Apio, Inc.**

Credit Parties	Obligation	Amount	Description
Apio, Inc. and Cal Ex Trading Company	Continuing Guarantee	\$16,166,666.74	Credit Agreement, dated as of April 30, 2010, between Wells Fargo Bank, National Association and Lifecore Biomedical, LLC.

2. **Greenline Entities**

Company Debt

1. Revolver Balance under the Senior Credit Agreement (Key Bank).
2. Term Loan B plus accrued interest under the Senior Credit Agreement (Key Bank).
3. Term Loan C plus accrued interest under the Senior Credit Agreement (Key Bank).
4. Promissory Notes dated September 21, 2006 plus PIK and accrued interest under the Subordinated Note and Warrant Purchase Agreement (Warrantholders).
5. Subordinated PIK Promissory Notes dated March 31, 2010 plus accrued interest (George S. Benson, David Waterman and Riverside).
6. Interest on Fee Letter Guaranty (participating shareholders).
7. Capitalized lease obligations under that certain Lease Agreement dated August 22, 2001 with Interstate Lift Trucks, as assigned to Toyota Motor Credit Corporation.
8. Riverside Deferred Advisory Agreement Fees.
9. Nevada lease accruals.
10. \$971,000 related to the termination of Greenline's College Park, Georgia facility.

Related Party Payables Incurred in the Ordinary Course

1. Vero Beach, Florida Rent - Twyman family (GreenLine Florida Properties, LLC).
 2. Green Bean Purchases - Rettig farms
 3. Pico Rivera, California Lease / Utilities – Herb Thyme Farms, Inc.
 4. McClure, Ohio Farm Rent - Twyman family (GreenLine Farms, LLC).
-

EXHIBIT 1.1(b)
TO
CREDIT AGREEMENT
FORM OF L/C REQUEST

[NAME OF L/C ISSUER], as L/C Issuer
under the Credit Agreement referred to below

_____, 20__

Re: Apio, Inc., Cal Ex Trading Company and GreenLine Logistics, Inc. (the "Borrowers")

Reference is made to that certain Credit Agreement, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, Apio, Inc., as Borrower Representative, each other "Credit Party" that is a party thereto, the Lenders, L/C Issuers party thereto and General Electric Capital Corporation, as administrative agent for the Lenders. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement.

Borrower Representative, on behalf of the Borrowers, hereby gives you notice, irrevocably, pursuant to Section 1.1(b) of the Credit Agreement, of its request for your Issuance of a Letter of Credit, in the form attached hereto, for the benefit of [Name of Beneficiary], in the amount of \$ _____, to be issued on _____, ____ (the "Issue Date") with an expiration date of _____, ____.

The undersigned hereby certifies that, except as set forth on Schedule A attached hereto, the following statements are true on the date hereof and will be true on the Issue Date, both before and after giving effect to the Issuance of the Letter of Credit requested above and any Loan to be made or any other Letter of Credit to be Issued on or before the Issue Date:

11.5 the representations and warranties set forth in Article III of the Credit Agreement and elsewhere in the Loan Documents are true and correct in all material respects (without duplication of any materiality qualifier contained therein), except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects (without the duplication of any materiality qualifier contained therein) as of such earlier date;

11.6 no Default or Event of Default has occurred and is continuing; and

11.7 the aggregate outstanding amount of Revolving Loans does not exceed the Maximum Revolving Loan Balance.

IN WITNESS WHEREOF, Borrower Representative has caused this L/C Request to be issued as of the date first written above.

“Borrower Representative”

APIO, INC.

By: _____
Name:
Title:

1.1(b)-2

EXHIBIT 1.1(C)
TO
CREDIT AGREEMENT

Form of SwingLine Request

GENERAL ELECTRIC CAPITAL CORPORATION
as Agent under the Credit Agreement referred to below

Re: Apio, Inc., Cal Ex Trading Company and GreenLine Logistics, Inc. (the "Borrowers")

Reference is made to that certain Credit Agreement, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, Apio, Inc., as Borrower Representative, each other "Credit Party" that is a party thereto, the Lenders, L/C Issuers party thereto and General Electric Capital Corporation, as administrative agent for the Lenders. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement.

Borrower Representative, on behalf of Borrowers, hereby gives you irrevocable notice pursuant to Section 1.1(c) of the Credit Agreement that it requests Swing Loans under the Credit Agreement (the "Proposed Advance") and, in connection therewith, sets for the following information:

- A. The date of the Proposed Advance is _____, ____ (the "Funding Date").
- B. The aggregate principal amount of Proposed Advance is \$_____.

The undersigned hereby certifies that, except as set forth on Schedule A attached hereto, the following statements are true on the date hereof both before and after giving effect to the Proposed Advance and any other Loan to be made or Letter of Credit to be issued on or before the Funding Date:

- (i) the representations and warranties set forth in Article III of the Credit Agreement and elsewhere in the Loan Documents are true and correct in all material respects (without duplication of any materiality qualifier contained therein) with the same effect as though made on and as of such Funding Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such earlier date;

- (ii) the aggregate principal amount of all Revolving Loans does not exceed the Maximum Revolving Loan Balance; and
- (iii) no Default or Event of Default is continuing.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Borrower Representative has caused this Swingline Request to be issued as of the date first written above.

“Borrower Representative”

APIO, INC.

By: _____
Name:
Title:

1.1(c)-3

EXHIBIT 1.6
TO
CREDIT AGREEMENT

FORM OF NOTICE OF CONVERSION/CONTINUATION

GENERAL ELECTRIC CAPITAL CORPORATION

as Agent under the Credit Agreement referred to below

Re: Apio, Inc., Cal Ex Trading Company and GreenLine Logistics, Inc. (the "Borrowers")

Reference is made to that certain Credit Agreement, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, Apio, Inc., as Borrower Representative, each other "Credit Party" that is a party thereto, the Lenders, L/C Issuers party thereto and General Electric Capital Corporation, as administrative agent for the Lenders. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement.

Borrower Representative, on behalf of Borrowers, hereby gives you irrevocable notice, pursuant to Section 1.6 of the Credit Agreement of its request for the following (the "Proposed Conversion/Continuation"):

11.8 i. a continuation, on _____, _____, as LIBOR Rate Loans having an Interest Period of _____ months of Revolving Loans in an aggregate outstanding principal amount of \$ _____ having an Interest Period ending on the proposed date for such continuation;

11.9 ii. a conversion, on _____, _____, to LIBOR Rate Loans having an Interest Period of _____ months of Revolving Loans in an aggregate outstanding principal amount of \$ _____; and¹

11.10 iii. a conversion, on _____, _____, to Base Rate Loans, of Revolving Loans in an aggregate outstanding principal amount of \$ _____.

The undersigned hereby certifies that, except as set forth on Schedule A attached hereto, the following statements are true on the date hereof both before and after giving effect to the Proposed Conversion/Continuation:

(i) the representations and warranties set forth in Article III of the Credit Agreement and elsewhere in the Loan Documents are true and correct in all material respects (without duplication of any materiality qualifier contained therein) with the same effect as though made on and as of such Funding Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such earlier date;

(ii) the aggregate principal amount of all Revolving Loans does not exceed the Maximum Revolving Loan Balance; and

(iii) no Default or Event of Default is continuing.

[remainder of page intentionally left blank]

¹ Cannot be used prior to the Syndication Completion Date.

IN WITNESS WHEREOF, Borrower Representative has caused this Notice of Conversion/Continuation to be issued as of the date first written above.

“Borrower Representative”

APIO, INC.

By: _____
Name:
Title:

**Exhibit 2.1
To
Credit Agreement**

Revolving Facility.

CREDIT AGREEMENT

Dated as of April 23, 2012

by and among

**APIO, INC., CAL EX TRADING COMPANY and GREENLINE LOGISTICS, INC.,
as the Borrowers**

**THE OTHER PERSONS PARTY THERETO THAT ARE
DESIGNATED AS CREDIT PARTIES,**

**GENERAL ELECTRIC CAPITAL CORPORATION,
for itself, as a Lender and Swingline Lender and as Agent for all Lenders,**

and

**THE OTHER FINANCIAL INSTITUTIONS PARTY THERETO,
as Lenders (under the Revolving Credit Facility)**

Set forth below is a Closing Checklist which lists documents and information delivered in connection with the Credit Agreement (“Credit Agreement”) listed herein as Document No. 1, the other Loan Documents and the transactions contemplated thereunder. Each capitalized term used but not defined herein shall have the meaning ascribed to such term in the Credit Agreement and all section references herein are to Sections of the Credit Agreement, unless otherwise indicated. All documents are dated as of April 23, 2012 unless otherwise indicated.

I. PARTIES

- A. **GE Capital** — General Electric Capital Corporation, a Delaware corporation
 - B. **Agent** — GE Capital, as Agent
 - C. **Lender** — GE Capital Financial Inc, as Lender
 - D. **Borrowers:** Apio, Inc., a Delaware corporation (“Apio”), Cal Ex Trading Company, a Delaware corporation (“Cal Ex”), and GreenLine Logistics, Inc. (“GL Logistics”)
 - E. **Title Co.** — First American Title Insurance Company
 - F. **Wells** — Wells Fargo Capital Finance, LLC, agent to Borrowers under Lifecore credit agreement
-

II. COUNSEL

- A. MWE** — McDermott Will & Emery LLP, counsel to Agent under the Revolving Credit Facility
- B. KR** — Kutak Rock LLP, counsel to Agent under the Real Estate Term Loan Facility
- C. Orrick** — Orrick, Herrington & Sutcliffe LLP, counsel to Borrowers
- D. GK** — Godfrey & Kahn S.C., counsel to Borrowers
- E. JD** — Jones Day, counsel to Target

LEGEND:

- Signature page outstanding
- Electronic signature page received
- Original signature page received

C (/_/)	Comments (date)
D (/_/)	Draft/Distribution (date)
TBD	To Be Drafted/To Be Delivered

Action or Document	Responsible Party	Executed by	Status
DILIGENCE DOCUMENTS			
Due Diligence Request List	Orrick / GK	---	Complete.
Supplemental FDA Due Diligence Request List	Orrick / GK	---	Complete.
Perfection Certificate	Orrick / GK	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.
PRINCIPAL LOAN DOCUMENTS			
Credit Agreement	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Lender <input checked="" type="checkbox"/> GL Logistics	Complete.
<i>Schedules to the Credit Agreement</i>	---	---	---
(i)Schedule 1.1(a) – Revolving Loan Commitments	MWE	---	Final Form.
(ii)Schedule 3.5 – Litigation	Borrowers	---	Final Form.
(iii)Schedule 3.7 – ERISA	Borrowers	---	Final Form.
(iv)Schedule 3.9 – Ownership of Property; Liens	Borrowers	---	Final Form.
(v)Schedule 3.12 – Environmental	Borrowers	---	Final Form.
(vi)Schedule 3.15 – Labor Relations	Borrowers	---	Final Form.
(vii)Schedule 3.16 – Intellectual Property	Borrowers	---	Final Form.
(viii)Schedule 3.18 – Insurance	Borrowers	---	See Disclosure Letter.
(ix)Schedule 3.19 – Ventures, Subsidiaries and Affiliates; Outstanding Stock	Borrowers	---	Final Form.
(x)Schedule 3.20 – Jurisdiction of Organization; Chief Executive Office	Borrowers	---	Final Form.
(xi)Schedule 3.21 – Locations of Inventory, Equipment and Books and Records	Borrowers	---	Final Form.
(xii)Schedule 3.23 – Government Contracts	Borrowers	---	Final Form.
(xiii)Schedule 3.25 – Bonding	Borrowers	---	Final Form.
(xiv)Schedule 3.26 – Purchase Agreement	Borrowers	---	Final Form.
(xv)Schedule 4.15 – Post-Closing Obligations	MWE	---	Final Form.
(xvi)Schedule 5.1 – Liens	Borrowers	---	Final Form.
(xvii)Schedule 5.4 – Investments	Borrowers	---	Final Form.
(xviii)Schedule 5.5 – Indebtedness	Borrowers	---	Final Form.
(xix)Schedule 5.6 – Transactions with Affiliates	Borrowers	---	Final Form.
(xx)Schedule 5.9 – Contingent Obligations	Borrowers	---	Final Form.
(xxi)Schedule 11.1 – Prior Indebtedness	Borrowers	---	Final Form.
<i>Exhibits to the Credit Agreement</i>	---	---	---
(i)Exhibit 1.1(b) – Form of L/C Request	MWE	---	Final Form.
(ii)Exhibit 1.1(c) – Form of Swing Loan Request	MWE	---	Final Form.
(iii)Exhibit 1.6 – Form of Notice of Conversion/Continuation	MWE	---	Final Form.
(iv)Exhibit 2.1 – Closing Checklist	MWE	---	Final Form.
(v)Exhibit 4.2(b) – Form of Compliance Certificate	MWE	---	Final Form.

Action or Document	Responsible Party	Executed by	Status
(vi)Exhibit 11.1(a) – Form of Assignment	MWE	---	Final Form.
(vii)Exhibit 11.1(b) – Form of Borrowing Base Certificate	MWE	---	Final Form.
(viii)Exhibit 11.1(c) – Form of Notice of Borrowing	MWE	---	Final Form.
(ix)Exhibit 11.1(d) – Form of Revolving Note	MWE	---	Final Form.
(x)Exhibit 11.1(e) – Form of Swingline Note	MWE	---	Final Form.
Revolving Note by Borrowers to GE Capital from:	---	---	---
Apio, Cal Ex and GL Logistics	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.
Swingline Note by Borrowers to GE Capital from:	---	---	---
Apio, Cal Ex and GL Logistics	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.
Master Intercompany Subordinated Note	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.
Endorsement to Agent	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.
Subordinated Promissory Note	Orrick	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Parent	Complete.
SECURITY DOCUMENTS			
Guaranty and Security Agreement	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> GL Logistics	Complete.
<i>Annexes to Guaranty and Security Agreement</i>	---	---	---
Annex 1 – Form of Pledge Amendment	MWE	---	Final Form.
Annex 2 – Form of Joinder Agreement	MWE	---	Final Form.
Annex 3 – Form of Intellectual Property Security Agreement	MWE	---	Final Form.
<i>Schedules to Guaranty and Security Agreement</i>	---	---	---
Schedule 1 – Commercial Tort Claims	Borrowers	---	Final Form.
Schedule 2 – Filings	Borrowers	---	Final Form.
Schedule 3 – Pledged Collateral	Borrowers	---	Final Form.
Landec Pledge Agreement	MWE	<input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Parent	Complete.
(i) Acknowledgement of Borrower	MWE	<input checked="" type="checkbox"/> Apio	Complete.
Trademark Security Agreements	MWE	<input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Apio	Complete.
Patent Security Agreements	MWE	<input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Apio	Complete.
Copyright Security Agreements	MWE	<input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Apio	Complete.
Delivery of Stock/Membership Certificates and Blank Stock Powers/Assignments of LLC Membership Interests in Blank as described on Exhibit A attached hereto <input checked="" type="checkbox"/> Apio (<input checked="" type="checkbox"/> Power) <input checked="" type="checkbox"/> Cal Ex (<input checked="" type="checkbox"/> Power) <input checked="" type="checkbox"/> Windset Preferred (<input checked="" type="checkbox"/> Power) <input checked="" type="checkbox"/> Windset Common (<input checked="" type="checkbox"/> Power) <input checked="" type="checkbox"/> GL Logistics (<input checked="" type="checkbox"/> Power)	Orrick	---	

Action or Document	Responsible Party	Executed by	Status
Declaration of Lost Certificate and Indemnity Agreement	Orrick	<input checked="" type="checkbox"/> Apio	
Deposit Account Control Agreements from the following institutions:	---	---	---
KeyBank	Orrick	<input checked="" type="checkbox"/> Account Holder <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Depository Bank	Complete.
Wells Fargo	Orrick	<input checked="" type="checkbox"/> Account Holder <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Depository Bank	Complete.
Securities Account Control Agreements from the following institutions:	---	---	---
Wells Fargo	Orrick	<input checked="" type="checkbox"/> Account Holder <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Securities Intermediary	Complete.
Assignment of Representations, Warranties, Covenants and Indemnities with respect to the Purchase Agreement	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Agent	Complete.
FILINGS AND SEARCHES (PERSONAL PROPERTY)			
UCC searches in each of the locations and against each of the Credit Parties identified on Exhibit B attached hereto	MWE / Orrick / GK	---	Complete.
UCC financing statements naming Agent as Secured Party and each Credit Party as Debtor filed in the jurisdictions described on Exhibit B attached hereto:	MWE	---	Complete.
CORPORATE AND ORGANIZATIONAL DOCUMENTS			
Secretary's Certificate of each of the following certifying to (a) articles/certificate of formation, as applicable, and all amendments thereto, certified by the secretary of the state of incorporation, (b) bylaws/operating agreement, as applicable, and all amendments thereto, (c) resolutions and (d) the incumbency and signatures of the officers or representatives executing the Credit Agreement and the other Loan Documents	---	---	---
Parent	Orrick	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> Incumbency	Complete.
Apio and Cal Ex	Orrick	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> Incumbency	Complete.
GL Logistics	Orrick	<input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> Officer <input checked="" type="checkbox"/> Incumbency	Complete.
Resolutions		---	---
Parent	Orrick	---	Complete.
Apio	Orrick	---	Complete.
Cal Ex	Orrick	---	Complete.
GL Logistics	Orrick	<input checked="" type="checkbox"/> Directors of GL Logistics	Complete.
Certificates of good standing , foreign qualification to do business (or foreign equivalent thereof) of each Loan Party from the secretary of state indicated on Exhibit C	Orrick	---	South Carolina outstanding.
Certificate of a Responsible Officer of the Borrowers to the effect that (A) each condition set forth in Section 2.1 has been satisfied, (B) both the Credit Parties taken as a whole and the Borrower are Solvent after giving effect to the initial Loans and Letters of Credit, the consummation of the Related Transactions, the application of the proceeds thereof in accordance with Section 4.10 and the payment of all estimated legal, accounting and other fees and expenses related hereto and thereto and (C) attached thereto are complete and correct copies of the following Related Agreements	Orrick	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.

Action or Document	Responsible Party	Executed by	Status
Stock Purchase Agreement	Orrick	---	Final Form.
MISCELLANEOUS CLOSING DOCUMENTS			
Wells Consent Letter	MWE	<input checked="" type="checkbox"/> Wells <input checked="" type="checkbox"/> Parent Entities	Complete.
Fee Agreement	Orrick	<input checked="" type="checkbox"/> Parent <input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Lifecore	Complete.
Disclosure Letter	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.
(i) Funds Flow Memorandum (Section 3.8)	Borrowers	---	Complete.
(ii) Financial Statements (Section 3.11(a))	Borrowers	---	Complete.
(iii) Pro Forma (Section 3.11(b))	Borrowers	---	Complete.
(iv) Projections (Section 3.11(e))	Borrowers	---	Complete.
(v) Insurance (Section 3.18)	Borrowers	---	Complete.
(vi) Bank Accounts (Section 3.22)	Borrowers	---	Complete.
Real Estate Intercreditor Agreement	MWE	<input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> GE Capital <input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.
Intercompany Intercreditor Agreement	MWE	<input checked="" type="checkbox"/> Parent <input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Agent	Complete.
Borrowing Base Certificate	Credit Parties	<input checked="" type="checkbox"/> Apio	Complete.
Initial Notice of Borrowing	Credit Parties	<input checked="" type="checkbox"/> Apio	Complete.
Authorization Letter and Flow of Funds	Credit Parties	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics <input checked="" type="checkbox"/> Apio Cooling <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Riverside <input checked="" type="checkbox"/> GreenLine Entities <input checked="" type="checkbox"/> Title Co.	Complete.
Completed W-9 from:	Credit Parties	---	---
Title Co.	Orrick	---	Complete.
GL Logistics	Orrick	---	Complete.
Fee Letter	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Agent	Complete.
Certificate(s) of Insurance together with loss payable endorsements designating Agent as loss payee and additional insured endorsements designating Agent and Lenders as additional insureds and certified copies of all insurance policies	Orrick	---	Complete for Apio; post-closing for GreenLine per Schedule 4.15 to the Credit Agreement.
Property	Orrick	---	Complete.

Action or Document	Responsible Party	Executed by	Status
Liability	Orrick	---	Complete.
DEBT REPAYMENT DOCUMENTS			
Payoff Letter executed and delivered by KeyBank National Association (“KeyBank”)	Orrick	<input checked="" type="checkbox"/> KeyBank <input checked="" type="checkbox"/> GreenLine Entities <input checked="" type="checkbox"/> Riverside Entities	Final Form.
[Landlord Waiver Terminations]	KR / KeyBank	[_____]	
UCC Termination Statements listed on Exhibit D attached hereto	KR / KeyBank	---	Final Form.
Release of Security Agreement (trademarks)	KR / KeyBank	<input type="checkbox"/> KeyBank	Final Form.
Mortgage releases listed on Exhibit D hereto	KR / KeyBank	<input type="checkbox"/> KeyBank	Final Form.
OPINIONS OF COUNSEL			
Orrick Opinion	Orrick	<input checked="" type="checkbox"/> Orrick	Complete.
(ii) Backup Certificate	Orrick	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Cal Ex <input checked="" type="checkbox"/> GL Logistics	Complete.
POST-CLOSING DELIVERABLES			
Post-closing UCC searches	---	---	To be ordered post-closing.
Landlord Waivers	---	---	---
Vero Beach, FL	GK	<input type="checkbox"/> Landlord <input type="checkbox"/> GL Foods <input type="checkbox"/> Agent	In process.
Pico Rivera, CA	GK	<input type="checkbox"/> Landlord <input type="checkbox"/> GL Foods <input type="checkbox"/> Agent	In process.
Henry County, OH	GK	<input type="checkbox"/> Landlord <input type="checkbox"/> GL Foods <input type="checkbox"/> Agent	In process.
Chester, NY	GK	<input type="checkbox"/> Landlord <input type="checkbox"/> GL Foods <input type="checkbox"/> Agent	In process.
Perrysburg, OH	GK	<input type="checkbox"/> Landlord <input type="checkbox"/> Tenant <input type="checkbox"/> Agent	In process.
Evidence of Merger of GreenLine Entities into Apio	Orrick	---	Complete.
Ohio Local Counsel Opinion	OH Counsel	<input type="checkbox"/> OH Counsel	In process.
(iii) Backup Certificate	Orrick	<input type="checkbox"/> GL Logistics	In process.
Master Agreement for Standby Letters of Credit	MWE	<input checked="" type="checkbox"/> Apio <input checked="" type="checkbox"/> Lender	In process.

EXHIBIT A

STOCK CERTIFICATES AND STOCK POWERS

Pledged Entity	Holder	Certificate No.	No. Shares	% Ownership	Original Stock Certificate?	Original Stock Power?
Apio	Landec	CS-27	100 Common Stock	100%	ü	ü
Cal Ex	Apio	CS-2	1000 Common Stock	100%	ü	ü
Windset Holdings 2010 Ltd.	Apio	SP-1	150,000 shares Senior Preferred Stock	100% of Senior Preferred Stock	ü	ü
		C-3	201 shares Common Stock	20% of Common Stock	ü	ü
GL Logistics	Apio	2	100 Common Stock	100%		ü

EXHIBIT B

LIEN SEARCHES AND FILING OFFICES

Debtor	Search Jurisdictions	Type of Search	Filing Office	Status
Parent	California SOS San Mateo County	UCC, federal and state tax liens, fixture filings, bankruptcy and judgment liens	Revolver: California SOS	Complete.
Apio	Delaware SOS Santa Barbara County	UCC, federal and state tax liens, fixture filings, bankruptcy and judgment liens	Revolver: Delaware SOS Real Estate: Delaware SOS Santa Barbara County	Complete.
Cal Ex	California SOS Santa Barbara County, CA	UCC, federal and state tax liens, fixture filings, bankruptcy and judgment liens	Revolver: California SOS	Complete.
Apio Cooling	California SOS Santa Barbara County, CA	UCC, federal and state tax liens, fixture filings, bankruptcy and judgment liens	Real Estate California SOS Santa Barbara County, CA	Complete.
Holdings	Delaware SOS New Castle County, DE York County, SC York County, PA Wood County, OH New York County, NY Fulton County, GA Los Angeles County, CA Indian River County, FL Henry County, OH Orange County, NY	UCC, federal and state tax liens, fixture filings, bankruptcy and judgment liens	Delaware SOS	Complete.

Debtor	Search Jurisdictions	Type of Search	Filing Office	Status
GL Foods	Ohio SOS York County, SC York County, PA Wood County, OH Fulton County, GA Los Angeles County, CA Indian River County, FL Henry County, OH Orange County, NY	UCC, federal and state tax liens, fixture filings, bankruptcy and judgment liens	Real Estate: Ohio SOS Wood County, OH York County, PA	Complete.
GL Logistics	Ohio SOS York County, SC York County, PA Wood County, OH Fulton County, GA Los Angeles County, CA Indian River County, FL Henry County, OH Orange County, NY	UCC, federal and state tax liens, fixture filings, bankruptcy and judgment liens	Real Estate: Ohio SOS	Complete.
GL South Carolina	Ohio SOS York County, SC York County, PA Wood County, OH	UCC, federal and state tax liens, fixture filings, bankruptcy and judgment liens	Real Estate: Ohio SOS York County, SC	Complete.

EXHIBIT C

CHARTER AND ORGANIZATIONAL DOCUMENTS, GOOD STANDING CERTIFICATES AND FOREIGN QUALIFICATIONS TO DO BUSINESS

Entity	Jurisdiction of Organization	Good Standing and Foreign Qualification Certificates	Charter Documents	Governing Documents
Parent	California	<input checked="" type="checkbox"/> DE (<input checked="" type="checkbox"/> Tax) <input checked="" type="checkbox"/> CA (<input checked="" type="checkbox"/> Tax)	<input checked="" type="checkbox"/> Certificate of Incorporation	<input checked="" type="checkbox"/> Bylaws
Apio	Delaware	<input checked="" type="checkbox"/> DE (<input checked="" type="checkbox"/> Tax) <input checked="" type="checkbox"/> CA <input checked="" type="checkbox"/> FL <input checked="" type="checkbox"/> NY <input checked="" type="checkbox"/> OH <input checked="" type="checkbox"/> PA <input type="checkbox"/> SC	<input checked="" type="checkbox"/> Certificate of Incorporation	<input checked="" type="checkbox"/> Bylaws
Apio Cooling	California	<input checked="" type="checkbox"/> CA	<input checked="" type="checkbox"/> Certificate of Limited Partnership	<input checked="" type="checkbox"/> Limited Partnership Agreement
Cal Ex	Delaware	<input checked="" type="checkbox"/> DE <input checked="" type="checkbox"/> CA (<input checked="" type="checkbox"/> Tax)	<input checked="" type="checkbox"/> Certificate of Incorporation	<input checked="" type="checkbox"/> Bylaws
Holdings	Delaware	<input checked="" type="checkbox"/> DE (<input checked="" type="checkbox"/> Tax)	<input checked="" type="checkbox"/> Certificate of Incorporation	<input checked="" type="checkbox"/> Bylaws
GL Foods	Ohio	<input checked="" type="checkbox"/> OH	<input checked="" type="checkbox"/> Articles of Incorporation	<input checked="" type="checkbox"/> Bylaws
GL Logistics	Ohio	<input checked="" type="checkbox"/> OH	<input checked="" type="checkbox"/> Articles of Incorporation	<input checked="" type="checkbox"/> Corporation Registration
GL South Carolina	Ohio	<input checked="" type="checkbox"/> OH	<input checked="" type="checkbox"/> Articles of Organization	<input checked="" type="checkbox"/> LLC Agreement

EXHIBIT D

TERMINATIONS AND RELEASES

I. UCC TERMINATIONS

Secured Party	Debtor	Jurisdiction	Date of Filing	Filing No.	Termination Date and Filing Number
KeyBank National Association	Holdings	Delaware SOS	9/22/06; continued 4/13/11	63283306; 1381220	
	GL Foods	Ohio SOS	9/22/06; continued 4/13/11	OH00106894313; 20111030117	
			9/22/06; continued 4/13/11	OH00106894424; 20111030116	
			9/22/06; continued 4/13/11	OH00106894424; 20111030116	
		York County, PA	11/20/07	Book 1934, Page 121	
		Wood County, OH	11/28/07	2007 00303	
	GL Logistics	Ohio SOS	9/22/06; continued 4/13/11	OH00106894535; 20111030075	
			9/22/06; continued 4/13/11	OH00106894757; 20111030080	
GL South Carolina	York County, SC	9/26/2006	000315794		
Key Equipment Finance Inc.	GL Foods	Ohio SOS	1/5/2006; continued 11/1/2010	OH00097356119; 20103050161	
Raymond Leasing	GL Foods	Ohio SOS		OH00151406183	
				OH00151406294	
GFC Leasing	GL Foods	Ohio SOS		OH00136332420	
				OH00127180870	
Toyota Motor Credit Corporation	GL Foods	Ohio SOS		OH00119521430	
				OH00119521652	
				OH00119521763	
				OH00128409716	
				OH00129895605	

II. MORTGAGE RELEASES

Mortgagee	Mortgagor	Jurisdiction	Date of Recordation	Recordation Number	Termination Date and Recordation Number
KeyBank National Association	GL Foods (as successor in interest to Greenline Acquisition Co.)	Wood County, OH	9/26/2006	Vol. 2695, Page 940	
			11/28/2007	Vol. 2799, Page 1078	
		York County, PA	11/28/2007	Vol. 2799, Page 1095	
			11/20/2007	Book 1934, Page 87	
	GL South Carolina	York County, SC	11/20/2007	Book 1934, Page 106	
			9/26/2006	Book 8430, Page 28	
			9/26/2006	Book 8430, Page 11	

EXHIBIT 4.2(b)

FORM OF COMPLIANCE CERTIFICATE

Apio, Inc., Cal Ex Trading Company and GreenLine Logistics, Inc.

Date: [_____, 20__]

This Compliance Certificate (this "Certificate") is given by Apio, Inc., a Delaware corporation ("Apio"), as Borrower Representative (in such capacity, the "Borrower Representative"), pursuant to Section 4.2(b) of that certain Credit Agreement, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, Borrower Representative, each other "Credit Party" that is a party thereto, the Lenders, L/C Issuers party thereto and General Electric Capital Corporation, as administrative agent for the Lenders. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement.

The officer executing this Certificate is a Responsible Officer of the Borrower Representative and as such is duly authorized to execute and deliver this Certificate on behalf of Borrowers. By executing this Certificate, such officer hereby certifies to Agent, Lenders and L/C Issuer, on behalf of Borrowers, that:

(a) the financial statements delivered with this Certificate in accordance with Sections 4.1(a) of the Credit Agreement, if applicable, fairly present, in all material respects, in accordance with GAAP the financial position and the results of operations of Parent and its Subsidiaries as of the dates of and for the periods covered by such financial statements;

(b) the financial statements delivered with this Certificate in accordance with Sections 4.1(b) of the Credit Agreement, if applicable, fairly present, in all material respects, in accordance with GAAP the financial position and the results of operations of Apio and its Subsidiaries as of the dates of and for the periods covered by such financial statements (subject to normal year-end adjustments and the absence of footnote disclosure);

(b) to the best of such officer's knowledge, each Credit Party and each of their Subsidiaries, during the period covered by such financial statements, has observed and performed all of their respective covenants and other agreements in the Credit Agreement and the other Loan Documents to be observed, performed or satisfied by them, and such officer had not obtained knowledge of any Default or Event of Default **[except as specified on the written attachment hereto]**;

(c) Exhibit A hereto is a correct calculation of each of the financial covenants contained in Article VI of the Credit Agreement; and

(d) since the Closing Date and except as disclosed in prior Compliance Certificates delivered to Agent, no Credit Party and no Subsidiary of any Credit Party has:

(i) changed its legal name, identity, jurisdiction of incorporation, organization or formation or organizational structure or formed or acquired any Subsidiary except as follows: _____;

(ii) acquired substantially all of the assets of, or merged or consolidated with or into, any Person, except as follows: _____; or

(iii) changed its address or otherwise relocated, acquired fee simple title to any real property or entered into any real property leases, except as follows: _____.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Borrower Representative has caused this Compliance Certificate to be executed by one of its Responsible Officers as of the date first written above.

“Borrower Representative”

APIO, INC.

By: _____
Name:
Title:

Note: Unless otherwise specified, all financial covenants are calculated for Borrowers and their Subsidiaries on a consolidated basis in accordance with GAAP and all calculations are without duplication.

EXHIBIT A TO EXHIBIT 4.2(b)
COMPLIANCE CERTIFICATE

Covenant 6.1 Fixed Charge Coverage²

Fixed Charge Coverage is defined as follows:

Cash Flow (per Exhibit B) \$ _____

Fixed Charges:

Net Interest Expense: The sum of (a) gross interest expense for such period paid or required to be paid in cash (including all commissions, discounts, fees and other charges in connection with letters of credit and similar instruments and net amounts paid or payable and/or received or receivable under permitted Rate Contracts in respect of interest rates) for the Borrowers and their Subsidiaries on a consolidated basis, minus (b) interest income received in cash for such period \$ _____

Plus: Scheduled principal payments of Indebtedness during such period \$ _____

Other Restricted Payments paid in cash during such period (excluding (i) dividends from a Wholly-Owned Subsidiary of a Borrower to a Borrower or any Wholly-Owned Subsidiary of a Borrower and (ii) any payment by Apio under the Fee Agreement pursuant to Section 5.11 of the Credit Agreement) \$ _____

Fixed Charges \$ _____

Fixed Charge Coverage (Cash Flow divided by Fixed Charges) _____

Required Fixed Charge Coverage _____ : **1.00**

In Compliance Yes/No

² With respect to the Fiscal Charge Coverage Ratio for each fiscal month ending on or before March 31, 2013, the period of calculation shall commence on April 23, 2012, and end on the last day of such fiscal month.

EXHIBIT B TO EXHIBIT 4.2(b)
COMPLIANCE CERTIFICATE

Calculation of Cash Flow

EBITDA for the applicable period of measurement:	\$ _____
Less: Unfinanced Capital Expenditures (per <u>Exhibit D</u>)	\$ _____
Less: Taxes on or measured by income paid or payable in cash by Apio or Parent for or on behalf of Apio (pursuant to the Fee Agreement) during such period	\$ _____
Cash Flow (used in calculation of Fixed Charge Coverage)	\$ _____

EXHIBIT C TO EXHIBIT 4.2(b)
COMPLIANCE CERTIFICATE

EBITDA

EBITDA is defined as follows:

Net income (or loss) for the applicable period of measurement of Borrowers and their Subsidiaries on a consolidated basis determined in accordance with GAAP (including amounts accrued or incurred in accordance with the Fee Agreement), but excluding: (a) the income (or loss) of any joint venture or other Person which is not a Subsidiary of a Borrower, except to the extent of the amount of dividends or other distributions actually paid to a Borrower or any of its Subsidiaries in cash by such Person during such period; (b) the undistributed earnings of any Subsidiary of any Borrower if the payment of dividends or similar distributions by that Subsidiary is not permitted by operation of the terms of its charter or of any agreement or Requirement of Law applicable to that Subsidiary; (c) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of a Borrower or is merged into or consolidated with a Borrower or any of its Subsidiaries or that Person's assets are acquired by a Borrower or any of its Subsidiaries; (d) any net gain from the collection of life insurance proceeds; (e) any aggregate net gain, but not any aggregate net loss, from the sale, exchange, transfer or other disposition of Property or assets not in the Ordinary Course of Business of the Borrowers and their Subsidiaries, and related tax effects in accordance with GAAP; and (f) any other extraordinary gains or losses of a Borrower or its Subsidiaries, and related tax effects in accordance with GAAP	\$ _____
Plus: All amounts deducted in calculating net income (or loss) for depreciation or amortization for such period	\$ _____
Interest expense (less interest income) deducted in calculating net income (or loss) for such period	\$ _____
All taxes, accrued or payable, on or measured by income to the extent deducted in calculating net income (or loss) for such period	\$ _____
The amount of any non-cash deduction from net income as a result of any grant of Stock of Stock Equivalents to employees	\$ _____
Fees and expenses (i) incurred in connection with the Closing Date Acquisition to the extent disclosed to Agent or (ii) paid to Agent and Lenders in connection with the Agreement and the Other Loan Documents, in each case, to the extent (x) deducted in the calculation of net income (or loss) for such period and (y) such fees and expenses do not exceed \$600,000	\$ _____
Minus: All tax credits	\$ _____
All non-cash income or gains (including without limitation, income arising from the cancellation of Indebtedness.)	\$ _____
EBITDA	\$ _____

EXHIBIT D TO EXHIBIT 4.2(b)
COMPLIANCE CERTIFICATE

Capital Expenditures

For purposes of calculating Cash Flow in Exhibit B, Capital Expenditures and Unfinanced Capital Expenditures are defined as follows:

The aggregate of all expenditures and obligations which should be capitalized under GAAP	\$ _____
Less: Net Proceeds from Dispositions and/or Events of Loss which a Borrower is permitted to reinvest pursuant to <u>Section 1.8(b)</u> and which are included above	\$ _____
To the extent included above, expenditures financed with cash proceeds from Excluded Equity Issuances	\$ _____
Capital Expenditures	\$ _____
Less: Portion of Capital Expenditures financed under Capital Leases or with proceeds of other long term Indebtedness incurred substantially concurrently with such expenditure (Indebtedness, for this purpose, does not include drawings under the Revolving Loan Commitment)	\$ _____
Permitted Unfinanced Capital Expenditures	\$ _____

EXHIBIT 11.1(a)
TO
CREDIT AGREEMENT

FORM OF ASSIGNMENT

This ASSIGNMENT, dated as of the Effective Date, is entered into between _____ (“the Assignor”) and _____ (“the Assignee”).

The parties hereto hereby agree as follows:

Borrower: Apio, Inc., a Delaware corporation, Cal Ex Trading Company, a California corporation, and GreenLine Logistics, Inc., an Ohio corporation (the “Borrowers”)
Agent: General Electric Capital Corporation, as administrative agent for the Lenders and L/C Issuers (in such capacity and together with its successors and permitted assigns, “Agent”)
Credit Agreement: Credit Agreement, dated as of April 23, 2012, among the Borrowers, Apio, Inc., as Borrower Representative, the other Credit Parties party thereto, the Lenders and L/C Issuers party thereto and the Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”; capitalized terms used herein without definition are used as defined in the Credit Agreement)
[Trade Date: _____, ____] ³
Effective Date: _____, ____ ⁴

[remainder of page intentionally left blank]

³ Insert for informational purposes only if needed to determine other arrangements between the assignor and the assignee.

⁴ To be filled out by Agent upon entry in the Register.

Section 1. Assignment. Assignor hereby sells and assigns to Assignee, and Assignee hereby purchases and assumes from Assignor, Assignor's rights and obligations in its capacity as Lender under the Credit Agreement (including Liabilities owing to or by Assignor thereunder) and the other Loan Documents, in each case to the extent related to the amounts identified above (the "Assigned Interest").

Section 2. Representations, Warranties and Covenants of Assignors. Assignor (a) represents and warrants to Assignee and the Agent that (i) it has full power and authority, and has taken all actions necessary for it, to execute and deliver this Assignment and to consummate the transactions contemplated hereby, (ii) it is the legal and beneficial owner of its Assigned Interest and that such Assigned Interest is free and clear of any Lien and other adverse claims and (iii) by executing, signing and delivering this assignment via ClearPar® or any other electronic settlement system designated by the Agent, the Person signing, executing and delivering this Assignment on behalf of the Assignor is an authorized signatory for the Assignor and is authorized to execute, sign and deliver this Agreement, (b) makes no other representation or warranty and assumes no responsibility, including with respect to the aggregate amount of the Loans and Revolving Loan Commitments, the percentage of the Loans and Revolving Loan Commitments represented by the amounts assigned, any statements, representations and warranties made in or in connection with any Loan Document or any other document or information furnished pursuant thereto, the execution, legality, validity, enforceability or genuineness of any Loan Document or any document or information provided in connection therewith and the existence, nature or value of any Collateral, (c) assumes no responsibility (and makes no representation or warranty) with respect to the financial condition of any Credit Party or the performance or nonperformance by any Credit Party of any obligation under any Loan Document or any document provided in connection therewith and (d) attaches any Notes held by it evidencing at least in part the Assigned Interest of such Assignor (or, if applicable, an affidavit of loss or similar affidavit therefor) and requests that the Agent exchange such Notes for new Notes in accordance with Section 1.2 of the Credit Agreement.

Section 3. Representations, Warranties and Covenants of Assignees. Assignee (a) represents and warrants to Assignor and the Agent that (i) it has full power and authority, and has taken all actions necessary for Assignee, to execute and deliver this Assignment and to consummate the transactions contemplated hereby, (ii) it is an Affiliate or an Approved Fund of _____, a Lender, (iii) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest assigned to it hereunder and either Assignee or the Person exercising discretion in making the decision for such assignment is experienced in acquiring assets of such type and (iv) by executing, signing and delivering this Assignment via ClearPar® or any other electronic settlement system designated by the Agent, the Person signing, executing and delivering this Assignment on behalf of the Assignor is an authorized signatory for the Assignor and is authorized to execute, sign and deliver this Agreement (b) appoints and authorizes the Agent to take such action as administrative agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto, (c) shall perform in accordance with their terms all obligations that, by the terms of the Loan Documents, are required to be performed by it as a Lender, (d) confirms it has received such documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and shall continue to make its own credit decisions in taking or not taking any action under any Loan Document independently and without reliance upon Agent, any L/C Issuer, any Lender or any other Indemnitee and based on such documents and information as it shall deem appropriate at the time, (e) acknowledges and agrees that, as a Lender, it may receive material non-public information and confidential information concerning the Credit Parties and their Affiliates and their Stock and agrees to use such information in accordance with Section 9.10 of the Credit Agreement, (f) specifies as its applicable lending offices (and addresses for notices) the offices at the addresses set forth beneath its name on the signature pages hereof, (g) shall pay to the Agent an assignment fee in the amount of \$3,500 to the extent such fee is required to be paid under Section 9.9 of the Credit Agreement and (h) to the extent required pursuant to Section 10.1(f) of the Credit Agreement, attaches two completed originals of Forms W-8ECI, W-8BEN, W-8IMY or W-9 and, if applicable, a portfolio interest exemption certificate.

Section 4. Determination of Effective Date; Register. Following the due execution and delivery of this Assignment by Assignor, Assignee and, to the extent required by Section 9.9 of the Credit Agreement, the Borrowers and each L/C Issuer that is a Lender, this Assignment (including its attachments) will be delivered to the Agent for its acceptance and recording in the Register. The effective date of this Assignment (the “Effective Date”) shall be the later of (i) the acceptance of this Assignment by the Agent and (ii) the recording of this Assignment in the Register. The Agent shall insert the Effective Date when known in the space provided therefor at the beginning of this Assignment.

Section 5. Effect. As of the Effective Date, (a) Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment, have the rights and obligations of a Lender under the Credit Agreement and (b) Assignor shall, to the extent provided in this Assignment, relinquish its rights (except those surviving the termination of the Revolving Loan Commitments and payment in full of the Obligations) and be released from its obligations under the Loan Documents other than those obligations relating to events and circumstances occurring prior to the Effective Date.

Section 6. Distribution of Payments. On and after the Effective Date, the Agent shall make all payments under the Loan Documents in respect of each Assigned Interest (a) in the case of amounts accrued to but excluding the Effective Date, to Assignor and (b) otherwise, to Assignee.

Section 7. Miscellaneous. (a) The parties hereto, to the extent permitted by law, waive all right to trial by jury in any action, suit, or proceeding arising out of, in connection with or relating to, this Assignment and any other transaction contemplated hereby. This waiver applies to any action, suit or proceeding whether sounding in tort, contract or otherwise.

(b) On and after the Effective Date, this Assignment shall be binding upon, and inure to the benefit of, the Assignor, Assignee, the Agent and their Related Persons and their successors and assigns.

(c) This Assignment shall be governed by, and be construed and interpreted in accordance with, the law of the State of New York.

(d) This Assignment may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Assignment by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart of this Assignment.

[remainder of page intentionally left blank]

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

[NAME OF ASSIGNOR]
as Assignor

By: _____
Name:
Title:

[NAME OF ASSIGNEE]
as Assignee

By: _____
Name:
Title:

Lending Office for LIBOR Rate Loans:

[Insert Address (including contact name, fax number and e-mail address)]

Lending Office (and address for notices) for any other purpose:

[Insert Address (including contact name, fax number and e-mail address)]

ACCEPTED and AGREED to:

GENERAL ELECTRIC CAPITAL CORPORATION
as Agent

By: _____
Name:
Title:

APIO, INC.,
as Borrower Representative

By: _____
Name:
Title:

[NAME OF L/C ISSUER]⁷

By: _____
Name:
Title:

EXHIBIT 11.1(b)
to
CREDIT AGREEMENT

FORM OF BORROWING BASE CERTIFICATE

This Certificate is given by Apio, Inc., a Delaware corporation ("Borrower Representative"), pursuant to Section 4.2(d) of that certain Credit Agreement dated as of April 23, 2012, by and among Apio, Inc. ("Apio"), Cal Ex Trading Company, a Delaware corporation ("Cal Ex"), and GreenLine Logistics, Inc., an Ohio corporation ("GLI") and together with Apio and Cal Ex, each a "Borrower" and collectively, the "Borrowers"), Borrower Representative, the other Credit Parties party thereto, the Lenders from time to time party thereto and General Electric Capital Corporation, as agent for the Lenders and other Secured Parties (as such agreement may have been amended, restated, supplemented or otherwise modified from time to time the "Credit Agreement"). Capitalized terms used herein without definition shall have the meanings set forth in the Credit Agreement.

The undersigned is duly authorized to execute and deliver this Borrowing Base Certificate on behalf of [Apio][Cal Ex][GLI]. By executing this Certificate such officer of Borrower Representative hereby certifies to Agent and Lenders on behalf of [Apio][Cal Ex][GLI] and without personal liability that:

- (a) Attached hereto as Schedule 1 is a calculation of the Borrowing Base for the period ending on _____ (the "Reporting Date");
- (b) Based on such schedule, the Borrowing Base as of the Reporting Date is:

\$ _____
- (c) The effective date of this Borrowing Base Certificate will be the date this Certificate is received by Agent.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Borrower Representative has caused this Borrowing Base Certificate to be executed as of the date first written above.

“Borrower Representative”

APIO, INC.

By: _____
Name:
Title:

11.1(b)-2

EXHIBIT 11.1(c)
TO
CREDIT AGREEMENT

FORM OF NOTICE OF BORROWING

GENERAL ELECTRIC CAPITAL CORPORATION
as Agent under the Credit Agreement referred to below

Re: Apio, Inc., Cal Ex Trading Company and GreenLine Logistics, Inc. (the "Borrowers")

Reference is made to that certain Credit Agreement, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, Apio, Inc., as Borrower Representative, the other Credit Parties, the Lenders and L/C Issuers party thereto and General Electric Capital Corporation, as administrative agent for such Lenders and L/C Issuers. Capitalized terms used herein without definition are used as defined in the Credit Agreement.

Borrower Representative, on behalf of Borrowers, hereby gives you irrevocable notice, pursuant to Section 1.5 of the Credit Agreement of its request of a Borrowing (the "Proposed Borrowing") under the Credit Agreement and, in that connection, sets forth the following information:

THE DATE OF THE PROPOSED BORROWING IS _____, ____ (THE "FUNDING DATE").

ARTICLE XII. THE AGGREGATE PRINCIPAL AMOUNT OF REQUESTED LOANS IS \$ _____, OF WHICH \$ _____ CONSISTS OF BASE RATE LOANS AND \$ _____ CONSISTS OF LIBOR RATE LOANS HAVING AN INITIAL INTEREST PERIOD OF _____ MONTHS.

The undersigned hereby certifies that, except as set forth on Schedule A attached hereto, the following statements are true on the date hereof and will be true on the Funding Date, both before and after giving effect to the Proposed Borrowing and any other Loan to be made or Letter of Credit to be Issued on or before the Funding Date:

12.1 the representations and warranties set forth in Article III of the Credit Agreement and elsewhere in the Loan Documents are true and correct in all material respects (without duplication of any materiality qualifier contained therein), except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects (without the duplication of any materiality qualifier contained therein) as of such earlier date;

12.2 no Default or Event of Default has occurred and is continuing; and

12.3 the aggregate outstanding amount of Revolving Loans does not exceed the Maximum Revolving Loan Balance.

[remainder of page intentionally left blank]

12.4 IN WITNESS WHEREOF, Borrower Representative has caused this Notice to be executed and delivered by its duly authorized officer as of the date first written above.

“Borrower Representative”

APIO, INC.

By: _____
Name:
Title:

11.1(c)-2

EXHIBIT 11.1(d)
TO
CREDIT AGREEMENT

FORM OF REVOLVING LOAN NOTE

Lender: GE CAPITAL FINANCIAL INC.
Principal Amount: \$ _____

New York, New York
_____, 20__

FOR VALUE RECEIVED, the undersigned, Apio, Inc., a Delaware corporation, Cal Ex Trading Company, a Delaware corporation, and GreenLine Logistics, Inc., an Ohio corporation (collectively, the "Borrowers"), hereby jointly and severally promise to pay to the Lender set forth above (the "Lender") the Principal Amount set forth above, or, if less, the aggregate unpaid principal amount of all Loans (as defined in the Credit Agreement referred to below) of the Lender to the Borrowers, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrowers jointly and severally promise to pay interest on the unpaid principal amount of the Loans from the date made until such principal amount is paid in full, payable at such times and at such interest rates as are specified in the Credit Agreement. Demand, diligence, presentment, protest and notice of non-payment and protest are hereby waived by each Borrower.

Both principal and interest are payable in Dollars to General Electric Capital Corporation, as Agent, at the address set forth in the Credit Agreement, in immediately available funds.

This Note is one of the Notes referred to in, and is entitled to the benefits of, that certain Credit Agreement, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, Apio, Inc., as Borrower Representative, the other Credit Parties party thereto, the Lenders and the L/C Issuers party thereto and General Electric Capital Corporation, as administrative agent for the Lenders and L/C Issuers. Capitalized terms used herein without definition are used as defined in the Credit Agreement.

The Credit Agreement, among other things, (a) provides for the making of Loans by the Lender to the Borrowers in an aggregate principal amount not to exceed at any time outstanding the Principal Amount set forth above, the indebtedness of the Borrowers resulting from such Loans being evidenced by this Note and (b) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions specified therein.

This Note is a Loan Document, is entitled to the benefits of the Loan Documents and is subject to certain provisions of the Credit Agreement, including Sections 9.18(b) (Submission to Jurisdiction), 9.19 (Waiver of Jury Trial), 9.23 (Cross-Guaranty) and 11.2 (Other Interpretive Provisions) thereof.

This Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Borrower has caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place set forth above.

“Borrowers”

APIO, INC.

By: _____
Name:
Title:

CAL EX TRADING COMPANY

By: _____
Name:
Title:

GREENLINE LOGISTICS, INC.

By: _____
Name:
Title:

EXHIBIT 11.1(e)
TO
CREDIT AGREEMENT

FORM OF SWINGLINE NOTE

Swingline Lender: GE CAPITAL FINANCIAL INC.
Principal Amount: \$ _____

New York, New York
_____, 20__

FOR VALUE RECEIVED, the undersigned, Apio, Inc., a Delaware corporation, Cal Ex Trading Company, a Delaware corporation, and GreenLine Logistics, Inc., an Ohio corporation (collectively, the "Borrowers"), hereby jointly and severally promise to pay to the Swingline Lender set forth above (the "Swingline Lender") the Principal Amount set forth above, or, if less, the aggregate unpaid principal amount of all Swing Loans (as defined in the Credit Agreement referred to below) of the Swingline Lender to the Borrowers, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrowers jointly and severally promise to pay interest on the unpaid principal amount of the Swing Loans from the date made until such principal amount is paid in full, payable at such times and at such interest rates as are specified in the Credit Agreement. Demand, diligence, presentment, protest and notice of non-payment and protest are hereby waived by the Borrower.

Both principal and interest are payable in Dollars to General Electric Capital Corporation, as Agent, at the address set forth in the Credit Agreement, in immediately available funds.

This Note is one of the Notes referred to in, and is entitled to the benefits of, that certain Credit Agreement, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, Apio, Inc., as Borrower Representative, the other Credit Parties party thereto, the Lenders, the L/C Issuer, the Swingline Lender and General Electric Capital Corporation, as administrative agent for the Lenders and L/C Issuer. Capitalized terms used herein without definition are used as defined in the Credit Agreement.

The Credit Agreement, among other things, (a) provides for the making of Swing Loans by the Swingline Lender to the Borrowers in an aggregate principal amount not to exceed at any time outstanding the Principal Amount set forth above, the indebtedness of the Borrowers resulting from such Swing Loans being evidenced by this Note and (b) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions specified therein.

This Note is a Loan Document, is entitled to the benefits of the Loan Documents and is subject to certain provisions of the Credit Agreement, including Sections 9.18(b) (Submission to Jurisdiction), 9.19 (Waiver of Jury Trial), 9.23 (Joint and Several) and 11.2 (Other Interpretive Provisions) thereof.

This Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Borrower has caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place set forth above.

“Borrowers”

APIO, INC.

By: _____

Name:

Title:

CAL EX TRADING COMPANY

By: _____

Name:

Title:

GREENLINE LOGISTICS, INC.

By: _____

Name:

Title:

11.1(e)-2

GUARANTY AND SECURITY AGREEMENT

Dated as of April 23, 2012

by and among

APIO, INC.,
CAL EX TRADING COMPANY,
and
GREENLINE LOGISTICS, INC.,
as the Grantors,

and

EACH OTHER GRANTOR
FROM TIME TO TIME PARTY HERETO

in favor of

GENERAL ELECTRIC CAPITAL CORPORATION,
as Agent

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GUARANTY AND SECURITY AGREEMENT, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), by APIO, INC., a Delaware corporation ("Apio"), CAL EX TRADING COMPANY, a Delaware corporation ("Cal Ex"), GREENLINE LOGISTICS, INC., an Ohio corporation ("GLI"), and each of the other entities that becomes a party hereto pursuant to Section 8.6 (together with Apio, Cal Ex and GLI, collectively, the "Grantors"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("GE Capital"), as agent (in such capacity, together with its successors and permitted assigns, "Agent") for the Lenders, the L/C Issuers and each other Secured Party (each as defined in the Credit Agreement referred to below).

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Grantors, the Lenders and Agent, the Lenders have severally agreed to make extensions of credit to the Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, each Guarantor has agreed to guarantee the Obligations (as defined in the Credit Agreement) of each Borrower;

WHEREAS, each Grantor will derive substantial direct and indirect benefits from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders and the L/C Issuers to make their respective extensions of credit to the Borrowers under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to Agent.

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, the L/C Issuers and Agent to enter into the Credit Agreement and to induce the Lenders and the L/C Issuers to make their respective extensions of credit to the Borrowers thereunder, each Grantor hereby agrees with Agent as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Definitions. (a) Capital terms used herein without definition are used as defined in the Credit Agreement.

(b) The following terms have the meanings given to them in the UCC and terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC (such meanings to be equally applicable to both the singular and plural forms of the terms defined): "account", "account debtor", "as-extracted collateral", "certificated security", "chattel paper", "commercial tort claim", "commodity contract", "deposit account", "document", "electronic chattel paper", "equipment", "farm products", "fixture", "general intangible", "goods", "health-care-insurance receivable", "instruments", "inventory", "investment property", "letter-of-credit right", "proceeds", "record", "securities account", "security", "supporting obligation" and "tangible chattel paper".

(c) The following terms shall have the following meanings:

“Applicable IP Office” means the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within or outside the United States.

“Cash Collateral Account” means a deposit account or securities account subject, in each instance, to a Control Agreement, other than accounts established to cash collateralize L/C Reimbursement Obligations.

“Collateral” has the meaning specified in Section 3.1.

“Controlled Securities Account” means each securities account (including all financial assets held therein and all certificates and instruments, if any, representing or evidencing such financial assets) that is the subject of an effective Control Agreement.

“Excluded Property” means, collectively, (i) any permit or license or any Contractual Obligation entered into by any Grantor (A) that prohibits or requires the consent of any Person other than a Borrower and its Affiliates which has not been obtained as a condition to the creation by such Grantor of a Lien on any right, title or interest in such permit, license or Contractual Obligation or any Stock or Stock Equivalent related thereto or (B) to the extent that any Requirement of Law applicable thereto prohibits the creation of a Lien thereon, but only, with respect to the prohibition in (A) and (B), to the extent, and for as long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the UCC or any other Requirement of Law, (iii) Property owned by any Grantor that is subject to a purchase money Lien or a Capital Lease permitted under the Credit Agreement if the Contractual Obligation pursuant to which such Lien is granted (or in the document providing for such Capital Lease) prohibits or requires the consent of any Person other than a Borrower and its Affiliates which has not been obtained as a condition to the creation of any other Lien on such equipment, (iv) any Equipment Loan Collateral and the proceeds, products, substitutions and replacements thereof, and (v) any “intent to use” Trademark applications for which a statement of use has not been filed (but only until such statement is filed); provided, however, “Excluded Property” shall not include any proceeds, products, substitutions or replacements of Excluded Property (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Property).

“Guaranteed Obligations” has the meaning set forth in Section 2.1.

“Guarantor” means each Grantor, including each Borrower with respect to the obligations of each other Borrower.

“Guaranty” means the guaranty of the Guaranteed Obligations made by the Guarantors as set forth in this Agreement.

“Internet Domain Name” means all right, title and interest (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to Internet domain names.

“Material Intellectual Property” means Intellectual Property that is owned by or licensed to a Grantor and material to the conduct of any Grantor’s business.

“Pledged Certificated Stock” means all certificated securities and any other Stock or Stock Equivalent of any Person evidenced by a certificate, instrument or other similar document, in each case owned by any Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including all Stock and Stock Equivalents listed on Schedule 3. Pledged Certificated Stock excludes any Excluded Property and any Cash Equivalents that are not held in Controlled Securities Accounts to the extent permitted by Section 5.9.

“Pledged Collateral” means, collectively, the Pledged Stock and the Pledged Debt Instruments.

“Pledged Debt Instruments” means all right, title and interest of any Grantor in instruments evidencing any Indebtedness owed to such Grantor or other obligations owed to such Grantor and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including all Indebtedness described on Schedule 3, issued by the obligors named therein. Pledged Debt Instruments excludes any Cash Equivalents that are not held in Controlled Securities Accounts to the extent permitted by Section 5.9 hereof.

“Pledged Investment Property” means any investment property of any Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, other than any Pledged Stock or Pledged Debt Instruments. Pledged Investment Property excludes any Cash Equivalents that are not held in Controlled Securities Accounts to the extent permitted by Section 5.9 hereof.

“Pledged Stock” means all Pledged Certificated Stock, all Pledged Uncertificated Stock and all Pledged Apio Stock.

“Pledged Uncertificated Stock” means any Stock or Stock Equivalent of any Person that is not Pledged Certificated Stock, including all right, title and interest of any Grantor as a limited or general partner in any partnership not constituting Pledged Certificated Stock or as a member of any limited liability company, all right, title and interest of any Grantor in, to and under any Organization Document of any partnership or limited liability company to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including in each case those interests set forth on Schedule 3, to the extent such interests are not certificated. Pledged Uncertificated Stock excludes any Excluded Property and any Cash Equivalents that are not held in Controlled Securities Accounts to the extent permitted by Section 5.9.

“Secured Obligations” is a collective reference to (a) the Obligations and (b) the liabilities, obligations, covenants and duties owing by any Grantor to GE Capital (or any of its Affiliates) under the Equipment Loan.

“Software” means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing.

“UCC” means the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of any applicable Requirement of Law, any of the attachment, perfection or priority of Agent’s or any other Secured Party’s security interest in any Collateral is governed by the Uniform Commercial Code of a jurisdiction other than the State of New York, “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of the definitions related to or otherwise used in such provisions.

“Vehicles” means all vehicles covered by a certificate of title law of any state.

Section 1.2 Certain Other Terms.

(a) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The terms “herein”, “hereof” and similar terms refer to this Agreement as a whole and not to any particular Article, Section or clause in this Agreement. References herein to an Annex, Schedule, Article, Section or clause refer to the appropriate Annex or Schedule to, or Article, Section or clause in this Agreement. Where the context requires, provisions relating to any Collateral when used in relation to a Grantor shall refer to such Grantor’s Collateral or any relevant part thereof.

(b) Other Interpretive Provisions.

(i) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto.

(ii) Certain Common Terms. The term “including” is not limiting and means “including without limitation.”

(iii) Performance; Time. Whenever any performance obligation hereunder (other than a payment obligation) shall be stated to be due or required to be satisfied on a day other than a Business Day, such performance shall be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.” If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(iv) Contracts. Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, shall be deemed to include all subsequent amendments, thereto, restatements and substitutions thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(v) Laws. References to any statute or regulation are to be construed as including all statutory and regulatory provisions related thereto or consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

ARTICLE II

GUARANTY

Section 2.1 Guaranty. To induce the Lenders to make the Loans, the L/C Issuers to Issue Letters of Credit and each other Secured Party to make credit available to or for the benefit of one or more Grantors, each Guarantor hereby, jointly and severally, absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment when due, whether at stated maturity or earlier, by reason of acceleration, mandatory prepayment or otherwise in accordance with any Loan Document, of all the Obligations of each Borrower whether existing on the date hereof or hereinafter incurred or created (the "Guaranteed Obligations"). This Guaranty by each Guarantor hereunder constitutes a guaranty of payment and not of collection.

Section 2.2 Limitation of Guaranty. Any term or provision of this Guaranty or any other Loan Document to the contrary notwithstanding, the maximum aggregate amount for which any Guarantor shall be liable hereunder shall not exceed the maximum amount for which such Guarantor can be liable without rendering this Guaranty or any other Loan Document, as it relates to such Guarantor, subject to avoidance under applicable Requirements of Law relating to fraudulent conveyance or fraudulent transfer (including the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act and Section 548 of title 11 of the United States Code or any applicable provisions of comparable Requirements of Law) (collectively, "Fraudulent Transfer Laws"). Any analysis of the provisions of this Guaranty for purposes of Fraudulent Transfer Laws shall take into account the right of contribution established in Section 2.3 and, for purposes of such analysis, give effect to any discharge of intercompany debt as a result of any payment made under the Guaranty.

Section 2.3 Contribution. To the extent that any Guarantor shall be required hereunder to pay any portion of any Guaranteed Obligation exceeding the greater of (a) the amount of the value actually received by such Guarantor and its Subsidiaries from the Loans and other Obligations and (b) the amount such Guarantor would otherwise have paid if such Guarantor had paid the aggregate amount of the Guaranteed Obligations (excluding the amount thereof repaid by a Borrower that received the benefit of the funds advanced that constituted Guaranteed Obligations) in the same proportion as such Guarantor's net worth on the date enforcement is sought hereunder bears to the aggregate net worth of all the Guarantors on such date, then such Guarantor shall be reimbursed by such other Guarantors for the amount of such excess, pro rata, based on the respective net worth of such other Guarantors on such date.

Section 2.4 Authorization; Other Agreements. The Secured Parties are hereby authorized, without notice to or demand upon any Guarantor and without discharging or otherwise affecting the obligations of any Guarantor hereunder and without incurring any liability hereunder, from time to time, to do each of the following:

- (a) (i) subject to compliance, if applicable, with Section 9.1 of the Credit Agreement, modify, amend, supplement or otherwise change, (ii) accelerate or otherwise change the time of payment or (iii) waive or otherwise consent to noncompliance with, any Guaranteed Obligation or any Loan Document;
- (b) apply to the Guaranteed Obligations any sums by whomever paid or however realized to any Guaranteed Obligation in such order as provided in the Loan Documents;
- (c) refund at any time any payment received by any Secured Party in respect of any Guaranteed Obligation;
- (d) (i) sell, exchange, enforce, waive, substitute, liquidate, terminate, release, abandon, fail to perfect, subordinate, accept, substitute, surrender, exchange, affect, impair or otherwise alter or release any Collateral for any Guaranteed Obligation or any other guaranty therefor in any manner, (ii) receive, take and hold additional Collateral to secure any Guaranteed Obligation, (iii) add, release or substitute any one or more other Guarantors, makers or endorsers of any Guaranteed Obligation or any part thereof and (iv) otherwise deal in any manner with a Borrower or any other Guarantor, maker or endorser of any Guaranteed Obligation or any part thereof; and
- (e) settle, release, compromise, collect or otherwise liquidate the Guaranteed Obligations.

Section 2.5 Guaranty Absolute and Unconditional. Each Guarantor hereby waives and agrees not to assert any defense, whether arising in connection with or in respect of any of the following or otherwise, and hereby agrees that its obligations under this Guaranty are irrevocable, absolute and unconditional and shall not be discharged as a result of or otherwise affected by any of the following (which may not be pleaded and evidence of which may not be introduced in any proceeding with respect to this Guaranty, in each case except as otherwise agreed in writing by Agent):

- (a) the invalidity or unenforceability of any obligation of a Borrower or any other Guarantor under any Loan Document or any other agreement or instrument relating thereto (including any amendment, consent or waiver thereto), or any security for, or other guaranty of, any Guaranteed Obligation or any part thereof, or the lack of perfection or continuing perfection or failure of priority of any security for the Guaranteed Obligations or any part thereof;

(b) the absence of (i) any attempt to collect any Guaranteed Obligation or any part thereof from a Borrower or any other Guarantor or other action to enforce the same or (ii) any action to enforce any Loan Document or any Lien thereunder;

(c) the failure by any Person to take any steps to perfect and maintain any Lien on, or to preserve any rights with respect to, any Collateral;

(d) any workout, insolvency, bankruptcy proceeding, reorganization, arrangement, liquidation or dissolution by or against a Borrower, any other Guarantor or any of a Borrower's other Subsidiaries or any procedure, agreement, order, stipulation, election, action or omission thereunder, including any discharge or disallowance of, or bar or stay against collecting, any Guaranteed Obligation (or any interest thereon) in or as a result of any such proceeding;

(e) any foreclosure, whether or not through judicial sale, and any other sale or other disposition of any Collateral or any election following the occurrence of an Event of Default by any Secured Party to proceed separately against any Collateral in accordance with such Secured Party's rights under any applicable Requirement of Law; or

(f) any other defense, setoff, counterclaim or any other circumstance that might otherwise constitute a legal or equitable discharge of a Borrower, any other Guarantor or any other Subsidiary of a Borrower, in each case other than the payment in full of the Guaranteed Obligations.

Section 2.6 Waivers. Each Guarantor hereby unconditionally and irrevocably waives and agrees not to assert any claim, defense, setoff or counterclaim based on diligence, promptness, presentment, requirements for any demand or notice hereunder including any of the following: (a) any demand for payment or performance and protest and notice of protest; (b) any notice of acceptance; (c) any presentment, demand, protest or further notice or other requirements of any kind with respect to any Guaranteed Obligation (including any accrued but unpaid interest thereon) becoming immediately due and payable; and (d) any other notice in respect of any Guaranteed Obligation or any part thereof, and any defense arising by reason of any disability or other defense of a Borrower or any other Guarantor. Until all Revolving Loan Commitments have been terminated and the Obligations have been repaid in full in cash, each Guarantor further unconditionally and irrevocably agrees not to (x) enforce or otherwise exercise any right of subrogation or any right of reimbursement or contribution or similar right against a Borrower or any other Guarantor by reason of any Loan Document or any payment made thereunder or (y) assert any claim, defense, setoff or counterclaim it may have against any other Credit Party or set off any of its obligations to such other Credit Party against obligations of such Credit Party to such Guarantor. No obligation of any Guarantor hereunder shall be discharged other than by complete performance.

Section 2.7 Reliance. Each Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of each Borrower, each other Guarantor and any other guarantor, maker or endorser of any Guaranteed Obligation or any part thereof, and of all other circumstances bearing upon the risk of nonpayment of any Guaranteed Obligation or any part thereof that diligent inquiry would reveal, and each Guarantor hereby agrees that no Secured Party shall have any duty to advise any Guarantor of information known to it regarding such condition or any such circumstances. In the event any Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any Guarantor, such Secured Party shall be under no obligation to (a) undertake any investigation not a part of its regular business routine, (b) disclose any information that such Secured Party, pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (c) make any future disclosures of such information or any other information to any Guarantor.

ARTICLE III

GRANT OF SECURITY INTEREST

Section 3.1 Collateral. For the purposes of this Agreement, all of the following property now owned or at any time hereafter acquired by a Grantor or in which a Grantor now has or at any time in the future may acquire any right, title or interests is collectively referred to as the “Collateral”:

- (a) all accounts, chattel paper, deposit accounts, documents, equipment, general intangibles, instruments, inventory, investment property, letter of credit rights and any supporting obligations related to any of the foregoing;
- (b) the commercial tort claims described on Schedule 1 and on any supplement thereto received by Agent pursuant to Section 5.8;
- (c) all books and records pertaining to the other property described in this Section 3.1;
- (d) all property of such Grantor held by any Secured Party, including all property of every description, in the custody of or in transit to such Secured Party for any purpose, including safekeeping, collection or pledge, for the account of such Grantor or as to which such Grantor may have any right or power, including but not limited to cash;
- (e) all other goods (including but not limited to fixtures) and personal property of such Grantor, whether tangible or intangible and wherever located; and
- (f) to the extent not otherwise included, all proceeds of the foregoing;

Section 3.2 Grant of Security Interest in Collateral. Each Grantor, 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 of such Grantor, hereby mortgages, pledges and hypothecates to Agent for the benefit of the Secured Parties, and grants to Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the Collateral of such Grantor; provided, however, notwithstanding the foregoing, no Lien or security interest is hereby granted on any Excluded Property; provided, further, that if and when any property shall cease to be Excluded Property, a Lien on and security in such property shall be deemed granted therein. Each such Grantor hereby represents and warrants that the Excluded Property, when taken as a whole, is not material to the business operations or financial condition of the Grantors, taken as a whole.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Lenders, the L/C Issuers and Agent to enter into the Loan Documents, each Grantor hereby represents and warrants each of the following to Agent, the Lenders, the L/C Issuers and the other Secured Parties:

Section 4.1 Title; No Other Liens. Except for the Lien granted to Agent pursuant to this Agreement and other Permitted Liens (except for those Permitted Liens not permitted to exist on any Collateral) under any Loan Document (including Section 4.2), such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. Such Grantor (a) is the record and beneficial owner of the Collateral pledged by it hereunder constituting instruments or certificates and (b) has rights in or the power to transfer each other item of Collateral in which a Lien is granted by it hereunder, free and clear of any other Lien (except for the Lien on the Equipment Loan Collateral securing the Equipment Loan and the Lien on the Collateral securing a portion of the Real Estate Loans).

Section 4.2 Perfection and Priority. The security interest granted pursuant to this Agreement constitutes a valid and continuing perfected security interest in favor of Agent in all Collateral subject, for the following Collateral, to the occurrence of the following: (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the UCC, the completion of the filings and other actions specified on Schedule 2 (which, in the case of all filings and other documents referred to on such schedule, have been delivered to Agent in completed and duly authorized form), (ii) with respect to any deposit account, the execution of Control Agreements, (iii) in the case of all Copyrights, Trademarks and Patents for which UCC filings are insufficient, all appropriate filings having been made with the United States Copyright Office or the United States Patent and Trademark Office, as applicable, (iv) in the case of letter-of-credit rights that are not supporting obligations of Collateral, the execution of a Contractual Obligation granting control to Agent over such letter-of-credit rights, (v) in the case of electronic chattel paper, the completion of all steps reasonably necessary to grant control to Agent over such electronic chattel paper and (vi) in the case of Vehicles, the actions required under Section 5.1(e). Such security interest shall be prior to all other Liens on the Collateral except for Permitted Liens having priority over Agent's Lien by operation of law or permitted pursuant to Section 5.1(e), 5.1(g), 5.1(h), 5.1(i) or 5.1(k) of the Credit Agreement upon (i) in the case of all Pledged Apio Stock, Pledged Certificated Stock, Pledged Debt Instruments and Pledged Investment Property, the delivery thereof to Agent of such Pledged Apio Stock, Pledged Certificated Stock, Pledged Debt Instruments and Pledged Investment Property consisting of instruments and certificates, in each case properly endorsed for transfer to Agent or in blank, (ii) in the case of all Pledged Investment Property not in certificated form, the execution of Control Agreements with respect to such investment property and (iii) in the case of all other instruments and tangible chattel paper that are not Pledged Apio Stock, Pledged Certificated Stock, Pledged Debt Instruments or Pledged Investment Property, the delivery thereof to Agent of such instruments and tangible chattel paper. Except as set forth in this Section 4.2, all actions by each Grantor reasonably necessary to protect and perfect the Lien granted hereunder on the Collateral have been duly taken.

Section 4.3 Pledged Collateral. (a) The Pledged Stock pledged by such Grantor hereunder (a) is listed on Schedule 3 and constitutes that percentage of the issued and outstanding equity of all classes of each issuer thereof as set forth on Schedule 3, (b) has been duly authorized, validly issued and is fully paid and nonassessable (other than Pledged Stock in limited liability companies and partnerships) and (c) constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms.

(b) As of the Closing Date, all Pledged Collateral (other than Pledged Uncertificated Stock) and all Pledged Investment Property consisting of instruments and certificates has been delivered to Agent in accordance with Section 5.2(a).

(c) Upon the occurrence and during the continuance of an Event of Default, Agent shall be entitled to exercise all of the rights of the Grantor granting the security interest in any Pledged Stock, and a transferee or assignee of such Pledged Stock shall become a holder of such Pledged Stock to the same extent as such Grantor and be entitled to participate in the management of the issuer of such Pledged Stock and, upon the transfer of the entire interest of such Grantor, such Grantor shall, by operation of law, cease to be a holder of such Pledged Stock.

Section 4.4 Instruments and Tangible Chattel Paper Formerly Accounts. No amount payable to such Grantor under or in connection with any account is evidenced by any instrument or tangible chattel paper that has not been delivered to Agent, properly endorsed for transfer, to the extent delivery is required by Section 5.5(a).

Section 4.5 Intellectual Property. On the Closing Date, all Material Intellectual Property owned by such Grantor is valid, in full force and effect, subsisting, unexpired and enforceable, and no Material Intellectual Property has been abandoned. No breach or default of any material IP License shall be caused by any of the following, and none of the following shall limit or impair the ownership, use, validity or enforceability of, or any rights of such Grantor in, any Material Intellectual Property: (i) the consummation of the transactions contemplated by any Loan Document or (ii) any holding, decision, judgment or order rendered by any Governmental Authority. There are no pending (or, to the knowledge of such Grantor, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes challenging the ownership, use, validity, enforceability of, or such Grantor's rights in, any Material Intellectual Property of such Grantor. To such Grantor's knowledge, no Person has been or is infringing, misappropriating, diluting, violating or otherwise impairing any Intellectual Property of such Grantor. Such Grantor, and to such Grantor's knowledge each other party thereto, is not in material breach or default of any material IP License.

Section 4.6 Commercial Tort Claims. The only commercial tort claims of any Grantor existing on the date hereof (regardless of whether the amount, defendant or other material facts can be determined and regardless of whether such commercial tort claim has been asserted, threatened or has otherwise been made known to the obligee thereof or whether litigation has been commenced for such claims) are those listed on Schedule 1, which sets forth such information separately for each Grantor.

Section 4.7 Specific Collateral. None of the Collateral is or is proceeds or products of as-extracted collateral, health-care-insurance receivables or timber to be cut.

Section 4.8 Enforcement. No Permit, notice to or filing with any Governmental Authority or any other Person or any consent from any Person is required for the exercise by Agent of its rights (including voting rights) provided for in this Agreement or the enforcement of remedies in respect of the Collateral pursuant to this Agreement, including the transfer of any Collateral, except as may be required in connection with the disposition of any portion of the Pledged Collateral by laws affecting the offering and sale of securities generally or any approvals that may be required to be obtained from any bailees or landlords to collect the Collateral.

Section 4.9 Representations and Warranties of the Credit Agreement. The representations and warranties as to such Grantor and its Subsidiaries made in Article III (Representations and Warranties) of the Credit Agreement are true and correct in all material respects on each date as required by Section 2.2 of the Credit Agreement.

ARTICLE V

COVENANTS

Each Grantor agrees with Agent to the following, as long as any Obligation or Commitment remains outstanding (other than contingent indemnification Obligations to the extent no claim giving rise thereto has been asserted):

Section 5.1 Maintenance of Perfected Security Interest; Further Documentation and Consents. (a) Generally. Such Grantor shall (i) not use or permit any Collateral to be used unlawfully or in violation of any provision of any Loan Document, any Related Agreement, any Requirement of Law or any policy of insurance covering the Collateral and (ii) not enter into any Contractual Obligation or undertaking restricting the right or ability of such Grantor or Agent to sell, assign, convey or transfer any Collateral if such restriction would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(b) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest and such priority against the claims and demands of all Persons.

(c) Such Grantor shall furnish to Agent from time to time statements and schedules further identifying and describing the Collateral and such other documents in connection with the Collateral as Agent may reasonably request, all in reasonable detail and in form and substance reasonably satisfactory to Agent.

(d) At any time and from time to time, upon the written request of Agent, such Grantor shall, for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, (i) promptly and duly execute and deliver, and have recorded, such further documents, including an authorization to file (or, as applicable, the filing) of any financing statement or amendment under the UCC (or other filings under similar Requirements of Law) in effect in any jurisdiction with respect to the security interest created hereby and (ii) take such further action as Agent may reasonably request, including (A) using its best efforts to secure all approvals necessary or appropriate for the assignment to or for the benefit of Agent of any Contractual Obligation, including any IP License, held by such Grantor and to enforce the security interests granted hereunder and (B) executing and delivering any Control Agreements with respect to deposit accounts and securities accounts held by such Grantor.

(e) If requested by Agent, each Grantor shall arrange for Agent's first priority security interest to be noted on the certificate of title of each Vehicle and shall file any other necessary documentation in each jurisdiction that Agent shall deem advisable to perfect its security interests in any Vehicle.

(f) To ensure that a Lien and security interest is granted on any of the Excluded Property set forth in clause (ii) of the definition of "Excluded Property", such Grantor shall use its best efforts to obtain any required consents from any Person other than a Borrower and its Affiliates with respect to any permit or license or any Contractual Obligation with such Person entered into by such Grantor that requires such consent as a condition to the creation by such Grantor of a Lien on any right, title or interest in such permit, license or Contractual Obligation or any Stock or Stock Equivalent related thereto.

Section 5.2 Pledged Collateral. (a) **Delivery of Pledged Collateral.** Such Grantor shall (i) deliver to Agent, in suitable form for transfer and in form and substance satisfactory to Agent, (A) all Pledged Certificated Stock, (B) all Pledged Debt Instruments and (C) all Pledged Apio Stock, and (D) all certificates and instruments evidencing Pledged Investment Property and (ii) maintain all other Pledged Investment Property in a Controlled Securities Account.

(b) **Event of Default.** During the continuance of an Event of Default, Agent shall have the right, at any time in its discretion and without notice to the Grantor, to (i) transfer to or to register in its name or in the name of its nominees any Pledged Collateral or any Pledged Investment Property and (ii) exchange any certificate or instrument representing or evidencing any Pledged Collateral or any Pledged Investment Property for certificates or instruments of smaller or larger denominations.

(c) **Cash Distributions with respect to Pledged Collateral.** Except as provided in Article VI and subject to the limitations set forth in the Credit Agreement, such Grantor shall be entitled to receive all cash distributions paid in respect of the Pledged Collateral.

(d) **Voting Rights.** Except as provided in Article VI, such Grantor shall be entitled to exercise all voting, consent and corporate, partnership, limited liability company and similar rights with respect to the Pledged Collateral; provided, however, that no vote shall be cast, consent given or right exercised or other action taken by such Grantor that would impair the Collateral or be inconsistent with or result in any violation of any provision of any Loan Document.

Section 5.3

Accounts.

(a) Such Grantor shall not, other than in the ordinary course of business, (i) grant any extension of the time of payment of any account, (ii) compromise or settle any account for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any account, (iv) allow any credit or discount on any account or (v) amend, supplement or modify any account in any manner that could adversely affect the value thereof.

(b) Agent shall have the right to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and such Grantor shall furnish all such assistance and information as Agent may reasonably require in connection therewith. At any time and from time to time, upon Agent's reasonable request, such Grantor shall cause independent public accountants or others reasonably satisfactory to Agent to furnish to Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the accounts; provided, however, that unless an Event of Default shall be continuing, Agent shall request no more than two such reports during any calendar year.

Section 5.4

Commodity Contracts. Such Grantor shall not have any commodity contract unless subject to a Control Agreement.

Section 5.5

Delivery of Instruments and Tangible Chattel Paper and Control of Investment Property, Letter-of-Credit Rights and Electronic Chattel Paper. (a) If any amount in excess of \$50,000 payable under or in connection with any Collateral owned by such Grantor shall be or become evidenced by an instrument or tangible chattel paper other than such instrument delivered in accordance with Section 5.2(a) and in the possession of Agent, such Grantor shall mark all such instruments and tangible chattel paper with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of General Electric Capital Corporation, as Agent" and, at the request of Agent, shall immediately deliver such instrument or tangible chattel paper to Agent, duly indorsed in a manner reasonably satisfactory to Agent.

(b) Such Grantor shall not grant "control" (within the meaning of such term under Article 9-106 of the UCC) over any investment property to any Person other than Agent.

(c) If such Grantor is or becomes the beneficiary of a letter of credit that is (i) not a supporting obligation of any Collateral and (ii) in excess of \$100,000, such Grantor shall promptly, and in any event within two Business Days after becoming a beneficiary, notify Agent thereof and enter into a Contractual Obligation with Agent, the issuer of such letter of credit or any nominated person with respect to the letter-of-credit rights under such letter of credit. Such Contractual Obligation shall assign such letter-of-credit rights to Agent and such assignment shall be sufficient to grant control for the purposes of Section 9-107 of the UCC (or any similar section under any equivalent UCC). Such Contractual Obligation shall also direct all payments thereunder to a Cash Collateral Account. The provisions of the Contractual Obligation shall be in form and substance reasonably satisfactory to Agent.

(d) If any amount in excess of \$50,000 payable under or in connection with any Collateral owned by such Grantor shall be or become evidenced by electronic chattel paper, such Grantor shall take all steps necessary to grant Agent control of all such electronic chattel paper for the purposes of Section 9-105 of the UCC (or any similar section under any equivalent UCC) and all “transferable records” as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

Section 5.6 Intellectual Property. (a) Within 30 days after any change to Schedule 3.16 to the Credit Agreement for such Grantor, such Grantor shall provide Agent notification thereof and the short-form intellectual property agreements and assignments as described in this Section 5.6 and any other documents that Agent reasonably requests with respect thereto.

(b) Such Grantor shall (and shall cause all its licensees to) (i) (A) continue to use each Trademark included in the Material Intellectual Property in order to maintain such Trademark in full force and effect with respect to each class of goods for which such Trademark is currently used, free from any claim of abandonment for non-use, (B) maintain at least the same standards of quality of products and services offered under such Trademark as are currently maintained, (C) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (D) not adopt or use any other Trademark that is confusingly similar or a colorable imitation of such Trademark unless Agent shall obtain a perfected security interest in such other Trademark pursuant to this Agreement and (ii) not do any act or omit to do any act whereby (A) such Trademark (or any goodwill associated therewith) may become destroyed, invalidated, impaired or harmed in any way, (B) any Patent included in the Material Intellectual Property may become forfeited, misused, unenforceable, abandoned or dedicated to the public, (C) any portion of the Copyrights included in the Material Intellectual Property may become invalidated, otherwise impaired or fall into the public domain or (D) any Trade Secret that is Material Intellectual Property may become publicly available or otherwise unprotectable.

(c) Such Grantor shall notify Agent immediately if it knows, or has reason to know, that any application or registration relating to any Material Intellectual Property may become forfeited, misused, unenforceable, abandoned or dedicated to the public, or of any adverse determination or development regarding the validity or enforceability or such Grantor’s ownership of, interest in, right to use, register, own or maintain any Material Intellectual Property (including the institution of, or any such determination or development in, any proceeding relating to the foregoing in any Applicable IP Office). Such Grantor shall take all actions that are necessary or reasonably requested by Agent to maintain and pursue each application (and to obtain the relevant registration or recordation) and to maintain each registration and recordation included in the Material Intellectual Property.

(d) Such Grantor shall not knowingly do any act or omit to do any act to infringe, misappropriate, dilute, violate or otherwise impair the Intellectual Property of any other Person. In the event that any Material Intellectual Property of such Grantor is or has been infringed, misappropriated, violated, diluted or otherwise impaired by a third party, such Grantor shall take such action as it reasonably deems appropriate under the circumstances in response thereto, including promptly bringing suit and recovering all damages therefor.

(e) Such Grantor shall execute and deliver to Agent in form and substance reasonably acceptable to Agent and suitable for (i) filing in the Applicable IP Office the short-form intellectual property security agreements in the form attached hereto as Annex III for all Copyrights, Trademarks, Patents and IP Licenses of such Grantor and (ii) recording with the appropriate Internet domain name registrar, a duly executed form of assignment for all Internet Domain Names of such Grantor (together with appropriate supporting documentation as may be requested by Agent).

Section 5.7 Notices. Such Grantor shall promptly notify Agent in writing of its acquisition of any interest hereafter in property that is of a type where a security interest or lien must be or may be registered, recorded or filed under, or notice thereof given under, any federal statute or regulation.

Section 5.8 Notice of Commercial Tort Claims. Such Grantor agrees that, if it shall acquire any interest in any commercial tort claim (whether from another Person or because such commercial tort claim shall have come into existence), (a) such Grantor shall, immediately upon such acquisition, deliver to Agent, in each case in form and substance reasonably satisfactory to Agent, a notice of the existence and nature of such commercial tort claim and a supplement to Schedule 1 containing a specific description of such commercial tort claim, (b) Section 3.1 shall apply to such commercial tort claim and (c) such Grantor shall execute and deliver to Agent, in each case in form and substance reasonably satisfactory to Agent, any document, and take all other action, deemed by Agent to be reasonably necessary or appropriate for Agent to obtain, on behalf of the Lenders, a perfected security interest having at least the priority set forth in Section 4.2 in all such commercial tort claims. Any supplement to Schedule 1 delivered pursuant to this Section 5.8 shall, after the receipt thereof by Agent, become part of Schedule 1 for all purposes hereunder other than in respect of representations and warranties made prior to the date of such receipt.

Section 5.9 Controlled Securities Account. Each Grantor shall deposit all of its Cash Equivalents in securities accounts that are Controlled Securities Accounts except for Cash Equivalents the aggregate value of which does not exceed \$10,000.

ARTICLE VI

REMEDIAL PROVISIONS

Section 6.1 Code and Other Remedies. (a) UCC Remedies. During the continuance of an Event of Default, Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to any Secured Obligation, all rights and remedies of a secured party under the UCC or any other applicable law.

(b) Disposition of Collateral. Without limiting the generality of the foregoing, Agent may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), during the continuance of any Event of Default (personally or through its agents or attorneys), (i) enter upon the premises where any Collateral is located, without any obligation to pay rent, through self-help, without judicial process, without first obtaining a final judgment or giving any Grantor or any other Person notice or opportunity for a hearing on Agent's claim or action, (ii) collect, receive, appropriate and realize upon any Collateral and (iii) sell, assign, convey, transfer, grant option or options to purchase and deliver any Collateral (enter into Contractual Obligations to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Agent shall have the right, upon any such public sale or sales and, to the extent permitted by the UCC and other applicable Requirements of Law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption of any Grantor, which right or equity is hereby waived and released.

(c) Management of the Collateral. Each Grantor further agrees, that, during the continuance of any Event of Default, (i) at Agent's request, it shall assemble the Collateral and make it available to Agent at places that Agent shall reasonably select, whether at such Grantor's premises or elsewhere, (ii) without limiting the foregoing, Agent also has the right to require that each Grantor store and keep any Collateral pending further action by Agent and, while any such Collateral is so stored or kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain such Collateral in good condition, (iii) until Agent is able to sell, assign, convey or transfer any Collateral, Agent shall have the right to hold or use such Collateral to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by Agent and (iv) Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of any Collateral and to enforce any of Agent's remedies (for the benefit of the Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment. Agent shall not have any obligation to any Grantor to maintain or preserve the rights of any Grantor as against third parties with respect to any Collateral while such Collateral is in the possession of Agent.

(d) Application of Proceeds. Agent shall apply the cash proceeds of any action taken by it pursuant to this Section 6.1, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights of Agent and any other Secured Party hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, as set forth in the Credit Agreement, and only after such application and after the payment by Agent of any other amount required by any Requirement of Law, need Agent account for the surplus, if any, to any Grantor.

(e) Direct Obligation. Neither Agent nor any other Secured Party shall be required to make any demand upon, or pursue or exhaust any right or remedy against, any Grantor, any other Credit Party or any other Person with respect to the payment of the Obligations or to pursue or exhaust any right or remedy with respect to any Collateral therefor or any direct or indirect guaranty thereof. All of the rights and remedies of Agent and any other Secured Party under any Loan Document shall be cumulative, may be exercised individually or concurrently and not exclusive of any other rights or remedies provided by any Requirement of Law. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against Agent or any other Secured Party, any valuation, stay, appraisal, extension, redemption or similar laws and any and all rights or defenses it may have as a surety, now or hereafter existing, arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of any Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(f) Commercially Reasonable. To the extent that applicable Requirements of Law impose duties on Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is not commercially unreasonable for Agent to do any of the following:

(i) fail to incur significant costs, expenses or other Liabilities reasonably deemed as such by Agent to prepare any Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition;

(ii) fail to obtain Permits, or other consents, for access to any Collateral to sell or for the collection or sale of any Collateral, or, if not required by other Requirements of Law, fail to obtain Permits or other consents for the collection or disposition of any Collateral;

(iii) fail to exercise remedies against account debtors or other Persons obligated on any Collateral or to remove Liens on any Collateral or to remove any adverse claims against any Collateral;

(iv) advertise dispositions of any Collateral through publications or media of general circulation, whether or not such Collateral is of a specialized nature, or to contact other Persons, whether or not in the same business as any Grantor, for expressions of interest in acquiring any such Collateral;

(v) exercise collection remedies against account debtors and other Persons obligated on any Collateral, directly or through the use of collection agencies or other collection specialists, hire one or more professional auctioneers to assist in the disposition of any Collateral, whether or not such Collateral is of a specialized nature, or, to the extent deemed appropriate by Agent, obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any Collateral, or utilize Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets to dispose of any Collateral;

(vi) dispose of assets in wholesale rather than retail markets;

(vii) disclaim disposition warranties, such as title, possession or quiet enjoyment; or

(viii) purchase insurance or credit enhancements to insure Agent against risks of loss, collection or disposition of any Collateral or to provide to Agent a guaranteed return from the collection or disposition of any Collateral.

Each Grantor acknowledges that the purpose of this Section 6.1 is to provide a non-exhaustive list of actions or omissions that are commercially reasonable when exercising remedies against any Collateral and that other actions or omissions by the Secured Parties shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6.1. Without limitation upon the foregoing, nothing contained in this Section 6.1 shall be construed to grant any rights to any Grantor or to impose any duties on Agent that would not have been granted or imposed by this Agreement or by applicable Requirements of Law in the absence of this Section 6.1.

(g) IP Licenses. For the purpose of enabling Agent to exercise rights and remedies under this Section 6.1 (including in order to take possession of, collect, receive, assemble, process, appropriate, remove, realize upon, sell, assign, convey, transfer or grant options to purchase any Collateral) at such time as Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to Agent, for the benefit of the Secured Parties, (i) an irrevocable, nonexclusive, worldwide license (exercisable without payment of royalty or other compensation to such Grantor), including in such license the right to sublicense, use and practice any Intellectual Property now owned or hereafter acquired by such Grantor and access to all media in which any of the licensed items may be recorded or stored and to all Software and programs used for the compilation or printout thereof and (ii) an irrevocable license (without payment of rent or other compensation to such Grantor) to use, operate and occupy all real Property owned, operated, leased, subleased or otherwise occupied by such Grantor.

Section 6.2 Accounts and Payments in Respect of General Intangible. (a) In addition to, and not in substitution for, any similar requirement in the Credit Agreement, if required by Agent at any time during the continuance of an Event of Default, any payment of accounts or payment in respect of general intangibles, when collected by any Grantor, shall be promptly (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to Agent, in a Cash Collateral Account, subject to withdrawal by Agent as provided in Section 6.4. Until so turned over, such payment shall be held by such Grantor in trust for Agent, segregated from other funds of such Grantor. Each such deposit of proceeds of accounts and payments in respect of general intangibles shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) At any time during the continuance of an Event of Default:

(i) each Grantor shall, upon Agent's request, deliver to Agent all original and other documents evidencing, and relating to, the Contractual Obligations and transactions that gave rise to any account or any payment in respect of general intangibles, including all original orders, invoices and shipping receipts and notify account debtors that the accounts or general intangibles have been collaterally assigned to Agent and that payments in respect thereof shall be made directly to Agent;

(ii) Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of a Grantor to collect its accounts or amounts due under general intangibles or any thereof and, in its own name or in the name of others, communicate with account debtors to verify with them to Agent's satisfaction the existence, amount and terms of any account or amounts due under any general intangible. In addition, Agent may at any time enforce such Grantor's rights against such account debtors and obligors of general intangibles; and

(iii) each Grantor shall take all actions, deliver all documents and provide all information necessary or reasonably requested by Agent to ensure any Internet Domain Name is registered.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each account and each payment in respect of general intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any agreement giving rise to an account or a payment in respect of a general intangible by reason of or arising out of any Loan Document or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any obligation of any Grantor under or pursuant to any agreement giving rise to an account or a payment in respect of a general intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 6.3 Pledged Collateral. (a) Voting Rights. During the continuance of an Event of Default, upon notice by Agent to the relevant Grantor or Grantors, Agent or its nominee may exercise (i) any voting, consent, corporate and other right pertaining to the Pledged Collateral at any meeting of shareholders, partners or members, as the case may be, of the relevant issuer or issuers of Pledged Collateral or otherwise and (ii) any right of conversion, exchange and subscription and any other right, privilege or option pertaining to the Pledged Collateral as if it were the absolute owner thereof (including the right to exchange at its discretion any Pledged Collateral upon the merger, amalgamation, consolidation, reorganization, recapitalization or other fundamental change in the corporate or equivalent structure of any issuer of Pledged Stock, the right to deposit and deliver any Pledged Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as Agent may determine), all without liability except to account for property actually received by it; provided, however, that Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) Proxies. In order to permit Agent to exercise the voting and other consensual rights that it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions that it may be entitled to receive hereunder, (i) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to Agent all such proxies, dividend payment orders and other instruments as Agent may from time to time reasonably request and (ii) without limiting the effect of clause (i) above, such Grantor hereby grants to Agent an irrevocable proxy to vote all or any part of the Pledged Collateral and to exercise all other rights, powers, privileges and remedies to which a holder of the Pledged Collateral would be entitled (including giving or withholding written consents of shareholders, partners or members, as the case may be, calling special meetings of shareholders, partners or members, as the case may be, and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Collateral on the record books of the issuer thereof) by any other person (including the issuer of such Pledged Collateral or any officer or agent thereof) during the continuance of an Event of Default and which proxy shall only terminate upon the payment in full of the Secured Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted).

(c) Authorization of Issuers. Each Grantor hereby expressly and irrevocably authorizes and instructs, without any further instructions from such Grantor, each issuer of any Pledged Collateral pledged hereunder by such Grantor to (i) comply with any instruction received by it from Agent in writing that states that an Event of Default is continuing and is otherwise in accordance with the terms of this Agreement and each Grantor agrees that such issuer shall be fully protected from Liabilities to such Grantor in so complying and (ii) unless otherwise expressly permitted hereby or the Credit Agreement, pay any dividend or make any other payment with respect to the Pledged Collateral directly to Agent.

Section 6.4 Proceeds to be Turned over to and Held by Agent. Unless otherwise expressly provided in the Credit Agreement or this Agreement, all proceeds of any Collateral received by any Grantor hereunder in cash or Cash Equivalents shall be held by such Grantor in trust for Agent and the other Secured Parties, segregated from other funds of such Grantor, and shall, promptly upon receipt by any Grantor, be turned over to Agent in the exact form received (with any necessary endorsement). All such proceeds of Collateral and any other proceeds of any Collateral received by Agent in cash or Cash Equivalents shall be held by Agent in a Cash Collateral Account. All proceeds being held by Agent in a Cash Collateral Account (or by such Grantor in trust for Agent) shall continue to be held as collateral security for the Secured Obligations and shall not constitute payment thereof until applied as provided in the Credit Agreement.

Section 6.5 Sale of Pledged Collateral. (a) Each Grantor recognizes that Agent may be unable to effect a public sale of any Pledged Collateral by reason of certain prohibitions contained in the Securities Act and applicable state or foreign securities laws or otherwise or may determine that a public sale is impracticable, not desirable or not commercially reasonable and, accordingly, may resort to one or more private sales thereof to a restricted group of purchasers that shall be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Agent shall be under no obligation to delay a sale of any Pledged Collateral for the period of time necessary to permit the issuer thereof to register such securities for public sale under the Securities Act or under applicable state securities laws even if such issuer would agree to do so.

(b) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of any portion of the Pledged Collateral pursuant to Section 6.1 and this Section 6.5 valid and binding and in compliance with all applicable Requirements of Law. Each Grantor further agrees that a breach of any covenant contained herein will cause irreparable injury to Agent and other Secured Parties, that Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained herein shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defense against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement. Each Grantor waives any and all rights of contribution or subrogation upon the sale or disposition of all or any portion of the Pledged Collateral by Agent.

Section 6.6 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of any Collateral are insufficient to pay the Secured Obligations and the fees and disbursements of any attorney employed by Agent or any other Secured Party to collect such deficiency.

ARTICLE VII

AGENT

Section 7.1 Agent's Appointment as Attorney-in-Fact. (a) Each Grantor hereby irrevocably constitutes and appoints Agent and any Related Person 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 such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of the Loan Documents, to take any appropriate action and to execute any document or instrument that may be necessary or desirable to accomplish the purposes of the Loan Documents, and, without limiting the generality of the foregoing, each Grantor hereby gives Agent and its Related Persons the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any of the following when an Event of Default shall be continuing:

(i) in the name of such Grantor, in its own name or otherwise, take possession of and indorse and collect any check, draft, note, acceptance or other instrument for the payment of moneys due under any account or general intangible or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any such moneys due under any account or general intangible or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property owned by or licensed to the Grantors, execute, deliver and have recorded any document that Agent may request to evidence, effect, publicize or record Agent's security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

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

(iv) execute, in connection with any sale provided for in Section 6.1 or 6.5, any document to effect or otherwise necessary or appropriate in relation to evidence the sale of any Collateral; or

(v) (A) direct any party liable for any payment under any Collateral to make payment of any moneys due or to become due thereunder directly to Agent or as Agent shall direct, (B) ask or demand for, and collect and receive payment of and receipt for, any 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 indorse any invoice, freight or express bill, bill of lading, storage or warehouse receipt, draft against debtors, assignment, verification, notice and other document in connection with any Collateral, (D) commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect any Collateral and to enforce any other right in respect of any Collateral, (E) defend any actions, suits, proceedings, audits, claims, demands, orders or disputes brought against such Grantor with respect to any Collateral, (F) settle, compromise or adjust any such actions, suits, proceedings, audits, claims, demands, orders or disputes and, in connection therewith, give such discharges or releases as Agent may deem appropriate, (G) assign any Intellectual Property owned by the Grantors or any IP Licenses of the Grantors throughout the world on such terms and conditions and in such manner as Agent shall in its sole discretion determine, including the execution and filing of any document necessary to effectuate or record such assignment and (H) generally, sell, assign, convey, transfer or grant a Lien on, make any Contractual Obligation with respect to and otherwise deal with, any Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes and do, at Agent's option, at any time or from time to time, all acts and things that Agent deems necessary to protect, preserve or realize upon any Collateral and the Secured Parties' security interests therein and to effect the intent of the Loan Documents, all as fully and effectively as such Grantor might do.

(vi) If any Grantor fails to perform or comply with any Contractual Obligation contained herein, Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such Contractual Obligation.

(b) The expenses of Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate set forth in Section 1.3(c) of the Credit Agreement, from the date of payment by Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to Agent on demand.

(c) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue of this Section 7.1. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

Section 7.2 Authorization to File Financing Statements. Each Grantor authorizes Agent and its Related Persons, at any time and from time to time, to file or record financing statements, amendments thereto, and other filing or recording documents or instruments with respect to any Collateral in such form and in such offices as Agent reasonably determines appropriate to perfect the security interests of Agent under this Agreement, and such financing statements and amendments may describe the Collateral covered thereby as “all assets of the debtor”. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction. Such Grantor also hereby ratifies its authorization for Agent to have filed any initial financing statement or amendment thereto under the UCC (or other similar laws) in effect in any jurisdiction if filed prior to the date hereof.

Section 7.3 Authority of Agent. Each Grantor acknowledges that the rights and responsibilities of Agent under this Agreement with respect to any action taken by 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 other Secured Parties, 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 the Grantors, Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation or entitlement to make any inquiry respecting such authority.

Section 7.4 Duty; Obligations and Liabilities. (a) Duty of Agent. 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. The powers conferred on Agent hereunder are solely to protect Agent’s interest in the Collateral and shall not impose any duty upon Agent to exercise any such powers. Agent shall be accountable only for amounts that it receives as a result of the exercise of such powers, and neither it nor any of its Related Persons shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. In addition, Agent shall not be liable or responsible for any loss or damage to any Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehousemen, carrier, forwarding agency, consignee or other bailee if such Person has been selected by Agent in good faith.

(b) Obligations and Liabilities with respect to Collateral. No Secured Party and no Related Person thereof shall be liable for failure to demand, collect or realize upon any Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to any Collateral. The powers conferred on Agent hereunder shall not impose any duty upon any other Secured Party to exercise any such powers. The other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their respective officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Reinstatement. Each Grantor agrees that, if any payment made by any Credit Party or other Person and applied to the Secured Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any Collateral are required to be returned by any Secured Party to such Credit Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, (a) any Lien or other Collateral securing such Grantor's liability hereunder shall have been released or terminated by virtue of the foregoing or (b) any provision of the Guaranty hereunder shall have been terminated, cancelled or surrendered, such Lien, other Collateral or provision shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any such Grantor in respect of any Lien or other Collateral securing such obligation or the amount of such payment.

Section 8.2 Release of Collateral. (a) At the time provided in Section 8.10(b)(iii) of the Credit Agreement, the Collateral shall be released from the Lien created hereby and this Agreement and all obligations (other than those expressly stated to survive such termination) of Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. Each Grantor is hereby authorized to file UCC amendments at such time evidencing the termination of the Liens so released. At the request of any Grantor following any such termination, Agent shall deliver to such Grantor any Collateral of such Grantor held by Agent hereunder and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination. Notwithstanding any other provision set forth in this Agreement, the release and termination described in this Section 8.2(a) shall be effective regardless of whether any portion of the Equipment Loan remains outstanding.

(b) If Agent shall be directed or permitted pursuant to Section 8.10(b) of the Credit Agreement to release any Lien or any Collateral, such Collateral shall be released from the Lien created hereby to the extent provided under, and subject to the terms and conditions set forth in, Section 8.10(b). In connection therewith, Agent, at the request of any Grantor, shall execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such release.

(c) At the time provided in Section 8.10(b) of the Credit Agreement and at the request of the Borrower Representative, a Grantor shall be released from its obligations hereunder in the event that all the Stock and Stock Equivalents of such Grantor shall be sold to any Person that is not an Affiliate of Holdings, a Borrower or the Subsidiaries of a Borrower in a transaction permitted by the Loan Documents.

Section 8.3 Independent Obligations. The obligations of each Grantor hereunder are independent of and separate from the Secured Obligations and the Guaranteed Obligations. If any Secured Obligation or Guaranteed Obligation is not paid when due, or upon any Event of Default, Agent may, at its sole election, proceed directly and at once, without notice, against any Grantor and any Collateral to collect and recover the full amount of any Secured Obligation or Guaranteed Obligation then due, without first proceeding against any other Grantor, any other Credit Party or any other Collateral and without first joining any other Grantor or any other Credit Party in any proceeding.

Section 8.4 No Waiver by Course of Conduct. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.5), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that such Secured Party would otherwise have on any future occasion.

Section 8.5 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 9.1 of the Credit Agreement; provided, however, that annexes to this Agreement may be supplemented (but no existing provisions may be modified and no Collateral may be released) through Pledge Amendments and Joinder Agreements, in substantially the form of Annex I and Annex II, respectively, in each case duly executed by Agent and each Grantor directly affected thereby.

Section 8.6 Additional Grantors; Additional Pledged Collateral. (a) Joinder Agreements. If, at the option of a Borrower or as required pursuant to Section 4.13 of the Credit Agreement, a Borrower shall cause any Subsidiary that is not a Grantor to become a Grantor hereunder, such Subsidiary shall execute and deliver to Agent a Joinder Agreement substantially in the form of Annex II and shall thereafter for all purposes be a party hereto and have the same rights, benefits and obligations as a Grantor party hereto on the Closing Date.

(b) Pledge Amendments. To the extent any Pledged Collateral has not been delivered as of the Closing Date, such Grantor shall deliver a pledge amendment duly executed by the Grantor in substantially the form of Annex I (each, a "Pledge Amendment"). Such Grantor authorizes Agent to attach each Pledge Amendment to this Agreement.

Section 8.7 Notices. All notices, requests and demands to or upon Agent or any Grantor hereunder shall be effected in the manner provided for in Section 9.2 of the Credit Agreement; provided, however, that any such notice, request or demand to or upon any Grantor shall be addressed to the Borrowers' notice address set forth in Section 9.2.

Section 8.8 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of each Secured Party and their successors and assigns; provided, however, that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of Agent.

Section 8.9 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or by Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

Section 8.10 Severability. Any provision of this Agreement being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of this Agreement or any part of such provision in any other jurisdiction.

Section 8.11 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 8.12 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO, OR DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREIN OR RELATED THERETO (WHETHER FOUNDED IN CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO OTHER PARTY AND NO RELATED PERSON OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12.

EACH GRANTOR AGREES TO BE BOUND BY THE PROVISIONS OF SECTIONS 9.18(b) AND 9.18(c) OF THE CREDIT AGREEMENT.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Guaranty and Security Agreement to be duly executed and delivered as of the date first above written.

“Grantors”

APIO, INC.

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Vice President

CAL EX TRADING COMPANY

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Vice President

[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT]

IN WITNESS WHEREOF, each of the undersigned has caused this Guaranty and Security Agreement to be duly executed and delivered as of the date first above written.

“Grantor”

GREENLINE LOGISTICS, INC.

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Secretary and Treasurer

[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT]

ACCEPTED AND AGREED
as of the date first above written:

“Agent”

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Wafa Shalabi

Name: Wafa Shalabi

Title: Duly Authorized Signatory

[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT]

ANNEX I

TO

GUARANTY AND SECURITY AGREEMENT¹

FORM OF PLEDGE AMENDMENT

This Pledge Amendment, dated as of _____, 20__, is delivered pursuant to Section 8.6 of the Guaranty and Security Agreement, dated as of April 23, 2012, by Apio, Inc., a Delaware corporation ("Apio"), Cal Ex Trading Company, a Delaware corporation ("Cal Ex"), GreenLine Logistics, Inc., an Ohio corporation ("GLI") and together with Apio and Cal Ex, collectively, the "Borrowers"), the undersigned Grantor and the other Persons from time to time party thereto as Grantors in favor of General Electric Capital Corporation, as Agent for the Secured Parties referred to therein (s such agreement may be amended, restated, supplemented or otherwise modified from time to time, the "Guaranty and Security Agreement"). Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

The undersigned hereby agrees that this Pledge Amendment may be attached to the Guaranty and Security Agreement and that the Pledged Collateral listed on Annex I-A to this Pledge Amendment shall be and become part of the Collateral referred to in the Guaranty and Security Agreement and shall secure all Obligations of the undersigned.

The undersigned hereby represents and warrants that each of the representations and warranties contained in Sections 4.1, 4.2, 4.3 and 4.8 of the Guaranty and Security Agreement is true and correct in all material respects and as of the date hereof as if made on and as of such date.

[GRANTOR]

By: _____
Name:
Title:

ANNEX I-A

PLEDGED STOCK

<u>ISSUER</u>	<u>CLASS</u>	<u>CERTIFICATE NO(S).</u>	<u>PAR VALUE</u>	<u>NUMBER OF SHARES, UNITS OR INTERESTS</u>
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PLEDGED DEBT INSTRUMENTS

<u>ISSUER</u>	<u>DESCRIPTION OF DEBT</u>	<u>CERTIFICATE NO(S).</u>	<u>FINAL MATURITY</u>	<u>PRINCIPAL AMOUNT</u>
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ACKNOWLEDGED AND AGREED
as of the date first above written:

“Agent”

GENERAL ELECTRIC CAPITAL CORPORATION

By: _____

Name:

Title:

ANNEX II

TO

GUARANTY AND SECURITY AGREEMENT¹

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT, dated as of _____, 20__, is delivered pursuant to Section 8.6 of the Guaranty and Security Agreement, dated as of April 23, 2012, by Apio, Inc., a Delaware corporation (“Apio”), and Cal Ex Trading Company, a Delaware corporation (“Cal Ex”), GreenLine Logistics, Inc., an Ohio corporation (“GLI” and together with Apio and Cal Ex, collectively, the “Borrowers”), and the other Persons from time to time party thereto as Grantors in favor of the General Electric Capital Corporation, as Agent for the Secured Parties referred to therein (as such agreement may be amended, restated, supplemented or otherwise modified from time to time, the “Guaranty and Security Agreement”). Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

By executing and delivering this Joinder Agreement, the undersigned, as provided in Section 8.6 of the Guaranty and Security Agreement, hereby becomes a party to the Guaranty and Security Agreement as a Grantor thereunder with the same force and effect as if originally named as a Grantor therein and, without limiting the generality of the foregoing, 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 of the undersigned, hereby mortgages, pledges and hypothecates to Agent for the benefit of the Secured Parties, and grants to Agent for the benefit of the Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the Collateral of the undersigned and expressly assumes all obligations and liabilities of a Grantor thereunder. The undersigned hereby agrees to be bound as a Grantor for the purposes of the Guaranty and Security Agreement.

The information set forth in Annex I-A is hereby added to the information set forth in Schedules 1, 2, 3 to the Guaranty and Security Agreement and Schedules 3.9, 3.16, 3.20, 3.21 and 3.22 to the Credit Agreement. By acknowledging and agreeing to this Joinder Agreement, the undersigned hereby agree that this Joinder Agreement may be attached to the Guaranty and Security Agreement and that the Pledged Collateral listed on Annex I-A to this Joinder Amendment shall be and become part of the Collateral referred to in the Guaranty and Security Agreement and shall secure all Secured Obligations of the undersigned.

The undersigned hereby represents and warrants that each of the representations and warranties contained in Article IV of the Guaranty and Security Agreement applicable to it is true and correct on and as the date hereof as if made on and as of such date.

IN WITNESS WHEREOF, THE UNDERSIGNED HAS CAUSED THIS JOINDER AGREEMENT TO BE DULY EXECUTED AND DELIVERED AS OF THE DATE FIRST ABOVE WRITTEN.

[Additional Grantor]

By: _____

Name:

Title:

ACKNOWLEDGED AND AGREED
as of the date first above written:

[EACH GRANTOR PLEDGING
ADDITIONAL COLLATERAL]

By: _____
Name:
Title:

“Agent”

GENERAL ELECTRIC CAPITAL CORPORATION

By: _____
Name:
Title:

ANNEX III

TO

GUARANTY AND SECURITY AGREEMENT¹

FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT¹

THIS [COPYRIGHT] [PATENT] [TRADEMARK] SECURITY AGREEMENT, dated as of _____, 20__, is made by each of the entities listed on the signature pages hereof (each a “Grantor” and, collectively, the “Grantors”), in favor of General Electric Capital Corporation (“GE Capital”), as administrative agent (in such capacity, together with its successors and permitted assigns, “Agent”) for the Secured Parties (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and among the Borrowers, the Borrower Representative, the Guarantors, the other Credit Parties, the Lenders and the L/C Issuers from time to time party thereto and GE Capital, as Agent, the Lenders and the L/C Issuers have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, each Grantor has agreed, pursuant to a Guaranty and Security Agreement of even date herewith in favor of Agent (as such agreement may be amended, restated, supplemented or otherwise modified from time to time, the “Guaranty and Security Agreement”), to guarantee the Obligations (as defined in the Credit Agreement) of each Borrower; and

WHEREAS, all of the Grantors are party to the Guaranty and Security Agreement pursuant to which the Grantors are required to execute and deliver this [Copyright] [Patent] [Trademark] Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, the L/C Issuers and Agent to enter into the Credit Agreement and to induce the Lenders and the L/C Issuers to make their respective extensions of credit to the Borrowers thereunder, each Grantor hereby agrees with Agent as follows:

Section 1. Defined Terms. Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

Section 2. Grant of Security Interest in [Copyright],[Trademark],[Patent] Collateral. Each Grantor, 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 of such Grantor, hereby mortgages, pledges and hypothecates to Agent for the benefit of the Secured Parties, and grants to Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the “[Copyright],[Patent],[Trademark] Collateral”):

¹ Separate agreements should be executed relating to each Grantor’s respective Copyrights, Patents, and Trademarks.

(a) [all of its Copyrights and all IP Licenses providing for the grant by or to such Grantor of any right under any Copyright, including, without limitation, those referred to on Schedule 1 hereto;

(b) all renewals, reversions and extensions of the foregoing; and

(c) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

or

(a) [all of its Patents and all IP Licenses providing for the grant by or to such Grantor of any right under any Patent, including, without limitation, those referred to on Schedule 1 hereto;

(d) all reissues, reexaminations, continuations, continuations-in-part, divisionals, renewals and extensions of the foregoing; and

(e) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

or

(a) [all of its Trademarks and all IP Licenses providing for the grant by or to such Grantor of any right under any Trademark, including, without limitation, those referred to on Schedule 1 hereto;

(f) all renewals and extensions of the foregoing;

(g) all goodwill of the business connected with the use of, and symbolized by, each such Trademark; and

(h) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

Section 3. Guaranty and Security Agreement. The security interest granted pursuant to this [Copyright] [Patent] [Trademark] Security Agreement is granted in conjunction with the security interest granted to Agent pursuant to the Guaranty and Security Agreement and each Grantor hereby acknowledges and agrees that the rights and remedies of Agent with respect to the security interest in the [Copyright] [Patent] [Trademark] Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Section 4. Grantor Remains Liable. Each Grantor hereby agrees that, anything herein to the contrary notwithstanding, such Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with their [Copyrights] [Patents] [Trademarks] and IP Licenses subject to a security interest hereunder.

Section 5. Counterparts. This [Copyright] [Patent] [Trademark] Security Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart.

Section 6. Governing Law. This [Copyright] [Patent] [Trademark] Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this [Copyright] [Patent] [Trademark] Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

[GRANTOR]
as Grantor

By: _____
Name:
Title:

ACCEPTED AND AGREED
as of the date first above written:

GENERAL ELECTRIC CAPITAL CORPORATION
as Agent

By: _____
Name:
Title:

ACKNOWLEDGMENT OF GRANTOR

State of _____)
) ss.
County of _____)

On this ___ day of _____, 20__ before me personally appeared _____, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of _____, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

SCHEDULE I
TO
[COPYRIGHT] [PATENT] [TRADEMARK] SECURITY AGREEMENT

[Copyright],[Patent],[Trademark] Registrations

1. REGISTERED [COPYRIGHTS] [PATENTS] [TRADEMARKS]

[Include Registration Number and Date]

2. [COPYRIGHT] [PATENT] [TRADEMARK] APPLICATIONS

[Include Application Number and Date]

3. IP LICENSES

[Include complete legal description of agreement (name of agreement, parties and date)]

SCHEDULE 1
COMMERCIAL TORT CLAIMS

None.

SCHEDULE 2
FILINGS

Debtor	Secured Party	Jurisdiction	Collateral	Date of Filing	Filing No.
Apio, Inc.	General Electric Capital Corporation	Delaware SOS	Grantor Collateral		
Cal Ex Trading Company	General Electric Capital Corporation	Delaware SOS	Grantor Collateral		
GreenLine Logistics, Inc.	General Electric Capital Corporation	Ohio SOS	Grantor Collateral		

**SCHEDULE 3
PLEDGED COLLATERAL**

Holder	Issuer	Shares	Percentage of Ownership	Type	Certificate Number
Apio, Inc.	Cal Ex Trading Company	1,000	100% of Common Stock (representing a 100% equity interest in Cal Ex Trading Company)	Common Stock	CS-2
Apio, Inc., as successor-in-interest to GreenLine Foods, Inc.	GreenLine Logistics, Inc.	100	100% of Common Stock (representing a 100% equity interest in GreenLine Logistics, Inc.)	Common Stock	2
Apio, Inc.	Windset Holdings 2010 Ltd., a Canada corporation	150,000	100% of Senior Preferred Shares	Senior Preferred Shares	SP-1
Apio, Inc.	Windset Holdings 2010 Ltd., a Canada corporation	201	20% of Common Shares	Common Shares	C-3

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (as the same may be amended, restated, supplemented or otherwise modified from time to time, this "Agreement") dated as of April 23, 2012, is made by LANDEC CORPORATION, a Delaware corporation ("Pledgor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation, as agent (in such capacity, "Agent"), for the benefit of Secured Parties (as defined in the Credit Agreement), from time to time party to the Credit Agreement referred to below.

RECITALS

A. Pursuant to the Credit Agreement dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among by Apio, Inc., a Delaware corporation ("Apio"), Cal Ex Trading Company, a Delaware corporation ("Cal Ex"), GreenLine Logistics, Inc., an Ohio corporation ("GLI") (Apio and Cal Ex being referred to collectively as "Borrowers" and individually as a "Borrower"), the several financial institutions from time to time party thereto (collectively, the "Lenders") and Agent, the Lenders have severally agreed to make extensions of credit to the Borrowers upon the terms and subject to the conditions set forth therein.

B. Pledgor is the record and beneficial owner of the shares of Stock (as defined in the Credit Agreement) of Apio listed as owned by it on Schedule I hereto. As such, Pledgor will derive substantial direct and indirect benefits from the making of the extensions of credit under the Credit Agreement.

C. In order to induce Agent and Lenders to enter into the Credit Agreement and the other Loan Documents and to induce Lenders to make the financial accommodations as provided for in the Credit Agreement, Pledgor has agreed to pledge the Pledged Collateral (as hereinafter defined) to Agent, for the benefit of Secured Parties, in accordance herewith. These Recitals shall be construed as part of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor and Agent agree as follows:

1. Definitions. Unless otherwise defined herein, capitalized terms or matters of construction defined or established in the Credit Agreement shall be applied herein as defined or established therein, and the following terms shall have (unless otherwise provided elsewhere in this Agreement) the following respective meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

"Additional Stock" shall have the meaning assigned to it in **Section 2**.

"Pledged Collateral" shall have the meaning assigned to it in **Section 2**.

"Pledged Stock" shall mean those shares of or interests in Stock listed in Schedule I.

"Secured Obligations" shall have the meaning assigned to it in **Section 3**.

“Uniform Commercial Code Jurisdiction” means any jurisdiction that has adopted all or substantially all of Article 9 as contained in the 2000 Official Text of the Uniform Commercial Code, as recommended by the National Conference of Commissioners on Uniform State Laws and the American Law Institute, together with any subsequent amendments or modifications to the Official Text.

2. Pledge. Pledgor hereby pledges, grants, bargains, assigns, transfers, conveys, mortgages and hypothecates to Agent, for the benefit of Secured Parties, a first priority Lien on all of its right, title and interest in and to all of the following (collectively, the “Pledged Collateral”):

(a) the Pledged Stock and the certificates, if any, representing the Pledged Stock, and all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Stock;

(b) any additional shares of or interests in Stock of Apio from time to time acquired by it in any manner after the date hereof (which shares or interests shall be deemed to be part of the Pledged Stock owned by Pledgor) (collectively, the “Additional Stock”), and the certificates, if any, representing such Additional Stock, and all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Additional Stock; and

(c) to the extent not otherwise included, all proceeds and products of any and all of the foregoing.

3. Security for Obligations.

(a) This Agreement secures, and the Pledged Collateral is security for, the prompt payment in full when due, whether at stated maturity, by acceleration or otherwise, and performance of the Obligations, including all obligations of Pledgor now or hereafter existing under this Agreement, together with all fees, costs and expenses whether in connection with collection actions hereunder or otherwise in connection with the Obligations (collectively, the “Secured Obligations”).

(b) Notwithstanding any contrary term or provision contained herein, Agent’s and Lenders’ sole recourse against Pledgor shall be limited to the Pledged Collateral pledged by each of them hereunder, and Pledgor shall not have any personal liability hereunder in the event that the Pledged Collateral proves to be insufficient to satisfy the Secured Obligations.

4. Limitations on Agent’s Obligations. Agent shall not have any obligation or liability by reason of or arising out of this Agreement or the receipt by Agent of any payment relating to any Pledged Collateral pursuant hereto (other than to return all or a portion of such payment if either Agent or Pledgor would be required by law to do so), nor shall Agent be obligated in any manner to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to Agent or to which it may be entitled at any time or times, pursuant to this Agreement.

5. Delivery of Pledged Collateral. All stock certificates and other instruments evidencing the Pledged Collateral shall, from time to time, be delivered to and held by or on behalf of Agent, for the benefit of Secured Parties, pursuant hereto. All Pledged Stock shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Agent.

6. Representations and Warranties. Pledgor represents and warrants to Agent that:

(a) Pledgor is, and at the time of delivery of the Pledged Stock to Agent will be, the sole holder of record and the sole beneficial owner of the Pledged Collateral free and clear of any Lien thereon or affecting the title thereto, except for any Lien created by this Agreement or the other Loan Documents;

(b) All of the Pledged Stock owned by Pledgor has been duly authorized, validly issued and is fully paid and nonassessable;

(c) Pledgor has the right and requisite authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Collateral pledged by it to Agent as provided herein;

(d) None of the Pledged Stock has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject;

(e) Pledgor is the sole owner of the Pledged Stock and the Pledged Stock is presently represented by the certificates listed in Schedule I. As of the date hereof, there are no existing options, warrants, calls or commitments of any character whatsoever relating to the Pledged Stock pledged by Pledgor hereunder;

(f) Other than this Agreement, Pledgor is not subject to any voting agreement or any other agreement in respect of its rights in connection with the Pledged Stock;

(g) No consent, approval, authorization or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by it, or (ii) for the exercise by Agent of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally;

(h) The pledge, assignment and delivery of the Pledged Collateral pursuant to this Agreement, together with the filing of appropriate UCC financing statements describing the Pledged Collateral with the Secretary of State of the jurisdiction identified as Pledgor's jurisdiction on Schedule III hereto, will create a valid first priority Lien on and a first priority perfected security interest in favor of Agent, for the benefit of Secured Parties, upon the Pledged Collateral and the proceeds thereof, securing the payment of the Secured Obligations, subject to no other Lien except for any Lien created by this Agreement or the other Loan Documents;

(i) This Agreement has been duly authorized, executed and delivered by Pledgor and constitutes a legal, valid and binding obligation of Pledgor enforceable against Pledgor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' right generally or by equitable principles relating to enforceability;

- (j) The Pledged Stock constitutes such percentage of the issued and outstanding shares of Stock of Apio as is listed in Schedule I; and
- (k) Pledgor's name, jurisdiction of organization and organizational number is as stated in **Schedule III** hereto.

The representations and warranties set forth in this **Section 6** shall survive the execution and delivery of this Agreement.

7. Covenants. Pledgor covenants and agrees that:

- (a) Without the prior written consent of Agent, it will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in or to any Pledged Collateral, or any unpaid dividends, interest or other distributions or payments with respect to the Pledged Collateral;
- (b) Pledgor will, at its expense, upon the request of Agent, promptly take all actions deemed necessary or desirable by Agent, from time to time, in order to protect and perfect and maintain the validity, effectiveness and priority of the Lien in favor of Agent, for the benefit of Secured Parties, upon the Pledged Collateral, including the filing of any necessary UCC financing statements or the equivalent, which may be filed by Agent without the signature of Pledgor, and will cooperate with Agent, at Pledgor's expense, in obtaining all necessary approvals and making all necessary filings under federal, state, local or foreign law in connection with such Liens or any sale or transfer of the Pledged Collateral;
- (c) Pledgor has and will defend the title to the Pledged Collateral and the Liens of Agent in the Pledged Collateral against the claim of any Person and will maintain and preserve such Liens;
- (d) Pledgor will, upon obtaining ownership of any Additional Stock or any other instruments received, receivable or otherwise distributed in respect of or in exchange for any Pledged Stock (and in any event within three Business Days after it acquires any such Additional Stock or other instruments) deliver to Agent a Pledge Amendment, duly executed by Pledgor, in substantially the form of Schedule II (each, a "Pledge Amendment"), in respect of any such Additional Stock or other instruments, pursuant to which Pledgor shall deliver and pledge to Agent all of such Additional Stock or other instruments. Pledgor hereby authorizes Agent to attach each such Pledge Amendment to this Agreement and agrees that all Pledged Stock listed in any such Pledge Amendment and delivered to Agent concurrently with Pledgor's delivery of such Pledge Amendment shall for all purposes hereunder be considered Pledged Collateral;
- (e) Pledgor shall comply in all respects with the terms and conditions of all contracts and agreements relating to the Pledged Collateral, none of which may be amended, supplemented or otherwise modified by Pledgor without the prior written consent of Agent; and

(f) Pledgor will not change its jurisdiction of incorporation without first giving Agent ten days' written notice thereof.

8. Pledgor's Rights. So long as no Event of Default shall have occurred and be continuing and until written notice shall be given to Pledgor in accordance with **Section 9(a)**:

(a) Pledgor shall have the right, from time to time, to vote and give consents with respect to the Pledged Collateral pledged by it hereunder or any part thereof for all purposes not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document; provided, that no vote shall be cast, and no consent shall be given or action taken, that would have the effect of impairing the position or interest of Agent in respect of the Pledged Collateral or that would authorize, effect or consent to (unless and to the extent expressly permitted by the Credit Agreement):

(i) the dissolution, liquidation or winding down of affairs, in whole or in part, of Apio;

(ii) the consolidation or merger of Apio with any other Person;

(iii) the sale, disposition or encumbrance of all or substantially all of the assets of Apio, except for Liens in favor of Agent;

(iv) (A) any change in the authorized number of shares, the stated capital or the authorized share capital of, or the interests in, Apio, or (B) the issuance of any additional shares of or interests in Stock of Apio; or

(v) the alteration of the voting rights with respect to the Pledged Stock.

(b) Pledgor shall be entitled, from time to time, to collect and receive for its own use all cash dividends, distributions and interest paid in respect of the Pledged Stock pledged by it hereunder to the extent not in violation of the Credit Agreement, except for any and all: (i) dividends, distributions and interest paid or payable other than in cash in respect of the Pledged Collateral, instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, the Pledged Collateral; (ii) dividends and other distributions paid or payable in cash in respect of the Pledged Stock in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of Apio; and (iii) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral; provided, that until actually paid all rights to such distributions shall remain subject to the Lien in favor of Agent created by this Agreement and the other Loan Documents.

(c) All dividends, distributions and interest (other than such cash dividends, distributions and interest as are permitted to be paid to Pledgor in accordance with **clause (b)** above) in respect of any of the Pledged Stock whenever paid or made, shall be delivered to Agent to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of Agent, for the benefit of Secured Parties, be segregated from the other property or funds of Pledgor, and be forthwith delivered to Agent as Pledged Collateral in the same form as so received (with any necessary endorsements).

9. Defaults and Remedies; Proxy.

(a) Upon the occurrence and during the continuation of any Event of Default, and concurrently with written notice to Pledgor, Agent (personally or through an agent) is hereby authorized and empowered to transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral pledged by Pledgor hereunder, to exchange certificates or instruments representing or evidencing the Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon, to sell in one or more sales after ten days' notice of the time and place of any public sale or of the time at which a private sale is to take place (which notice Pledgor agrees is commercially reasonable) the whole or any part of the Pledged Collateral and to otherwise act with respect to the Pledged Collateral as though Agent were the outright owner thereof. Any sale shall be made at a public or private sale at Agent's place of business, or at any place to be named in the notice of sale, either for cash or upon credit or for future delivery at such price as Agent may deem fair, and Agent may be the purchaser of the whole or any part of the Pledged Collateral so sold and hold the same thereafter in its own right free from any claim of Pledgor or any right of redemption. Each sale shall be made to the highest bidder, but Agent reserves the right to reject any and all bids at such sale that, in its discretion, it shall deem inadequate. Demands of performance, except as otherwise herein specifically provided for, notices of sale, advertisements and the presence of property at sale are hereby waived and any sale hereunder may be conducted by an auctioneer or any officer or agent of Agent. PLEDGOR HEREBY REVOKES ALL PREVIOUS PROXIES WITH REGARD TO THE PLEDGED STOCK AND IRREVOCABLY CONSTITUTES AND APPOINTS AGENT AS THE PROXY AND ATTORNEY-IN-FACT OF PLEDGOR WITH RESPECT TO THE PLEDGED COLLATERAL PLEDGED BY PLEDGOR HEREUNDER, INCLUDING, IF ANY EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING, THE RIGHT TO VOTE THE PLEDGED STOCK OF PLEDGOR, WITH FULL POWER OF SUBSTITUTION TO DO SO. THE APPOINTMENT OF AGENT AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL ALL REVOLVING LOAN COMMITMENTS HAVE BEEN TERMINATED AND ALL OBLIGATIONS HAVE BEEN PAID IN FULL IN CASH. IN ADDITION TO THE RIGHT TO VOTE THE PLEDGED STOCK OF PLEDGOR, THE APPOINTMENT OF AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE, IF ANY EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING, THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF THE PLEDGED STOCK WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS, AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF THE PLEDGED STOCK ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF THE PLEDGED STOCK OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT. NOTWITHSTANDING THE FOREGOING, AGENT SHALL NOT HAVE ANY DUTY TO EXERCISE ANY SUCH RIGHT OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO.

(b) If, at the original time or times appointed for the sale of the whole or any part of the Pledged Collateral, (i) the highest bid, if there is but one sale, shall be inadequate to discharge in full all the Secured Obligations, or (ii) the Pledged Collateral is offered for sale in lots, the highest bid for the lot offered for sale at any of such sales would indicate to Agent, in its discretion, that the proceeds of the sales of the whole of the Pledged Collateral would be unlikely to be sufficient to discharge all the Secured Obligations, then Agent may, on one or more occasions and in its discretion, postpone any of said sales by public announcement at the time of sale or the time of previous postponement of sale, and no other notice of such postponement or postponements of sale need be given, any other notice being hereby waived; provided, that any sale or sales made after such postponement shall be after ten days' notice to Pledgor.

(c) If, following the occurrence and during the continuance of an Event of Default, Agent in its sole discretion determines that, in connection with any actual or contemplated exercise of its rights (when permitted under this **Section 9**) to sell the whole or any part of the Pledged Collateral hereunder, it is necessary or advisable to effect a public registration of all or part of the Pledged Collateral pursuant to the Securities Act of 1933, as amended (or any similar statute then in effect) (the "Securities Act"), then Pledgor shall, in an expeditious manner, cause Apio to:

(i) Prepare and file with the Securities and Exchange Commission (the "Commission") a registration statement with respect to the Pledged Collateral and in good faith use commercially reasonable efforts to cause such registration statement to become and remain effective;

(ii) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the sale or other disposition of the Pledged Collateral covered by such registration statement whenever Agent shall desire to sell or otherwise dispose of the Pledged Collateral;

(iii) Furnish to Agent such numbers of copies of a prospectus and a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as Agent may request in order to facilitate the public sale or other disposition by Agent of the Pledged Collateral;

(iv) Use commercially reasonable efforts to register or qualify the Pledged Collateral covered by such registration statement under such other securities or blue sky laws of such jurisdictions within the United States and Puerto Rico as Agent shall request, and do such other reasonable acts and things as may be required of Pledgor to enable Agent to consummate the public sale or other disposition by Agent in such jurisdictions of the Pledged Collateral by Agent;

(v) Furnish, at the request of Agent, on the date that the Pledged Collateral is delivered to the underwriters for sale pursuant to such registration or, if the security is not being sold through underwriters, on the date that the registration statement with respect to the Pledged Collateral becomes effective, (A) an opinion, dated such date, of the independent counsel representing such registrant for the purposes of such registration, addressed to the underwriters, if any, and in the event the Pledged Collateral is not being sold through underwriters, then to Agent, in customary form and covering matters of the type customarily covered in such legal opinions; and (B) a comfort letter, dated such date, from the independent certified public accountants of such registrant, addressed to the underwriters, if any, and in the event the Pledged Collateral is not being sold through underwriters, then to Agent, in a customary form and covering matters of the type customarily covered by such comfort letters and as the underwriters or Agent shall reasonably request. The opinion of counsel referred to above shall additionally cover such other legal matters with respect to the registration in respect of which such opinion is being given as Agent may reasonably request. The comfort letter referred to above from the independent certified public accountants shall additionally cover such other financial matters (including information as to the period ending not more than five Business Days prior to the date of such letter) with respect to the registration in respect of which such letter is being given as Agent may reasonably request; and

(vi) Otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable but not later than 18 months after the effective date of such registration statement, an earnings statement covering the period of at least 12 months beginning with the first full month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

(d) All expenses incurred in complying with **Section 9(c)**, including all registration and filing fees (including all expenses incident to filing with the National Association of Securities Dealers, Inc.), printing expenses, fees and disbursements of counsel for the registrant, the fees and expenses of counsel for Agent, expenses of the independent certified public accountants (including any special audits incident to or required by any such registration) and expenses of complying with the securities or blue sky laws of any jurisdictions, shall be paid by Pledgor.

(e) If, at any time when Agent shall determine to exercise its right to sell the whole or any part of the Pledged Collateral hereunder, the Pledged Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act (or any similar statute), then Agent may, in its discretion (subject only to applicable requirements of law), sell the Pledged Collateral or part thereof by private sale in such manner and under such circumstances as Agent may deem necessary or advisable, but subject to the other requirements of this **Section 9**, and shall not be required to effect such registration or to cause the same to be effected. Without limiting the generality of the foregoing, in any such event, Agent in its discretion may (1) in accordance with applicable securities laws proceed to make such private sale notwithstanding that a registration statement for the purpose of registering the Pledged Collateral or part thereof could be or shall have been filed under the Securities Act (or similar statute), (2) approach and negotiate with a single possible purchaser to effect such sale, and (3) restrict such sale to a purchaser who is an accredited investor under the Securities Act and who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of the Pledged Collateral or any part thereof. In addition to a private sale as provided above in this **Section 9**, if any of the Pledged Collateral shall not be freely distributable to the public without registration under the Securities Act (or similar statute) at the time of any proposed sale pursuant to this **Section 9**, then Agent shall not be required to effect such registration or cause the same to be effected but, in its discretion (subject only to applicable requirements of law), may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions:

(i) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale;

(ii) as to the contents of legends to be placed upon any certificates representing the Pledged Collateral sold in such sale, including restrictions on future transfer thereof;

(iii) as to the representations required to be made by each Person bidding or purchasing at such sale relating to such Person's access to financial information about Pledgor and such Person's intentions as to the holding of the Pledged Collateral so sold for investment for its own account and not with a view to the distribution thereof; and

(iv) as to such other matters as Agent may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Securities Act and all applicable state securities laws.

(f) Pledgor recognizes that Agent may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with **clause (e)** above. Pledgor also acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit Apio to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if Pledgor and Apio would agree to do so.

(g) Pledgor agrees to the maximum extent permitted by applicable law that following the occurrence and during the continuance of an Event of Default, it will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of the Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and it waives the benefit of all such laws to the extent it lawfully may do so. Pledgor agrees that he, she or it will not interfere with any right, power or remedy of Agent provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by Agent of any one or more of such rights, powers or remedies. No failure or delay on the part of Agent to exercise any such right, power or remedy and no notice or demand that may be given to or made upon Pledgor by Agent with respect to any such remedies shall operate as a waiver thereof, or limit or impair Agent's right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against Pledgor in any respect.

(h) Pledgor further agrees that a breach of any of the covenants contained in this **Section 9** will cause irreparable injury to Agent, that Agent shall have no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this **Section 9** shall be specifically enforceable against Pledgor, and Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that the Secured Obligations are not then due and payable in accordance with the agreements and instruments governing and evidencing the Secured Obligations.

10. Waiver. No delay on Agent's part in exercising any power of sale, Lien, option or other right hereunder, and no notice or demand that may be given to or made upon Pledgor by Agent with respect to any power of sale, Lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair Agent's right to take any action or to exercise any power of sale, Lien, option, or any other right hereunder, without notice or demand, or prejudice Agent's rights as against Pledgor in any respect.

11. Assignment. Agent and any other Secured Party may assign, indorse or transfer any instrument evidencing all or any part of the Secured Obligations as provided in, and in accordance with, the Credit Agreement, and the holder of such instrument shall be entitled to the benefits of this Agreement.

12. Termination. Immediately following the date all Revolving Loan Commitments have been terminated and all Obligations have been paid in full in cash, Agent shall deliver to Pledgor the Pledged Collateral at the time subject to this Agreement and all instruments of assignment executed in connection therewith, free and clear of the Liens created in favor of Agent under this Agreement and the other Loan Documents and, except as otherwise provided herein, all such obligations of Pledgor hereunder shall at such time terminate.

13. Lien Absolute. All rights of Agent hereunder, and all obligations of Pledgor hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document or any other agreement or instrument governing or evidencing any Secured Obligations;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument governing or evidencing any Secured Obligations;

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

(d) the insolvency of any Credit Party; or

(e) any other circumstance that might otherwise constitute a defense available to, or a discharge of, Pledgor.

14. Release. Pledgor consents and agrees that Agent may at any time, or from time to time, in its discretion:

(a) renew, extend or change the time of payment of, or the manner, place or terms of payment of, all or any part of the Secured Obligations; and

(b) exchange, release or surrender all or any of the Collateral (including the Pledged Collateral), or any part thereof, by whomsoever deposited, that is now or may hereafter be held by Agent in connection with all or any of the Secured Obligations;

all in such manner and upon such terms as Agent may deem proper, and without notice to or further assent from Pledgor, it being hereby agreed that Pledgor shall be and remain bound by this Agreement irrespective of the value or condition of any of the Collateral and notwithstanding any such change, exchange, settlement, compromise, surrender, release, renewal or extension, and notwithstanding also that the Secured Obligations may, at any time, exceed the aggregate principal amount thereof set forth in the Credit Agreement or any other agreement governing any Secured Obligations. Pledgor hereby waives notice of acceptance of this Agreement, presentment, demand, protest and notice of dishonor of any and all of the Secured Obligations, and any delay by Agent or any Lender in commencing suit against any party hereto or Person liable hereon, and in giving any notice to or of making any claim or demand hereunder upon Pledgor. No act or omission of any kind on Agent's part shall in any event affect or impair this Agreement.

15. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Pledgor or Apio for liquidation or reorganization, should Pledgor or Apio become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Pledgor's or Apio's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent transfer," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

16. Notices. All notices, demands or other communications required or made under this Agreement shall be given in writing and addressed to the party to be notified and sent to the address or facsimile number indicated for such party below, and shall be effective and be deemed to have been received (i) if delivered by hand, upon personal delivery, (ii) if delivered by overnight courier service, one Business Day after delivery to such courier service, (iii) if delivered by mail, when deposited in the mails and (iv) if delivered by facsimile, upon sender's receipt of confirmation of proper transmission.

Agent: General Electric Capital Corporation
101 California Street, Suite 1500
San Francisco, CA 94111
Attention: Account Manager (Apio)
Telephone: (415) 277-7423
Facsimile: (415) 944-1796

With a copy to:

General Electric Capital Corporation
12750 High Bluff Dr., Suite 200
San Diego, CA 92130
Attention: Legal Counsel
Facsimile: (858) 726-6221

Pledgor: Landec Corporation
3603 Haven Avenue
Menlo Park, CA 94025
Attention: Gary Steele
Facsimile: (650) 368-9818
Email: gsteele@landec.com

With a copy to:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attention: Dolph M. Hellman, Esq.
Facsimile: (415) 773-5759

The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Any party may change its address for notices hereunder by notice to each other party hereunder given in accordance with this **Section 16**.

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

18. No Amendment or Waiver; Cumulative Remedies. Neither Agent nor any Lender shall by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no amendment or waiver of any provision of this Agreement shall be valid unless in writing, signed by Agent and then only to the extent therein set forth. A waiver by Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Agent would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of Agent or any Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Agent and Pledgor.

19. Termination of This Agreement. Subject to **Section 15** hereof, this Agreement shall terminate upon the date all Revolving Loan Commitments have been terminated and all Obligations have been paid in full in cash.

20. Successors and Assigns. This Agreement and all obligations of Pledgor hereunder shall be binding upon the successors and assigns of Pledgor (including any trustee or debtor-in-possession on behalf of Pledgor) and shall, together with the rights and remedies of Agent, for the benefit of Secured Parties, hereunder, inure to the benefit of, and be enforceable by, Secured Parties, all future holders of any instrument evidencing any of the Secured Obligations and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to Agent, for the benefit of Secured Parties, hereunder. No Pledgor may assign, sell, hypothecate or otherwise transfer any interest in or obligation under this Agreement.

21. Counterparts. This Agreement may be authenticated in any number of separate counterparts, each of which shall collectively and separately constitute one agreement. This Agreement may be authenticated by manual signature, facsimile or, if approved in writing by Agent, electronic means, all of which shall be equally valid.

22. GOVERNING LAW. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ANY OF THE LOAN DOCUMENTS, IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. PLEDGOR HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, CITY OF NEW YORK, STATE OF NEW YORK, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN PLEDGOR, AGENT AND LENDERS PERTAINING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, PROVIDED, THAT AGENT, LENDERS AND PLEDGOR ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK COUNTY, AND, PROVIDED, FURTHER, NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF AGENT. PLEDGOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND PLEDGOR HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. PLEDGOR HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO PLEDGOR AT THE ADDRESS SET FORTH FOR IT IN **SECTION 16** OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAILS, PROPER POSTAGE PREPAID.

23. WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT DISPUTES ARISING HEREUNDER OR RELATING HERETO BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG AGENT, LENDERS AND PLEDGOR ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO.

24. Section Titles. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

25. 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.

26. Advice of Counsel. Each of the parties represents to each other party hereto that it has discussed this Agreement and, specifically, the provisions of **Section 23** and **Section 24**, with its counsel.

27. Benefit of Secured Parties. All Liens granted or contemplated hereby shall be for the benefit of Agent individually and the other Secured Parties, and all proceeds or payments realized from the Pledged Collateral in accordance herewith shall be applied to the Obligations in accordance with the terms of the Credit Agreement.

28. Authorization. Pledgor hereby irrevocably authorizes Agent at any time and from time to time to file in any filing office in any UCC Jurisdiction any initial financing statements and amendments thereto that (a) describe the Pledged Collateral and (b) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment. Pledgor agrees to furnish any such information to Agent promptly upon request. Pledgor also ratifies its authorization for Agent to have filed in any Uniform Commercial Code Jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

29. Performance By Agent. If Pledgor fails to perform or comply with any of its agreements contained herein, Agent may in its discretion perform or comply, or otherwise cause performance or compliance, with such agreement, and (a) the expenses of Agent incurred in connection with such performance or compliance, and (b) at the election of Agent (confirmed by written notice from Agent to Borrowers), interest on such expenses of Agent at the Default Rate that would be applicable to a Loan comprised of a Base Rate Loan, shall be payable by Pledgor to Agent within five days after written demand and shall constitute a part of and be included in the Secured Obligations.

30. Reasonable Care. Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if the Pledged Collateral is accorded treatment substantially equal to that which Agent accords its own property of the same type, or if it appoints an agent to hold the Pledged Collateral on its behalf and such agent agrees to be bound by a similar standard of care, it being understood that neither Agent nor such agent shall have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Collateral, whether or not Agent or such 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 Pledged Collateral.

31. Continuing Security Interest. This Agreement shall create a continuing security interest in the Pledged Collateral and shall remain in full force and effect until the date all Revolving Loan Commitments have been terminated and all Obligations have been paid in full in cash.

32. Suretyship Waivers. In addition to any other waivers contained herein, Pledgor waives, agrees and acknowledges as follows and waives any defense based upon or arising from the following:

(a) The obligations of Pledgor hereunder are the immediate, direct, primary and absolute liabilities of Pledgor, and are independent of, and not co-extensive with, the Obligations or the obligations of any other Person. Pledgor expressly waives any right it may have now or in the future to direct or affect the manner or timing of Agent's enforcement of its rights or remedies hereunder or under the other Loan Documents. Pledgor expressly waives any right it may have now or in the future to require Agent to, and Agent shall not have any liability to, first pursue or enforce its rights and remedies against Borrower, any other guarantor of the Obligations, any of the properties or assets of Borrower or such other guarantor, the Collateral or any other security, guaranty or pledge that may now or hereafter be held by Agent for the Secured Obligations, or to apply such security, guaranty, or pledge to the Secured Obligations. Pledgor shall remain liable for its obligations hereunder, notwithstanding any judgment Agent may obtain against Borrower, any other guarantor of the Obligations, or any other Person, or any modification, extension or renewal with respect thereto. Agent shall not be under any liability or obligation to marshal any assets in favor of Pledgor or in payment of any or all of the Secured Obligations, all of which are hereby expressly waived.

(b) Pledgor has entered into this Agreement based solely upon its independent knowledge of the financial condition of Borrower, and Pledgor assumes full responsibility for obtaining any further information with respect to Borrower or the conduct of its business. Pledgor represents that it is now, and during the term of this Agreement will be, responsible for ascertaining the financial condition of Borrower. Pledgor hereby waives any duty on the part of Agent to disclose to it, and agrees that it is not relying upon or expecting Agent to disclose to it, any fact known or hereafter known by Agent relating to the operation or condition of Borrower or its business or relating to the existence, liability, or financial condition of any other guarantor of the Obligations. Pledgor knowingly accepts the full range of risk encompassed in a contract of pledge, which risk includes the possibility that Borrower may incur Obligations after Borrower's financial condition or ability to pay debts as they mature has deteriorated.

(c) Except as specifically provided in this Agreement or applicable law, Pledgor waives, to the fullest extent permitted by applicable law: (i) notice of the acceptance by Agent of this Agreement; (ii) notice of the existence, creation, payment, nonpayment, performance or nonperformance of all or any part of the Secured Obligations; (iii) presentment, demand and protest and notice of presentment, dishonor, intent to accelerate, acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all of the Loan Documents, notes, commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent on which Pledgor may be liable in any way, and hereby ratifies and confirms whatever Agent may do in this regard in accordance with the terms of the Loan Agreement and the other Loan Documents; (iv) all rights to notice and a hearing prior to Agent's taking possession or control of, or to Agent's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Agent to exercise any of its remedies; (v) all rights to receive notices from Agent with respect to, or otherwise sent to, Pledgor or any guarantor; (vi) the benefit of all valuation, appraisal, stay, extension, redemption and exemption laws; (vii) the benefit of any law purporting to reduce Pledgor's obligation in proportion to the principal obligation hereby secured; (viii) the benefit of any law purporting to exonerate Pledgor's obligation upon performance or an offer of performance of the principal obligation; (ix) notice of any extension, modification, renewal, or amendment of any of the terms of any Loan Documents; (x) notice of the occurrence of any Default or Event of Default; and (xi) notice of any exercise or non-exercise by Agent of any right, power, or remedy with respect to the Secured Obligations or the Collateral.

(d) If Agent, under applicable law, may proceed to realize its benefits under any Loan Document providing for a Lien upon any Collateral, whether owned by Borrower or by any other Person, either by judicial foreclosure or by nonjudicial sale or enforcement, then Agent, at its sole option, may determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Agreement.

(e) Pledgor represents that the Secured Obligations are and shall be incurred by Borrower for business and commercial purposes only. Pledgor undertakes all the risks encompassed in the Loan Documents as they may be now or are hereafter agreed upon by Agent and Borrower. Prior to the date all Revolving Loan Commitments have been terminated and all Obligations have been paid in full in cash, Agent, in such manner and upon such terms and at such times as it deems best, and with or without notice to Pledgor, may release, add, subordinate or substitute security for the Secured Obligations.

(f) A separate action or actions may be brought and prosecuted against Pledgor whether or not an action is brought against Borrower, or whether Borrower is joined in any such action or actions.

33. Waivers Under Statutes. Pledgor makes the following additional waivers:

(a) **PLEDGOR WAIVES ALL RIGHTS AND DEFENSES THAT PLEDGOR MAY HAVE BECAUSE THE SECURED OBLIGATIONS ARE OR MAY BECOME SECURED BY REAL PROPERTY. THIS MEANS, AMONG OTHER THINGS, THAT: (a) AGENT MAY COLLECT FROM PLEDGOR WITHOUT FIRST FORECLOSING ON ANY REAL OR PERSONAL PROPERTY COLLATERAL; AND (b) IF AGENT FORECLOSES ON ANY REAL PROPERTY COLLATERAL: (i) THE AMOUNT OF THE DEBT MAY BE REDUCED ONLY BY THE PRICE FOR WHICH THAT COLLATERAL IS SOLD AT THE FORECLOSURE SALE, EVEN IF THE COLLATERAL IS WORTH MORE THAN THE SALE PRICE; AND (ii) AGENT MAY COLLECT FROM PLEDGOR EVEN IF AGENT, BY FORECLOSING ON THE REAL PROPERTY COLLATERAL, HAS DESTROYED ANY RIGHT PLEDGOR MAY HAVE TO COLLECT FROM BORROWER. THIS IS AN UNCONDITIONAL AND IRREVOCABLE WAIVER OF ANY RIGHTS AND DEFENSES PLEDGOR MAY HAVE BECAUSE BORROWER'S DEBT IS OR MAY BECOME SECURED BY REAL PROPERTY. THESE RIGHTS AND DEFENSES INCLUDE, BUT ARE NOT LIMITED TO, ANY RIGHTS OR DEFENSES BASED UPON SECTION 580a, 580b, 580d OR 726 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE ("CCP").**

(b) **IN ADDITION, PLEDGOR WAIVES ALL RIGHTS AND DEFENSES ARISING OUT OF AN ELECTION OF REMEDIES BY AGENT, EVEN THOUGH THAT ELECTION OF REMEDIES, SUCH AS A NONJUDICIAL FORECLOSURE WITH RESPECT TO SECURITY FOR A SECURED OBLIGATION, MAY HAVE DESTROYED PLEDGOR'S RIGHTS OF SUBROGATION BY THE OPERATION OF SECTION 580d OF THE CCP OR OTHERWISE.**

34. Additional Waivers.

(a) Pledgor waives any and all rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to it by reason of California Civil Code Sections 2787 to 2855, inclusive, Sections 2899 and 3433, or other statutory or decisional law. This means, among other things, that:

(i) Pledgor waives and will be unable to raise any defense based upon any statute or rule of law that provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal;

(ii) Pledgor waives and will be unable to raise any defense based upon any statute or rule of law that provides that a creditor may be required to pursue the principal obligor or the security for the principal obligation before seeking enforcement against a surety or security pledged by the surety;

(iii) Pledgor waives and will be unable to raise any defense based upon any statute or rule of law that provides that a surety's obligations may be limited or exonerated by reason of the creditor's alteration of the principal obligation or of another surety, or by reason of the impairment or suspension of the creditor's rights or remedies against the principal, another surety, or any security given for the principal obligation or given for other sureties;

(iv) Pledgor waives and will be unable to claim any right to participate in, or the benefit of, any security given for the principal obligation now or hereafter held by Agent; and

(v) Pledgor waives and will be unable to claim any right of subrogation and any right to enforce any remedy that Agent may have against Borrower.

(b) Pledgor waives any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of Borrower, or any principal of Borrower, or any legal disability or defect in the formation of Borrower.

(c) Pledgor waives any defense based upon the application by Borrower of the proceeds of any Loan for purposes other than the purposes represented by Borrower to Agent or intended or understood by Agent or Pledgor.

(d) Pledgor waives the benefit of any statute of limitations affecting the liability of Pledgor hereunder or the enforcement hereof, and Pledgor further agrees that any act or event that tolls any statute of limitations applicable to the Obligations of Borrower shall similarly operate to toll the statute of limitations applicable to Pledgor's liability hereunder.

35. Miscellaneous.

(a) Agent may execute any of its duties hereunder by or through agents or employees and shall be entitled to advice of counsel concerning all matters pertaining to its duties hereunder.

(b) Borrower shall promptly reimburse Agent for actual out-of-pocket expenses, including reasonable counsel fees, incurred by Agent in connection with the administration and enforcement of this Agreement.

(c) Neither Agent, nor any of its representative officers, directors, employees, agents or counsel shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

[remainder of page intentionally left blank]

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

“Agent”

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Wafa Shalabi

Name: Wafa Shalabi

Title: Duly Authorized Signatory

[SIGNATURE PAGE TO PLEDGE AGREEMENT]

“Pledgor”

LANDEC CORPORATION

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner

Title: Chief Financial Officer

[SIGNATURE PAGE TO PLEDGE AGREEMENT]

ACKNOWLEDGMENT OF BORROWER

Apio, Inc. ("Borrower") hereby acknowledges receipt of a copy of the Pledge Agreement dated as of April 23, 2012, to which this Acknowledgement is attached and expressly consents to its terms, including, without limitation, the provisions of Sections 9(d) and 36(b) thereof which impose certain payment obligations on Borrower.

[remainder of page intentionally left blank]

[SIGNATURE PAGE TO ACKNOWLEDGMENT OF BORROWER TO PLEDGE AGREEMENT]

IN WITNESS WHEREOF, the Borrower has caused this Acknowledgement to Pledge Agreement to be duly executed as of the date first written above.

“Borrower”

APIO, INC.

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Vice President

[SIGNATURE PAGE TO ACKNOWLEDGMENT OF BORROWER TO PLEDGE AGREEMENT]

SCHEDULE I

PLEDGED SHARES

Pledged Entity	Class of Stock	Holder of Stock	Stock Certificates Number(s)	Numbers of Shares	Percentage of Outstanding Shares
Apio, Inc.	Common	Landec Corporation	CS-27	100	100%

[SIGNATURE PAGE TO ACKNOWLEDGMENT OF BORROWER TO PLEDGE AGREEMENT]

SCHEDULE II

PLEDGE AMENDMENT

This Pledge Amendment, dated as of _____, ___ is delivered pursuant to Section 7(d) of the Pledge Agreement referred to below. All defined terms herein shall have the meanings assigned thereto or incorporated by reference in the Pledge Agreement. The undersigned hereby certifies that the representations and warranties in Section 6 of the Pledge Agreement are and continue to be true and correct, both as to the shares and other items pledged prior to this Pledge Amendment and as to the shares and other items pledged pursuant to and delivered to Agent concurrently with the undersigned Pledgor's delivery of this Pledge Amendment. The undersigned further agrees that this Pledge Amendment may be attached to that certain Pledge Agreement dated as of April 23, 2012 (the "Pledge Agreement"), by and among Pledgor and General Electric Capital Corporation, as Agent, and that the Pledged Stock listed in this Pledge Amendment shall be and become a part of the Pledged Collateral referred to in the Pledge Agreement and shall secure all Secured Obligations referred to in the Pledge Agreement.

"Pledgor"

By: _____
Name: _____
Title: _____

Name and Address of Pledgor	Pledged Entity	Class of Stock	Certificate Number(s)	Number of Shares
Landec Corporation	Apio, Inc.			

[SIGNATURE PAGE TO ACKNOWLEDGMENT OF BORROWER TO PLEDGE AGREEMENT]

SCHEDULE III

PLEDGOR

Name	Jurisdiction of Organization	Organizational I.D.
Landec Corporation	Delaware	4356515

[SIGNATURE PAGE TO ACKNOWLEDGMENT OF BORROWER TO PLEDGE AGREEMENT]

LOAN AGREEMENT

Among

GENERAL ELECTRIC CAPITAL CORPORATION,

as Lender and as Collateral Agent,

and

APIO, INC.,

APIO COOLING A CALIFORNIA LIMITED PARTNERSHIP,

GREENLINE FOODS, INC.

and

GREENLINE SOUTH CAROLINA PROPERTIES, LLC,

as Borrowers

Dated as of April 23, 2012

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LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of April 23, 2012 (this "Agreement") between General Electric Capital Corporation, a Delaware corporation "GECC"), as lender (with its successors and assigns, "Lender") and as collateral agent for the benefit of itself and Lender (together with its successors and assigns, "Collateral Agent"), and Apio, Inc., a Delaware corporation ("Apio"), Apio Cooling A California Limited Partnership, a California limited partnership ("Apio Cooling"), GreenLine Foods, Inc., an Ohio corporation ("GreenLine Foods"), and GreenLine South Carolina Properties, LLC, an Ohio limited liability company ("GreenLine SC"; Apio, Apio Cooling, GreenLine Foods and GreenLine SC may be referred to herein individually as "Borrower" and collectively as "Borrowers").

WHEREAS, Borrowers propose to borrow from Lender the proceeds of the Loan (defined below) upon the terms and conditions set forth herein; and

WHEREAS, Lender is willing to make such Loan to Borrowers upon the terms and conditions set forth herein;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises contained in this Agreement, Lender, Collateral Agent and Borrowers agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. The following terms used herein will have the meanings indicated below unless the context clearly requires otherwise:

"*Agreement*" means this Agreement, including all exhibits hereto, as any of the same may be supplemented or amended from time to time in accordance with the terms hereof.

"*Borrower Documents*" means, collectively, this Agreement, the Promissory Notes, the Mortgages, the Environmental Indemnity Agreement, the Subordination Agreements, the Security Agreement and any other agreements, documents or certificates executed by any Borrower in connection with the Loan contemplated by this Agreement.

"*Bridge Note*" means the Promissory Note dated as of the Closing Date by Borrowers payable to the order of Lender and in the original amount of \$1,200,000, as amended, modified and restated from time to time.

"*Business Day*" means a day other than a Saturday or Sunday on which banks are generally open for business in New York, New York and San Francisco, California.

"*Cal Ex*" means Cal Ex Trading Company, a Delaware corporation.

"*Closing Date*" means April 23, 2012.

“*Collateral*” means (a) the Real Estate Collateral, and (b) so long as a GE Entity is the lender under the Equipment Facility, the Equipment Facility Collateral.

“*Collateral Agent Documents*” means this Agreement, the Subordination Agreements and the Mortgages and any other document or agreement that is executed in connection with transactions contemplated hereby and to which Collateral Agent is a party.

“*Contested Taxes*” means any tax, assessment, charge or claim whose amount, applicability or validity is diligently being contested in good faith by appropriate proceedings; *provided, however*, if the failure to pay such Contested Taxes results in a Lien on the Real Estate Collateral, (a) Borrowers shall obtain title insurance endorsements and bonds or other security in a manner acceptable to Collateral Agent in its reasonable but sole discretion, and (b) Borrowers must demonstrate to Collateral Agent’s reasonable satisfaction that the proceedings will conclusively operate to prevent the sale of any Real Estate Collateral in order to satisfy the Lien prior to the final determination of such proceedings.

“*Credit Party*” means, individually, each Borrower and each Guarantor, and “*Credit Parties*” means, collectively, each and every Credit Party.

“*Damaged Collateral*” means any portion of the Collateral not constituting Equipment Facility Collateral that is lost, stolen, destroyed or damaged beyond repair.

“*Damaged Collateral Amount*” means an amount equal to the product of (a) the then current Prepayment Amount and (b) a percentage equal to the original appraised value of the Damaged Collateral divided by the original appraised value of all of the Real Estate Collateral.

“*Default*” means an event that, with giving of notice or passage of time or both, would constitute an Event of Default as provided in Article X hereof.

“*Environmental Indemnity Agreement*” means the Environmental Indemnity Agreement dated as of April 23, 2012 executed by Borrowers and Guarantors for the benefit of Lender and Collateral Agent, as hereafter modified, amended or restated from time to time.

“*Environmental Laws*” means any federal, state and local laws relating to emissions, discharges, releases of Hazardous Wastes or Materials into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Wastes or Materials.

“*Equipment Facility Collateral*” means (a) the equipment and other collateral pledged to Equipment Lender under the Equipment Facility Documents as described in Exhibit B hereto, (b) all substitutions for any of the foregoing property, and (c) all proceeds of any of the foregoing property.

“*Equipment Facility Documents*” means, collectively, the Master Security Agreement dated as of April 23, 2012 between GECC and Apio and certain equipment schedules and promissory notes issued thereunder from time to time, each as hereafter modified, amended or restated from time to time.

“*Equipment Lender*” means GECC, GE Capital Commercial Inc. or any other GE Entity that enters into an equipment schedule under the Equipment Facility Documents.

“*GAAP*” means generally accepted accounting principles applied on a consistent basis.

“*GreenLine Holding*” means GreenLine Holding Company, a Delaware corporation.

“*GreenLine Logistics*” means Greenline Logistics, Inc., an Ohio corporation.

“*GreenLine Permits*” has the meaning assigned to such term in Article IV(h) hereof.

“*GE Entity*” means GECC and GE Capital Commercial Inc. and any other related entity 100% of whose common stock is directly or indirectly owned by GECC or any of its affiliates.

“*Guarantor*” means, individually, GreenLine Holding, Landec, Cal Ex and GreenLine Logistics and “*Guarantors*” means, collectively, each and every Guarantor.

“*Guaranty Agreement*” means the Guaranty dated as of April 23, 2012 by Guarantors for the benefit of Lender and Collateral Agent, as hereafter modified, amended or restated from time to time.

“*Guarantor Documents*” means the Guaranty Agreement, the Environmental Indemnity Agreement, the Security Agreement and any other agreements, documents or certificates executed by any Guarantor in connection with the Loan contemplated by this Agreement.

“*Hazardous Waste or Materials*” means any substance or material defined in or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any Environmental Law now or hereafter in effect.

“*Landec*” means Landec Corporation, a Delaware corporation.

“*Lender*” means (a) GECC, acting as lender under this Agreement, (b) any surviving, resulting or transferee corporation of GECC and (c) except where the context requires otherwise, any assignee(s) of Lender.

“*Lien*” means any security interest, mortgage, pledge, hypothecation, assignment, lien, charge, encumbrance or claim against or interest in property of any kind or nature whatsoever.

“*Loan*” means the loan from Lender to Borrowers pursuant to this Agreement.

“*Loan Documents*” means, collectively, the Borrower Documents, the Guarantor Documents and any other agreements, documents or certificates executed by any Credit Party in connection with the Loan contemplated by this Agreement.

“*Loan Payments*” means the loan payments payable by Borrowers pursuant to the provisions of this Agreement as specifically set forth in Exhibit A-1 hereto with respect to the Permanent Note and Exhibit A-2 hereto with respect to the Bridge Note. As provided in Article II hereof, Borrowers shall pay Loan Payments to Lender in the amounts and at the times as set forth in Exhibits A-1 and A-2 hereto and the Promissory Notes.

“*Loan Proceeds*” means the total amount of money disbursed by Lender to Title Company pursuant to Section 2.02 hereof for disbursement on behalf of Borrowers in accordance with the settlement statement executed on behalf of Borrowers at closing.

“*Mortgage*” means, individually, with respect to each Property, a Mortgage or Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of the date hereof executed by the related Borrower for the benefit of Collateral Agent, as hereafter modified, amended or restated from time to time, and “*Mortgages*” means, collectively, each and every Mortgage.

“*Obligations*” means any and all obligations and indebtedness, payment, performance or otherwise, arising out of any of the following, as amended, modified or restated from time to time: (a) this Agreement, (b) the Promissory Notes, and (c) any other Loan Document.

“*Ordinary Course of Business*” means, in respect of any transaction involving any person or entity, the ordinary course of such person’s or entity’s business, as conducted by any such person or entity in accordance with past practice and undertaken by such person or entity in good faith and not for purposes of evading any covenant or restriction in any Loan Document.

“*Organizational Documents*” means, with respect to any organization, the documents by which such organization was organized (such as a certificate of incorporation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) and which relate to the internal governance of such organization (such as by-laws, a partnership agreement or an operating, limited liability or members agreement).

“*Permanent Note*” means the Promissory Note dated as of the Closing Date by Borrowers payable to the order of Lender and in the original amount of \$17,956,250.

“*Permitted Exceptions*” means, with respect to each Property, the permitted exceptions set forth in Exhibit B to the Mortgage encumbering such Property.

“*Permitted Liens*” means (a) any Lien created under any Loan Documents, (b) Liens for taxes, fees, assessments or other governmental charges which are not past due or remain payable without penalty, (c) with respect to the Equipment Facility Collateral, any Lien created under the Equipment Facility Documents, (d) with respect to the Revolving Facility Collateral, any Lien created under the Revolving Facility Documents, (e) carriers’, warehousemen’s, mechanic’s, landlords’, materialmen’s, repairmen’s or other similar Liens arising in the Ordinary Course of Business which are not past due or remain payable without penalty or which are being contested in good faith by appropriate proceedings diligently prosecuted and which (i) Borrowers obtain title insurance endorsements and bonds or other security in a manner acceptable to Collateral Agent in its reasonable but sole discretion, (ii) Borrowers demonstrate to Collateral Agent’s reasonable satisfaction that the proceedings will conclusively operate to prevent the sale of any Real Estate Collateral in order to satisfy the Lien prior to the final determination of such proceedings, and (iii) Borrowers maintain adequate reserves in accordance with GAAP, and (f) Liens consisting of judgment or judicial attachment liens (other than for payment of taxes, assessments or other governmental charges), provided that (i) the enforcement of such Liens is effectively stayed, (ii) Borrowers obtain title insurance endorsements and bonds or other security in a manner acceptable to Collateral Agent in its reasonable but sole discretion and (iii) all such Liens secure claims in the aggregate at any time outstanding for Borrowers and their subsidiaries not exceeding \$350,000.

“*Prepayment Amount*” means the amount which Borrowers may or must from time to time pay or cause to be paid to Lender in order to prepay the Loan, as provided in Section 2.07 hereof, such amount being the sum of (a) the principal amount of the Loan or portion thereof being prepaid, (b) any accrued interest thereon, (c) any other amounts due and owing hereunder and (d) the Prepayment Fee (if any).

“*Prepayment Fee*” means, with respect to each prepayment of the Loan, a fee equal to the percentage of the principal amount of the Loan being prepaid as follows: (a) 3% if such prepayment occurs before April 23, 2013, (b) 2% if such prepayment occurs on or after April 23, 2013 and before April 23, 2014, (c) 1% if such prepayment occurs on or after April 23, 2014 and before April 23, 2015, and (d) -0-% if such prepayment occurs thereafter.

“*Promissory Notes*” means, collectively, (a) the Permanent Note, and (b) the Bridge Note.

“*Property*” means, individually, “Property” as defined in each Mortgage, and “*Properties*” means, collectively, each and every Property.

“*Real Estate Collateral*” means, collectively, (a) the Properties, (b) all substitutions for any portion of any Property, and (c) all proceeds of any of the foregoing property.

“*Revolving Facility Collateral*” means all personal property assets of Borrowers.

“*Revolving Facility Documents*” means the Credit Agreement dated as of April 23, 2012 among Apio, Cal Ex and GreenLine Logistics, as borrowers, the other persons thereto designated as credit parties, the lenders party thereto from time to time, and GECC, as agent for such lenders, as the same may be amended, restated or replaced from time to time.

“*Security Agreement*” means the Security Agreement dated as of even date herewith among Collateral Agent, Apio, GreenLine Logistics and Cal Ex, as the same may be amended, restated or replaced from time to time.

“*State*” means the State of New York.

“*Subordination Agreement*” means, with respect to the Property located in Rock Hill, South Carolina, the Subordination Agreement of even date herewith executed by Tenant for the benefit of Collateral Agent, as hereafter modified, amended or restated.

“*Tenant*” means Herb Thyme Farms, Inc., as successor to Herbal Gardens, Inc.

“*Terrorism Laws*” means Executive Order 13224 issued by the President of the United States of America, the Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 of the U.S. Code of Federal Regulations) and the Foreign Terrorist Organizations Sanctions Regulations (Title 31 Part 597 of the U.S. Code of Federal Regulations), and all other present and future federal, state and local laws, ordinances, regulations, policies and any other requirements of any governmental authority (including, without limitation, the United States Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as hereafter supplemented, amended or modified from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities.

“*Title Company*” means First American Title Insurance Company.

“*UCC*” means the Uniform Commercial Code as adopted and in effect in the State.

Section 1.02. Exhibits. The following exhibits are attached hereto and made a part hereof:

Exhibit A-1: Schedule of Loan Payments (Permanent Note) setting forth the Loan Payments and Prepayment Amounts.

Exhibit A-2: Schedule of Loan Payments (Bridge Note) setting forth the Loan Payments and Prepayment Amounts.

Exhibit B: List of Equipment Facility Collateral.

Exhibit C: Form of Certificate of Chief Financial Officer.

Section 1.03. Rules of Construction. (a) The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

(b) Unless otherwise specified, references to Articles, Sections and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivision of this Agreement as originally executed. The words “hereof,” “herein,” “hereunder” and words of similar import refer to this Agreement as a whole.

(c) The headings or titles of the several articles and sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

ARTICLE II

TERMS OF LOAN

Section 2.01. *Loan.* Lender hereby agrees, subject to the terms and conditions of this Agreement, to lend to Borrowers the amount of \$19,156,250; and Borrowers hereby agree to borrow from Lender such amount. The Loan is evidenced by the Promissory Notes. Upon fulfillment of the conditions set forth in Article III hereof, Lender shall disburse the Loan Proceeds to Title Company for disbursement in accordance with the settlement statement prepared by Title Company. Borrowers' obligation to repay the Loan shall commence, and interest shall begin to accrue, on the date that Loan Proceeds are disbursed by Lender pursuant to the preceding sentence.

Section 2.02. *Interest.* The principal amount of the Loan outstanding from time to time shall bear interest (computed on the basis of 12 30-day months) at the rate of four and two one-hundredths percent (4.02%). Interest accruing on the principal balance of the Loan outstanding from time to time shall be payable as provided in Exhibits A-1 and A-2 hereto and in the Promissory Notes and upon earlier demand in accordance with the terms hereof or prepayment in accordance with the terms of Section 2.07 hereof.

Section 2.03. *Payments.* Borrowers shall pay to Lender Loan Payments, in the amounts and on the dates set forth in Exhibits A-1 and A-2 hereto and in the Promissory Notes. All amounts required to be paid by Borrowers hereunder shall be paid in lawful money of the United States of America in immediately available funds.

Section 2.04. *Payment on Non-Business Days.* Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 2.05. *Loan Payments To Be Unconditional.* The obligations of Borrowers to make the Loan Payments required under this Article II and to make other payments hereunder and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason, including (without limitation) any failure of any improvement to be completed or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between any Borrower and any of Lender, Collateral Agent or any other person, Borrowers shall make all Loan Payments when due and shall not withhold any Loan Payments pending final resolution of such dispute, nor shall Borrowers assert any right of setoff or counterclaim against its obligation to make such payments required under this Agreement.

Section 2.06. *Prepayments.* (a) Borrowers may, in their discretion, prepay the Loan and the Promissory Notes in whole at any time on a payment date by paying the applicable Prepayment Amount.

(b) Borrowers shall prepay the Loan and the Promissory Notes in whole or in part at any time pursuant to Sections 8.01 and 8.02 hereto hereof by paying the applicable Damaged Collateral Amount.

(c) Borrowers shall prepay the Loan and the Promissory Notes in full immediately upon written demand of Lender after the occurrence and during the continuance of an Event of Default by paying the applicable Prepayment Amount.

Upon any prepayment in part of the Loan and the Promissory Notes, the prepayment shall be applied to the Loan Payments and any other amounts due hereunder and under the Promissory Notes in such order as determined by Lender.

Section 2.07. Joint and Several Liability. (a) The obligations under the Borrower Documents of each Borrower are joint and several. Each reference to the term "Borrower" shall be deemed to refer to each Borrower; each representation and warranty made by any Borrower shall be deemed to have been made by each Borrower; each covenant and undertaking on the part of any Borrower shall be deemed individually applicable with respect to each Borrower; and each event constituting a default under this Agreement shall be determined with respect to each Borrower. A separate action or actions may be brought and prosecuted against any Borrower whether an action is brought against any other Borrower or whether any other Borrower is joined in any such action or actions. Each Borrower waives any right to require Collateral Agent or Lender to: (i) proceed against any other Borrower or any other Credit Party; (ii) proceed against or exhaust any Collateral held from any other Borrower or any other Credit Party; or (iii) pursue any other remedy in Collateral Agent's or Lender's power whatsoever. Notices hereunder required to be provided to Borrowers shall be effective if provided to any Borrower. Any consent on the part of Borrowers hereunder shall be effective when provided by any Borrower, and Collateral Agent and Lender shall be entitled to rely upon any notice or consent given by any Borrower as being notice or consent given by Borrowers hereunder.

(b) In the event that any Borrower is deemed to be a surety or any obligation of any Borrower under this Agreement is deemed to be an agreement by such Borrower to answer for the debt or default of another Borrower or any other Credit Party or as a hypothecation of property as security therefore, each Borrower represents and warrants that: (i) no representation has been made to it as to the creditworthiness of any other obligor, and (ii) it has established adequate means of obtaining from each other obligor on a continuing basis, financial or other information pertaining to each other obligor's financial condition. Each Borrower expressly waives diligence, demand, presentment, protest and notice of every kind and nature whatsoever, including but not limited to, notice of non-payment, dishonor, protest, acceptance, default, acceleration or enforcement of rights and remedies, and consents that Collateral Agent and/or Lender and any Borrower may deal with each other in connection with said obligations or otherwise, or alter any contracts now or hereafter existing between them, in any manner whatsoever, including without limitation the renewal, extension, acceleration, changes in time for payment, and increases or decreases in any principal, rate of interest or other amounts owing, all without in any way altering the liability of each Borrower, or affecting any security for such obligations. Should any default be made in the payment of any such obligations or in the terms or conditions of any security held, Collateral Agent and Lender are hereby expressly given the right, at their option, to proceed in the enforcement of this Agreement or any other of the Borrower Documents independently of any other remedy or security they may at any time hold in connection with such obligations secured and it shall not be necessary for Collateral Agent or Lender to proceed upon or against and/or exhaust any other security or remedy before proceeding to enforce its rights against any Borrower. Each Borrower agrees that its obligations under this Agreement and all other Borrower Documents shall be primary, absolute, continuing and unconditional, irrespective of and unaffected by any of the following actions or circumstances (regardless of any notice to or consent of such Borrower): (i) the genuineness, validity, regularity and enforceability of the Borrower Documents; (ii) any extension, renewal, amendment, change, waiver or other modification of the Borrower Documents or any other document; (iii) the absence of, or delay in, any action to enforce the Borrower Documents; (iv) Collateral Agent's or Lender's failure or delay in obtaining any other guaranty of the Obligations; (v) the release of, extension of time for payment or performance by, or any other indulgence granted to any Borrower or any other person with respect to the Obligations by operation of law or otherwise; (vi) the existence, value, condition, loss, subordination or release (with or without substitution) of, or failure to have title to or perfect and maintain a security interest in, or the time, place and manner of any sale or other disposition of any Collateral or security given in connection with the Obligations, or any other impairment (whether intentional or negligent, by operation of law or otherwise) of the rights of Borrowers; (vii) any Borrower's voluntary or involuntary bankruptcy, assignment for the benefit of creditors, reorganization, or similar proceedings affecting such Borrower or any of its assets; or (viii) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor. Each Borrower further waives any right of subrogation, reimbursement, exoneration, contribution, indemnification, setoff or other recourse in respect of sums paid to Collateral Agent or Lender by any Borrower, until all the Obligations have been paid in full. Each Borrower unconditionally and irrevocably (i) waives and agrees not to assert any and all rights, benefits and defenses which might otherwise be available under the laws of the State of New York which might operate, contrary to such Borrower's agreements in the Borrower Documents, to limit such Borrower's liability under, or the enforcement of, the Borrower Documents; (ii) waives the benefits of any statutory provision limiting the right of Collateral Agent or Lender to recover a deficiency judgment, or to otherwise proceed, against any person or entity obligated for the payment of the Obligations, after any foreclosure or trustee's sale of any collateral securing payment of the Obligations; (iii) covenants that the Loan Documents will not be discharged until all of the Obligations are fully satisfied; (iv) agrees that the Borrower Documents shall remain in full effect without regard to, and shall not be affected or impaired by, any invalidity, irregularity or unenforceability in whole or in part of any of the Loan Documents, or any limitation of the liability of any Borrower thereunder, or any limitation on the method or terms of payment thereunder which may now or hereafter be caused or imposed in any manner whatsoever; and (v) waives and relinquishes any right such Borrower now has or may hereafter acquire to revoke the Borrower Documents or any provision thereof.

(c) Each Borrower represents and warrants that (i) each Borrower is an affiliate of each other, (ii) each Borrower is subject to the same control, directly or indirectly, of each other Borrower, and (iii) each Borrower is financially interdependent on each other. As a result of such common control, each Borrower acknowledges and agrees that a common enterprise exists and that each Borrower will receive consideration for its execution and delivery of the Borrower Documents.

Section 2.08. Security. The obligations of Borrowers to make the Loan Payments and to make any other payments required hereunder or under any other Borrower Document and to perform or observe the covenants and agreements contained herein and in all other Borrower Document shall be secured by, among other things, a lien on the Collateral pursuant to this Agreement and the Mortgages and by certain other documents executed and delivered in connection herewith.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.01. Conditions of Closing. Lender's agreement to make the Loan and to disburse the Loan Proceeds shall be subject to the condition precedent that Lender shall have received all of the following, each in form and substance satisfactory to Lender:

- (a) This Agreement, properly executed on behalf of Borrowers, and each of the Exhibits hereto properly completed.
- (b) The Promissory Notes, properly executed on behalf of Borrowers.
- (c) Each Mortgage, properly executed on behalf of the applicable Borrower.
- (d) The Environmental Indemnity Agreement, properly executed on behalf of the Credit Parties.
- (e) The Guaranty Agreement, properly executed on behalf of Guarantors.
- (f) The Security Agreement, properly executed on behalf of Apio, Cal Ex and GreenLine Logistics.
- (g) A Subordination Agreement, properly executed on behalf of Tenant.
- (h) A certificate of the Secretary or an Assistant Secretary of each Credit Party, certifying as to (i) the resolutions of the board of directors or consent of the members or managers of such Credit Party, authorizing the execution, delivery and performance of the Loan Documents, (ii) the Organizational Documents of such Credit Party, and (iii) the signatures of the officers or agents of such Credit Party authorized to execute and deliver the Borrower Documents on behalf of such Credit Party.
- (i) Currently certified copies of the articles of incorporation or organization of each Credit Party.
- (j) A Certificate of Good Standing issued as to each Credit Party by the Secretary of State of the state of such Credit Party's organization not more than 30 days prior to the date hereof.
- (k) Financing statements authorized by each Borrower, as debtor, and naming Collateral Agent, as secured party.
- (l) An environmental engineering report for the each Property prepared by an engineer engaged by Lender after consultation with Borrowers and at Borrowers' expense, which environmental engineering report shall be in form and substance acceptable to Lender.

(m) Certificates of the insurance required hereunder, containing a lender's loss payable clause or endorsement in favor of Lender.

(n) An as built ALTA survey of each Property, in form and substance acceptable to Lender.

(o) An ALTA (or equivalent) mortgagee policy of title insurance with respect to each Property, with reinsurance and endorsements as Lender may require, containing no exceptions to title (printed or otherwise) which are unacceptable to Lender, and insuring that the related Mortgage is a first-priority lien on such Property. Without limitation, such policy shall (i) be in the ALTA 2006 form (deleting arbitration, if permissible) or, if not available, the form commonly used in the State, insuring Collateral Agent and its successors and assigns; and (ii) include the following endorsements and/or affirmative coverages: (A) ALTA 9 Comprehensive, (B) Survey, (C) Access, (D) Environmental Protection Lien, (E) Subdivision, (F) Contiguity (as applicable), (G) Tax Parcel, (H) Address and Improvement, (I) Usury, (J) Tax Sale (as applicable), (K) Doing Business, (L) First Loss, (M) Tie-In (except with respect to the Property located in Hanover, Pennsylvania), and (N) ALTA 3.1 Zoning (with additional coverage for number and type of parking spaces). Such mortgagee policies of title insurance shall be in the following amounts: (a) \$14,586,000 for the Property located in California, (b) \$1,904,000 for the Property located in Ohio, (c) \$1,041,250 for the Property located in Pennsylvania and (d) \$425,000 for the Property located in South Carolina.

(p) An appraisal of each Property addressed to Lender, in form and substance acceptable to Lender and prepared by an MAI certified appraiser acceptable to Lender in conformance with the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

(q) Current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against any Borrower, (ii) no financing statements have been filed and remain in effect against any Borrower relating to the Collateral except those financing statements filed by Lender, and (iii) all financing statements necessary to perfect the lien on the Collateral have been filed.

(r) An opinion of counsel to Credit Parties, addressed to Lender and Collateral Agent, in form and substance acceptable to Lender.

(s) Payment of all previously documented Lender's fees, commissions and expenses required by Section 11.01 hereof.

(t) Any other documents or items required by Lender.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWERS

Each Borrower represents, warrants and covenants for the benefit of Lender and Collateral Agent, as follows:

(a) Apio is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, Apio Cooling is a limited partnership duly organized, validly executing and in good standing under the laws of the State of California, GreenLine Foods is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio and GreenLine SC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Ohio. Each Borrower has power to enter into the Borrower Documents and by proper action has duly authorized the execution and delivery of the Borrower Documents. Each Borrower is in good standing and is duly licensed or qualified to transact business in the state of its respective organization and in all jurisdictions where the character of the property owned or leased or the nature of the business transacted by it makes such licensing or qualification necessary. Each Borrower's exact legal name is as set forth on the execution page hereof.

(b) Each Borrower has been fully authorized to execute and deliver the Borrower Documents under the terms and provisions of the resolution of its board of directors or consent of its managers or members, as the case may be, or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of the Borrower Documents and the Borrower Documents have been duly authorized, executed and delivered.

(c) The officer of each Borrower executing the Borrower Documents has been duly authorized to execute and deliver the Borrower Documents.

(d) The Borrower Documents constitute valid and legally binding obligations of each Borrower, enforceable against such Borrower in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

(e) The execution and delivery of the Borrower Documents, the consummation of the transactions contemplated hereby and the fulfillment of the terms and conditions hereof do not and will not violate any law, rule, regulation or order, the violation of which could reasonably be expected to have a material adverse effect on the financial condition, operations or business of Borrowers taken as a whole, conflict with or result in a breach of any of the terms or conditions of any Organizational Document of such Borrower or conflict with or result in a breach of any restriction or of any agreement or instrument to which such Borrower is now a party and do not and will not constitute a default under any of the foregoing or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of such Borrower contrary to the terms of any instrument or agreement.

(f) The authorization, execution, delivery and performance of this Agreement by each Borrower do not require submission to, approval of, or other action by any governmental authority or agency, which action with respect to this Agreement has not been taken and which is final and nonappealable.

(g) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of any Borrower's knowledge, threatened against or affecting any Borrower, challenging any Borrower's authority to enter into the Borrower Documents or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of the Borrower Documents or any other transaction of any Borrower which is similar hereto, or could reasonably be expected to cause a material adverse effect on the financial condition, operations or business of Borrowers taken as a whole.

(h) Each Property is properly zoned for its current and anticipated use and the use of such Property will not violate any applicable zoning, land use, environmental or similar law or restriction. Except for the licenses and permits set forth in Schedule IV(h) hereto (collectively, the "GreenLine Permits"), Borrowers have all licenses and permits to use the Real Estate Collateral.

(i) Borrowers have furnished to Lender the Reports (as defined in the Environmental Indemnity Agreement). Except as disclosed to Lender in the Report, no Borrower has received any notification of any kind suggesting that any Property or any adjacent property is or may be contaminated with any Hazardous Waste or Materials or is or may be required to be cleaned up in accordance with any applicable law or regulation; and each Borrower further represents and warrants that, except as previously disclosed to Lender and Collateral Agent in writing, to the best of its knowledge as of the date hereof after due and diligent inquiry, there are no Hazardous Waste or Materials located in, on or under any Property or any adjacent property, or incorporated in any improvements, nor has any Property or any adjacent property ever been used as a landfill or a waste disposal site, or a manufacturing, handling, storage, distribution or disposal facility for Hazardous Waste or Materials. Each Borrower has obtained all permits, licenses and other authorizations which are required under any Environmental Laws at such Borrower's facilities or in connection with the operation of its facilities. Except as previously disclosed to Lender and Collateral Agent in writing, Borrowers and all activities of Borrowers at their respective facilities comply with all Environmental Laws and with all terms and conditions of any required permits, licenses and authorizations applicable to Borrowers with respect thereto. Except as previously disclosed to Lender and Collateral Agent in writing, Borrowers are also in compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or notice of which Borrowers are aware, the noncompliance with which could reasonably be expected to cause a material adverse effect on the financial condition, operations or business of Borrowers taken as a whole. Except as previously disclosed to Lender and Collateral Agent in writing, no Borrower is aware of, and no Borrower has received notice of, any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with, or which may give rise to any liability under, any Environmental Laws.

(j) Borrowers has heretofore furnished to Lender (i) the audited consolidated financial statements of Landec and its subsidiaries dated May 29, 2011, (ii) the audited consolidated financial statements of GreenLine Holding and its subsidiaries dated December 26, 2010, (iii) the unaudited consolidated financial statements of Landec and its subsidiaries for the months ended February 26, 2012, and (iv) the unaudited consolidated financial statements of GreenLine Holding and its subsidiaries for the months ended February 19, 2012, and those statements fairly present the financial condition of Borrowers and Guarantors on the dates thereof and the results of its operations and cash flows for the periods then ended and were prepared in accordance with GAAP (except as otherwise expressly noted therein, subject to, in the case of the unaudited interim financial statements, normal year-end adjustments and the lack of footnote disclosures). Since (a) May 29, 2011, with respect to Landec and its subsidiaries, and (b) December 26, 2010, with respect to GreenLine Holding and its subsidiaries, there has been no material adverse change in the business, properties or financial condition of such entities taken as a whole.

(k) Except as set forth in Schedule IV(k) hereof, Borrowers have paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by them. Except as set forth in Schedule IV(k) hereof, Borrowers have filed all federal, state and local tax returns which are required to be filed, and Borrowers have paid or caused to be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by them to the extent such taxes have become due.

(l) All financial and other information provided to Lender by or on behalf of any Credit Party in connection with Borrowers' request for the Loan contemplated hereby is true and correct in all material respects and no Credit Party has omitted to provide Lender with any information which would be material to Lender's decision to enter into this Agreement and, as to projections, valuations or pro forma financial statements, present a good faith opinion as to such projections, valuations and pro forma condition and results.

(m) Borrowers have authorized Lender and Collateral Agent to file financing statements, and such financing statements when filed will be sufficient to perfect the security interest created pursuant to this Agreement. When such financing statements are filed in the offices noted therein, Collateral Agent will have a valid and perfected security interest in the Collateral, subject to no other Lien other than Permitted Liens. None of the Collateral constitutes a replacement of, substitution for or accessory to any property of any Borrower subject to a Lien. Borrowers own the Collateral subject to no Liens except for the Liens created hereby and by the Mortgages, the Permitted Exceptions and the Permitted Liens.

(n) No person other than Borrowers and Tenants are in occupancy or possession of any portion of any Property.

(o) Neither any Credit Party nor any individual or entity owning directly or indirectly any interest in any Credit Party is an individual or entity whose property or interests are subject to being "blocked" under any of the Terrorism Laws or is otherwise in violation of any of the Terrorism Laws.

ARTICLE V

TITLE TO COLLATERAL; SECURITY INTEREST

Section 5.01. Title to Collateral. Borrowers shall have good, marketable and insurable title in fee simple to all Collateral that is real property, and good title to all other Collateral. Borrowers will at all times protect and defend, at their own cost and expense, such title from and against all Liens and legal processes of creditors of Borrowers, and keep all Collateral free and clear of all such Liens and processes other than Liens created hereby and by the Mortgages, the Permitted Exceptions and the Permitted Liens.

Section 5.02. Security Interest in Collateral. This Agreement is intended to constitute a security agreement within the meaning of the UCC. As security for the Obligations, Borrowers hereby grant to Collateral Agent, for the benefit of Lender, a security interest constituting a first lien on the Collateral, subject to Permitted Liens. Borrowers ratify their previous authorization for Lender or Collateral Agent to pre-file UCC financing statements and any amendments thereto describing the Collateral and containing any other information required by the applicable UCC. Borrowers authorize Collateral Agent, and hereby grant Collateral Agent a power of attorney (which is coupled with an interest), to file financing statements and amendments thereto describing the Collateral and containing any other information required by the applicable UCC and all proper terminations of the filings of other secured parties with respect to the Collateral, in such form and substance as Collateral Agent, in its sole discretion, may determine. Borrowers agree to execute such additional documents, including demands for terminations, assignments, affidavits, notices and similar instruments, in form satisfactory to Collateral Agent, and take such other actions that Collateral Agent deems necessary or appropriate to establish and maintain the security interest created by this Section, and each Borrower hereby designates and appoints Collateral Agent as its agent, and grants to Collateral Agent a power of attorney (which is coupled with an interest), to execute on behalf of such Borrower such additional documents and to take such other actions. Each Borrower hereby waives any right that such Borrower may have to file with the applicable filing officer any financing statement, amendment, termination or other record pertaining to the Collateral and/or Collateral Agent's interest therein.

Section 5.03. Change in Name or Corporate Structure of any Borrower; Change in Location of any Borrower's Chief Executive Office or Principal Executive Office. Each Borrower's chief executive office and principal executive office are located at the address set forth on Schedule 5.03, and all of such Borrower's records relating to its business and the Collateral are kept at such location. Borrowers hereby agree to provide written notice to Collateral Agent and Lender of any change or proposed change in its name, corporate structure, chief executive office or principal executive office or change or proposed change in the location of the Real Estate Collateral or any material portion of the Equipment Facility Collateral. Such notice shall be provided ten days in advance of the date that such change or proposed change is planned to take effect.

Section 5.04. Liens. No Borrower shall, directly or indirectly, create, incur, assume or suffer to exist any Lien on or with respect to the Collateral except for the Lien created hereby or by the Mortgages, the Permitted Exceptions or the Permitted Liens. Borrowers shall promptly, at their own expense, take such action as may be necessary duly to discharge or remove any such Lien. Borrowers shall reimburse Collateral Agent and Lender for any expenses incurred by Collateral Agent or Lender to discharge or remove any Lien.

Section 5.05. Assignment of Insurance. As additional security for the Obligations, Borrowers hereby assign to Collateral Agent, for the benefit of Lender, any and all moneys (including, without limitation, proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of Borrowers with respect to, any and all policies of insurance now or at any time hereafter covering the Real Estate Collateral or any evidence thereof or any business records or valuable papers pertaining thereto, and Borrowers hereby direct the issuer of any such policy to pay all such moneys directly to Collateral Agent. Borrowers hereby assign to Collateral Agent any and all moneys due or to become due with respect to any condemnation proceeding affecting the Collateral. At any time, whether before or after the occurrence and during the continuance of any Event of Default, Collateral Agent may (but need not), in Collateral Agent's name or in any Borrower's name, execute and deliver proof of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy or party in any condemnation proceeding.

Section 5.06. Collateral Agent. By accepting the benefits of this Agreement, Lender appoints Collateral Agent as its collateral agent under and for the purposes of the Collateral Agent Documents. Lender authorizes Collateral Agent to act on behalf of Lender under the Collateral Agent Documents and to exercise such powers thereunder as are specifically delegated to or required of Collateral Agent by the terms thereof, together with such powers as may be reasonably incidental thereto. Without limiting the provisions of any Collateral Agent Document, neither Collateral Agent nor the directors, officers, employees or agents thereof shall be liable to Lender (and Lender will hold Collateral Agent harmless) for any action taken or omitted to be taken by it under any Collateral Agent Document, or in connection therewith, except for willful misconduct or gross negligence of Collateral Agent, or responsible for any recitals or warranties therein, or for the effectiveness, enforceability, validity or due execution of any Collateral Agent Document, or for the creation, perfection or priority of any lien created by any Collateral Agent Document, or the validity, genuineness, enforceability, existence, value or sufficiency of any collateral security, or to make any inquiry respecting the performance by Borrowers of their obligations hereunder.

ARTICLE VI

AFFIRMATIVE COVENANTS OF BORROWERS

So long as the Loan shall remain unpaid, Borrowers will comply with the following requirements:

Section 6.01. Reporting Requirements. Borrowers will deliver, or cause to be delivered, to Lender each of the following, which shall be in form and detail acceptable to Lender:

(a) as soon as available, and in any event within 90 days after the end of each fiscal year of Landec, audited consolidated financial statements of Landec and its subsidiaries with the unqualified opinion of independent certified public accountants selected by Landec and reasonably acceptable to Lender, which annual financial statements shall include the consolidated balance sheet of Landec and its subsidiaries as at the end of such fiscal year and the related consolidated statements of income, retained earnings and cash flows of Landec and its subsidiaries for the fiscal year then ended, all in reasonable detail and prepared in accordance with GAAP, together with (i) a report signed by such accountants stating that in making the investigations necessary for said opinion they obtained no knowledge, except as specifically stated, of any Default or Event of Default hereunder; and (ii) a certificate of the chief financial officer of Landec in the form of Exhibit C hereto stating that such financial statements have been prepared in accordance with GAAP and whether or not such officer has knowledge of the occurrence of any Default or Event of Default hereunder and, if so, stating in reasonable detail the facts with respect thereto;

(b) as soon as available and in any event within 45 days after the end of each fiscal quarter of Landec, an unaudited/internal consolidated balance sheet and statements of income and retained earnings of Landec and its subsidiaries as at the end of and for such quarter and for the year to date period then ended, in reasonable detail and stating in comparative form the figures for the corresponding date and periods in the previous year, all prepared in accordance with GAAP and certified by the chief financial officer of Landec, subject to year-end audit adjustments; and accompanied by a certificate of that officer in the form of Exhibit C hereto stating (i) that such financial statements have been prepared in accordance with GAAP, and (ii) whether or not such officer has knowledge of the occurrence of any Default or Event of Default hereunder not theretofore reported and remedied and, if so, stating in reasonable detail the facts with respect thereto;

(c) as promptly as practicable (but in any event not later than ten Business Days) after an officer of any Borrower obtains knowledge of the occurrence of any event that constitutes a Default or an Event of Default hereunder, notice of such occurrence, together with a detailed statement by a responsible officer of such Borrower of the steps being taken by Borrowers to cure the effect of such Default or Event of Default;

(d) promptly upon knowledge thereof, notice of any loss or destruction of or damage to any Collateral having a fair market value in excess of \$100,000 or of any material adverse change in any Collateral;

(e) promptly upon knowledge thereof, notice of any violation by any Borrower of any law, rule or regulation, the noncompliance with which could reasonably be expected to cause a material adverse effect on its financial condition, operations or business of Borrowers taken as a whole; and

(f) promptly upon knowledge thereof, notice of any material adverse change in the financial or operating condition of any Credit Party.

Notwithstanding anything in this Section to the contrary, Credit Parties shall be deemed to have satisfied the obligations in clauses (a) and (b) of this Section (other than the obligation to provide a certificate of the chief financial officer of Landec) on the date on which Landec posts such documents, or provides a link thereto on Landec's website on the internet at the website address www.landec.com (or any successor page notified to Lender). Furthermore, documents required to be delivered pursuant to clauses (a) and (b) of this Section may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System.

Section 6.02. Books and Records; Inspection and Examination. Each Borrower will keep accurate books of record and account for itself pertaining to the Collateral and pertaining to such Borrower's business and financial condition and such other matters as Lender may from time to time request in which true and complete entries will be made in accordance with GAAP and, upon request of Lender, will permit any officer, employee, attorney or accountant for Lender to audit, review, make extracts from, or copy any and all corporate and financial books, records and properties of such Borrower at all times during ordinary business hours, and to discuss the affairs of such Borrower with any of its directors, officers, employees or agents. Borrowers will permit Lender, or its employees, accountants, attorneys or agents, to examine and copy any or all of their records and to examine and inspect the Collateral at any time during Borrowers' business hours.

Section 6.03. Compliance With Laws. Borrowers will (a) comply with the requirements of applicable laws and regulations, the noncompliance with which could reasonably be expected to cause a material adverse effect on their financial condition, operations or business and (b) use and keep the Collateral, and will require that others use and keep the Collateral, only for lawful purposes, without violation of any federal, state or local law, statute or ordinance. Borrower shall secure all permits and licenses, if any, necessary for the installation and operation of the Collateral. Borrowers shall comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each portion of the Collateral) with all laws of the jurisdictions in which its operations involving any portion of the Collateral may extend and of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over any portion of the Collateral or its interest or rights under this Agreement, the noncompliance with which could reasonably be expected to cause a material adverse effect on its financial condition, operations or business of Borrowers taken as a whole.

Section 6.04. Environmental Compliance. Borrowers shall promptly comply with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, treatment, disposal, storage, control, removal or cleanup of Hazardous Waste or Materials in, on or under the Properties or any adjacent property, or incorporated in any improvements, at Borrowers' expense. In the event that Lender or Collateral Agent at any time believes, in its sole but reasonable discretion, that any Property is not free of all Hazardous Waste or Materials other than Permitted Substances (as defined in the Environmental Indemnity Agreement) or that any Borrower has violated any applicable Environmental Laws with respect to any Property, then, upon request by Lender or Collateral Agent, Borrowers promptly shall obtain and furnish to Lender and Collateral Agent, at Borrowers' sole cost and expense, an environmental audit and inspection of such Property from an expert satisfactory to Lender and Collateral Agent in their sole but reasonable discretion. In the event that Borrowers fail to promptly obtain such audit or inspection, Lender or Collateral Agent or its agents may perform or obtain such audit or inspection at Borrowers' sole cost and expense. Lender and Collateral Agent may, but are not obligated to, enter upon any Property and take such actions and incur such costs and expenses to effect such compliance as they deem advisable to protect their interest in such Property; and whether or not any Borrower has actual knowledge of the existence of Hazardous Waste or Materials on such Property or any adjacent property as of the date hereof, Borrowers shall reimburse Lender and Collateral Agent as provided herein for the full amount of all reasonable costs and expenses incurred by Lender or Collateral Agent prior to Collateral Agent acquiring title to any Property through foreclosure or acceptance of a deed in lieu of foreclosure, in connection with such compliance activities. Neither this provision nor any provision herein or in the Mortgages or related documents shall operate to put Lender or Collateral Agent in the position of an owner of any Property prior to any acquisition of such Property by Lender or Collateral Agent. The rights granted to Lender and Collateral Agent herein and in the Mortgages or related documents are granted solely for the protection of Collateral Agent's lien and security interest covering the Properties and do not grant to Lender and Collateral Agent the right to control any Borrower's actions, decisions or policies regarding Hazardous Waste or Materials.

Section 6.05. Payment of Taxes and Other Claims. Borrowers will pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon them or upon their income or profits, upon any properties belonging to them (including, without limitation, the Collateral) or upon or against the creation, perfection or continuance of the lien created pursuant to this Agreement or the Mortgages, prior to the date on which penalties attach thereto, (b) all federal, state and local taxes required to be withheld by them, and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of any Borrower; provided, that Borrowers shall not be required to pay any Contested Taxes. Borrowers will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Collateral (other than Contested Taxes), as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Collateral.

Section 6.06. Preservation and Maintenance of Collateral. Borrowers (a) shall, at their own expense, maintain, preserve and keep the Collateral in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Collateral in such condition, and in compliance with state and federal laws, ordinary wear and tear excepted, (b) shall not commit waste or permit impairment or deterioration of the Collateral, (c) shall not abandon the Collateral, (d) shall restore or repair promptly and in a good and workmanlike manner all or any portion of the Collateral to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (e) shall keep all improvements and fixtures on the Properties, in good repair and shall replace fixtures and equipment on the Properties when necessary to keep such items in good repair, (f) shall generally operate and maintain the Properties in a manner to ensure maximum rentals, and (g) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Collateral, the security of this Agreement or the Mortgages or the rights or powers of Lender hereunder or thereunder. Neither any Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Properties or any fixture in or on the Properties except when incident to the replacement of fixtures with items of like kind. In the event that any portion of the Collateral become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, Borrowers, at their own expense and expeditiously, will replace or cause the replacement of such portion by replacement property free and clear of all liens and encumbrances and with a value and utility at least equal to that of the property being replaced (assuming that such replaced portions were otherwise in good working order and repair). All such replacement property shall be deemed to be incorporated immediately into and to constitute an integral portion of the Collateral and, as such, shall be subject to the terms of this Agreement and the Mortgages. Neither Lender nor Collateral shall have any responsibility in any of these matters, or for the making of improvements or additions to the Collateral.

Each Borrower represents, warrants and covenants that the Properties are and shall be in compliance with the Americans with Disabilities Act of 1990 and all of the regulations promulgated thereunder to the extent applicable to the Properties, as the same may be amended from time to time.

Section 6.07. Insurance. (a) Borrowers shall obtain and maintain the following types of insurance upon and relating to the Real Estate Collateral:

(i) "Special Form" property and fire insurance (with extended coverage endorsement including malicious mischief and vandalism) in an amount not less than the full replacement value of the Collateral (with a deductible not to exceed \$100,000), naming Collateral Agent under a lender's loss payable endorsement naming Collateral Agent as mortgagee and loss payee and including agreed amount, inflation guard, replacement cost and waiver of subrogation endorsements;

(ii) Commercial general liability insurance in an amount not less than \$2,000,000 per occurrence and on an occurrence basis, insuring against personal injury, death and property damage and naming Collateral Agent and Lender as additional insureds;

(iii) Business interruption insurance or rent loss insurance, as applicable, covering loss of rental (including all expenses payable by tenants) for up to six months in an amount of up to \$5,126,000;

(iv) Flood hazard insurance with respect to each Property in amounts not less than the maximum limit of coverage then available with respect to such Property or the amount of such Property, whichever is less if such Property is located in an area designated by the Federal Emergency Management Act or is hereafter designated or identified as an area having special flood hazards by the Department of Housing and Urban Development or such other official as shall from time to time be authorized by federal or state law to make such designation pursuant to any national or state program of flood insurance; and

(v) Such other types of insurance or endorsements to existing insurance as may be required from time to time by Lender or Collateral Agent.

(b) Upon the request of Lender or Collateral Agent, Borrowers shall increase the coverages under any of the insurance policies required to be maintained hereunder or otherwise modify such policies in accordance with Lender's standard commercial lending practices.

(c) All of the insurance policies required hereunder shall be issued by corporate insurers licensed to do business in the state in which each Property is located and having a Best's Rating-Financial Size Rating of A:VIII or better as determined and published by A.M. Best Company and shall be in form acceptable to Lender and Collateral Agent. Certificates of all insurance required to be maintained hereunder shall be delivered to Lender and Collateral Agent (which may include the requirement of an Acord 28 "Evidence of Property Insurance" form as to property insurance) prior to or contemporaneously with Borrowers' execution of this Agreement. All such certificates shall be in form reasonably acceptable to Lender and Collateral Agent and with respect to property insurance shall require the insurance company to give to Collateral Agent at least 30 days' prior written notice before canceling the policy for any reason or materially amending it. In addition, with respect to any liability policies Borrowers' insurance broker shall endeavor to provide Collateral Agent 30 days' prior written notice of cancellation or non-renewal (other than cancellation or non-renewal based on non-payment of premium) and 10 days prior written notice for cancellation or non-renewal based on non-payment of premium. Certificates evidencing all renewal and substitute policies of insurance shall be delivered to Collateral Agent at least 15 days before termination of the policies being renewed or substituted. If any loss shall occur at any time after the occurrence and during the continuance of an Event of Default, Collateral Agent shall be entitled to the benefit of all insurance policies held or maintained by Borrowers, to the same extent as if same had been made payable to Collateral Agent, and upon foreclosure under the Mortgages, Collateral Agent shall become the owner thereof. Lender and Collateral Agent shall have the right, but not the obligation, to make premium payments, at Borrowers' expense, to prevent any cancellation, endorsement, alteration or reissuance of any policy of insurance maintained by any Borrower, and such payments shall be accepted by the insurer to prevent same.

(d) As among Lender, Collateral Agent and Borrowers, Borrowers assume all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any portion of the Collateral and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of any Borrower or of third parties, and whether such property damage be to any Borrower's property or the property of others. Whether or not covered by insurance, Borrowers hereby assume responsibility for and agrees to reimburse Lender and Collateral Agent for and will indemnify, defend and hold Lender and Collateral Agent harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lender or Collateral Agent that in any way relate to or arise out of this Agreement, the transactions contemplated hereby and the Collateral, including but not limited to, (i) the selection, manufacture, construction, purchase, acceptance or rejection of the Collateral or the ownership of the Collateral, (ii) the delivery, lease, possession, maintenance, use, condition, return or operation of the Collateral, (iii) the condition of the Collateral sold or otherwise disposed of after possession by any Borrower, (iv) any patent or copyright infringement, (v) the conduct of any Borrower, its officers, employees and agents, (vi) a breach of any Borrower of any of its covenants or obligations under any Borrower Document and (vii) any claim, loss, cost or expense involving alleged damage to the environment relating to the Collateral, including, but not limited to investigation, removal, cleanup and remedial costs. All amounts payable by Borrowers pursuant to the immediately preceding sentence shall be paid within ten (10) days after written demand of Lender or Collateral Agent, as the case may be. This provision shall survive the termination of this Agreement.

Section 6.08. *Preservation of Existence.* Subject to the proviso set forth in Section 7.02 hereof, each Borrower will preserve and maintain its existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business; and shall conduct its business in an orderly, efficient and regular manner.

Section 6.09. *Performance by Lender.* If any Borrower at any time fails to perform or observe any of the covenants or agreements contained in any Borrower Document, and if such failure shall continue for a period of 10 calendar days after Lender or Collateral Agent gives such Borrower written notice thereof (or in the case of the agreements contained in Sections 6.06 and 6.07 hereof, immediately upon the occurrence of such failure, without notice or lapse of time), Lender or Collateral Agent may, but need not, perform or observe such covenant on behalf and in the name, place and stead of such Borrower (or, at Lender's or Collateral Agent's option, in Lender's or Collateral Agent's name) and may, but need not, take any and all other actions which Lender or Collateral Agent may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments); and Borrowers shall thereupon pay to Lender and Collateral Agent within ten (10) days after written demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender or Collateral Agent in connection with or as a result of the performance or observance of such agreements or the taking of such action by Lender or Collateral Agent, together with interest thereon from the date expended or incurred at the lesser of 10% per annum or the highest rate permitted by law. To facilitate the performance or observance by Lender and Collateral Agent of such covenants of Borrowers, each Borrower hereby irrevocably appoints Lender and Collateral Agent, or the delegate of Lender or Collateral Agent, acting alone, as the attorney in fact of such Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of such Borrower any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by such Borrower under this Agreement.

Section 6.10. GreenLine Permits. Borrowers shall provide Collateral Agent with evidence of obtaining all of the GreenLine Permits, the form and substance of which shall be acceptable in Collateral Agent's sole but reasonable discretion, within 30 days of the Closing Date; *provided, however*, that, if Borrowers are unable to obtain the GreenLine Permits within such 30-day period and are diligently pursuing the receipt of the same, Borrowers shall have an additional 30-day period to obtain the GreenLine Permits. The failure of Borrowers to comply with this Section or otherwise obtain the GreenLine Permits within 60 days of the Closing Date shall constitute an immediate Event of Default hereunder.

ARTICLE VII

NEGATIVE COVENANTS OF BORROWERS

So long as the Loan shall remain unpaid, Borrowers agree that:

Section 7.01. Sale of Assets. No Borrower will sell, lease, assign, transfer or otherwise dispose of all or a substantial part of its assets or of any of the Real Estate Collateral or any interest therein (whether in one transaction or in a series of transactions).

Section 7.02. Consolidation and Merger. No Borrower will consolidate with or merge into any person, or permit any other person to merge into it or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person; *provided, however*, notwithstanding the foregoing or any other provision in this Agreement or any other Loan Document to the contrary, (i) GreenLine Logistics may merge into Apio with the survivor being Apio; and (ii) GreenLine SC may merge into GreenLine Foods with the survivor being GreenLine Foods and GreenLine Holding and GreenLine Foods may merge into Apio with Apio being the survivor thereof (the "Merger"), provided that Borrowers provide Lender with the following items in form and substance acceptable to Lender:

- (a) An assignment and assumption agreement (the "Assignment"), properly executed on behalf of Credit Parties and a memorandum of which for recordation in the real estate records of Wood County, Ohio, York County, Pennsylvania and York County, South Carolina.
- (b) A certificate of the Secretary or an Assistant Secretary of Apio certifying as to (i) the resolutions of Apio, authorizing the execution, delivery and performance of the Assignment and any related documents, (ii) the bylaws of Apio, and (iii) the signatures of the officers or agents of Apio authorized to execute and deliver the Assignment and other instruments, agreements and certificates on behalf of Apio.
- (c) Currently certified copies of the Article of Incorporation of Apio, including evidence of the Merger.

- (d) A Certificate of Good Standing issued as to Apio by the Secretary of the State of the States of California, Ohio, Pennsylvania and South Carolina not more than 30 days after the date of the Merger.
- (e) Financing statements authorized by Apio, as debtor, and naming Collateral Agent, as secured party.
- (f) Current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against Apio, (ii) no financing statements have been filed and remain in effect against Apio relating to the Collateral except those financing statements filed by Lender, and (iii) all financing statements necessary to perfect the security interest created pursuant to this Agreement have been filed.
- (g) An opinion of counsel to Apio, addressed to Lender and Collateral Agent.
- (h) Date down and mortgage modification endorsements to Collateral Agent's tile insurance policies insuring the liens of the Mortgages against the Properties located in Ohio, Pennsylvania and South Carolina.
- (i) Payment of Lender's expenses incurred in connection with the Merger.
- (j) Any other documents or items reasonably required by Lender.

Section 7.03. Accounting. No Borrower will adopt, permit or consent to any material change in accounting principles other than as required by GAAP. No Borrower will adopt, permit or consent to any change in its fiscal year.

Section 7.04. Modifications and Substitutions. Except for the enclosure of the 30,000 square foot portion of the Property located in California as previously disclosed to Lender, no Borrower shall make any material alterations, modifications or additions to, or substitutions of, the Real Estate Collateral without the prior written consent of Lender (such consent not to be unreasonably withheld or delayed); *provided, however*, that any substitutions made pursuant to Borrowers' obligations to make repairs referenced under any provision of this Agreement shall not require such prior written consent. Borrowers shall provide such documents or assurances as Lender may reasonably request to maintain or confirm the lien in favor of Lender on the Real Estate Collateral as so altered, modified or substituted.

Section 7.05. Use of Property. Unless required by applicable law or unless Lender has otherwise agreed in writing, no Borrower shall allow changes in the use for which all or any part of any Property was intended at the time this Agreement was executed. No Borrower shall, without Lender's prior written consent, (a) initiate or acquiesce in a change in the zoning classification (including any variance under any existing zoning ordinance applicable to any Property), (b) permit the use of any Property to become a non-conforming use under applicable zoning ordinances, (c) file any subdivision or parcel map affecting any Property, or (d) amend, modify or consent to any easement or covenants, conditions and restrictions pertaining to any Property.

ARTICLE VIII

DAMAGE AND DESTRUCTION; CONDEMNATION

Section 8.01. *Damage and Destruction.* Borrowers shall provide a complete written report to Collateral Agent and Lender immediately upon any loss, theft, damage or destruction of any Collateral and of any accident involving any Real Estate Collateral resulting in a loss of at least \$350,000. With respect to any Damaged Collateral, Borrowers shall as soon as practicable after such event either: (a) replace the same at Borrowers' sole cost and expense with property having substantially similar specifications and of equal or greater value to the Damaged Collateral immediately prior to the time of the loss occurrence, such replacement property to be subject to Collateral Agent's and Lender's approval, whereupon such replacement property shall be substituted in this Agreement and the other related documents by appropriate endorsement or amendment; or (b) with respect to Damaged Collateral involving a loss of at least \$350,000, pay the applicable Damaged Collateral Amount. With respect to Damaged Collateral involving a loss of at least \$350,000, Borrowers shall notify Collateral Agent and Lender of which course of action it will take within 30 calendar days after the loss occurrence. If, within 90 calendar days of the loss occurrence, (a) Borrowers fail to notify Collateral Agent and Lender; (b) Borrowers, Collateral Agent and Lender fail to execute an amendment to this Agreement and any related document to delete the Damaged Collateral and add the replacement property or (c) Borrowers fail to pay the applicable Damaged Collateral Amount, then Lender may, at its sole discretion, declare the applicable Damaged Collateral Amount to be immediately due and payable, and Borrowers are required to pay the same. The Net Proceeds of insurance with respect to the Damaged Collateral shall be made available by Collateral Agent to be applied to discharge Borrowers' obligation under this Section. The payment of the Damaged Collateral Amount and the termination of Collateral Agent's interest in the Damaged Collateral is subject to the terms of Section 2.07 hereof. For purposes of this Section, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim after deducting all expenses (including reasonable attorneys' fees) incurred in the collection of such claim.

Section 8.02. *Condemnation.* If the Real Estate Collateral, or any part thereof with a book value in excess of \$350,000, shall be condemned for any reason, including without limitation fire or earthquake damage, or otherwise taken for public or quasi-public use under the power of eminent domain, or be transferred in lieu thereof, all damages or other amounts awarded for the taking of, or injury to, the Real Estate Collateral shall be paid to Collateral Agent who shall have the right, in its sole and absolute discretion, to apply the amounts so received against (a) the costs and expenses of Collateral Agent and Lender, including reasonable attorneys' fees incurred in connection with collection of such amounts, and (b) the balance against the amounts due hereunder; *provided, however*, that if (i) no Event of Default shall have occurred and be continuing hereunder, (ii) Borrowers provide evidence satisfactory to Collateral Agent and Lender of its ability to pay all amounts becoming due hereunder during the pendency of any restoration or repairs to or replacement of the Real Estate Collateral, (iii) Collateral Agent determines, in its sole discretion, that the proceeds of such award are sufficient to restore, repair, replace and rebuild the Real Estate Collateral as nearly as possible to its value, condition and character immediately prior to such taking (or, if the proceeds of such award are insufficient for such purpose, if Borrowers provide additional sums to Collateral Agent's satisfaction so that the aggregate of such sums and the proceeds of such award will be sufficient for such purpose), and (iv) Borrowers provide evidence satisfactory to Collateral Agent in its sole but reasonable discretion that none of the tenants of such Property will terminate their lease agreements as a result of either the condemnation or taking or the repairs to or replacement of the Real Estate Collateral, the proceeds of such award, together with additional sums provided by Borrowers, shall be placed in a separate account for the benefit of Collateral Agent and Borrowers to be used to restore, repair, replace and rebuild the Real Estate Collateral as nearly as possible to its value, condition and character immediately prior to such taking. All work to be performed in connection therewith shall be pursuant to a written contract therefor, which contract shall be subject to the prior approval of Collateral Agent. To the extent that any funds remain after the Real Estate Collateral has been so restored and repaired, the same shall be applied against the amounts due hereunder in such order as Collateral Agent and Lender may elect. To enforce their rights hereunder, Collateral Agent and Lender shall be entitled to participate in and control any condemnation proceedings relating to any portion of the Real Estate Collateral with a book value of at least \$350,000 and to be represented therein by counsel of their own choice, and Borrowers will deliver, or cause to be delivered to Collateral Agent and Lender such instruments as may be requested by them from time to time to permit such participation. In the event Lender, as a result of any such judgment, decree or award, believes in its sole but reasonable discretion that the payment or performance of the Loan is impaired, Lender may declare all of the amounts due hereunder immediately due and payable.

ARTICLE IX

ASSIGNMENT, SUBLEASING AND SELLING

Section 9.01. Assignment by Lender. This Agreement, and the obligations of Borrowers to make payments hereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lender at any time subsequent to its execution, without the necessity of obtaining the consent of any Borrower; *provided, however*, that no such assignment or reassignment shall be effective unless and until Borrowers shall have received notice of the assignment or reassignment disclosing the name and address of the assignee or subassignee. Upon receipt of notice of assignment, Borrowers shall agree to make all payments to the assignee designated in the notice of assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Borrowers may from time to time have against Lender or the assignee. Borrowers agree to execute all documents, including notices of assignment and chattel mortgages, which may be reasonably requested by Lender or its assignee to protect their interest in the Collateral and in this Agreement.

Section 9.02. No Sale or Assignment by Borrowers. This Agreement and the interest of Borrowers in the Collateral may not be sold, assumed, assigned or encumbered by Borrowers other than (a) in accordance with Section 7.01 hereof and (ii) by the lien created hereunder and under the Mortgages, the Permitted Exceptions and the Permitted Liens.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default. The following constitute "Events of Default" under this Agreement:

- (a) failure by Borrowers to pay to Lender when due any Loan Payment or to pay any other payment required to be paid hereunder and the continuation of such failure for a period of 10 days;
- (b) failure by Borrowers to maintain insurance on the Real Estate Collateral in accordance with Section 6.07 hereof;
- (c) failure by Borrowers to comply with the provisions of Section 5.04, 6.01, 7.01 or 7.02 hereof;
- (d) failure by any Credit Party to observe and perform any other covenant, condition or agreement contained in any Borrower Document or in any other document or agreement executed in connection herewith on its part to be observed or performed for a period of 30 days after written notice is given to such Credit Party specifying such failure and directing that it be remedied; *provided, however*, that, if the failure stated in such notice cannot be corrected within such 30-day period, Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Credit Parties, within the applicable period and diligently pursued until the default is corrected;
- (e) any Credit Party shall be or become insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors; or any Credit Party shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of such Credit Party; or any Credit Party shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against any Credit Party; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of any Credit Party;
- (f) determination by Lender that any representation or warranty made by any Credit Party in any Loan Document or in any other document executed in connection herewith was untrue in any material respect when made;
- (g) an amendment or termination relating to a filed financing statement describing any of the Collateral is improperly filed;

(h) the occurrence of an event of default and the expiration of any applicable notice and cure period under the Equipment Credit Facility or the Revolving Credit Facility;

(i) the occurrence of an event of default and the expiration of any applicable notice and cure period under any instrument, agreement or other document evidencing, relating to or securing any indebtedness or other monetary obligation of any Credit Party having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$1,000,000 when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise);

(j) either Guarantor shall repudiate, purport to revoke or fail to perform such Guarantor's obligations under the Guaranty Agreement;

(k) except as otherwise provided pursuant to Section 7.02 hereof, ownership of any Borrower changes during the period that the Loan is outstanding (each Borrower hereby acknowledges that Lender has made its decision to enter into the transactions contemplated hereby based upon the management expertise of the current owners and their ownership of such Borrower); and

(l) the occurrence of an event of default and the expiration of any applicable notice and cure period under any Borrower Document or any other agreement between or among GECC and any Borrower.

Section 10.02. Remedies on Default. Whenever an Event of Default described in Section 10.01(e) hereof shall have occurred, the Prepayment Amount automatically shall be due and payable, whereupon the Prepayment Amount automatically shall become and be forthwith due and payable without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by Borrowers. Whenever any Event of Default shall have occurred, Lender and/or Collateral Agent shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial steps which are accorded to Lender by applicable law:

(a) by notice to any Borrower, declare the Prepayment Amount to be forthwith due and payable, whereupon the Prepayment Amount shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by Borrowers;

(b) proceed by appropriate court action to enforce specific performance by Borrowers of the applicable covenants of this Agreement or to recover for the breach thereof, including the payment of all amounts due from Borrowers. Borrowers shall pay or repay to Lender and Collateral Agent all costs of such action or court action, including, without limitation, reasonable attorneys' fees;

(c) exercise all rights and remedies under any Borrower Document; and

(d) take whatever action at law or in equity that may appear necessary or desirable to enforce its rights with respect to the Collateral. Borrowers shall pay or repay to Lender all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

All proceeds from any disposition of the Collateral shall be applied in the following manner:

FIRST, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Collateral, including reasonable attorneys' fees and expenses;

SECOND, to pay (i) Lender the amount of all unpaid Loan Payments or other obligations (whether direct or indirect owed by Borrowers to Lender), if any, which are then due and owing, together with interest and late charges thereon, (ii) Lender the then applicable Prepayment Amount (taking into account the payment of past-due Loan Payments as aforesaid), plus a pro rata allocation of interest, at the rate utilized to calculate the Loan Payments, from the next preceding due date of a Loan Payment until the date of payment by the buyer, and (iii) any other amounts due hereunder, including indemnity payments, taxes, charges, reimbursement of any advances and other amounts payable to Lender or Collateral Agent hereunder; and

THIRD, to pay the remainder of the sale proceeds, purchase moneys or other amounts paid by a buyer of the Collateral to Borrowers.

Notwithstanding any other remedy exercised hereunder, Borrowers shall remain obligated to pay to Lender any unpaid portion of the Prepayment Amount.

Section 10.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lender or Collateral Agent is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lender or Collateral Agent to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article. All remedies herein conferred upon or reserved to Lender or Collateral Agent shall survive the termination of this Agreement.

Section 10.04. Late Charge; Default Interest. If Lender does not receive from Borrowers payment in full of any Loan Payment or any other sum due under this Agreement or any other Loan Document within 10 days after its due date, Borrowers agree to pay a late fee equal to five percent (5%) on such late Loan Payment or other sum, but not exceeding any lawful maximum. Such late fee will be immediately due and payable, and is in addition to any other costs, fees and expenses that Borrowers may owe as a result of such late payment. Additionally, if the Loan is accelerated pursuant to Section 10.02 hereof, the amounts due and owing hereunder shall accrue interest at the lesser of 10% per annum or the highest rate not prohibited by applicable law from the date of such accelerated maturity until paid (both before and after any judgment). The application of such 10% interest rate shall not be interpreted or deemed to extend any cure period set forth in this Agreement or any other Loan Document, cure any default or otherwise limit Lender's or Collateral Agent's rights or remedies hereunder or under any Loan Document.

ARTICLE XI

MISCELLANEOUS

Section 11.01. *Costs and Expenses of Lender and Collateral Agent.* Borrowers shall pay to Lender and Collateral Agent, in addition to the Loan Payments payable by Borrowers hereunder, such amounts as shall be required by Lender or Collateral Agent in payment of any reasonable costs and expenses incurred by Lender or Collateral Agent in connection with the execution, performance or enforcement of this Agreement, including but not limited to payment of all reasonable fees, costs and expenses and all administrative costs of Lender or Collateral Agent in connection with the Collateral, expenses (including, without limitation, attorneys' fees and disbursements), fees of auditors or attorneys, insurance premiums not otherwise paid hereunder and all other direct and necessary administrative costs of Lender or Collateral Agent or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, this Agreement. Such costs and expenses shall be billed to Borrowers by Lender or Collateral Agent, as the case may be, from time to time, together with a statement certifying that the amount so billed has been paid by Lender or Collateral Agent for one or more of the items above described, or that such amount is then payable by Lender or Collateral Agent for such items. Amounts so billed shall be due and payable by Borrowers within 30 days after receipt of the bill by Borrowers.

Section 11.02. *Disclaimer of Warranties.* LENDER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE COLLATERAL, OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO. In no event shall Lender be liable for any loss or damage in connection with or arising out of this Agreement, the Collateral or the existence, furnishing, functioning or Borrowers' use of any item or products or services provided for in this Agreement.

Section 11.03. *Notices.* All notices, certificates, requests, demands and other communications provided for hereunder or under any Borrower Document shall be in writing and shall be (a) personally delivered, (b) sent by first class United States mail, or (c) sent by overnight courier of national reputation, in each case addressed to the party to whom notice is being given at its address as set forth above or, as to each party, at such other address as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (a) the date received if personally delivered, (b) when deposited in the mail if delivered by mail, or (c) the date sent if sent by overnight courier. If notice to Borrowers of any intended disposition of the Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in this Section) at least 10 calendar days prior to the date of intended disposition or other action.

Section 11.04. Further Assurance and Corrective Instruments. Borrowers hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as Lender or Collateral Agent reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of any Borrower Document and any rights of Lender or Collateral Agent thereunder.

Section 11.05. Binding Effect; Time of the Essence. This Agreement shall inure to the benefit of and shall be binding upon Lender, Borrowers and their respective successors and assigns. Time is of the essence.

Section 11.06. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.07. Amendments. To the extent permitted by law, the terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Section 11.08. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 11.09. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (excluding choice-of-law principles).

Section 11.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 11.11. Entire Agreement. The Borrower Documents and all exhibits thereto constitute the entire agreement between Lender and Borrowers. There are no understandings, agreements, representations or warranties, express or implied, not specified herein or in such documents regarding this Agreement or the Properties.

Section 11.12. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Agreement, in no event shall this Agreement require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum permitted by applicable law.

Section 11.13. *Limitations of Liability.* In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall Lender, its assignees, if any, or Collateral Agent be liable for any special, consequential, incidental, punitive or penal damages, including, but not limited to, loss of profit or revenue, loss of use of the Collateral, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute property, service materials or software, facilities, services or replacement power or downtime costs.

Section 11.14. *Waiver of Jury Trial.* LENDER, COLLATERAL AGENT AND BORROWERS HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS AMONG LENDER, COLLATERAL AGENT OR BORROWERS RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG LENDER, COLLATERAL AGENT AND BORROWERS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in their respective corporate names by their duly authorized officers, all as of the date first written above.

Lender and Collateral Agent:

GENERAL ELECTRIC CAPITAL CORPORATION, as lender
and as collateral agent

By: /s/ Richard S. Hult

Title: Transaction and Syndication Manager

Borrowers:

APIO, INC.

By: /s/ Gregory S. Skinner

Title: Vice President

APIO COOLING A CALIFORNIA LIMITED PARTNERSHIP

By: APIO, INC., its general partner

By: /s/ Gregory S. Skinner

Title: Vice President

GREENLINE FOODS, INC.

By: /s/ Gregory S. Skinner

Title: Treasurer

GREENLINE SOUTH CAROLINA PROPERTIES, LLC

By: /s/ Gregory S. Skinner

Title: Treasurer

[EXECUTION PAGE OF LOAN AGREEMENT]

NOTICE ADDRESSES

Lender

General Electric Capital Corporation
230 Schilling Circle
Suite 300
Hunt Valley, MD 21031

Borrowers

Apio, Inc.
4575 W. Main St.; P.O. Box 727
Guadalupe, CA 93434
Attn: Jeffery S. Kraetsch
Corporate Controller
Facsimile: (805) 249-6239

Apio Cooling A California Limited Partnership

c/o Apio, Inc.
4575 W. Main St.; P.O. Box 727
Guadalupe, CA 93434
Attn: Jeffery S. Kraetsch
Corporate Controller
Facsimile: (805) 249-6239

GreenLine Foods, Inc.

c/o Apio, Inc.
4575 W. Main St.; P.O. Box 727
Guadalupe, CA 93434
Attn: Jeffery S. Kraetsch
Corporate Controller
Facsimile: (805) 249-6239

GreenLine South Carolina Properties, LLC

c/o Apio, Inc.
4575 W. Main St.; P.O. Box 727
Guadalupe, CA 93434
Attn: Jeffery S. Kraetsch
Corporate Controller
Facsimile: (805) 249-6239

SCHEDULE OF LOAN PAYMENTS (PERMANENT NOTE)

Rate: 4.02%
Loan Amount: 17,956,250.00
Basis: 360 / 360

Payment Date	Starting Balance	Loan Payment	Interest	Principal	Remaining Balance
4/23/2012	-	-	-	-	17,956,250.00
5/1/2012	17,956,250.00	16,040.92	16,040.92	-	17,956,250.00
6/1/2012	17,956,250.00	133,060.07	60,153.44	72,906.63	17,883,343.37
7/1/2012	17,883,343.37	133,060.07	59,909.20	73,150.87	17,810,192.50
8/1/2012	17,810,192.50	133,060.07	59,664.14	73,395.93	17,736,796.57
9/1/2012	17,736,796.57	133,060.07	59,418.27	73,641.80	17,663,154.77
10/1/2012	17,663,154.77	133,060.07	59,171.57	73,888.50	17,589,266.27
11/1/2012	17,589,266.27	133,060.07	58,924.04	74,136.03	17,515,130.24
12/1/2012	17,515,130.24	133,060.07	58,675.69	74,384.38	17,440,745.86
1/1/2013	17,440,745.86	133,060.07	58,426.50	74,633.57	17,366,112.29
2/1/2013	17,366,112.29	133,060.07	58,176.48	74,883.59	17,291,228.70
3/1/2013	17,291,228.70	133,060.07	57,925.62	75,134.45	17,216,094.25
4/1/2013	17,216,094.25	133,060.07	57,673.92	75,386.15	17,140,708.10
5/1/2013	17,140,708.10	133,060.07	57,421.37	75,638.70	17,065,069.40
6/1/2013	17,065,069.40	133,060.07	57,167.98	75,892.09	16,989,177.31
7/1/2013	16,989,177.31	133,060.07	56,913.74	76,146.33	16,913,030.98
8/1/2013	16,913,030.98	133,060.07	56,658.65	76,401.42	16,836,629.56
9/1/2013	16,836,629.56	133,060.07	56,402.71	76,657.36	16,759,972.20
10/1/2013	16,759,972.20	133,060.07	56,145.91	76,914.16	16,683,058.04
11/1/2013	16,683,058.04	133,060.07	55,888.24	77,171.83	16,605,886.21
12/1/2013	16,605,886.21	133,060.07	55,629.72	77,430.35	16,528,455.86

1/1/2014	16,528,455.86	133,060.07	55,370.33	77,689.74	16,450,766.12
2/1/2014	16,450,766.12	133,060.07	55,110.07	77,950.00	16,372,816.12
3/1/2014	16,372,816.12	133,060.07	54,848.93	78,211.14	16,294,604.98
4/1/2014	16,294,604.98	133,060.07	54,586.93	78,473.14	16,216,131.84
5/1/2014	16,216,131.84	133,060.07	54,324.04	78,736.03	16,137,395.81
6/1/2014	16,137,395.81	133,060.07	54,060.28	78,999.79	16,058,396.02
7/1/2014	16,058,396.02	133,060.07	53,795.63	79,264.44	15,979,131.58
8/1/2014	15,979,131.58	133,060.07	53,530.09	79,529.98	15,899,601.60
9/1/2014	15,899,601.60	133,060.07	53,263.67	79,796.40	15,819,805.20
10/1/2014	15,819,805.20	133,060.07	52,996.35	80,063.72	15,739,741.48
11/1/2014	15,739,741.48	133,060.07	52,728.13	80,331.94	15,659,409.54
12/1/2014	15,659,409.54	133,060.07	52,459.02	80,601.05	15,578,808.49
1/1/2015	15,578,808.49	133,060.07	52,189.01	80,871.06	15,497,937.43
2/1/2015	15,497,937.43	133,060.07	51,918.09	81,141.98	15,416,795.45
3/1/2015	15,416,795.45	133,060.07	51,646.26	81,413.81	15,335,381.64
4/1/2015	15,335,381.64	133,060.07	51,373.53	81,686.54	15,253,695.10
5/1/2015	15,253,695.10	133,060.07	51,099.88	81,960.19	15,171,734.91
6/1/2015	15,171,734.91	133,060.07	50,825.31	82,234.76	15,089,500.15
7/1/2015	15,089,500.15	133,060.07	50,549.83	82,510.24	15,006,989.91
8/1/2015	15,006,989.91	133,060.07	50,273.42	82,786.65	14,924,203.26
9/1/2015	14,924,203.26	133,060.07	49,996.08	83,063.99	14,841,139.27
10/1/2015	14,841,139.27	133,060.07	49,717.82	83,342.25	14,757,797.02
11/1/2015	14,757,797.02	133,060.07	49,438.62	83,621.45	14,674,175.57
12/1/2015	14,674,175.57	133,060.07	49,158.49	83,901.58	14,590,273.99
1/1/2016	14,590,273.99	133,060.07	48,877.42	84,182.65	14,506,091.34
2/1/2016	14,506,091.34	133,060.07	48,595.41	84,464.66	14,421,626.68
3/1/2016	14,421,626.68	133,060.07	48,312.45	84,747.62	14,336,879.06
4/1/2016	14,336,879.06	133,060.07	48,028.55	85,031.52	14,251,847.54
5/1/2016	14,251,847.54	133,060.07	47,743.69	85,316.38	14,166,531.16

6/1/2016	14,166,531.16	133,060.07	47,457.88	85,602.19	14,080,928.97
7/1/2016	14,080,928.97	133,060.07	47,171.11	85,888.96	13,995,040.01
8/1/2016	13,995,040.01	133,060.07	46,883.38	86,176.69	13,908,863.32
9/1/2016	13,908,863.32	133,060.07	46,594.69	86,465.38	13,822,397.94
10/1/2016	13,822,397.94	133,060.07	46,305.03	86,755.04	13,735,642.90
11/1/2016	13,735,642.90	133,060.07	46,014.40	87,045.67	13,648,597.23
12/1/2016	13,648,597.23	133,060.07	45,722.80	87,337.27	13,561,259.96
1/1/2017	13,561,259.96	133,060.07	45,430.22	87,629.85	13,473,630.11
2/1/2017	13,473,630.11	133,060.07	45,136.66	87,923.41	13,385,706.70
3/1/2017	13,385,706.70	133,060.07	44,842.12	88,217.95	13,297,488.75
4/1/2017	13,297,488.75	133,060.07	44,546.59	88,513.48	13,208,975.27
5/1/2017	13,208,975.27	133,060.07	44,250.07	88,810.00	13,120,165.27
6/1/2017	13,120,165.27	133,060.07	43,952.55	89,107.52	13,031,057.75
7/1/2017	13,031,057.75	133,060.07	43,654.04	89,406.03	12,941,651.72
8/1/2017	12,941,651.72	133,060.07	43,354.53	89,705.54	12,851,946.18
9/1/2017	12,851,946.18	133,060.07	43,054.02	90,006.05	12,761,940.13
10/1/2017	12,761,940.13	133,060.07	42,752.50	90,307.57	12,671,632.56
11/1/2017	12,671,632.56	133,060.07	42,449.97	90,610.10	12,581,022.46
12/1/2017	12,581,022.46	133,060.07	42,146.43	90,913.64	12,490,108.82
1/1/2018	12,490,108.82	133,060.07	41,841.86	91,218.21	12,398,890.61
2/1/2018	12,398,890.61	133,060.07	41,536.28	91,523.79	12,307,366.82
3/1/2018	12,307,366.82	133,060.07	41,229.68	91,830.39	12,215,536.43
4/1/2018	12,215,536.43	133,060.07	40,922.05	92,138.02	12,123,398.41
5/1/2018	12,123,398.41	133,060.07	40,613.39	92,446.68	12,030,951.73
6/1/2018	12,030,951.73	133,060.07	40,303.69	92,756.38	11,938,195.35
7/1/2018	11,938,195.35	133,060.07	39,992.95	93,067.12	11,845,128.23
8/1/2018	11,845,128.23	133,060.07	39,681.18	93,378.89	11,751,749.34
9/1/2018	11,751,749.34	133,060.07	39,368.36	93,691.71	11,658,057.63
10/1/2018	11,658,057.63	133,060.07	39,054.49	94,005.58	11,564,052.05

11/1/2018	11,564,052.05	133,060.07	38,739.57	94,320.50	11,469,731.55
12/1/2018	11,469,731.55	133,060.07	38,423.60	94,636.47	11,375,095.08
1/1/2019	11,375,095.08	133,060.07	38,106.57	94,953.50	11,280,141.58
2/1/2019	11,280,141.58	133,060.07	37,788.47	95,271.60	11,184,869.98
3/1/2019	11,184,869.98	133,060.07	37,469.31	95,590.76	11,089,279.22
4/1/2019	11,089,279.22	133,060.07	37,149.09	95,910.98	10,993,368.24
5/1/2019	10,993,368.24	133,060.07	36,827.78	96,232.29	10,897,135.95
6/1/2019	10,897,135.95	133,060.07	36,505.41	96,554.66	10,800,581.29
7/1/2019	10,800,581.29	133,060.07	36,181.95	96,878.12	10,703,703.17
8/1/2019	10,703,703.17	133,060.07	35,857.41	97,202.66	10,606,500.51
9/1/2019	10,606,500.51	133,060.07	35,531.78	97,528.29	10,508,972.22
10/1/2019	10,508,972.22	133,060.07	35,205.06	97,855.01	10,411,117.21
11/1/2019	10,411,117.21	133,060.07	34,877.24	98,182.83	10,312,934.38
12/1/2019	10,312,934.38	133,060.07	34,548.33	98,511.74	10,214,422.64
1/1/2020	10,214,422.64	133,060.07	34,218.32	98,841.75	10,115,580.89
2/1/2020	10,115,580.89	133,060.07	33,887.20	99,172.87	10,016,408.02
3/1/2020	10,016,408.02	133,060.07	33,554.97	99,505.10	9,916,902.92
4/1/2020	9,916,902.92	133,060.07	33,221.63	99,838.44	9,817,064.48
5/1/2020	9,817,064.48	133,060.07	32,887.17	100,172.90	9,716,891.58
6/1/2020	9,716,891.58	133,060.07	32,551.59	100,508.48	9,616,383.10
7/1/2020	9,616,383.10	133,060.07	32,214.88	100,845.19	9,515,537.91
8/1/2020	9,515,537.91	133,060.07	31,877.05	101,183.02	9,414,354.89
9/1/2020	9,414,354.89	133,060.07	31,538.09	101,521.98	9,312,832.91
10/1/2020	9,312,832.91	133,060.07	31,197.99	101,862.08	9,210,970.83
11/1/2020	9,210,970.83	133,060.07	30,856.75	102,203.32	9,108,767.51
12/1/2020	9,108,767.51	133,060.07	30,514.37	102,545.70	9,006,221.81
1/1/2021	9,006,221.81	133,060.07	30,170.84	102,889.23	8,903,332.58
2/1/2021	8,903,332.58	133,060.07	29,826.16	103,233.91	8,800,098.67
3/1/2021	8,800,098.67	133,060.07	29,480.33	103,579.74	8,696,518.93

4/1/2021	8,696,518.93	133,060.07	29,133.34	103,926.73	8,592,592.20
5/1/2021	8,592,592.20	133,060.07	28,785.18	104,274.89	8,488,317.31
6/1/2021	8,488,317.31	133,060.07	28,435.86	104,624.21	8,383,693.10
7/1/2021	8,383,693.10	133,060.07	28,085.37	104,974.70	8,278,718.40
8/1/2021	8,278,718.40	133,060.07	27,733.71	105,326.36	8,173,392.04
9/1/2021	8,173,392.04	133,060.07	27,380.86	105,679.21	8,067,712.83
10/1/2021	8,067,712.83	133,060.07	27,026.84	106,033.23	7,961,679.60
11/1/2021	7,961,679.60	133,060.07	26,671.63	106,388.44	7,855,291.16
12/1/2021	7,855,291.16	133,060.07	26,315.23	106,744.84	7,748,546.32
1/1/2022	7,748,546.32	133,060.07	25,957.63	107,102.44	7,641,443.88
2/1/2022	7,641,443.88	133,060.07	25,598.84	107,461.23	7,533,982.65
3/1/2022	7,533,982.65	133,060.07	25,238.84	107,821.23	7,426,161.42
4/1/2022	7,426,161.42	133,060.07	24,877.64	108,182.43	7,317,978.99
5/1/2022	7,317,978.99	7,342,494.22	24,515.23	7,317,978.99	0.00

SCHEDULE OF LOAN PAYMENTS (BRIDGE NOTE)

Rate: 4.02%
Loan Amount: 1,200,000.00
Basis: 360 / 360

Payment Date	Starting Balance	Loan Payment	Interest	Principal	Remaining Balance
4/23/2012	-	-	-	-	1,200,000.00
5/1/2012	1,200,000.00	1,072.00	1,072.00	-	1,200,000.00
6/1/2012	1,200,000.00	8,901.55	4,020.00	4,881.55	1,195,118.45
7/1/2012	1,195,118.45	8,901.55	4,003.65	4,897.90	1,190,220.55
8/1/2012	1,190,220.55	8,901.55	3,987.24	4,914.31	1,185,306.24
9/1/2012	1,185,306.24	8,901.55	3,970.78	4,930.77	1,180,375.47
10/1/2012	1,180,375.47	8,901.55	3,954.26	4,947.29	1,175,428.18
11/1/2012	1,175,428.18	8,901.55	3,937.68	4,963.87	1,170,464.31
12/1/2012	1,170,464.31	8,901.55	3,921.06	4,980.49	1,165,483.82
1/1/2013	1,165,483.82	8,901.55	3,904.37	4,997.18	1,160,486.64
2/1/2013	1,160,486.64	8,901.55	3,887.63	5,013.92	1,155,472.72
3/1/2013	1,155,472.72	8,901.55	3,870.83	5,030.72	1,150,442.00
4/1/2013	1,150,442.00	8,901.55	3,853.98	5,047.57	1,145,394.43
5/1/2013	1,145,394.43	1,149,231.50	3,837.07	1,145,394.43	-

LIST OF EQUIPMENT FACILITY COLLATERAL

[TO BE ATTACHED]

ANNEX A-1
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
7	1996 GMC Sierra Pickup; brown	1000013	1GTEK19K3RE556510
762	2001 Chevy; CK15703; white		1GCEK14V21Z113392
1325	'87 International Flatbed	1000050	1HTLDUGP3HH504330
1560	1999 Silverado; pewter	1000763	1GCEK19TOXE226555
1638	2000 Silverado; gold		1GCEC19T9YZ328735
1650	Ford Explore, 2000, white		1FMZU63P1YZB89655
2221	Watering Truck		1HTAR1825BHB24745
2384	2006 Chevy Silverado		1GCHK29D26E191012
2430	2005 Chevy		LAST FOUR DIGITS 7214
2496	VA Trans Truck - 08 Intl 4300		HTMMAAN08H560509
2530	2008 GMC Sierra 1500		2GTFK13M081184859
2583	GMC Sierra 2008	243075	
2627	Toyota Tundra 4x4 2010 White		5TFUM5F19AX003538
2629	Toyota Tundra 4x4 2010 Silver		5TFUM5F13AX002868
2666	2010 Chevy Silverado Gray	8Z65129	1GCSKTE35AZ132787
2670	2010 Chevy Silverado Silver		3GCRKSE3XAG289255
2671	2010 Chevy Silverado White	47270A1	3GCRKSE37AG295174
2685	2011 GMC Sierra 1500 Grey		3GTP2VE37BG258622
248	Conference Room Furniture	3001008	
265	Receptionist Console		
278	Plymold Flat Bench Units		FF77896
1780	InFocus ZGA Projector		
2174	Apio PMA Booth Graphics		
2203	Cal Ex Office Lshld Imrvmnts		
2218	Cubicles for QA Lab		
2336	Entrance & Truck "Apio" Signs		
2337	VA Office Furniture		
2348	VA Break Room 5 Tables		
2406	Refrigeration Units for PMA		0609001391 & 0609001392
2550	New Trade Show Booth		
2552	QA Office Furniture		
2560	Lab Furniture		
275	Plant Video Camera Equipment	1000806	
368	Phone Wiring, New		
1541	Fire Safe - Media Manager	3001212	
1629	HP Laserjet Printers		
1774	HP LaserJet 4100TN		USBGC00778
1788	JD Edwards System	SOFTWARE	M1H36A02R
1892	JD Edwards System	3001203	
1927	Toshiba Tecra M2 PTM20U-OM	1001388	44049468P
2032	FireKing Electronic Media Safe	CAL-EX	DS1817-1LG
2101	MS MBL Visio Std 2002		D86-00916
2142	JDE-T2 + Array		
2167	Acer 17" LCD Screens	1001341-45	
2168	Motorola Hand Radios		

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
 TO COLLATERAL SCHEDULE NO. 8727912-001
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 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2193	Cisco Wireless Access Points		
2211	Expansion Array for JDE	3001042	
2240	Lexicom AS2	3001047	
2255	JD Edwards		
2258	Client Software Cmplcy		
2290	HP Proliant DL140	3001028	M03FMF6238
2291	Cisco Firewall	3001044	CON-SNT-PKG7
2299	Auto Cad		
2313	Antivirus Server		
2323	Softshare Delta/ECS		
2335	Avaya Phone System	3001204	
2370	Internet Redundancy - Radware		
2371	MS Office & MS 2003 Server		
2372	Security Camera	4000221	
2380	Justice Lab - Chrome		
2399	Data Warehouse Server	3001214	
2400	Cognos Contributor		
2402	Avaya Phone Win VCL 8 channel		
2405	RFID Wal-Mart Project		
2410	EDI Backup Server	3001219	
2421	Citrix Service	3001216-218	100J3-100J1-100HY
2427	Easy Pay Manager		
2437	BackUp Server Replacement		
2440	Tech Display Equip 4 Tradeshows	3001175	
2504	RF Scan Gun		
2507	Engine Room Monitoring Device	3001213	
2508	Cognos		
2519	New File Server APIOFS1	3001215	
2521	RF Scan Gun		
2523	Engine Rm Monit Device		
2526	Bck Up & Recovery For Cognos		
2532	Laptop D Sherrod		
2533	Laptop For Ray Clark	3001211	28361708Q
2536	2 MS SQL Servers - Enterprise		
2561	Weight Ticket Sftwr & Hrdwr		
2563	Wireless Infastructure Project	3001201	
2581	Expansion Array	3001200	
2607	Apio E-mail Server	3001202	
2608	QA Data Colection Hardware		
2611	140 Windows 08 Server Licenses		
2612	109 SQL 2008 Access Licenses		
2642	NetAPP Raid Array	3001197	
2664	Co-Pack IT System Equipment		
2684	VM Ware Expansion		
2749	Office 2010 Upgrade		
16	Metal Detector	2000182	21981
36	Metal Detector	2000238	12011-03
51	Combo Scale	1000713	

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
61	Platform	1000714	
116	Upgrade to Cooler Racks		
118	Metal Detector	1000061	13292-01
127	Chain Hoist		
139	Floor Scale		
145	Newtec Scale		
156	Ice Pulverizer	2000200	
187	Slicing Wheel		
191	Addition to Metal Detector		
209	Coils		
211	Packaging Equip (D'Arrigo Bros	1000712	
260	Mini Tray Machine		
266	Electric Chain Hoist w/15' cha		
291	Bagger (VA Expansion)		
335	Cascading Dryer Conveyor		
338	Celery Cutter Machine	2000356	
354	Metal Detector, Safeline	100081B	42329
357	Yellow Waste Bins (30)		
362	Submersible Sump Pump	30001114	
364	Cull Elevator	1000070A	117652-A
374	Blue Macro Bins 34-FVLF (40)		
395	Processing Line - VA	1000071	15026-1
406	Green Cauliflower Trays(7,500)		
409	40hp Sullair Compressor	2000362	003-123548/005-D17399
436	Broccoli Line (VA Expansion)		
465	Green Chillpck TrayTote(2,400)		018592E04M
472	Cauliflower Line (VA Expansion)		
486	Marathon Trash Compactors (2)		
492	Green Chillpck TrayTote(2400)		
494	Green Chillpck Tray/Tote (400)		
518	Haug AS-400 Auto Tray Sealer		
530	Green Chillpck TrayTote(2400)		
551	Green Chillpck TrayTote(2400)		
575	Red Chillpck TraTote(2400)		
579	Party Tray Line/Sealer (Expans		
584	Red Chillpck TrayTote(2400)		
587	Red Chillpck TrayTote(2400)		
590	Red Chillpack Tray/Tote (300)		
683	Haysen Bag Forming Collars		72769DSL
685	Cooler Fans		
707	Tru - Hone Knife Sharpener		
710	Processing Line Conveyer Exten		
1049	Cull System	1000070B	117652-B
1065	Scale Feed/Distribution System		
1172	Yellow Cauliflower Trays(4000)		
1255	Bagger - IIIapack	1000073	1186224
1270	Cauliflower Line	1000074	
1284	Cauliflower Totes		
1314	Reyco Cull System	2000346	
1342	40' Container		VC5714

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
1604	Barnes Pump	2000115	0663033-0998
1666	Barnes Pump	2000116	1189-52596
1671	Ice Injector	1000157G	
1723	Packing Line (VA Expansion)		
1741	Chlorination system	2000121	
1801	Hytrol Conveyor System		
1815	DSL Forming Collars		
1884	VA Truck Scale		
1889	VA Broccoli Chilled Wash Line	30001123	
1890	Automated Square Tray Sealer		
1963	PVCA-STC Leak Testers		
1975	Floor Scale w/ Ramp		
1979	Ice Extruder Plates		
2020	Upgrade VFFS VA Machines #1		
2021	Upgrade VFFS VA Machines #2		
2022	Upgrade VFFS VA Machines #3		
2023	Upgrade VFFS VA Machines #4		
2024	Upgrade VFFS VA Machines #5		
2025	Upgrade VFFS VA Machines #6		
2038	One 24"x5'0" Dewatering Shaker	2000308	
2043	24"x8' Incline Belt Conveyor		
2049	Reservoir for Crown Line		
2050	Galvanized Rails for Conveyor		
2060	Injection Mold		
2097	Haug Tray Sealer		
2098	Twin Pick Rack System		
2143	Macro Bins (Blue) (40)		
2144	Macro Bins (Gray) (30)		
2145	Maintenance Dept Storage		
2147	Pallet Stretch Wrap Wrapper		
2154	Macro Plastic Bins (530)		
2157	Cauliflower Wash & Trim		
2158	Ink Tray Conveyor Re-Config		
2161	Wash & Drying Line	4000258	
2165	Ice Injector Overhaul		
2169	Mini Me Tray Machine		
2170	Yamoto Sigma Scale		
2173	Universal Labeling Machines		
2175	Tray Machines	4000262	
2176	VA Line Inkjet Printer (5)	2-225	
2181	Tray Line Metal Detector	2000255	
2182	Raw Broc Hopper	2-186 2-205	
2185	Hoppers/Scales for Bagger #5		
2186	AS 400 Additions	2000241	
2188	Broccoli Macro Bins (1568)		
2189	Macro Bins (Blue) (50)		
2190	Macro Bins (Gray) (50)		
2192	Broc Dispersing Belt		
2195	Convert Cauli Ln to BrocTrimLn		
2197	P&P 4" Membrane Setup		

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
 TO COLLATERAL SCHEDULE NO. 8727912-001
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 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2201	Raw Product Green Trays		
2204	AS400 Tray Machine		
2205	AS300 Tray Machine		
2213	Receiving Area Shade Canopy		
2215	Tray Machine		
2216	2001 Wiggins 12 Pallet Frklft		WLC-012041
2217	Lab Shrink Wrap Machine	3001233	
2219	Ammonia Detection System		
2226	Analytical Balance	3000125	
2227	90 Degree Radius Take-Away		
2228	Pack off Conveyor		
2229	Metal Detectors	2000259	S/N-2000259
2230	Incline Elevator	2000335	
2231	Ink Jet Printer	2000231	
2233	Broccoli Slaw Processing Unit	2000336	
2234	Triple Wash Line w/Chiller		
2235	100hp Sullair Compressor	2000361	
2236	Scale		
2237	Twin Tube Bagger		
2238	Punch and Patch Systems (5)		
2241	Metal Detector	2000246	
2242	Ink Jet Printer	2000267	BJ502
2243	Auto Labeler	3001189	L15H 0604L
2244	Burst Tank		
2246	Petite Tray Sealer Plates		
2247	Tray In-Feed System		
2248	Packing Conveyor	4000260-261	
2249	Labeling Conveyor		
2251	Triple Wash Line w/Chiller		
2253	Inkjet Printers		
2254	Auto Labeler	30001078	
2257	Metal Break and Sheer	2000357	
2261	In Store Tray Carrier Plates		
2262	Membrane Die & Adhesive Roller		
2263	Conveyor Modification		
2264	Scales		SN 070380050085
2266	Metal Detector	2000242	39243
2268	Metal Detector		
2269	Auto Labeler	3001162	L15D 4209HRW
2270	Auto Labeler	2000281	L15D 3955HLW
2271	Auto Labeler	3001088	L15D 4152HLW
2272	Auto Labeler	3001191	L60 HAUG-1604L
2273	Auto Labeler	3001193	L60 HAUG-1603R
2275	90 Degree Radius Take-Away		
2276	90 Degree Radius Take-Away		
2277	90 Degree Radius Take-Away		
2278	90 Degree Radius Take-Away		
2279	90 Degree Radius Take-Away		
2280	Incline Elevators		
2281	Incline Elevators		

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2282	Inkjet Printer	2000226	
2283	Inkjet Printer		
2284	Metal Detector	2000173	22173
2286	Ink Jet Printer	2000288	
2287	Auto Labeler	2000279	L15C 3906HRW
2288	Auto Labeler	2000287	L15C 3907HLW
2289	Pentetrometer	3001154	
2293	Dunk Tank		
2295	Punch and Patch System	4000256	L60D 996RT
2296	Punch and Patch System	2000224	L60D 967RT
2297	Punch and Patch System	4000257	L60E 1213R
2298	Punch and Patch System	2000219	L60E 1212R
2302	Chiller Mueller Freon		
2308	Garden Veg Tray Automation		
2309	Ink Jet Printer	30001081	
2310	CC Stalk Slicer	2000329	
2311	Haug Tray Sealer	3001082	176381
2315	In-store tray Automation		
2316	Snap Pea Conveyor		
2322	Tables with Adjustable Legs		
2327	Petite Machine	3001068	51K9060-CWT
2328	Metal Detector	3001069	S/N-LINE 15
2329	Auto Labeler	3001070	L150-4151HLW
2330	Auto Labeler	3001071	L15D-4118HRW
2331	Ink Jet Printer	3001067	BV528
2332	90 Degree Radius		
2333	Take-Away Conveyor	3001090	
2334	Flex Wash Line	2000312	
2341	Cooler Scrubber Machine	3001126	T7-10259316
2343	Metal Detector Tubs		
2344	Box Chute		
2345	Stainless Tables	3001072-1076	
2346	2 Ink Jet Printers		
2351	VA Raw Product Bins (500)		
2354	Auto Labeler	3001185	L15D 4015HLW
2355	Auto Labeler	3001079	L15D 4050HLW
2356	Auto Labeler	3001188	L15D 4032HLW
2357	2002 Club Car		E0220148367
2358	2001 Club Car		E0335318201
2361	Air Hoist for Spin Dryer	2000381	
2362	Reyco Enhancements/Relocation		
2363	Snack Line Tray Line Heater		
2365	Carrot Distribution System		
2378	O2/CO2 Analyzer from PBI	3001017	
2381	Cooling Evaporator		
2393	Auto Labeler	3001183	L15D 3956HLW
2394	Auto Labeler	3001163	L15D 4204HLW
2395	Auto Labeler	2000276	L15D 4046HRW
2396	Pallet Shrink Wrap Machine	3001232	Q300 LANTECH
2397	Punch & Patch Equip - Sd Dish		

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2398	Burst Tank Tray Room	2000123	
2401	AS320W 4up Tray Sealer		
2412	Cauliflower Line - #2		
2413	Auto Labeler	30001105	L15D 4133HLW
2414	Auto Labeler	3001165	L15C 3917HRW
2416	Speed Door #1		
2417	Speed Door #2		
2418	Speed Door #3		
2419	Pack Off Equipment		
2420	De water Shaker	2000306	
2422	Ice Plant rebuilt in 2007		
2428	Checkpoint Gas Analyzer	3001095	
2429	2 Door Refrig Unit for Lab		
2432	Snack Tray Tooling		
2433	Ice Plant Rebuild		
2434	Labeling Conveyors (4)	2000125 -128	
2442	Broccoli Sizer(shaker equip)		
2444	CIP Patch Punch/Applicator		
2445	Cold Room 2 Units		
2456	Reyco Fridge Incubator	3001135	Y08F-317191-YF
2457	Incubator Bod10a		V06F-308919-VF
2458	Low Temp Incubator Model 815	3001136	WB54507372
2459	Tray Sealer	3001152	
2460	EG & G Chromatog Equip	3001146	
2461	Spectrophotometer	3001138	
2462	Pressure Decay & Occlusion Tes	3001139	972332
2463	Pressure Decay & Occlusion Tes	3001140	972375
2464	Heat Sealer	3001142	98-20921
2465	Circulating Bath	3001131/1133	
2467	Carbon Dioxide Analyzer	3001133	
2470	Agilent 6850 Series GC System	3001156	
2471	Flowboard 9 station 3 gasses	3001145	
2472	Oxygen Permeation Analyzer	3001148	
2473	Portable Counting Scale	3001149	
2474	Satorius Top Bloading Balance	3001150	
2475	Heat Sealer	3001151	
2476	Bridge Portable CO2/O2 Analyze	3001011	
2478	Bridge Portable CO2/O2 Analyze	3001155	
2481	Stnlss Steel Drop Tube w/flang		
2484	Metal Detector		
2485	Precision Air Flow Test Device		
2486	Racking- Tomato Room		
2487	Raw Product Bins (1400)		
2488	VFFS Indexer		
2489	Gas Sweeper Model 6330 Exterra		
2490	Scrubber -Adv Model 4530 AXP	3001167	2011502
2491	VA Plant Evaporators 2007		
2492	Raw Product Whrse Speed Doors		
2494	Lantech Stretch Wrapper	3001173	
2495	Plant Emergency Lighting		

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2497	Kalmar 12 Pallet Forklift		
2498	Forklift Terminal Scanners (6)		
2500	Chlorine System		
2501	Metal Detector		
2502	Auto Labelers (2)	1157, 0269	L15D 4242HKRL15D 4051HLW
2503	Tote Washer		
2506	Sward Harness Rocker		
2517	Tray Pack Off Equipment		
2518	Air Compressor and Dryer	30001170	68846-T02
2520	Broc Air Knife Systems		
2524	Forklift Battery Chargers		
2525	2 Auto Labelers	0286, 0278	L15D 4049HLW L15D 4049HLW
2527	Checkpoint O2/CO2 Analyzer		
2528	Raw Product Totes (1,000)		
2534	2 Ink Jet Printers		
2535	2 Auto Labelers	1190, 1194	L15D 4042HRWL15D 4048HRW
2537	Bagger # 7 Punch & Patch		
2538	Instore #15 Punch & Patch		
2539	Bagger Forming Collars Tubes		
2540	Product Shade Area		
2542	QA Plant Burst Tank		
2543	Checkweigher		
2545	26" Wide Metal Detector		
2546	Twin Bagger & Scale		
2547	Slaw Line Shaker		
2548	Trash Compactor		
2551	Film Tray Sealer/ Seal & Peel		
2553	NH3 Temp Sensor		
2554	NH3 Temp Sensor		
2555	Commercial Slicer		
2556	Celery Processing Line		
2557	Cooler Recirculator PLC Contro		
2558	3 Daewoo Forklifts		CM00298 CM00299 CM00300
2559	Floor Pallet Scale		
2562	2 Ink Jet Printers		
2565	Black Celery Totes (10,000)		
2568	2 Ink Jet Printers		
2569	Punch & Patch Systems (2)	218, 222	L60E 1211L-L60D 968RT
2570	Twin Bagger Take-away/Pack Off		
2571	Twin Bagger Inclice Conveyers		
2573	Twin Tube Metal Detector		
2574	(2) Cooler Evaporators		
2575	Triple Stage Forklift Attach		
2576	(3) Plant Evaporators		
2579	Sams Instore Tray Line Convers		
2582	Raw Product Bins (1425)		
2584	Deli Cup Tray Sealer for Lab		
2585	Kalmar 12 Pallet Forklift		T431050333
2587	Hand Washing Units		
2589	Basket Hoist System		

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2590	EG&G Chromatog Equip	3001147	
2591	Circulating Bath		
2592	Microscope Olympus BX40	3001195	8K03767
2593	GTIN Traceability Case Labelin		
2594	Minipack tunnel 50 ss stnlss		4000292
2595	Bagger#2 control systm upgrade		
2598	Tooling for round tray servo	2000233	3001108
2599	VFD Air compressor & Controls	4000293/294	
2600	Air Storage tanks&Piping	4000296	
2601	VFD Regulators & Controls	4000299	EL0849155874
2604	Raw Product Bins (1700)		
2609	Blue Snap Pea Totes (22,980)		
2610	Turbo 185 Ton Ice Maker	4000278	S09H0006001
2613	Tooling For 14x14 Tray - Haug	3001068A	
2614	Motorola WT4090 Scanners	3001177-1180	00258-00232-00252-00270
2615	Green Cauli/Crown Totes 2,728		
2616	H&C QX775D Tray Sealer	4000291	
2617	Cup/Petite Line Packoff	2000243	
2618	Plant Air Makeup System	4000279	9-366662
2619	VA Plant 3 Speed Doors	4000280-282	50438-50436-50437
2620	Utility Processing Lline		
2621	Cup/Petite Line Take	4000290	
2622	Cup/Petite Metal Detector		
2623	Cup/Petite Ink Jet Printer	4000289	BP163
2624	Cup/Petite Auto Labelers (2)		
2631	E5000 Cat Forklift Bin Dumper	2631	A4EC320288
2632	VFFS Indexer	4000288	
2633	Cat P6000-LP #38 Yard Bin Wash	2633	AT31F03886
2639	Upgrade Ice Plant Supp Structur		
2640	Ice Injector #2		
2641	Forklift RFID for iGPS Readers		
2643	Ice Injector	2000000A	960238
2644	4 Auto Broc Floret Machines		
2645	Engine RM Pwr Trans Switch		
2646	VA Plant Pwr Transf Switch		
2647	Cooler Pwr Transf Switch		
2648	Broc Floret & Cauli Machine		
2649	4 Spin Dryer Baskets		
2650	3 Butter Nut Peelers	270-271-272	
2651	3-Spin Dryers	4000161-2-4	267131-267132-267133
2652	Green Cauli Totes Green(4,100)		
2653	2 - Cooler Speed Doors		
2654	VA Loading Dock Speed Door		
2655	VA Plant Speed Door		
2656	Broc Optical Sorter	4000263/264	L5378067-06
2657	Co-Pack Tray Tables		
2658	Co-Pack Tray Labelers		
2659	Co-Pack Tray Ink Jet Printers		FA590 & FA594
2660	Co-Pack Tray Labeling Belt	4000261	
2662	Reyco System		

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2663	Co-Pack Wash Line Chiller	4000277	
2672	Macro Bins (Ivory) (685)		
2674	Low Temperature Incubator	3001181	WB71424186
2676	Bagger Thermal Printers (2)		
2681	Case Take-Away Conveyor		
2682	Tennent Scrubber T15-Rider	4000240	T15-17142
2683	Broccoli Floret Machines (12)		
2686	Cooler Evaporator Controls &		
2687	QA Paperless System		
2691	Forklift Attachment	4000116	112152
2722	Bagger Thermal Printers (8)		
2723	Scale VFFS Yamato Sigma		
2724	Bagger & Scale		
2725	Slaw Line Expanded Capacity		
2726	Incline Belting Bagger 1		
2728	Triple Drop Hoppers&Inclines		
2729	Support Frame for Bagger Scale		
2730	Trolley System Bagger		
2731	Take-Away & Packout		
2732	Metal Detector		
2733	Punch & Patch System		
2735	Peeler 1 (Squash) & 6 Upgrades		
2736	Macro Bins (Ivory) (1,352)		
2737	Celery Optical Sorter		
2738	Air Makeup System Expansion		
2740	Cooling Tag Scanners (3)		
2741	Punch & Patch Bagger		
2742	Plant Water Booster Pump System		
2743	Pressure Tunnel		#7ACV1105MCB
2744	Plant Air Evacuation System		
2746	Cauliflower Auto-Trim Line		
2750	Broccoli Auto-Floret Mchns (6)		
2752	Evaporator (Cooler)	AGHN 071.2H	

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-2
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 12700 S. Dixie Highway, Bowling Green, OH 43402

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Bagger	Sandiacere	TG20 LD	3004
Scale	Ishida	W-S/60 WP	91/13305
Bag Printer	Markem	SmartDate 3i	
Scale Platform		2003	
Conveyor Platform		2004	
BG 69 In feed Shaker	FMC Allen	Syntron 2003	F72344 D009
Metal Detector	Loma	2007	
Turntable			
Box Printing conveyor	Lincoln Coder		
Pack off conveyor			
Labeler(s)	SATO	CL408e	
Bagger	Sandiacre	TG320LD	2710
Scale	Ishida	CCW.M.214W.S/70.WP	00/13049
Bag Printer	Makrem	SmartDate 3i	
BG 70 In feed Shaker	FMC Allen	Syntron 2003	F72344 D009
Pack off conveyor			
Turntable			
Metal Detector/ Box Printer	Eriez	Model V	
Labeler(s)	SATO	CL408e	
Bagger	Sandiacre	TG320LD	2655
Scale	Ishida	CCW.M.214W.S/70.WP	02/11878
Bag Printer	Makrem	SmartDate 3i	
BG 71 In feed Shaker	FMC Allen	Syntron 2003	F72344 D009
Pack off conveyor(s)			
Turntable			
Tote Box Dumper 1	MTC Corp	2006	
BG 1 Bin Veyor	MTC Corp	2006	
BG 3 Size Grader	Key Technology	Iso-Flo 431523-1	03-92490-1
Tote Box Dumper 2	MTC Corp	2006	
BG 4 Bin Veyor	MTC Corp	2006	
BG 6 Size Grader	Key Technology	Iso-Flo 431523-1	03-92490-2
BG 7 Scoop Belt	FMC Allen	2003	F72335D001
BG 8 Distribution Shaker	Key Technology	Iso Flo 418445-1	94-32108
BG 9 Conveyor 9 - BG 8 to 27			
BG 10 Snipper A Drive			
BG 11 Small UBR		2005	
BG 12 Conveyor UBR 1	Lakewood	2003	
BG 13 Conveyor UBR 2	Lakewood	2003	
BG 14 Conveyor A to 32			
BG 15 Snipper B		2004	
BG 16 Snipper D		2004	
BG 20 Snipper C		2004	
BG 21 Snipper E		2004	
BG 25 Conveyor A to C	AMCS	2003	
BG 27 Distribution Shaker D-3	FMC Allen		
BG 28 Snipper 1			
BG 29 Snipper 2			
BG 30 Snipper 3			
BG 31 Conveyor 1-E			
BG 32 Conveyor F-J			
BG 33 Conveyor 8 to 34			
BG 34 Distribution Shaker F-J	Meyer	VF11-18-6	1217
BG 35 Snipper F		2004	
BG 36 Snipper G		2004	
BG 37 Conveyor Incline			

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-2
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 12700 S. Dixie Highway, Bowling Green, OH 43402

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
BG 38 Snipper H		2004	
BG 39 Snipper J	Hughes		
BG 40 Size Grader	Key Technology	Iso Flo 431487	
BG 41 Conveyor 41 - Scoop	FMC Allen	2003	F72335D002
Tegra 1 Feed Shaker	Key Technology	2003	03-92498
Tegra 1 Sorter	Key Technology	2003	03-92498
BG 42 Conveyor Tegra 1	Lakewood	2003	
BG 43 Conveyor Incline	Lakewood	2003	
Tegra 2 Feed Shaker	Key Technology	Tegra	03-92497
Tegra 2 Sorter	Key Technology	Tegra	03-92497
BG 45 Reject Shaker Tegra 2	Key Technology	Tegra	03-92497
BG 46 Conveyor Incline	Key Technology	Tegra	03-92497
BG 47 Conveyor			
BG 48 Conveyo-Tegra 2	Lakewood	2003	
BG 49 Conveyor Incline	Lakewood	2003	
BG 50 Distribution Shaker	Key Technology	Iso-Flo 417253-1	93-27641
BG 51 Grading Table	Lakewood	2003	
BG 52 Grading Table	Lakewood	2003	
BG 53 Grading Table	Lakewood	2003	
BG 54 Conveyor 51 Return	Lakewood	2003	
Rework Hopper	FMC Allen	2003	F72344D010
BG 55 Conveyor 52 Return	Lakewood	2003	
BG 56 Conveyor 53 Return	Lakewood	2003	
BG 57 Conveyor Cull Return	Lakewood	2003	
BG 58 Conveyor 51-53	Lakewood	2003	
BG 59 Conveyor Lyco Incline	Lakewood	2003	
BG 60 Lyco Washer	Lyco	60' X 8' Cooler	RDB 0903-32800
Chiller 1 Lyco Compressor	Bohn		
Chiller 1 Heat exchanger	Chester Jensen		
Chiller 1 Pump	Tri Clover		
BG 61 Drying Belt			
Blower Main Line	Republic	1200	
BG 62 Scoop Belt	FMC Allen	2003	F72344D003
Magnet	Eriez		
BG 63 Incline			
BG 64 Shaker with Gate	FMC Allen	2003	F72344D005
BG 65 Shaker with Gate	FMC Allen	2003	F72344D006
BG 66 Shaker with Gate	FMC Allen	2003	F72344D007
BG 67 Shaker with Gate	FMC Allen	2003	F72344D007
Chiller 3 Compressor	Bohn		
Chiller 3 Process Water in	Chester Jensen		
Chiller 3 Pump	Tri Clover		
Process Water Pump	Tri Clover		
Chiller 4 Process water Tank			
Process Water Tank			
Tote Box Dumper 3	MTC Corp	2006	
BG 101 Binveyor	MTC Corp	2006	
BG 103 Conveyor	Lakewood	2003	
BG 104 Conveyor	Lakewood	2003	
BG 105 Conveyor	Lakewood	2003	
BG 106 Incline	AMCS	2003	
BG 107 Distribution Shaker			
BG 108 Alt Snipper 1		2011	
BG 109 Alt Snipper 2		2005	
BG 110 Alt Snipper 3		2005	
BG 111 Alt Snipper 4		2011	
BG 112 Conveyor 1-4		2011	
BG 113 Conveyor Tegra 1			

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-2
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 12700 S. Dixie Highway, Bowling Green, OH 43402

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
BG 114 Conveyor			
BG 115 Conveyor Incline			
BG 117 Grading Table	Lakewood	2003	
BG 118 Conveyor	Lakewood	2003	
BG 119 Conveyor Incline	Lakewood	2003	
BG 120 Lyco Washer	Lyco	60' X 4' Cooler	RDB 0903-32801
Chiller 2 Compressor	Bohn		
Chiller 2 Heat Exchanger	Chester Jensen		
BG 121 Drying Belt		2011	
Blower Alt Line	Republic	1200	
BG 122 Scoop Belt	FMC Allen	2003	F72344D004
Magnet	Eriez		
BG 123 Conveyor Incline			
BG 124 Hopper Shaker	FMC Allen	2003	F72344D010
BG 126 Incline with Gate	FMC Allen	2003	F72344D011
BG 127 Shaker with Gate	FMC Allen	2003	F72344D008
BG 128 Shaker with Gate	FMC Allen	2003	F72344D008
BG 151 Conveyor Tegra 2	Lakewood	2003	
BG 152 Cull Grading	Lakewood	2003	
BG 153 Conveyor	Lakewood	2003	
BG 154 Reject Shaker T egra 1	FMC Allen		
BG 155 Conveyor	Lakewood	2003	
BG 156 Conveyor	AMCS	2003	
BG 157 Conveyor			
BG 158 Conveyor			
BG 159 Conveyor Incline	Lakewood	2003	
BG 162 Incline to UBR			
BG 163 Conveyor UBR out			
BL 3 Conveyor Truck inlet			
BL 4 Incline Conveyor			
BL 7 Bin Veyor			
BL 8 Shaker	Key Technology		
BL 9 Incline			
BL 10 Shaker	FMC Allen		
BL 11 Blower	FMC Allen		
BL 12 Conveyor			
BL 13 Size Grader	FMC Allen		
BL 14 Conveyor Under 13			
BL 15 Sizew Grader	Key Technology		
BL16 Conveyor under 15			
BL 17 Conveyor Under 15			
BL 18 Conveyor Incline			
BL 19 Distributiohn Shaker	Commercial		
Bl 20 Grading Table 1			
Bl 21 Grading Table 2			
Bl 22 Grading Table 3			
BL 23 Grading Table 4			
BL 24 Grading Table 5		2007	
BL 25 Conveyor 20-24			
BL 26 Incline Conveyor			
BL 27 Pump			
BL Flume Tank			
BL 28 Flume Incline			
Tank chiller 1	Bohn	25 Hp	
Tank chiller 2	Bohn	20 Hp	
Water Storage Tank			

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-2
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: **Apio, Inc.**
SECURED PARTY: **GE Capital Commercial, Inc.**
EQUIPMENT LOCATION: **12700 S. Dixie Highway, Bowling Green, OH 43402**

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Storage Tank Chiller	Filtrine	5 Hp	
BL 29 Shaker	Key Technology		
BL 30 Drying Belt	Reyco		
BL 31 Blower	Reyco	25 Hp	
BL 32 Blower Filter	Reyco		
BL 33 Incline to Dry Room			
BL 34 Pump			
BL 35 Pump			
BL Pivot Chute		2007	
700 - Totes folding			
Compressor 1	Comp Air	100 Hp	
Compressor 2	Atlas Copco	60 Hp	
Compressor 3	Atlas Copco	60 Hp	
Air Dryer	Domminick Hunter		
Air Tank Vertical	Gal Air	600	
Air Tank Horizontal	Gal Air	200	
ORP System Main Line	Pulse Instruments		
ORP System Alternate Line	Pulse Instruments		
Control Panel	Square D		
Power Factor Unit	Square D		
Floor Scale 1			
Floor Scale 2			
Floor Scale 3			
Battery Charger	Raymond		
Battery Charging station	Toyota		
Water & Septic Pumps			
Baler			
Trash Compactor			
Racking			
Floor Scrubber	Tennant	5700	
Freezer			
Dock 1 Plate & Enclosure	McCormick		
Dock 2 Plate & Enclosure	McCormick		
Dock 3 Plate & Enclosure	McCormick		
Time Clock			
Electrical Transformer 1			
Electrical Transformer 2			
Electrical Transformer 3			
Electrical Transformer 4			
Electrical Transformer 5			
Office Equipment			
Big Jack Bean Harvester 120 "			
Kubota Tractor			
Pixall Big Jack			
Pixall Big Jack			
1996 Pixall Big Jack			
Trailer			
Trailer			
Trailer			
Trailer #5, install conveyor			
1987 Ford Dump Truck			
2006 Dodge Ram 4x4			

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-3
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 26 Industrial Drive, Hanover, PA 17331

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Bagger	Sandiacere	TG20 LD	X87857
Scale	Yamato	ADW-714SWH	WG000730
Bag Printer	Markem	SmartDate 3i	7775292
Scale Platform		2003	
Transfer Belt		2008	
Metal Detector	Fortress	Phantom	
Turntable			
Box Printing conveyor	Loveshaw	MICROJET III B	1705127-218B
Labeler(s)	SATO	CL408e	9M030149
Label winder	Label Accessories Inc.	GLR-100	RC790016
Bagger	Sandiacere	TG320LD	X87897
Scale	Yamato	ADW-714SV	MA87894/WG070531
Bag Printer	Makrem	SmartDate 3i	7775011
Metal Detector/ Turntable	Fortress	Phantom	
Box Printing conveyor	Loveshaw	MICROJET III B	B805501-218B
Labeler(s)	SATO	CL408e	7G03537
Tote Box Dumper 1	D & E Farms		
EvenFeeder	D & E Farms		
#3 Conveyer	D & E Farms		
#4 Incline Conveyer	D & E Farms		
Magnet	Eriez		
#5 Distribution Shaker	D & E Farms		
#6 Snipper 1	D & E Farms		
#7 Snipper 2	D & E Farms		
#8 Snipper 3	D & E Farms		
#9 Snipper 4	D & E Farms		
#10 Snipper 5	D & E Farms		
#11 Snipper 6		2012	
#12 Snipper 7	D & E Farms		
#13 Snipper 8	D & E Farms		
4 Pumps			
Heat Exchanger 2			
Trough and Flume Tank	D & E Farms		
#30 Incline From Flume	D & E Farms		
Air Blower			
Water Separator	D & E Farms		
#31 Incline Conveyer	D & E Farms		
#32 Distribution Shaker	D & E Farms		
#33 UBR 1	D & E Farms		
#34 UBR 2	D & E Farms		
#37 Size Grader	D & E Farms		
#38 Size Grader	D & E Farms		
#39 Grading Table 1	D & E Farms		
#40 Grading Table 2	D & E Farms		
#43 Transfer Belt	D & E Farms		
#44 Scoop Belt	D & E Farms		

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-3
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION : 26 Industrial Drive, Hanover, PA 17331

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
#45 Shaker Conveyor	D & E Farms		
#46 Drying Belt 1	D & E Farms		
#47 Drying Belt 2	D & E Farms		
#48 Drying Belt 3	D & E Farms		
#49 Shaker Conveyor	Commercial	Iso-Flo	
#50 UV Incline Belt	D & E Farms		
UV Lights	Reyco		
#52 Shaker with Gate	Key Technology	Iso-Flo	
#53 Side Shoot Conveyor	D & E Farms		
#53A Transfer Conveyor	D & E Farms		
#54 Conveyor	D & E Farms		
Tote Box Dumper 2	D & E Farms		
#55 EvenFeeder	D & E Farms		
#56 Incline Conveyor	D & E Farms		
#57 Conveyor	D & E Farms		
Compressor 1	Quincy QT10	QT10VT00012	20070922-0016
Compressor 2	Quincy QT15	QT15	QU1105100023
Air Dryer	PARKER	TW055-A1-JCE	110501934
Air Dryer	PARKER	TW40	80300134
ORP System Main Line	Pulse Instruments		
Floor Scale 1	METTLER TOLEDO	XIF	00451046DK
Drain Water Screen			
Baler			
Pallet Wrapper	PHOENIX	PRTL2150	7091696
Push Back Racking			
Racking			
Floor Scrubber	Advance		
Freezer			
Dock 1 Plate & Enclosure	SERCO		
Dock 2 Plate & Enclosure	SERCO		
Dock 3 Plate & Enclosure	SERCO		
Time Clock			
Pallet Jack #1	Toyota	7HBW23	34558
Pallet Jack #2	Toyota	7HBW23	34559
Office Equipment			
Truck Scale	Fairbanks	120 ton cap	PIT 6020-HVA09
300 - Totes folding est.			
Forming Tube		Retail 12 oz	
Forming Tube		Retail 12 oz	
Forming Tube		Retail 32 oz	
Forming Tube		Retail 32 oz	
Forming Tube		Food Service/ 5 lb	

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-4
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR:
SECURED PARTY:
EQUIPMENT LOCATION :

Apio, Inc.
GE Capital Commercial, Inc.
7909 S. Crossway Drive, Pico Rivera, CA 90660

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Bagger	Line Equipment	LE360	60645
Scale	Ishida	CCW-R	P2966927
Bag Printer	Markem - Imaje	Smartdate 3i	GP1081141
Mezzanine			
Metal Detector	Eriez	Model V	123938
In feed / incline conveyor(s)			
Out feed conveyor(s)			
Turntable			
Pack off conveyor(s)			
Box Printer	Lincoln Coder	50-R	
Labeler(s)	SATO	CL408e	OAO30191
Bagger	Line Equipment	LE360	69090
Scale	Ishida	CCW-RZ	
Bag Printer	Markem - Imaje	Smartdate 3i	GP1081125
Mezzanine			
Metal Detector	Advanced Detection		1200
Transfer conveyor			
Out feed conveyor(s)			
Turntable	Smalley		9686-01
Box Printer Conveyor	Laughlin Corporation		
Labeler(s)	SATO	CL408e	OAO30096
Tote Bin Dumper			
Binveyor		2007	
Incline Conveyor			
Distribution shaker	Key Technology	S1043492	445538-03611
Snipper 1		2011	
Transfer Conveyor 1		2011	
Snipper 2		2006	
UBR 1			
Snipper 3		2006	
UBR 2			
Snipper 4		2006	
UBR 3			
Snipper 5		2006	
UBR 4			
Snipper 6		2011	
Transfer Belt 2		2011	
Rework Belt			
Flume Tank			
Incline out of Flume		2010	
VST Sorter			
Grading Table 1		2011	
Grading Table 2		2011	
Chiller	Trenton Refrigeration	4 DA3 R18 MET	CCK0814365
Chiller coil			

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-4
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR:
SECURED PARTY:
EQUIPMENT LOCATION :

Apio, Inc.
GE Capital Commercial, Inc.
7909 S. Crossway Drive, Pico Rivera, CA 90660

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Water Pump	AMT	4909-9B	1626-312
Blower	Republic	RB1200HC	40405773
Water Filter System	Rosedale Products	MC8-30-2P	236273
Battery Charger for Fork Lift	Flex200	FLX20018865T1H	07N1108M
Battery Charger for Fork Lift	Silver Star	18-750FRT	307PP10618
Air Compressor 1	Ingersol Rand	2475N7.5	611290020
Air Compressor 2	FS Curtis	E71V and VT12-A3	EA101067 24XR68
Air Dryer	Gardner Denver	RNC100A1	
Floor Scale #1	U Line	5000 lb	
Floor Scale #2	U Line	5000 lb	
Pallet Jack #1	Toyota		
Pallet Jack #2	Toyota		
Pallet Jack #3	Crown		
Pallet Jack #4	Crown		
Office Equipment			
Foamer	Chemco		
Forming Tube		Retail 12 oz	
Forming Tube		Retail 12 oz	
Forming Tube		Retail 12 oz	
Forming Tube		Retail 32 oz	
Forming Tube		Food Service/ 5 lb	

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-5
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION : 9095 17th Place, Vero Beach, FL 32966

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>	<u>Location</u>
Bagger	Sandiacre	TG320 LD	2786	Packing Room
Scale	Yamato	ADW-714SWH	WG980796	Packing Room
Bag Printer	Markem	SmartDate 3i		Packing Room
Mezzanine				Packing Room
Metal Detector	Advanced Detection			Packing Room
In feed incline conveyor				Packing Room
Transfer Conveyor				Packing Room
Out feed conveyor				Packing Room
Metal Detector	Advanced Detection			Packing Room
Turntable				Packing Room
Box Printing conveyor	Lincoln Coder			Packing Room
Labeler	SATO	CL408e		office
Tote Box Dumper	MTC Corp			Grading Room
BinVeyor	Key Technology			Grading Room
Collection Conveyor				Grading Room
Incline Conveyor				Grading Room
Distribution Shaker	Key Technology	Iso Flo 434026-1	2005 Green Glen	Grading Room
Snipper 1		2006		Grading Room
UBR 1		2011		Grading Room
Snipper 2		2006		Grading Room
UBR 2		2011		Grading Room
Snipper 3		2006		Grading Room
UBR 3		2011		Grading Room
Snipper 4		2006		Grading Room
UBR 4		2012		Grading Room
Flume Water Pump				Grading Room
Rework Conveyor	Lakewood			Grading Room
Flume Tank				Grading Room
Incline out of Flume				Grading Room
VST Sorter				Grading Room
Grading Table				Grading Room
Chiller Compressor	Bohn	20 Hp		West side of Building
Chiller Coil		2010		West Side of Building
Blower		7.5Hp		Grading Room
Water Tank & Stand		800 Gallon		
Fork Truck 1	Toyota	7FBEU15	114766	Warehouse
Fork Truck 2	Toyota	7FBEU15	61596	Warehouse
Battery Charger	Toyota			Warehouse
Battery Charger	Toyota			Warehouse
Floor Scale	5000 #	GSE 350		Warehouse
Floor Scrubber	American-Lincoln			Warehouse
Air Compressor	Ingersol Rand	15 Hp		East outside of building
Air Dryer				Outside of Building
Product Racks				Finish Cooler
Film Racks				South Packing Room
Office Equipment				Offices
Forming Tube		Retail 12 oz		South Packing Room
Forming Tube		Retail 32 oz		South Packing Room
Forming Tube		Food Service/ 5 lb		South Packing Room
Sanitation Foamer				South Packing Room

INITIALS DEBTOR: /s/ GS

INITIALS SECURED PARTY: /s/ KD

FORM OF CERTIFICATE OF CHIEF FINANCIAL OFFICER

I, the undersigned, hereby certify that I am the duly qualified and acting chief financial officer of Landec Corporation ("Landec") and, with respect to Section [6.01(a)/6.01(b)] of the Loan Agreement dated as of April 23, 2012 (the "Agreement") by and between Borrowers named therein and General Electric Capital Corporation, as lender and as collateral agent, that:

1. The attached financial statements have been prepared in accordance with GAAP.
2. I have no knowledge of any Default or Event of Default under the Agreement.

Dated: _____, 20__.

Landec:

LANDEC CORPORATION

By: _____
Title: Chief Financial Officer
Date: _____

SCHEDULE (IV)(H)

LIST OF GREENLINE PERMITS

Bowling Green, OH

- The Company will assess whether a wastewater discharge permit is needed from Northwest Water and Sewer District after the complete consummation of the acquisition. If a wastewater discharge permit is required, a permit will be obtained.
- The Company will register the facility's septic system with the State or USEPA regional Underground Injection Control Program.
- The Company will register the drinking water well at the facility with the Ohio Department of Natural Resources Division of Soil and Water Resources.

Vero Beach, FL

The Company will register its septic system with the State or USEPA regional Underground Injection Control Program.

SCHEDULE (IV)(K)

LIST OF UNPAID TAXES

The former consolidated group of which GreenLine Foods and GreenLine SC was a part did not file franchise/income tax returns in Michigan and Texas for the years 2006-2011.

SCHEDULE 5.03

LIST OF BORROWERS' CHIEF EXECUTIVE OFFICES AND PRINCIPAL EXECUTIVE OFFICES

Apio, Inc.	4575 W. Main St. Guadalupe, CA 93434 (Chief Executive Office)
Apio, Inc.	P.O. Box 727, Guadalupe, California 93434 (Principal Mailing Address)
Cal Ex Trading Company	4575 W. Main St. Guadalupe, CA 93434 (Chief Executive Office and Principal Mailing Address)
GreenLine Entities	8600 S. Wilkinson Way, Suite G, Perrysburg, OH 43551(Principal Mailing Address)

SECURITY AGREEMENT

EXECUTION COPY

Dated as of April 23, 2012

by and among

APIO, INC., GREENLINE LOGISTICS, INC. and CAL EX TRADING COMPANY,
as the Grantors,

and

EACH OTHER GRANTOR
FROM TIME TO TIME PARTY HERETO

in favor of

GENERAL ELECTRIC CAPITAL CORPORATION,
as Collateral Agent

SECURITY AGREEMENT, dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), by APIO, INC., a Delaware corporation ("Apio"), GREENLINE LOGISTICS, INC., an Ohio corporation ("GL Logistics"), and CAL EX TRADING COMPANY, a Delaware corporation ("Cal Ex"; together with Apio, collectively, the "Grantors"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("GE Capital"), as collateral agent (in such capacity, together with its successors and assigns, "Collateral Agent") for Lender (as defined below) and each other Secured Party (as defined below).

W I T N E S S E T H:

WHEREAS, pursuant to the Loan Agreement dated as of April 23, 2012 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among Apio, Apio Cooling A California Limited Partnership, GreenLine Foods, Inc. and GreenLine South Carolina Properties, LLC (collectively, the "Borrowers"), GE Capital, as lender (together with its successors and assigns, "Lender") and Collateral Agent, Lender has agreed to make extensions of credit to the Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, Landec Corporation ("Parent") and GreenLine Holding Company ("GHC") have agreed to guarantee the Obligations (as defined in the Loan Agreement) of each Borrower;

WHEREAS, each Grantor will derive substantial direct and indirect benefits from the making of the extensions of credit under the Loan Agreement; and

WHEREAS, it is a condition precedent to the obligation of Lender to make its extensions of credit to the Borrowers under the Loan Agreement that the Grantors shall have executed and delivered this Agreement to Collateral Agent.

NOW, THEREFORE, in consideration of the premises and to induce Lender and Collateral Agent to enter into the Loan Agreement and to induce Lender to make its extensions of credit to the Borrowers thereunder, each Grantor hereby agrees with Collateral Agent as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Definitions. (a) Capital terms used herein without definition are used as defined in the Loan Agreement and Exhibit A hereto.

(b) The following terms have the meanings given to them in the UCC and terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC (such meanings to be equally applicable to both the singular and plural forms of the terms defined): “account”, “account debtor”, “as-extracted collateral”, “certificated security”, “chattel paper”, “commercial tort claim”, “commodity contract”, “deposit account”, “documents”, “electronic chattel paper”, “equipment”, “farm products”, “fixture”, “general intangible”, “goods”, “health-care-insurance receivable”, “instruments”, “inventory”, “investment property”, “letter-of-credit right”, “proceeds”, “record”, “securities account”, “security”, “supporting obligation” and “tangible chattel paper”.

(c) The following terms shall have the following meanings:

“Cash Collateral Account” means a deposit account or securities account subject, in each instance, to a Control Agreement.

“Collateral” has the meaning specified in Section 3.1.

“Controlled Securities Account” means each securities account (including all financial assets held therein and all certificates and instruments, if any, representing or evidencing such financial assets) that is the subject of an effective Control Agreement.

“Excluded Property” means, collectively, (i) any permit or license or any Contractual Obligation entered into by any Grantor (A) that prohibits or requires the consent of any Person other than a Borrower and its Affiliates which has not been obtained as a condition to the creation by such Grantor of a Lien on any right, title or interest in such permit, license or Contractual Obligation or any Stock or Stock Equivalent related thereto or (B) to the extent that any Requirement of Law applicable thereto prohibits the creation of a Lien thereon, but only, with respect to the prohibition in (A) and (B), to the extent, and for as long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the UCC or any other Requirement of Law, (iii) Property owned by any Grantor that is subject to a purchase money Lien or a Capital Lease permitted under the Credit Agreement if the Contractual Obligation pursuant to which such Lien is granted (or in the document providing for such Capital Lease) prohibits or requires the consent of any Person other than a Borrower and its Affiliates which has not been obtained as a condition to the creation of any other Lien on such equipment and (iv) any “intent to use” Trademark applications for which a statement of use has not been filed (but only until such statement is filed); provided, however, “Excluded Property” shall not include any proceeds, products, substitutions or replacements of Excluded Property (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Property).

“Guaranteed Obligations” means, collectively, the liabilities, obligations, covenants and duties owing by any Guarantor to Collateral Agent or Lender under the Guaranty and this Agreement.

“Guarantor” means, (i) with respect to the Guaranty, each of Parent and GreenLine Holding Company, and (ii) with respect to this Agreement, each of Cal Ex and GL Logistics.

“Guaranty” means the Guaranty of even date herewith made by the Guarantors for the benefit of Collateral Agent and Lender.

“Internet Domain Name” means all right, title and interest (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to Internet domain names.

“Intercreditor Agreement” means the Intercreditor Agreement dated as of even date herewith between Revolver Agent and Collateral Agent.

“Material Intellectual Property” means Intellectual Property that is owned by or licensed to a Grantor and material to the conduct of any Grantor’s business.

“Pledged Certificated Stock” means all certificated securities and any other Stock or Stock Equivalent of any Person evidenced by a certificate, instrument or other similar document (as defined in the UCC), in each case owned by any Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time. Pledged Certificated Stock excludes any Excluded Property and any Cash Equivalents that are not held in Controlled Securities Accounts.

“Pledged Collateral” means, collectively, the Pledged Stock and the Pledged Debt Instruments.

“Pledged Debt Instruments” means all right, title and interest of any Grantor in instruments evidencing any Indebtedness owed to such Grantor or other obligations owed to such Grantor and any distribution of property made on, in respect of or in exchange for the foregoing from time to time issued by the obligors named therein. Pledged Debt Instruments excludes any Cash Equivalents that are not held in Controlled Securities Accounts.

“Pledged Investment Property” means any investment property of any Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, other than any Pledged Stock or Pledged Debt Instruments. Pledged Investment Property excludes any Cash Equivalents that are not held in Controlled Securities Accounts.

“Pledged Stock” means all Pledged Certificated Stock and all Pledged Uncertificated Stock.

“Pledged Uncertificated Stock” means any Stock or Stock Equivalent of any Person that is not Pledged Certificated Stock, including all right, title and interest of any Grantor as a limited or general partner in any partnership not constituting Pledged Certificated Stock or as a member of any limited liability company, all right, title and interest of any Grantor in, to and under any Organizational Document of any partnership or limited liability company to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time to the extent such interests are not certificated. Pledged Uncertificated Stock excludes any Excluded Property and any Cash Equivalents that are not held in Controlled Securities Accounts.

“Property” has the meaning assigned to such term in the Revolver Credit Agreement.

“Revolver Agent” means GE Capital, as agent under the Revolver Security Agreement.

“Revolver Credit Agreement” means that certain Credit Agreement dated as of April 23, 2012 among the Grantors, each lender from time to time a party thereto and Revolver Agent, as amended, modified and restated from time to time in accordance with the terms thereof.

“Revolver Security Agreement” means that certain Guaranty and Security Agreement dated as of April 23, 2012 among the Grantors, each other grantor from time to time a party thereto and Revolver Agent, as amended, modified and restated from time to time in accordance with the terms thereof.

“Secured Obligations” is a collective reference to (a) the a portion of the Obligations related to the Bridge Note and (b) the Guaranteed Obligations related to the Bridge Note.

“Secured Party” means, collectively, Collateral Agent and Lender.

“Software” means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing.

“UCC” means the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of any applicable Requirement of Law, any of the attachment, perfection or priority of Collateral Agent’s or any other Secured Party’s security interest in any Collateral is governed by the Uniform Commercial Code of a jurisdiction other than the State of New York, “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of the definitions related to or otherwise used in such provisions.

“Vehicles” means all vehicles covered by a certificate of title law of any state.

(a) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The terms “herein”, “hereof” and similar terms refer to this Agreement as a whole and not to any particular Article, Section or clause in this Agreement. References herein to an Annex, Schedule, Article, Section or clause refer to the appropriate Annex or Schedule to, or Article, Section or clause in this Agreement. Where the context requires, provisions relating to any Collateral when used in relation to a Grantor shall refer to such Grantor’s Collateral or any relevant part thereof.

(b) Other Interpretive Provisions.

(i) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto.

(ii) Certain Common Terms. The term “including” is not limiting and means “including without limitation.”

(iii) Performance; Time. Whenever any performance obligation hereunder (other than a payment obligation) shall be stated to be due or required to be satisfied on a day other than a Business Day, such performance shall be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.” If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(iv) Contracts. Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, shall be deemed to include all subsequent amendments, thereto, restatements and substitutions thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(v) Laws. References to any statute or regulation are to be construed as including all statutory and regulatory provisions related thereto or consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

ARTICLE II

GUARANTY

Section 2.1 Guaranty. To induce Lender to make the Loan and each other Secured Party to make credit available to or for the benefit of one or more Grantors, each Guarantor hereby, jointly and severally, absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment when due, whether at stated maturity or earlier, by reason of acceleration, mandatory prepayment or otherwise in accordance with any Loan Document, of all the Obligations of each Borrower whether existing on the date hereof or hereinafter incurred or created (the "Guaranteed Obligations"). This Guaranty by each Guarantor hereunder constitutes a guaranty of payment and not of collection.

Section 2.2 Limitation of Guaranty. Any term or provision of this Guaranty or any other Loan Document to the contrary notwithstanding, the maximum aggregate amount for which any Guarantor shall be liable hereunder shall not exceed the maximum amount for which such Guarantor can be liable without rendering this Guaranty or any other Loan Document, as it relates to such Guarantor, subject to avoidance under applicable Requirements of Law relating to fraudulent conveyance or fraudulent transfer (including the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act and Section 548 of title 11 of the United States Code or any applicable provisions of comparable Requirements of Law) (collectively, "Fraudulent Transfer Laws"). Any analysis of the provisions of this Guaranty for purposes of Fraudulent Transfer Laws shall take into account the right of contribution established in Section 2.3 and, for purposes of such analysis, give effect to any discharge of intercompany debt as a result of any payment made under the Guaranty.

Section 2.3 Contribution. To the extent that any Guarantor shall be required hereunder to pay any portion of any Guaranteed Obligation exceeding the greater of (a) the amount of the value actually received by such Guarantor and its Subsidiaries from the Loan and other Obligations and (b) the amount such Guarantor would otherwise have paid if such Guarantor had paid the aggregate amount of the Guaranteed Obligations (excluding the amount thereof repaid by a Borrower that received the benefit of the funds advanced that constituted Guaranteed Obligations) in the same proportion as such Guarantor's net worth on the date enforcement is sought hereunder bears to the aggregate net worth of all the Guarantors on such date, then such Guarantor shall be reimbursed by such other Guarantors for the amount of such excess, pro rata, based on the respective net worth of such other Guarantors on such date.

Section 2.4 Authorization; Other Agreements. The Secured Parties are hereby authorized, without notice to or demand upon any Guarantor and without discharging or otherwise affecting the obligations of any Guarantor hereunder and without incurring any liability hereunder, from time to time, to do each of the following:

(a) (i) modify, amend, supplement or otherwise change, (ii) accelerate or otherwise change the time of payment or (iii) waive or otherwise consent to noncompliance with, any Guaranteed Obligation or any Loan Document;

(b) apply to the Guaranteed Obligations any sums by whomever paid or however realized to any Guaranteed Obligation in such order as provided in the Loan Documents;

(c) refund at any time any payment received by any Secured Party in respect of any Guaranteed Obligation;

(d) (i) sell, exchange, enforce, waive, substitute, liquidate, terminate, release, abandon, fail to perfect, subordinate, accept, substitute, surrender, exchange, affect, impair or otherwise alter or release any Collateral for any Guaranteed Obligation or any other guaranty therefor in any manner, (ii) receive, take and hold additional Collateral to secure any Guaranteed Obligation, (iii) add, release or substitute any one or more other Guarantors, makers or endorsers of any Guaranteed Obligation or any part thereof and (iv) otherwise deal in any manner with a Borrower or any other Guarantor, maker or endorser of any Guaranteed Obligation or any part thereof; and

(e) settle, release, compromise, collect or otherwise liquidate the Guaranteed Obligations.

Section 2.5 Guaranty Absolute and Unconditional. Each Guarantor hereby waives and agrees not to assert any defense, whether arising in connection with or in respect of any of the following or otherwise, and hereby agrees that its obligations under this Guaranty are irrevocable, absolute and unconditional and shall not be discharged as a result of or otherwise affected by any of the following (which may not be pleaded and evidence of which may not be introduced in any proceeding with respect to this Guaranty, in each case except as otherwise agreed in writing by Agent):

(a) the invalidity or unenforceability of any obligation of a Borrower or any other Guarantor under any Loan Document or any other agreement or instrument relating thereto (including any amendment, consent or waiver thereto), or any security for, or other guaranty of, any Guaranteed Obligation or any part thereof, or the lack of perfection or continuing perfection or failure of priority of any security for the Guaranteed Obligations or any part thereof;

(b) the absence of (i) any attempt to collect any Guaranteed Obligation or any part thereof from a Borrower or any other Guarantor or other action to enforce the same or (ii) any action to enforce any Loan Document or any Lien thereunder;

(c) the failure by any Person to take any steps to perfect and maintain any Lien on, or to preserve any rights with respect to, any Collateral;

(d) any workout, insolvency, bankruptcy proceeding, reorganization, arrangement, liquidation or dissolution by or against a Borrower, any other Guarantor or any of a Borrower's other Subsidiaries or any procedure, agreement, order, stipulation, election, action or omission thereunder, including any discharge or disallowance of, or bar or stay against collecting, any Guaranteed Obligation (or any interest thereon) in or as a result of any such proceeding;

(e) any foreclosure, whether or not through judicial sale, and any other sale or other disposition of any Collateral or any election following the occurrence of an Event of Default by any Secured Party to proceed separately against any Collateral in accordance with such Secured Party's rights under any applicable Requirement of Law; or

(f) any other defense, setoff, counterclaim or any other circumstance that might otherwise constitute a legal or equitable discharge of a Borrower, any other Guarantor or any other Subsidiary of a Borrower, in each case other than the payment in full of the Guaranteed Obligations.

Section 2.6 Waivers. Each Guarantor hereby unconditionally and irrevocably waives and agrees not to assert any claim, defense, setoff or counterclaim based on diligence, promptness, presentment, requirements for any demand or notice hereunder including any of the following: (a) any demand for payment or performance and protest and notice of protest; (b) any notice of acceptance; (c) any presentment, demand, protest or further notice or other requirements of any kind with respect to any Guaranteed Obligation (including any accrued but unpaid interest thereon) becoming immediately due and payable; and (d) any other notice in respect of any Guaranteed Obligation or any part thereof, and any defense arising by reason of any disability or other defense of a Borrower or any other Guarantor. Until the Obligations have been repaid in full in cash, each Guarantor further unconditionally and irrevocably agrees not to (x) enforce or otherwise exercise any right of subrogation or any right of reimbursement or contribution or similar right against a Borrower or any other Guarantor by reason of any Loan Document or any payment made thereunder or (y) assert any claim, defense, setoff or counterclaim it may have against any other Credit Party or set off any of its obligations to such other Credit Party against obligations of such Credit Party to such Guarantor. No obligation of any Guarantor hereunder shall be discharged other than by complete performance.

Section 2.7 Reliance. Each Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of each Borrower, each other Guarantor and any other guarantor, maker or endorser of any Guaranteed Obligation or any part thereof, and of all other circumstances bearing upon the risk of nonpayment of any Guaranteed Obligation or any part thereof that diligent inquiry would reveal, and each Guarantor hereby agrees that no Secured Party shall have any duty to advise any Guarantor of information known to it regarding such condition or any such circumstances. In the event any Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any Guarantor, such Secured Party shall be under no obligation to (a) undertake any investigation not a part of its regular business routine, (b) disclose any information that such Secured Party, pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (c) make any future disclosures of such information or any other information to any Guarantor.

ARTICLE III

GRANT OF SECURITY INTEREST

Section 3.1 Collateral. For the purposes of this Agreement, all of the following property now owned or at any time hereafter acquired by a Grantor or in which a Grantor now has or at any time in the future may acquire any right, title or interests is collectively referred to as the "Collateral":

- (a) all accounts, chattel paper, deposit accounts, documents, equipment, general intangibles, instruments, inventory, investment property, letter of credit rights and any supporting obligations related to any of the foregoing;
- (b) [Intentionally Omitted.];
- (c) all books and records pertaining to the other property described in this Section 3.1;
- (d) all property of such Grantor held by any Secured Party, including all property of every description, in the custody of or in transit to such Secured Party for any purpose, including safekeeping, collection or pledge, for the account of such Grantor or as to which such Grantor may have any right or power, including but not limited to cash;
- (e) all other goods (including but not limited to fixtures) and personal property of such Grantor, whether tangible or intangible and wherever located; and
- (f) to the extent not otherwise included, all proceeds of the foregoing;

Section 3.2 Grant of Security Interest in Collateral. Each Grantor, 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 of such Grantor, hereby mortgages, pledges and hypothecates to Collateral Agent for the benefit of the Secured Parties, and grants to Collateral Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the Collateral of such Grantor; provided, however, notwithstanding the foregoing, no Lien or security interest is hereby granted on any Excluded Property; provided, further, that if and when any property shall cease to be Excluded Property, a Lien on and security in such property shall be deemed granted therein. Each such Grantor hereby represents and warrants that the Excluded Property, when taken as a whole, is not material to the business operations or financial condition of the Grantors, taken as a whole.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce Lender and Collateral Agent to enter into the Loan Documents, each Grantor hereby represents and warrants each of the following to Collateral Agent, Lender and the other Secured Parties:

Section 4.1 Title; No Other Liens. Except for the Lien granted to Collateral Agent pursuant to this Agreement and the other Permitted Liens (except for those Permitted Liens not permitted to exist on any Collateral) under any Loan Document (including Section 4.2), such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. Such Grantor (a) is the record and beneficial owner of the Collateral pledged by it hereunder constituting instruments or certificates and (b) has rights in or the power to transfer each other item of Collateral in which a Lien is granted by it hereunder, free and clear of any other Lien.

Section 4.2 Perfection and Priority. The security interest granted pursuant to this Agreement constitutes a valid and continuing perfected security interest in favor of Collateral Agent in all Collateral to which a security interest may be perfected by filing a financing statement under the UCC.

Section 4.3 Pledged Collateral. (a) The Pledged Stock pledged by such Grantor hereunder (a) has been duly authorized, validly issued and is fully paid and nonassessable (other than Pledged Stock in limited liability companies and partnerships) and (b) constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms.

(b) As of the Closing Date, all Pledged Collateral (other than Pledged Uncertificated Stock) and all Pledged Investment Property consisting of instruments and certificates has been delivered to Revolver Agent in accordance with the Revolver Security Agreement.

(c) Upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall be entitled to exercise all of the rights of the Grantor granting the security interest in any Pledged Stock, and a transferee or assignee of such Pledged Stock shall become a holder of such Pledged Stock to the same extent as such Grantor and be entitled to participate in the management of the issuer of such Pledged Stock and, upon the transfer of the entire interest of such Grantor, such Grantor shall, by operation of law, cease to be a holder of such Pledged Stock.

Section 4.4 Instruments and Tangible Chattel Paper Formerly Accounts. No amount payable to such Grantor under or in connection with any account is evidenced by any instrument or tangible chattel paper that has not been delivered to Revolver, properly endorsed for transfer, to the extent delivery is required by the Revolver Security Agreement.

Section 4.5 Intellectual Property. On the Closing Date, all Material Intellectual Property owned by such Grantor is valid, in full force and effect, subsisting, unexpired and enforceable, and no Material Intellectual Property has been abandoned. No breach or default of any material IP License shall be caused by any of the following, and none of the following shall limit or impair the ownership, use, validity or enforceability of, or any rights of such Grantor in, any Material Intellectual Property: (i) the consummation of the transactions contemplated by any Loan Document or (ii) any holding, decision, judgment or order rendered by any Governmental Authority. There are no pending (or, to the knowledge of such Grantor, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes challenging the ownership, use, validity, enforceability of, or such Grantor's rights in, any Material Intellectual Property of such Grantor. To such Grantor's knowledge, no Person has been or is infringing, misappropriating, diluting, violating or otherwise impairing any Intellectual Property of such Grantor. Such Grantor, and to such Grantor's knowledge each other party thereto, is not in material breach or default of any material IP License.

Section 4.6 Commercial Tort Claims. There are no commercial tort claims of any Grantor existing on the date hereof (regardless of whether the amount, defendant or other material facts can be determined and regardless of whether such commercial tort claim has been asserted, threatened or has otherwise been made known to the obligee thereof or whether litigation has been commenced for such claims).

Section 4.7 Specific Collateral. None of the Collateral is or is proceeds or products of as-extracted collateral, health-care-insurance receivables or timber to be cut.

Section 4.8 Enforcement. No Permit, notice to or filing with any Governmental Authority or any other Person or any consent from any Person is required for the exercise by Collateral Agent of its rights (including voting rights) provided for in this Agreement or the enforcement of remedies in respect of the Collateral pursuant to this Agreement, including the transfer of any Collateral, except as may be required in connection with the disposition of any portion of the Pledged Collateral by laws affecting the offering and sale of securities generally or any approvals that may be required to be obtained from any bailees or landlords to collect the Collateral.

ARTICLE V

[INTENTIONALLY OMITTED.]

ARTICLE VI

REMEDIAL PROVISIONS

Section 6.1 Code and Other Remedies. (a) UCC Remedies. During the continuance of an Event of Default, Collateral Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to any Secured Obligation, all rights and remedies of a secured party under the UCC or any other applicable law.

(b) [Intentionally Omitted.]

(c) [Intentionally Omitted.]

(d) Application of Proceeds. Collateral Agent shall apply the cash proceeds of any action taken by it pursuant to this Section 6.1, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights of Collateral Agent and any other Secured Party hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, as set forth in the Loan Agreement, and only after such application and after the payment by Collateral Agent of any other amount required by any Requirement of Law, need Collateral Agent account for the surplus, if any, to any Grantor.

(e) Direct Obligation. Neither Collateral Agent nor any other Secured Party shall be required to make any demand upon, or pursue or exhaust any right or remedy against, any Grantor, any other Loan Party or any other Person with respect to the payment of the Obligations or to pursue or exhaust any right or remedy with respect to any Collateral therefor or any direct or indirect guaranty thereof. All of the rights and remedies of Collateral Agent and any other Secured Party under any Loan Document shall be cumulative, may be exercised individually or concurrently and not exclusive of any other rights or remedies provided by any Requirement of Law. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against Collateral Agent or any other Secured Party, any valuation, stay, appraisal, extension, redemption or similar laws and any and all rights or defenses it may have as a surety, now or hereafter existing, arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of any Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(f) Commercially Reasonable. To the extent that applicable Requirements of Law impose duties on Collateral Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is not commercially unreasonable for Collateral Agent to do any of the following:

(i) fail to incur significant costs, expenses or other Liabilities reasonably deemed as such by Collateral Agent to prepare any Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition;

(ii) fail to obtain Permits, or other consents, for access to any Collateral to sell or for the collection or sale of any Collateral, or, if not required by other Requirements of Law, fail to obtain Permits or other consents for the collection or disposition of any Collateral;

(iii) fail to exercise remedies against account debtors or other Persons obligated on any Collateral or to remove Liens on any Collateral or to remove any adverse claims against any Collateral;

(iv) advertise dispositions of any Collateral through publications or media of general circulation, whether or not such Collateral is of a specialized nature, or to contact other Persons, whether or not in the same business as any Grantor, for expressions of interest in acquiring any such Collateral;

(v) exercise collection remedies against account debtors and other Persons obligated on any Collateral, directly or through the use of collection agencies or other collection specialists, hire one or more professional auctioneers to assist in the disposition of any Collateral, whether or not such Collateral is of a specialized nature, or, to the extent deemed appropriate by Collateral Agent, obtain the services of other brokers, investment bankers, consultants and other professionals to assist Collateral Agent in the collection or disposition of any Collateral, or utilize Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets to dispose of any Collateral;

(vi) dispose of assets in wholesale rather than retail markets;

(vii) disclaim disposition warranties, such as title, possession or quiet enjoyment; or

(viii) purchase insurance or credit enhancements to insure Collateral Agent against risks of loss, collection or disposition of any Collateral or to provide to Collateral Agent a guaranteed return from the collection or disposition of any Collateral.

Each Grantor acknowledges that the purpose of this Section 6.1 is to provide a non-exhaustive list of actions or omissions that are commercially reasonable when exercising remedies against any Collateral and that other actions or omissions by the Secured Parties shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6.1. Without limitation upon the foregoing, nothing contained in this Section 6.1 shall be construed to grant any rights to any Grantor or to impose any duties on Collateral Agent that would not have been granted or imposed by this Agreement or by applicable Requirements of Law in the absence of this Section 6.1.

(g) IP Licenses. For the purpose of enabling Collateral Agent to exercise rights and remedies under this Section 6.1 (including in order to take possession of, collect, receive, assemble, process, appropriate, remove, realize upon, sell, assign, convey, transfer or grant options to purchase any Collateral) at such time as Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to Collateral Agent, for the benefit of the Secured Parties, (i) an irrevocable, nonexclusive, worldwide license (exercisable without payment of royalty or other compensation to such Grantor), including in such license the right to sublicense, use and practice any Intellectual Property now owned or hereafter acquired by such Grantor and access to all media in which any of the licensed items may be recorded or stored and to all Software and programs used for the compilation or printout thereof and (ii) an irrevocable license (without payment of rent or other compensation to such Grantor) to use, operate and occupy all real Property owned, operated, leased, subleased or otherwise occupied by such Grantor.

Section 6.2 Accounts and Payments in Respect of General Intangibles. (a) If required by Collateral Agent at any time during the continuance of an Event of Default, any payment of accounts or payment in respect of general intangibles, when collected by any Grantor, shall be promptly (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to Collateral Agent, in a Cash Collateral Account, subject to withdrawal by Collateral Agent as provided in Section 6.4. Until so turned over, such payment shall be held by such Grantor in trust for Collateral Agent, segregated from other funds of such Grantor. Each such deposit of proceeds of accounts and payments in respect of general intangibles shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) [Intentionally Omitted.]

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each account and each payment in respect of general intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any agreement giving rise to an account or a payment in respect of a general intangible by reason of or arising out of any Loan Document or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any obligation of any Grantor under or pursuant to any agreement giving rise to an account or a payment in respect of a general intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 6.4 Proceeds to be Turned over to and Held by Collateral Agent. Unless otherwise expressly provided in the Loan Agreement or this Agreement, all proceeds of any Collateral received by any Grantor hereunder in cash or Cash Equivalents shall be held by such Grantor in trust for Collateral Agent and the other Secured Parties, segregated from other funds of such Grantor, and shall, promptly upon receipt by any Grantor, be turned over to Collateral Agent in the exact form received (with any necessary endorsement). All such proceeds of Collateral and any other proceeds of any Collateral received by Collateral Agent in cash or Cash Equivalents shall be held by Collateral Agent in a Cash Collateral Account. All proceeds being held by Collateral Agent in a Cash Collateral Account (or by such Grantor in trust for Collateral Agent) shall continue to be held as collateral security for the Secured Obligations and shall not constitute payment thereof until applied as provided in the Loan Agreement.

Section 6.5 Sale of Pledged Collateral. (a) Each Grantor recognizes that Collateral Agent may be unable to effect a public sale of any Pledged Collateral by reason of certain prohibitions contained in the Securities Act and applicable state or foreign securities laws or otherwise or may determine that a public sale is impracticable, not desirable or not commercially reasonable and, accordingly, may resort to one or more private sales thereof to a restricted group of purchasers that shall be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Collateral Agent shall be under no obligation to delay a sale of any Pledged Collateral for the period of time necessary to permit the issuer thereof to register such securities for public sale under the Securities Act or under applicable state securities laws even if such issuer would agree to do so.

(b) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of any portion of the Pledged Collateral pursuant to Section 6.1 and this Section 6.5 valid and binding and in compliance with all applicable Requirements of Law. Each Grantor further agrees that a breach of any covenant contained herein will cause irreparable injury to Collateral Agent and other Secured Parties, that Collateral Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained herein shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defense against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Loan Agreement. Each Grantor waives any and all rights of contribution or subrogation upon the sale or disposition of all or any portion of the Pledged Collateral by Collateral Agent.

Section 6.6 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of any Collateral are insufficient to pay the Secured Obligations and the fees and disbursements of any attorney employed by Collateral Agent or any other Secured Party to collect such deficiency.

ARTICLE VII

COLLATERAL AGENT

Section 7.1 Collateral Agent's Appointment as Attorney-in-Fact. (a) Each Grantor hereby irrevocably constitutes and appoints Collateral Agent, 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 such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of the Loan Documents, to take any appropriate action and to execute any document or instrument that may be necessary or desirable to accomplish the purposes of the Loan Documents, and, without limiting the generality of the foregoing, each Grantor hereby gives Collateral Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any of the following when an Event of Default shall be continuing:

(i) in the name of such Grantor, in its own name or otherwise, take possession of and indorse and collect any check, draft, note, acceptance or other instrument for the payment of moneys due under any account or general intangible or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Collateral Agent for the purpose of collecting any such moneys due under any account or general intangible or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property owned by or licensed to the Grantors, execute, deliver and have recorded any document that Collateral Agent may request to evidence, effect, publicize or record Collateral Agent's security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

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

(iv) execute, in connection with any sale provided for in Section 6.1 or 6.5, any document to effect or otherwise necessary or appropriate in relation to evidence the sale of any Collateral; or

(v) (A) direct any party liable for any payment under any Collateral to make payment of any moneys due or to become due thereunder directly to Collateral Agent or as Collateral Agent shall direct, (B) ask or demand for, and collect and receive payment of and receipt for, any 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 indorse any invoice, freight or express bill, bill of lading, storage or warehouse receipt, draft against debtors, assignment, verification, notice and other document in connection with any Collateral, (D) commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect any Collateral and to enforce any other right in respect of any Collateral, (E) defend any actions, suits, proceedings, audits, claims, demands, orders or disputes brought against such Grantor with respect to any Collateral, (F) settle, compromise or adjust any such actions, suits, proceedings, audits, claims, demands, orders or disputes and, in connection therewith, give such discharges or releases as Collateral Agent may deem appropriate, (G) assign any Intellectual Property owned by the Grantors or any IP Licenses of the Grantors throughout the world on such terms and conditions and in such manner as Collateral Agent shall in its sole discretion determine, including the execution and filing of any document necessary to effectuate or record such assignment and (H) generally, sell, assign, convey, transfer or grant a Lien on, make any Contractual Obligation with respect to and otherwise deal with, any Collateral as fully and completely as though Collateral Agent were the absolute owner thereof for all purposes and do, at Collateral Agent's option, at any time or from time to time, all acts and things that Collateral Agent deems necessary to protect, preserve or realize upon any Collateral and the Secured Parties' security interests therein and to effect the intent of the Loan Documents, all as fully and effectively as such Grantor might do.

(vi) If any Grantor fails to perform or comply with any Contractual Obligation contained herein, Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such Contractual Obligation.

(b) The expenses of Collateral Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate of the lesser of 12% per annum or the highest rate permitted by law, from the date of payment by Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to Collateral Agent on demand.

(c) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue of this Section 7.1. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

Section 7.2 Authorization to File Financing Statements. Each Grantor authorizes Collateral Agent, at any time and from time to time, to file or record financing statements, amendments thereto, and other filing or recording documents or instruments with respect to any Collateral in such form and in such offices as Collateral Agent reasonably determines appropriate to perfect the security interests of Collateral Agent under this Agreement, and such financing statements and amendments may described the Collateral covered thereby as “all assets of the debtor”. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction. Such Grantor also hereby ratifies its authorization for Collateral Agent to have filed any initial financing statement or amendment thereto under the UCC (or other similar laws) in effect in any jurisdiction if filed prior to the date hereof.

Section 7.3 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of Collateral Agent under this Agreement with respect to any action taken by Collateral Agent or the exercise or non-exercise by Collateral 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 Collateral Agent and the other Secured Parties, be governed by the Loan Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between Collateral Agent and the Grantors, Collateral Agent shall be conclusively presumed to be acting as Collateral Agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation or entitlement to make any inquiry respecting such authority.

Section 7.4 Duty; Obligations and Liabilities. (a) Duty of Collateral Agent. 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 Collateral Agent deals with similar property for its own account. The powers conferred on Collateral Agent hereunder are solely to protect Collateral Agent’s interest in the Collateral and shall not impose any duty upon Collateral Agent to exercise any such powers. Collateral Agent shall be accountable only for amounts that it receives as a result of the exercise of such powers shall not be responsible to any Grantor for any act or failure to act hereunder, except for its own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. In addition, Collateral Agent shall not be liable or responsible for any loss or damage to any Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehousemen, carrier, forwarding agency, consignee or other bailee if such Person has been selected by Collateral Agent in good faith.

(b) Obligations and Liabilities with respect to Collateral. No Secured Party shall be liable for failure to demand, collect or realize upon any Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to any Collateral. The powers conferred on Collateral Agent hereunder shall not impose any duty upon any other Secured Party to exercise any such powers. The other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their respective officers, directors, employees or Collateral Agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Reinstatement. Each Grantor agrees that, if any payment made by any Loan Party or other Person and applied to the Secured Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of any Collateral are required to be returned by any Secured Party to such Loan Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, any Lien or other Collateral securing such Grantor's liability hereunder shall have been released or terminated by virtue of the foregoing, such Lien, other Collateral or provision shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any such Grantor in respect of any Lien or other Collateral securing such obligation or the amount of such payment.

Section 8.2 Release of Collateral. Upon the earlier to occur of (a) repayment in full of all obligations under the Bridge Note, provided that no Event of Default has occurred and is continuing, and (b) repayment in full of all obligations under Revolver Credit Agreement, termination of all commitments thereunder and the release of the Collateral pursuant to Section 8.10(b)(iii) of the Revolver Credit Agreement, the Collateral shall be released from the Lien created hereby and this Agreement and all obligations (other than those expressly stated to survive such termination) of Collateral Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors without affecting any collateral or rights and remedies of Collateral Agent under any other Loan Document. Each Grantor is hereby authorized to file UCC amendments at such time evidencing the termination of the Liens on the Collateral so released pursuant to this Section so long as such Collateral does include the Real Estate Collateral or the Equipment Facility Collateral. At the request of any Grantor following any such termination, Collateral Agent shall deliver to such Grantor any Collateral of such Grantor held by Collateral Agent hereunder and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

Section 8.3 Independent Obligations. The obligations of each Grantor hereunder are independent of and separate from the Secured Obligations and the Guaranteed Obligations. If any Secured Obligation or Guaranteed Obligation is not paid when due, or upon any Event of Default, Collateral Agent may, at its sole election, proceed directly and at once, without notice, against any Grantor and any Collateral to collect and recover the full amount of any Secured Obligation or Guaranteed Obligation then due, without first proceeding against any other Grantor, any other Loan Party or any other Collateral and without first joining any other Grantor or any other Loan Party in any proceeding.

Section 8.4 No Waiver by Course of Conduct. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.5), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that such Secured Party would otherwise have on any future occasion.

Section 8.5 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in writing signed by Grantors and the Collateral Agent.

Section 8.6 [Intentionally Omitted.]

Section 8.7 Notices. All notices, requests and demands to or upon Collateral Agent or any Grantor hereunder shall be effected in the manner provided for in Section 11.03 of the Loan Agreement; provided, however, that any such notice, request or demand to or upon any Grantor shall be addressed to the Borrowers' notice address set forth in Annex I to the Loan Agreement.

Section 8.8 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of each Secured Party and their successors and assigns; provided, however, that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of Collateral Agent.

Section 8.9 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or by Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

Section 8.10 Severability. Any provision of this Agreement being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of this Agreement or any part of such provision in any other jurisdiction.

Section 8.11 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 8.12 Prior Lien; Intercreditor Agreement. Collateral Agent acknowledges and agrees that Revolver Agent has a prior first priority Lien on all Collateral other than the Real Estate Collateral. To the extent that any provision herein is contrary to the terms and provisions of the Intercreditor Agreement, the terms and provisions of the Intercreditor Agreement shall control unless the Intercreditor Agreement has been terminated in accordance with the terms thereof.

Section 8.13 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO, OR DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH, ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREIN OR RELATED THERETO (WHETHER FOUNDED IN CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO OTHER PARTY AND NO RELATED PERSON OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

APIO, INC., a Delaware corporation,
as a Grantor

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner
Title: Vice President

CAL EX TRADING COMPANY, a Delaware corporation,
as a Grantor

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner
Title: Vice President

[Signature Page to Security Agreement]

GREEN LOGISTICS, INC., an Ohio corporation,
as a Grantor

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner

Title: Treasurer

[Signature Page to Security Agreement]

ACCEPTED AND AGREED
as of the date first above written:

GENERAL ELECTRIC CAPITAL CORPORATION,
as Collateral Agent

By: /s/ Richard S. Hult
Name: Richard S. Hult
Title: Transaction and Syndication Manager

[Signature Page to Security Agreement]

EXHIBIT A TO SECURITY AGREEMENT

“Affiliate” means, with respect to any Person, each officer, director, general partner or joint-venturer of such Person and any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person; provided, however, that no Secured Party shall be an Affiliate of any Loan Party or of any Subsidiary of any Loan Party solely by reason of the provisions of the Loan Documents. For purposes of this definition, “control” means the possession of either (a) the power to vote, or the beneficial ownership of, ten percent (10%) or more of the voting Stock of such Person (either directly or through the ownership of Stock Equivalents) or (b) the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Capital Lease” means, with respect to any Person, any lease of, or other arrangement conveying the right to use, any Property by such Person as lessee that has been or should be accounted for as a capital lease on a balance sheet of such Person prepared in accordance with GAAP.

“Cash Equivalents” means (a) any readily-marketable securities (i) issued by, or directly, unconditionally and fully guaranteed or insured by the United States federal government or (ii) issued by any agency of the United States federal government the obligations of which are fully backed by the full faith and credit of the United States federal government, (b) any readily-marketable direct obligations issued by any other agency of the United States federal government, any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case having a rating of at least “A-1” from S&P or at least “P-1” from Moody’s, (c) any commercial paper rated at least “A-1” by S&P or “P-1” by Moody’s and issued by any Person organized under the laws of any state of the United States, (d) any Dollar-denominated time deposit, insured certificate of deposit, overnight bank deposit or bankers’ acceptance issued or accepted by (i) Lender or (ii) any commercial bank that is (A) organized under the laws of the United States, any state thereof or the District of Columbia, (B) “adequately capitalized” (as defined in the regulations of its primary federal banking regulators) and (C) has Tier 1 capital (as defined in such regulations) in excess of \$250,000,000 and (e) shares of any United States money market fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clause (a), (b), (c) or (d) with maturities as set forth in the proviso below, (ii) has net assets in excess of \$500,000,000 and (iii) has obtained from either S&P or Moody’s the highest rating obtainable for money market funds in the United States; provided, however, that the maturities of all obligations specified in any of clause (a), (b), (c) or (d) shall not exceed 365 days.

“Contingent Obligation” means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person, with respect to any Indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

“Contractual Obligations” means, as to any Person, any provision of any security (whether in the nature of Stock, Stock Equivalents or otherwise) issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement (other than a Loan Document) to which such Person is a party or by which it or any of its Property is bound or to which any of its Property is subject.

“Control Agreement” means, with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance satisfactory to Revolver Agent, among Revolver Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried and the Loan Party maintaining such account, effective to grant “control” (within the meaning of Articles 8 and 9 under the applicable UCC) over such account to Revolver Agent.

“Copyrights” means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordings thereof and all applications in connection therewith.

“Governmental Authority” means any nation, sovereign or government, any state or other political subdivision thereof, any agency, authority or instrumentality thereof and any entity or authority exercising executive, legislative, taxing, judicial, regulatory or administrative functions of or pertaining to government, including any central bank, stock exchange, regulatory body, arbitrator, public sector entity, supra-national entity (including the European Union and the European Central Bank) and any self-regulatory organization (including the National Association of Insurance Commissioners).

“Indebtedness” of any Person means, without duplication: (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of Property or services (other than trade payables entered into in the Ordinary Course of Business); (c) the face amount of all letters of credit issued for the account of such Person and without duplication, all drafts drawn thereunder and all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments issued by such Person; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of Property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property); (f) all Capital Lease Obligations; (g) the principal balance outstanding under any synthetic lease, off-balance sheet loan or similar off balance sheet financing product; (h) all indebtedness referred to in clauses (a) through (g) secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in Property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness; and (i) all Contingent Obligations described in clause (a) of the definition thereof in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (i).

“Intellectual Property” means all rights, title and interests in or relating to intellectual property and industrial property arising under any Requirement of Law and all IP Ancillary Rights relating thereto, including all Copyrights, Patents, Trademarks, Internet Domain Names, Trade Secrets and IP Licenses.

“Internet Domain Name” means all right, title and interest (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to internet domain names.

“IP Ancillary Rights” means, with respect to any Intellectual Property, as applicable, all foreign counterparts to, and all divisionals, reversions, continuations, continuations-in-part, reissues, reexaminations, renewals and extensions of, such Intellectual Property and all income, royalties, proceeds and Liabilities at any time due or payable or asserted under or with respect to any of the foregoing or otherwise with respect to such Intellectual Property, including all rights to sue or recover at law or in equity for any past, present or future infringement, misappropriation, dilution, violation or other impairment thereof, and, in each case, all rights to obtain any other IP Ancillary Right.

“IP License” means all Contractual Obligations (and all related IP Ancillary Rights), whether written or oral, granting any right, title and interest in or relating to any Intellectual Property.

“Liabilities” means all claims, actions, suits, judgments, damages, losses, liability, obligations, responsibilities, fines, penalties, sanctions, costs, fees, taxes, commissions, charges, disbursements and expenses (including those incurred upon any appeal or in connection with the preparation for and/or response to any subpoena or request for document production relating thereto), in each case of any kind or nature (including interest accrued thereon or as a result thereto and fees, charges and disbursements of financial, legal and other advisors and consultants), whether joint or several, whether or not indirect, contingent, consequential, actual, punitive, treble or otherwise.

“Patents” means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to letters patent and applications therefor.

“Permits” means, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance or permission from, and any other Contractual Obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Permitted Liens” means

(a) any Lien existing on the Property of a Loan Party or a Subsidiary of a Loan Party on the Closing Date and set forth in Schedule 5.1 to the Revolver Credit Agreement securing Indebtedness outstanding on such date, including replacement Liens on the Property currently subject to such Liens securing Indebtedness;

(b) any Lien created under any Loan Document;

(c) Liens for taxes, fees, assessments or other governmental charges which are not past due or remain payable without penalty, or Liens for Contested Taxes;

(d) carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s, repairmen’s or other similar Liens arising in the Ordinary Course of Business (including the interest of the suppliers of a Loan Party’s Inventory as addressed by the PACA Reserve) which are not past due or remain payable without penalty or which are being contested in good faith and by appropriate proceedings diligently prosecuted, which proceedings have the effect of preventing the forfeiture or sale of the Property subject thereto and for which adequate reserves in accordance with GAAP are being maintained;

(e) Liens (other than any Lien imposed by ERISA) consisting of pledges or deposits required in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other social security legislation or to secure the performance of tenders, statutory obligations, surety, stay, customs and appeals bonds, bids, leases, governmental contract, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or to secure liability to insurance carriers;

(f) Liens consisting of judgment or judicial attachment liens (other than for payment of taxes, assessments or other governmental charges), provided that the enforcement of such Liens is effectively stayed and all such Liens secure claims in the aggregate at any time outstanding for the Loan Parties and their Subsidiaries not exceeding \$350,000;

(g) easements, rights-of-way, covenants, zoning and other restrictions, minor defects or other irregularities in title, and other similar encumbrances incurred in the Ordinary Course of Business which, either individually or in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the Property subject thereto or interfere in any material respect with the ordinary conduct of the businesses of any Loan Party or any Subsidiary of any Loan Party;

(h) Liens on any Property acquired or held by any Loan Party or any Subsidiary of any Loan Party securing Indebtedness incurred or assumed for the purpose of financing (or refinancing) all or any part of the cost of acquiring such Property and permitted under Section 5.5(d) of the Revolver Credit Agreement; provided that (i) any such Lien attaches to such Property concurrently with or within 20 days after the acquisition thereof, (ii) such Lien attaches solely to the Property so acquired in such transaction and the proceeds thereof, and (iii) the principal amount of the debt secured thereby does not exceed one hundred percent (100%) of the cost of such Property;

(i) Liens securing Capital Lease Obligations permitted under Section 5.5(d) of the Revolver Credit Agreement;

(j) any interest or title of a lessor or sublessor under any lease permitted by the Revolver Credit Agreement;

(k) Liens arising from the filing of precautionary uniform commercial code financing statements with respect to any lease permitted by the Revolver Credit Agreement;

(l) non-exclusive licenses and sublicenses granted by a Loan Party and leases or subleases (by a Loan Party as lessor or sublessor) to third parties in the Ordinary Course of Business not interfering with the business of the Loan Parties or any of their Subsidiaries;

(m) Liens in favor of collecting banks arising by operation of law under Section 4-210 of the Uniform Commercial Code or, with respect to collecting banks located in the State of New York, under 4-208 of the Uniform Commercial Code;

(n) Liens (including the right of set-off) in favor of a bank or other depository institution arising as a matter of law encumbering deposits;

(o) Liens in favor of customs and revenue authorities arising as a matter of law which secure payment of customs duties in connection with the importation of goods in the Ordinary Course of Business; and

(p) any Lien created under the Equipment Facility Documents or the Revolving Facility Documents.

“Person” means any individual, partnership, corporation (including a business trust and a public benefit corporation), joint stock company, estate, association, firm, enterprise, trust, limited liability company, unincorporated association, joint venture and any other entity or Governmental Authority.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

“Requirement of Law” means, with respect to any Person, the common law and any federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“Stock” means all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting.

“Stock Equivalents” means all securities convertible into or exchangeable for Stock or any other Stock Equivalent and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any Stock or any other Stock Equivalent, whether or not presently convertible, exchangeable or exercisable.

“Subsidiary” means, with respect to any Person, any corporation, partnership, joint venture, limited liability company, association or other entity, the management of which is, directly or indirectly, controlled by, or of which an aggregate of more than fifty percent (50%) of the voting Stock is, at the time, owned or controlled directly or indirectly by, such Person or one or more Subsidiaries of such Person.

“Trade Secrets” means all right, title and interest (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to trade secrets.

“Trademark” means all rights, title and interests (and all related IP Ancillary Rights) arising under any Requirement of Law in or relating to trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and, in each case, all goodwill associated therewith, all registrations and recordations thereof and all applications in connection therewith.

Notice Address:

General Electric Capital Corporation,
230 Schilling Circle
Suite 300
Hunt Valley, MD 21031

THIS GUARANTY (this “Guaranty”), dated as of April 23, 2012, by **LANDEC CORPORATION**, a Delaware corporation (“Landec”), and **GREENLINE HOLDING COMPANY**, a Delaware corporation (“GreenLine Holding”; Landec and GreenLine Holding may be referred to herein individually as “Guarantor” and collectively as “Guarantors”), is provided in favor of **GENERAL ELECTRIC CAPITAL CORPORATION**, a Delaware corporation, as lender (herein, with its participants, successors and assigns, “Lender”) and as collateral agent (herein, with its participants, successors and assigns, “Collateral Agent”). If more than one Guarantor has entered into this Guaranty, the obligations of each Guarantor under this Guaranty shall be joint and several and any reference below to “Guarantor” shall mean each such Guarantor.

To induce Lender, to extend credit pursuant to that certain Loan Agreement of even date herewith (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Loan Agreement”), the other Loan Documents (as defined in the Loan Agreement) and all documents, instruments and agreements executed in connection therewith (collectively, the “Transaction Documents”) to or for the account of Apio, Inc., a Delaware corporation (“Apio”), GreenLine Foods, Inc., an Ohio corporation (“GreenLine Foods”), and GreenLine South Carolina Properties, LLC, an Ohio limited liability company (“GreenLine SC”; Apio, GreenLine Foods and GreenLine SC may be referred to herein as “Borrower” and collectively as “Borrowers”), but without in any way binding Lender to do so, Guarantors, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby absolutely, unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, the due regular and punctual payment of any sum or sums of money which any Borrower may owe to Lender or Collateral Agent now or at any time hereafter, whether evidenced by a Transaction Document, on open account or otherwise, and whether it represents principal, interest (including interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), late charges, indemnities, an original balance, an accelerated balance, liquidated damages, a balance reduced by partial payment, a deficiency after sale or other disposition of any equipment, collateral or security, or any other type of sum of any kind whatsoever that any Borrower may owe to Lender or Collateral Agent now or at any time hereafter, and does hereby further guarantee to Lender and Collateral Agent the due, regular and punctual performance of any other duty or obligation of any kind or character whatsoever that any Borrower may owe to Lender or Collateral Agent now or at any time hereafter arising from or relating to (directly or indirectly) any and all Transaction Documents (all such payment and performance obligations being collectively referred to as the “Obligations”). The definition of “Obligations” does not include any payment and performance obligations arising solely under the Revolving Facility Documents. Guarantors do hereby further guarantee to pay within ten (10) days after written demand all losses, costs, attorneys’ fees and expenses which may be suffered by Lender or Collateral Agent by reason of the occurrence of any Default or Event of Default (each as defined in the Loan Agreement) or default of any Guarantor. All payments made under this Guaranty shall be paid to Lender or Collateral Agent, as the case may be, in immediately available funds without set-off or counterclaim consistent with Lender’s or Collateral Agent’s payment policy, generally by check or wire transfer drawn on a bank account located in the United States in the name of Guarantors and not by currency, money orders or travelers checks.

This Guaranty is a guaranty of prompt payment and performance (and not merely a guaranty of collection). Nothing herein shall require Lender or Collateral Agent to first seek or exhaust any remedy against any Borrower, its successors and assigns, or any other person obligated with respect to the Obligations, or to first foreclose, exhaust or otherwise proceed against any leased equipment, collateral or security which may be given in connection with the Obligations. It is agreed that Lender and Collateral Agent may, upon any breach or default of any Borrower or at any time thereafter, make demand upon any Guarantor and receive payment and performance of the Obligations, with or without notice or demand for payment or performance by any Borrower, its successors or assigns, or any other person. Suit may be brought and maintained against any Guarantor, at Lender's or Collateral Agent's election, without joinder of any Borrower or any other person as parties thereto. The obligations of each signatory to this Guaranty, and any other guarantor of the Obligations, shall be joint and several. Without limiting the generality of the foregoing, each representation, warranty, covenant and/or other undertaking by any Guarantor hereunder shall be deemed to have been made jointly and severally by each of the undersigned. A separate action or actions may be brought against any one of the undersigned parties whether or not an action is brought against any of the other undersigned parties. Notices hereunder required to be provided to Guarantors shall be effective if provided to any one of the undersigned parties, and any consent by Guarantors shall be effective if provided by any one of the undersigned parties.

Each Guarantor agrees that such Guarantor's obligations under this Guaranty shall be primary, absolute, continuing and unconditional, irrespective of and unaffected by any of the following actions or circumstances (regardless of any notice to or consent of such Guarantor) and each Guarantor hereby affirmatively and irrevocably waives as a defense to the payment or performance of obligations hereunder each and every one of the following defenses: (a) the genuineness, validity, regularity and enforceability of the Transaction Documents or any other document; (b) any extension, renewal, amendment, change, waiver or other modification of the Transaction Documents or any other document; (c) the absence of, or delay in, any action to enforce the Transaction Documents, this Guaranty or any other document; (d) Lender's or Collateral Agent's failure or delay in obtaining any other guaranty of the Obligations (including, without limitation, Lender's or Collateral Agent's failure to obtain the signature of any other guarantor hereunder); (e) the release of, extension of time for payment or performance by, or any other indulgence granted to any Borrower or any other person with respect to the Obligations by operation of law or otherwise; (f) the existence, value, condition, loss, subordination or release (with or without substitution) of, or failure to have title to or perfect and maintain a security interest in, or the time, place and manner of any sale or other disposition of any leased equipment, collateral or security given in connection with the Obligations, or any other impairment (whether intentional or negligent, by operation of law or otherwise) of the rights of any Guarantor; (g) any Borrower's voluntary or involuntary bankruptcy, insolvency, assignment for the benefit of creditors, reorganization, or similar proceedings affecting such Borrower or any of its assets; (h) any merger or consolidation of any Borrower, any change in control of any Borrower or any sale of all or substantially all of the assets of any Borrower; or (i) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of an obligor, surety or guarantor.

This Guaranty, the Transaction Documents and the Obligations may be assigned by Lender and Collateral Agent, without the consent of any Guarantor. Each Guarantor agrees that if such Guarantor receives written notice of an assignment from Lender or Collateral Agent, such Guarantor will pay all amounts due hereunder to such assignee or as instructed by Lender or Collateral Agent, as the case may be. Each Guarantor also agrees to acknowledge and confirm in writing any such assignment in form and content as may be reasonably requested by assignee. Each Guarantor hereby waives and agrees not to assert against any such assignee any of the defenses set forth in the immediate preceding paragraph. Guarantors may not assign, transfer or delegate any of Guarantors' rights, duties or obligations under this Guaranty without the prior written consent of Lender and Collateral Agent.

This Guaranty may be terminated upon delivery to Lender and Collateral Agent (at Lender's and Collateral Agent's notice address shown above, as the same may from time to time be changed in accordance with the notice provisions of this Guaranty) of a written termination notice from Guarantors. However, as to all Obligations (whether matured, unmatured, absolute, liquidated, contingent or otherwise) incurred by any Borrower prior to Lender's and Collateral Agent's receipt of such written termination notice (and regardless of any subsequent amendment, extension or other modification which may be made with respect to such Obligations), this Guaranty shall nevertheless continue and remain undischarged until all such Obligations are indefeasibly paid and performed in full.

Each Guarantor agrees that this Guaranty shall remain in full force and effect or be reinstated (as the case may be) if at any time payment or performance of any of the Obligations (or any part thereof) is rescinded, reduced or must otherwise be restored or returned by Lender or Collateral Agent, all as though such payment or performance had not been made. If, by reason of any bankruptcy, insolvency or similar laws affecting the rights of creditors, Lender or Collateral Agent shall be prohibited from exercising any of Lender's or Collateral Agent's rights or remedies against any Borrower or any other person or against any property, then, as between Lender or Collateral Agent and Guarantors, such prohibition shall be of no force and effect, and Lender and Collateral Agent shall have the right to make demand upon, and receive payment from, any Guarantor of all amounts and other sums that would be due to Lender or Collateral Agent upon a default with respect to the Obligations.

Notice of acceptance of this Guaranty and of any default by any Borrower or any other person is hereby waived. Presentment, protest demand, and notice of protest, demand and dishonor of any of the Obligations, and the exercise of possessory, collection or other remedies for the Obligations, are hereby waived. Each Guarantor warrants that such Guarantor has adequate means to obtain from Borrowers on a continuing basis financial data and other information regarding Borrowers and is not relying upon Lender or Collateral Agent to provide any such data or other information. Without limiting the foregoing, notice of adverse change in any Borrower's financial condition or of any other fact which might materially increase the risk of any Guarantor is also waived. All settlements, compromises, accounts stated and agreed balances made in good faith between any Borrower, its successors or assigns, and Lender or Collateral Agent shall be binding upon and shall not affect the liability of Guarantors.

Payment of all amounts now or hereafter owed to any Guarantor by any Borrower or any other obligor for any of the Obligations is hereby subordinated in right of payment to the indefeasible payment in full to Lender and Collateral Agent of all Obligations and is hereby assigned to Lender as a security therefor. Each Guarantor hereby irrevocably and unconditionally waives and relinquishes all statutory, contractual, common law, equitable and all other claims against any Borrower, any other obligor for any of the Obligations, any collateral therefor, or any other assets of any Borrower or any such other obligor, for subrogation, reimbursement, exoneration, contribution, indemnification, setoff or other recourse in respect of sums paid or payable to Lender or Collateral Agent by any Guarantor, and each Guarantor hereby further irrevocably and unconditionally waives and relinquishes any and all other benefits which such Guarantor might otherwise directly or indirectly receive or be entitled to receive by reason of any amounts paid by, or collected or due from, such Guarantor, any Borrower or any other obligor for any of the Obligations, or realized from any of their respective assets.

EACH GUARANTOR HEREBY UNCONDITIONALLY WAIVES SUCH GUARANTOR'S RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS GUARANTY, THE OBLIGATIONS GUARANTEED HEREBY, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN SUCH GUARANTOR AND LENDER OR COLLATERAL AGENT RELATING TO THE SUBJECT MATTER HEREOF OR THEREOF, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN SUCH GUARANTOR AND LENDER OR COLLATERAL AGENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY, THE OBLIGATIONS GUARANTEED HEREBY, OR ANY RELATED DOCUMENTS. IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

As used in this Guaranty: a) the word "person" shall include any individual, corporation, partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization, or any government or any political subdivision thereof; and b) the word "entity" shall mean any corporation, partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization, or any government or any political subdivision thereof (but shall not mean an individual).

This Guaranty is intended by the parties as a final expression of the guaranty of Guarantors and is also intended as a complete and exclusive statement of the terms thereof. No course of dealing, course of performance or trade usage, nor any parol evidence of any kind, shall be used to supplement or modify any of the terms hereof, nor are there any conditions to the full effectiveness of this Guaranty. This Guaranty and each of its provisions may only be waived, modified, varied, released, terminated or surrendered, in whole or in part, by a duly authorized written instrument signed by Lender and Collateral Agent. No failure by Lender or Collateral Agent to exercise Lender's or Collateral Agent's rights hereunder shall give rise to any estoppel against Lender or Collateral Agent, or excuse any Guarantor from performing hereunder. Lender's and Collateral Agent's waiver of any right to demand performance hereunder shall not be a waiver of any subsequent or other right to demand performance hereunder. The rights and remedies of Lender and Collateral Agent hereunder are cumulative and nonexclusive of any other rights and remedies that Lender or Collateral Agent may have under any other agreement or at law or in equity and may be exercised individually or concurrently, any or all thereof may be exercised instead of or in addition to each other or any remedies at law, in equity, or under statute.

THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE). This Guaranty shall bind Guarantors' successors and assigns and the benefits thereof shall extend to and include Lender's and Collateral Agent's successors and assigns. Each Guarantor will deliver to Lender such Guarantor's complete financial statements, certified by a recognized firm of certified public accountants, within ninety (90) days of the close of each fiscal year of such Guarantor. Each Guarantor will deliver to Lender copies of such Guarantor's quarterly financial reports certified by such Guarantor's chief financial officer, within ninety (90) days after the close of each fiscal quarter of such Guarantor and copies of such Guarantor's most current tax returns. As applicable, each Guarantor will deliver to Lender copies of all Forms 10-K and 10-Q, if any, within 30 days after the dates on which they are filed with the Securities and Exchange Commission (it being understood that to the extent the same are properly filed on EDGAR they shall be deemed delivered to Lender on the date on which the same are filed on EDGAR). In addition, upon the occurrence and during the continuance of a Default or an Event of Default (each as defined in the Loan Agreement), Lender and Collateral Agent may, during normal business hours and upon reasonable advance notice to Guarantors, inspect Guarantors' financial and accounting records. Moreover, documents required to be delivered by Landec pursuant to this paragraph (to the extent any such documents are included in materials otherwise filed with the Securities and Exchange Commission) shall be deemed to have been delivered on the date (i) on which Landec posts such documents, or provides a link thereto on Landec's website on the internet at the website address "www.landec.com" (or any successor page notified to Collateral Agent); or (ii) on which such documents are posted on Landec's behalf on an Internet or intranet website, if any, to which Lender has access.

Each Guarantor hereby represents and warrants to Lender and Collateral Agent as of the date hereof that (i) such Guarantor is duly organized and validly existing under the laws of its state of incorporation or formation, as applicable, and has full corporate (or similar) power to enter into this Guaranty and to perform its obligations hereunder; (ii) such Guarantor's execution, delivery and performance hereof does not and will not violate any judgment, order or law applicable to such Guarantor, or constitute a breach of or default under any indenture, mortgage, deed of trust, or other agreement entered into by such Guarantor with such Guarantor's creditors or any other party; (iii) no approval, consent or withholding of objections is required from any governmental authority or any other entity with respect to the execution, delivery and performance by such Guarantor of this Guaranty; (iv) this Guaranty constitutes a valid, legal and binding obligation of such Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability; (v) there are no proceedings presently pending or threatened against such Guarantor which will impair such Guarantor's ability to perform under this Guaranty; (vi) all financial statements delivered to Lender in connection with this Guaranty have been (and will be) prepared in accordance with generally accepted accounting principles and since the date of such Guarantor's most recent financial statement, there has been no material adverse change in the financial condition of such Guarantor; (vii) it is to the benefit of such Guarantor to execute this Guaranty; (viii) the benefit to such Guarantor is reasonably worth the obligations hereby guaranteed; and (ix) such Guarantor is and will remain in full compliance with all laws and regulations applicable to such Guarantor, including, without limitation, such Guarantor neither is nor shall be (Y) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (Z) a person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders.

If any provisions of this Guaranty are in conflict with any applicable statute, rule or law, then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating any other provisions hereof.

EACH GUARANTOR IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK TO HEAR AND DETERMINE ANY SUIT, ACTION OR PROCEEDING AND TO SETTLE ANY DISPUTES, WHICH MAY ARISE OUT OF OR IN CONNECTION HERewith AND WITH THE TRANSACTION DOCUMENTS (COLLECTIVELY, THE "PROCEEDINGS"), AND EACH GUARANTOR FURTHER IRREVOCABLY WAIVES ANY RIGHT SUCH GUARANTOR MAY HAVE TO REMOVE ANY SUCH PROCEEDINGS FROM ANY SUCH COURT (EVEN IF REMOVAL IS SOUGHT TO ANOTHER OF THE ABOVE-NAMED COURTS). EACH GUARANTOR IRREVOCABLY WAIVES ANY OBJECTION WHICH SUCH GUARANTOR MIGHT NOW OR HEREAFTER HAVE TO THE ABOVE-NAMED COURTS BEING NOMINATED AS THE EXCLUSIVE FORUM TO HEAR AND DETERMINE ANY SUCH PROCEEDINGS AND AGREES NOT TO CLAIM THAT SUCH GUARANTOR IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE ABOVE-NAMED COURTS FOR ANY REASON WHATSOEVER, THAT SUCH GUARANTOR OR SUCH GUARANTOR'S PROPERTY IS IMMUNE FROM LEGAL PROCESS FOR ANY REASON WHATSOEVER, THAT ANY SUCH COURT IS NOT A CONVENIENT OR APPROPRIATE FORUM IN EACH CASE WHETHER ON THE GROUNDS OF VENUE OR FORUM NON-CONVENIENS OR OTHERWISE. EACH GUARANTOR ACKNOWLEDGES THAT BRINGING ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY COURT OTHER THAN THE COURTS SET FORTH ABOVE WILL CAUSE IRREPARABLE HARM TO LENDER AND COLLATERAL AGENT WHICH COULD NOT ADEQUATELY BE COMPENSATED BY MONETARY DAMAGES, AND, AS SUCH, EACH GUARANTOR AGREES THAT, IN ADDITION TO ANY OF THE REMEDIES TO WHICH LENDER AND COLLATERAL AGENT MAY BE ENTITLED AT LAW OR IN EQUITY, LENDER AND COLLATERAL AGENT WILL BE ENTITLED TO AN INJUNCTION OR INJUNCTIONS (WITHOUT THE POSTING OF ANY BOND AND WITHOUT PROOF OF ACTUAL DAMAGES) TO ENJOIN THE PROSECUTION OF ANY SUCH PROCEEDINGS IN ANY OTHER COURT. Notwithstanding the foregoing, Lender and Collateral Agent shall have the right to apply to a court of competent jurisdiction in the United States of America or abroad for equitable relief as is necessary to preserve, protect and enforce Lender's and Collateral Agent's rights under this Guaranty and the Transaction Documents, including, but not limited to orders of attachment or injunction necessary to maintain the status quo pending litigation or to enforce judgments against Guarantors, Borrowers or the collateral pledged to Lender or Collateral Agent pursuant to any Transaction Document or to gain possession of any asset or such collateral subject of the Transaction Documents.

All notices to be given in connection with this Guaranty shall be in writing, shall be addressed to the parties at their respective notice addresses set forth in this Guaranty (unless and until a different address may be specified in a written notice to the other party or parties), and shall be deemed given: (i) on the date of receipt if delivered by hand; (ii) on the next business day after being sent by overnight courier service; and (iii) on the third business day after being sent by regular, registered, certified mail

EACH PERSON SIGNING ON BEHALF OF EACH GUARANTOR REPRESENTS AND WARRANTS THAT HE OR SHE HAS THE AUTHORITY TO SIGN ON BEHALF OF SUCH GUARANTOR AND BY SO SIGNING TO BIND SUCH GUARANTOR HEREUNDER.

This Guaranty may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Guaranty by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, this Guaranty is executed the day and year above written.

LANDEC CORPORATION,
as Guarantor

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Chief Financial Officer

Address for notices:
c/o Apio, Inc.
4575 W Main St.
Guadalupe, CA 93434

GREENLINE HOLDING COMPANY,
as Guarantor

By: /s/ Gregory S. Skinner
Name: Gregory S. Skinner
Title: Treasurer

Address for notices:
c/o Apio, Inc.
4575 W Main St.
Guadalupe, CA 93434

[EXECUTION PAGE OF GUARANTY]



MASTER SECURITY AGREEMENT
dated as of **April 23, 2012**

THIS MASTER SECURITY AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "**Agreement**") is between General Electric Capital Corporation (together with its successors and assigns, if any, "**Secured Party**") and Apio, Inc., a corporation organized and existing under the laws of the state of Delaware ("**Debtor**"). Secured Party has an office at 4 Park Plaza, Suite 1400, Irvine, CA 92614. Debtor's mailing address is P.O. Box 727, Guadalupe, CA 93434 and chief executive office is 4575 West Main Street, Guadalupe, CA 93434. This Agreement contains the general terms that apply to financing that may be provided from time to time by Secured Party to Debtor. Additional terms that apply to the financing and the Collateral (as defined below) shall be contained on a Collateral Schedule (as defined below) and a Note (as defined below). Each Collateral Schedule and the terms of this Agreement incorporated therein by reference are collectively referred to as a "**CSMA**". Each CSMA and each Note entered into in connection with that CSMA (as any of the same may be amended, supplemented or otherwise modified from time to time) are collectively referred to as a "**Loan**". Each Loan is a separate and independent transaction and contractual obligation between Debtor and Secured Party. Debtor hereby acknowledges and agrees that (a) Secured Party, or (b) any entity that is an affiliate or subsidiary of Secured Party or any other entity (each, an "**Other Secured Party**"), may from time to time directly enter into and execute a Collateral Schedule, and such Secured Party or Other Secured Party shall be the named "Secured Party" under such Collateral Schedule and the related Note, CSMA, Loan and any other related Debt Documents (defined below). Any Other Secured Party (including its successors and assigns) may appoint agents (including Secured Party) to act on its behalf. Capitalized terms used but not defined in this Agreement shall have the meanings assigned to such terms as set forth in the applicable Collateral Schedule or (as the case may be) Note.

1. CREATION AND GRANT OF SECURITY INTEREST.

Debtor grants to Secured Party and the other Secured Party Entities (as defined below), and their respective successors and assigns, a security interest in and against all property listed on any collateral schedule now or in the future executed pursuant hereto and made a part hereof (each a "**Collateral Schedule**"), and in and against any and all additions, attachments, accessories and accessions to such property, all substitutions, replacements or exchanges therefor, and all insurance and/or other proceeds thereof (all of the foregoing being hereinafter individually and collectively referred to as the "**Collateral**"). This security interest is given to secure the payment and performance of all debts, obligations and liabilities of any kind whatsoever of Debtor to Secured Party, any Other Secured Party, any affiliates (including without limitation, any direct or indirect parent, subsidiary or sister entity), successors, assignees of Secured Party or any Other Secured Party (collectively, "**Secured Party Entities**"), now existing or arising in the future, in connection with the payment and performance of certain Promissory Notes from time to time identified on any Collateral Schedule (collectively "**Notes**" and each a "**Note**"), and any renewals, extensions and modifications of such debts, obligations and liabilities (such Notes, debts, obligations and liabilities are called the "**Indebtedness**"). Debtor acknowledges and agrees that Secured Party and the other Secured Party Entities may perfect the security interest hereunder and under any CSMA directly or through any current or future agents, representatives or bailees.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR.

Debtor represents, warrants and covenants as of the date of this Agreement and as of the date of each Collateral Schedule that:

(a) Debtor's exact legal name and jurisdiction of organization or formation is as set forth in the preamble of this Agreement and such jurisdiction is Debtor's "location" (within the meaning given to such term in Article 9 of the Uniform Commercial Code). Debtor is, and will remain, (i) validly existing and in good standing under the laws of the state or (as the case may be) commonwealth of its formation (specified in the preamble of this Agreement) and (ii) a "registered organization" (within the meaning given to such term in Article 9 of the Uniform Commercial Code). Debtor has, and will maintain, its chief executive office at the location specified in the preamble, and is, and will remain, duly qualified and licensed in every jurisdiction wherever necessary to carry on its business and operations. Debtor will not change its state or (as the case may be) commonwealth of incorporation or organization or its name as it appears in official filings in the state or (as the case may be) commonwealth of its incorporation or organization or its "location" (within the meaning given to such term in Article 9 of the Uniform Commercial Code) without, in each case, giving Secured Party at least twenty (20) days' prior written notice;

(b) Debtor has adequate power and capacity to enter into, and to perform its obligations under this Agreement, each Collateral Schedule, each Note and any other documents evidencing, or given in connection with, any of the Indebtedness (all of the foregoing are called the "**Debt Documents**");

(c) This Agreement and the other Debt Documents have been duly authorized, executed and delivered by Debtor and constitute legal, valid and binding agreements enforceable in accordance with their terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws;

(d) No approval, consent or withholding of objections is required from, and no notice is required to be given to, any governmental authority or instrumentality, or any other person or entity, with respect to the entry into, or performance by Debtor of any of the Debt Documents, except any already obtained;

(e) The entry into, and performance by, Debtor of the Debt Documents will not (i) violate any of the organizational documents of Debtor or any judgment, order, law or regulation applicable to Debtor, or (ii) result in any breach of or constitute a default under any contract to which Debtor is a party, or result in the creation of any lien, claim or encumbrance on any of Debtor's property (except for liens in favor of Secured Party) pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement, or other agreement or instrument to which Debtor is a party, in each case the breach or default of which would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on the financial condition of Debtor, its business or operations, or its ability to perform its obligations under the Debt Documents as and when due (a "**Material Adverse Effect**");

(f) There are no suits or proceedings pending in court or before any commission, board or other administrative agency against or affecting Debtor which are reasonably likely to be adversely determined, and if adversely determined could, in the aggregate, reasonably be expected to have a Material Adverse Effect, nor does Debtor have reason to believe that any such suits or proceedings are threatened;

(g) All financial statements delivered to Secured Party in connection with the Indebtedness have been prepared in accordance with generally accepted accounting principles, and since the date of the most recent financial statement, there has been no material adverse change in Debtor's financial condition; and

(h) Debtor is and will remain in full compliance with all laws and regulations applicable to it including, without limitation, (i) ensuring that no person who owns a controlling interest in or otherwise controls Debtor is or shall be (Y) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("**OFAC**"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (Z) a person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, and (ii) compliance with all applicable Bank Secrecy Act ("**BSA**") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

3. COLLATERAL.

Debtor represents, warrants and covenants as of the date of this Agreement and as of the date of each Collateral Schedule that:

(a) Until the declaration of any Event of Default, Debtor shall remain in possession of the Collateral; except that Secured Party shall have the right to possess (i) any chattel paper or instrument that constitutes a part of the Collateral, and (ii) any other Collateral in which Secured Party's security interest may be perfected only by possession. Secured Party may inspect any of the Collateral during normal business hours after giving Debtor reasonable prior notice. If Secured Party asks, Debtor will promptly notify Secured Party in writing of the location of any Collateral. Notwithstanding anything to the contrary contained in this Agreement, Debtor shall have the right to dispose of Collateral consisting of worn-out, obsolete or surplus equipment having a book value not exceeding \$100,000 in the aggregate in any fiscal year of Debtor.

(b) The Collateral is, and will remain, free and clear of all liens, claims and encumbrances of any kind whatsoever, except for (i) liens in favor of Secured Party, (ii) liens for taxes not yet due or for taxes being contested in good faith and which do not involve, in the judgment of Secured Party, any risk of the sale, forfeiture or loss of any of the Collateral, and (iii) inchoate materialmen's, mechanic's, repairmen's and similar liens arising by operation of law in the normal course of business for amounts which are not delinquent (all of such liens are called "**Permitted Liens**")

(c) The Collateral is, and will be, (i) used only in Debtor's trade or business (and not for personal, family or household purposes), (ii) maintained in good operating order and repair, normal wear and tear excepted, and Debtor is not, and will not be, negligent in its care or use, (iii) used and maintained in compliance with manufacturers recommendations and all applicable laws, and (iv) personal property that is solely and lawfully owned and possessed by Debtor, and Debtor has the sole right to grant the security interest in the Collateral as described herein.

(d) Secured Party does not authorize and Debtor agrees it shall not (i) part with possession of any of the Collateral (except to Secured Party or for maintenance and repair), (ii) remove any of the Collateral from the continental United States, or (iii) sell, rent, lease, mortgage, license, grant a security interest in or otherwise transfer or encumber (except for Permitted Liens) any of the Collateral. Notwithstanding anything to the contrary contained in this Agreement, Debtor shall have the right to dispose of Collateral consisting of worn-out, obsolete or surplus equipment having a book value not exceeding \$100,000 in the aggregate in any fiscal year of Debtor.

(e) Except for those contested in good faith by appropriate proceedings, diligently conducted, for which adequate reserves are maintained on the books of Debtor, and for which Secured Party has determined that there does not exist any material risk of confiscation, forfeiture or seizure of any of the Collateral, Debtor shall report and pay promptly when due all taxes, license fees, assessments and public and private charges levied or assessed on any of the Collateral, on its use, operation, purchase, ownership, delivery, leasing or possession thereof, or on this Agreement or any of the other Debt Documents (or any receipts hereunder and thereunder), by any governmental entity or taxing authority during or related to the term of this Agreement, or to any other period during which Debtor had use or possession of the Collateral, including, without limitation, all license and registration fees, and all sales, use, personal property, excise, gross receipts, franchise, stamp or other taxes, imposts, duties and charges, together with any penalties, fines or interest thereon (collectively "**Taxes**"). Debtor shall have no liability for Taxes imposed by the United States of America or any state or political subdivision thereof which are on or measured by the net income of Secured Party. Debtor shall promptly reimburse Secured Party (on an after-tax basis) for any Taxes charged to or assessed against or paid by Secured Party. Debtor shall send Secured Party a copy of each report or return and evidence of Debtor's payment of Taxes upon request by Secured Party. At its option, Secured Party may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral and may pay for the maintenance, insurance and preservation of the Collateral and effect compliance with the terms of this Agreement or any of the other Debt Documents. Debtor agrees to reimburse Secured Party, within ten (10) days after demand, all costs and expenses incurred by Secured Party in connection with such payment or performance and agrees that such reimbursement obligation shall constitute Indebtedness.

(f) Debtor shall, at all times, keep accurate and complete records of the Collateral, and Secured Party shall have the right to inspect and make copies of all of Debtor's books and records relating to the Collateral during normal business hours, after giving Debtor reasonable prior notice.

(g) Debtor agrees and acknowledges that any third person who may at any time possess all or any portion of the Collateral shall be deemed to hold, and shall hold, the Collateral as the agent of, and as pledge holder for, Secured Party. Secured Party may at any time give notice to any third person described in the preceding sentence that such third person is holding the Collateral as the agent of, and as pledge holder for, Secured Party.

4. INSURANCE.

(a) Debtor shall at all times bear the entire risk of any loss, theft, damage to, or destruction of, any of the Collateral from any cause whatsoever.

(b) Debtor agrees, at its own expense, to keep the Collateral insured with companies reasonably acceptable to Secured Party for such amounts and against such hazards as Secured Party may require, including, but not limited to, all risks physical damage insurance for the Collateral itself, including, but not limited to, loss or damage by fire and extended coverage perils, theft, burglary, and for any or all Collateral which are vehicles, for risk of loss by collision. The physical insurance coverage shall be in an amount no less than the full replacement value of the Collateral, and deductible amounts, insurers and policies shall be acceptable to Secured Party. Debtor shall deliver to Secured Party policies or certificates of insurance evidencing such coverage. Each policy shall name Secured Party as loss payee, shall provide for coverage to Secured Party regardless of the breach by Debtor of any warranty or representation made therein, shall not be subject to co-insurance, and shall provide that coverage may not be canceled or altered by the insurer except upon thirty (30) days' prior written notice to Secured Party. Debtor irrevocably appoints Secured Party as its attorney-in-fact to make proof of loss, claim for insurance and adjustments with insurers, and to receive payment of and execute or endorse all documents, checks or drafts in connection with insurance payments. Debtor may not make adjustments with insurers except with Secured Party's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed). Secured Party shall not act as Debtor's attorney-in-fact unless an Event of Default has occurred and is continuing. Proceeds of insurance shall be applied, at the option of Secured Party, to repair or replace the Collateral or to reduce any of the Indebtedness under the Debt Documents.

5. REPORTS.

(a) Debtor shall promptly notify Secured Party (i) at least twenty (20) days' prior to any change in the name of Debtor, (ii) at least twenty (20) days' prior to any change in the state of its incorporation, organization or registration or in its "location" (within the meaning given to such term in Article 9 of the Uniform Commercial Code), (iii) at least thirty (30) days' prior to any relocation of its chief executive offices, (iv) at least twenty (20) days' prior to any permanent or indefinite relocation of any of the Collateral from the location(s) specified in its applicable Collateral Schedule, (v) immediately upon any of the Collateral being lost, stolen, missing, destroyed, materially damaged or worn out, or (vi) immediately upon Debtor becoming aware of any lien, claim or encumbrance other than Permitted Liens attaching to or being made against any of the Collateral.

(b) Debtor will deliver or make available to Secured Party complete financial statements of Debtor and any guarantor or surety for the obligations under any Loan (each a "Guarantor", and collectively, the "Guarantors"), prepared in accordance with generally accepted accounting principles, consistently applied, certified by a recognized firm of certified public accountants within ninety (90) days of the close of each fiscal year of Debtor, together with a certificate of an authorized officer of Debtor stating that such officer has reviewed the activities of Debtor and that to the best of such officer's knowledge, there exists no Event of Default or event which with notice or lapse of time (or both) would become an Event of Default. In addition, Debtor will deliver to Secured Party copies of Debtor's and any Guarantor's, if applicable, quarterly financial report certified by the chief financial officer of Debtor, within ninety (90) days of the close of each fiscal quarter of Debtor. Debtor will deliver or make available to Secured Party all Forms 10-K and 10-Q, if any, filed with the Securities and Exchange Commission within thirty (30) days after the date on which they are filed (it being understood that to the extent the same are properly filed on EDGAR they shall be deemed delivered to Secured Party on the date on which the same are filed on EDGAR). Documents required to be delivered pursuant to this paragraph (to the extent any such documents are included in materials otherwise filed with the Securities and Exchange Commission) shall be deemed to have been delivered on the date (i) on which Debtor (or its parent corporation) posts such documents, or provides a link thereto on Debtor's (or its parent's) website on the internet at the website address "www.landec.com" (or any successor page notified to Secured Party); or (ii) on which such documents are posted on Debtor's (or its parent's) behalf on an Internet or intranet website, if any, to which Secured Party has access.

6. FURTHER ASSURANCES.

(a) Debtor shall, upon request of Secured Party, furnish to Secured Party such further information, execute and deliver to Secured Party such documents and instruments (including, without limitation, Uniform Commercial Code financing statements) and shall do such other acts and things as Secured Party may at any time reasonably request relating to the perfection or protection of the security interest created by this Agreement or for the purpose of carrying out the intent of this Agreement. Without limiting the foregoing, Debtor shall cooperate and do all acts deemed necessary by Secured Party to continue in Secured Party a perfected first priority security interest in the Collateral, and shall obtain and furnish to Secured Party any subordinations, releases, landlord waivers, Secured Party waivers, mortgagee waivers, or control agreements, and similar documents as may be from time to time requested by, and in form and substance satisfactory to, Secured Party.

(b) Debtor authorizes Secured Party to file a financing statement and amendments thereto describing the Collateral and containing any other information required by the applicable Uniform Commercial Code. Debtor irrevocably grants to Secured Party the power to sign Debtor's name and generally to act on behalf of Debtor to execute and file applications for title, transfers of title, financing statements, notices of lien and other documents pertaining to any or all of the Collateral; this power is coupled with Secured Party's interest in the Collateral. Debtor shall, if any certificate of title be required or permitted by law for any of the Collateral, obtain and promptly deliver to Secured Party such certificate showing the lien of this Agreement and any applicable CSMA with respect to the Collateral. Debtor ratifies its prior authorization for Secured Party to file financing statements and amendments thereto describing the Collateral and containing any other information required by the Uniform Commercial Code if filed prior to the date hereof.

(c) DEBTOR HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS EACH OF SECURED PARTY AND ITS AFFILIATES, SUCCESSORS AND ASSIGNS, AND ALL OF SECURED PARTY'S AND SUCH AFFILIATES', SUCCESSORS' AND ASSIGNS' RESPECTIVE DIRECTORS, SHAREHOLDERS, OFFICERS, EMPLOYEES, AGENTS, PREDECESSORS, ATTORNEYS-IN-FACT AND LAWYERS (EACH AN "INDEMNIFIED PARTY") (ON AN AFTER TAX BASIS) FROM AND AGAINST ANY AND ALL LOSSES, DISPUTES, PENALTIES, CLAIMS, EXPENSES (INCLUDING WITHOUT LIMITATION LEGAL EXPENSES, INCLUDING, BUT NOT LIMITED TO, THOSE INCURRED IN CONNECTION WITH RESPONDING TO SUBPOENAS, THIRD PARTY OR OTHERWISE) DAMAGES AND LIABILITIES (INCLUDING WITHOUT LIMITATION ENVIRONMENTAL LIABILITIES) OF WHATSOEVER KIND AND NATURE ARISING OUT OF OR IN CONNECTION WITH OR RELATING TO THE COLLATERAL, THIS AGREEMENT OR ANY LOAN OR ANY OTHER DEBT DOCUMENT (AS DEFINED IN SECTION 2 HEREOF) (COLLECTIVELY, "CLAIMS"), REGARDLESS OF WHETHER SUCH INDEMNIFIED PARTY IS A PARTY THERETO AND WHETHER IN LAW OR EQUITY, OR IN CONTRACT, TORT OR OTHERWISE; PROVIDED, HOWEVER, THAT NO INDEMNIFIED PARTY SHALL BE ENTITLED TO INDEMNITY HEREUNDER IN RESPECT OF ANY CLAIM TO THE EXTENT THAT THE SAME IS FOUND BY A FINAL, NON-APPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED DIRECTLY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. This indemnity shall include, but is not limited to, Secured Party's strict liability in tort or otherwise, including Claims that may be imposed on, incurred by or asserted against an Indemnified Party in any way arising out of (i) the selection, manufacture, purchase, acceptance or rejection of Collateral, the ownership of Collateral and the delivery, lease, sublease, chartering, possession, maintenance, use, non-use, financing, mortgaging, control, insurance, testing, condition, titling or re-titling, registration or re-registration, removal, repossession, sale (including all costs, incurred in making Collateral ready for sale after the exercise of remedies as a result of an Event of Default), operation or design of Collateral (including, without limitation, latent and other defects, whether or not discoverable by Secured Party or Debtor and any claim for patent, trademark or copyright infringement or environmental damage or criminal acts, hijacking, acts of terrorism or similar acts), any interchanging or pooling of any parts of the Collateral, if applicable; (ii) any breach of Debtor's or any Guarantor's representations or obligations under any Loan or any other Debt Document or any guaranty, or the failure by Debtor to comply with any term, provision or covenant contained in any Loan or any other Debt Document or with any applicable law, rule or regulation with respect to the Collateral, or the nonconformity of the Collateral or its operation with any applicable law; (iv) any actions brought against any Indemnified Party that arise out of Debtor's or any Guarantor's actions or omissions (or actions or omissions of Debtor's or Guarantor's agents); or (v) reliance by any Indemnified Party on any representation or warranty made or deemed made by Debtor or any Guarantor (or any of their officers) under or in connection with any Loan or any other Debt Document, or any report or other information delivered by Debtor or Guarantor pursuant hereto which shall have been incorrect in any material respect when made or deemed made or delivered. Debtor shall pay within ten (10) days after demand to each Indemnified Party any and all amounts necessary to indemnify such Indemnified Party from and against any Claims. Debtor shall, upon request, defend any actions based on, or arising out of, any of the foregoing. The rights, privileges and indemnities set forth in this Section 6(c) shall survive the expiration or other cancellation or termination of this Agreement.

7. DEFAULT AND REMEDIES.

(a) Debtor shall be in default under this Agreement and under any Loan upon the occurrence of any of the following (each an "Event of Default", and collectively, the "Events of Default"):

- (i) Debtor fails to pay within ten (10) days after its due date any installment or other amount due under any of the Debt Documents; Debtor, without the prior written consent of Secured Party, attempts to or does sell all or any fractional interest in, rent, lease, license, charter, mortgage, assign,
 - (ii) grant a lien on or security interest in, or otherwise transfer or encumber (except for Permitted Liens and dispositions otherwise specifically permitted in writing in this Agreement) any of the Collateral or any part thereof;
 - (iii) Debtor breaches any of its insurance obligations under this Agreement or under any other Debt Documents;
 - (iv) Debtor breaches any of its other obligations under any of the Debt Documents (other than those described elsewhere in this Section 7(a)) and fails to cure that breach within thirty (30) days after written notice from Secured Party; *provided, however*, that, if the failure stated in such notice cannot be corrected within such 30-day period, Secured Party will not unreasonably withhold its consent to an extension of such time, **not to exceed thirty (30) additional days**, if (A) Secured Party determines in its sole discretion, such failure is capable of being cured, (B) at such time there exists no other Event of Default hereunder, and (C) corrective action is instituted by Debtor, within the applicable period and diligently pursued until the default is corrected;
 - (v) any warranty, representation or statement made by Debtor or any Guarantor in any of the Debt Documents or otherwise in connection with any of the Indebtedness shall be false or misleading in any material respect when made or furnished;
-

- (vi) any of the Collateral is subjected to attachment, execution, levy, seizure or confiscation in any legal proceeding or otherwise, or if any legal or administrative proceeding is commenced against Debtor or any of the Collateral, which in the good faith judgment of Secured Party subjects any of the Collateral to a material risk of attachment, execution, levy, seizure or confiscation and no bond is posted or protective order obtained to negate such risk;
- (vii) any "event of default" has occurred and is continuing under any other agreement by and between Debtor or any Guarantor and Secured Party (or any of its affiliates or parent entities);
- (viii) (A) a receiver, custodian or trustee is appointed for all or of any part of the property of Debtor or any Guarantor, or Debtor or any Guarantor makes any assignment for the benefit of creditors, or Debtor or any Guarantor by any act or omission shall indicate its consent to, approval of or acquiescence in any such appointment of a custodian, receiver or trustee; or (B) Debtor or any Guarantor files a petition under any bankruptcy, insolvency or similar law, or in the event an involuntary petition is filed against Debtor or any Guarantor and such petition is not dismissed within sixty (60) days, or Debtor or any Guarantor by any act or omission shall indicate its consent to, approval of or acquiescence in any such petition, application, proceeding, order for relief;
- (ix) Debtor or any Guarantor improperly files, or causes to be filed, an amendment or termination statement relating to a filed financing statement describing the Collateral;
- (x) any Guarantor revokes or attempts to revoke its obligations under any Debt Documents to which it is a party or fails to observe or perform any covenant, condition or agreement to be performed under such Debt Document to which it is a party (after giving effect to any applicable grace periods);
- (xi) Debtor or any Guarantor dissolves, terminates its existence, becomes insolvent or ceases to do business as a going concern; or
- (xii) there is any merger, consolidation, reorganization, or change in controlling ownership of Debtor or any Guarantor.

The default declaration shall apply to all Notes, CSMAs and Collateral Schedules unless specifically excepted by Secured Party. Any provision of this Agreement to the contrary notwithstanding, Secured Party may exercise all rights and remedies hereunder independently with respect to each Loan.

(b) Upon the occurrence and during the continuance of any Event of Default described in Section 7(a)(viii), any and all of the Indebtedness shall automatically become immediately due and payable, without any action by any person or entity. Upon the occurrence and during the continuance of any other Event of Default, Secured Party, at its option, may declare any or all of the Indebtedness to be immediately due and payable, without demand or notice to Debtor or any Guarantor. The accelerated obligations and liabilities shall bear interest from the occurrence and during the continuance of the Event of Default (both before and after any judgment) until paid in full at a per annum rate equal to the lower of ten percent (10%) or the maximum rate not prohibited by applicable law (the "**Per Diem Interest Rate**"). The application of such Per Diem Interest Rate shall not be interpreted or deemed to extend any cure period set forth herein, cure any default or otherwise limit Secured Party's right or remedies hereunder. Notwithstanding anything to the contrary contained herein, in no event shall this Agreement require the payment or permit the collection of amounts in excess of the maximum permitted by applicable law.

(c) Upon the occurrence and during the continuance of any Event of Default, Secured Party shall have all of the rights and remedies of a secured party under the Uniform Commercial Code, and under any other applicable law. Without limiting the foregoing, Secured Party shall have the right to (i) [reserved], (ii) with or without legal process, enter any premises where the Collateral may be and take possession of and remove the Collateral from the premises or store it on the premises, (iii) sell the Collateral at public or private sale, in whole or in part, and have the right to bid and purchase at said sale, or (iv) lease or otherwise dispose of all or part of the Collateral, applying proceeds from such disposition to the obligations then in default. If requested by Secured Party, Debtor shall promptly assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Secured Party may also render any or all of the Collateral unusable at Debtor's premises and may dispose of such Collateral on such premises without liability for rent or costs. Any notice that Secured Party is required to give to Debtor under the Uniform Commercial Code of the time and place of any public sale or the time after which any private sale or other intended disposition of the Collateral is to be made shall be deemed to constitute reasonable notice if such notice is given to the last known address of Debtor at least ten (10) days prior to such action.

(d) Secured Party shall have the right to any proceeds of sale, lease or other disposition of the Collateral, if any, and the right to apply any amounts so collected or (as the case may be) otherwise collected from Debtor or Guarantor pursuant to this Section 7 or under any other Debt Document in the following order of priorities: (i) to pay all of Secured Party's costs, charges and expenses incurred in enforcing its rights under any Debt Document or in taking, removing, holding, repairing, refurbishing, selling, leasing or otherwise disposing of the Collateral; then, (ii) to pay any and all late fees, per diem fees, other such charges due under any Debt Document, any and all interest due under any Debt Document and all amounts owing pursuant to any indemnity claims; then (iii) to pay all principal due under the Loans; then (iv) to pay all other amounts due and owing to Secured Party under any of the Debt Documents; then (v) any surplus shall be remitted to Debtor or (as the case may be) any other party legally entitled thereto. Debtor shall remain liable for and pay any deficiency in (i), (ii), (iii) and (iv) immediately upon demand.

(e) Debtor agrees to pay all reasonable attorneys' fees and other costs incurred by Secured Party in connection with the enforcement, assertion, defense or preservation of Secured Party's rights and remedies under any Debt Document, or if prohibited by law, such lesser sum as may be permitted. Debtor further agrees that such fees and costs shall constitute Indebtedness.

(f) Secured Party's rights and remedies under this Agreement and the other Debt Documents or otherwise arising are cumulative and nonexclusive of any other rights and remedies that Secured Party may have under any other agreement or at law or in equity and may be exercised individually or concurrently, and any or all thereof may be exercised instead of or in addition to each other or any remedies at law, in equity, or under statute. Neither the failure nor any delay on the part of Secured Party to exercise any right, power or privilege under this Agreement or any other Debt Document shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise of that or any other right, power or privilege. SECURED PARTY SHALL NOT BE DEEMED TO HAVE WAIVED ANY OF ITS RIGHTS UNDER THIS AGREEMENT OR UNDER ANY OTHER DEBT DOCUMENT UNLESS SUCH WAIVER IS EXPRESSED IN WRITING AND SIGNED BY SECURED PARTY. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. Except as provided in Section 7(c) above, Debtor waives notice of sale or other disposition (and the time and place thereof), and the manner and place of any advertising, and any other notice required to be given under the Uniform Commercial Code. Secured Party shall have no obligation to marshal any of the Collateral.

(g) Any Event of Default under the terms of this Agreement, any other Debt Document or any other agreement between Secured Party and Debtor may be declared by Secured Party a default under this Agreement, any other Debt Document and any such other agreement between Secured Party and Debtor.

8. MISCELLANEOUS.

(a) This Agreement, any Note, Collateral Schedule and/or any of the other Debt Documents may be assigned, in whole or in part, by Secured Party without notice to Debtor, and Debtor hereby waives and agrees not to assert against any such assignee, or assignee's assigns, any defense, set-off, recoupment, claim or counterclaim which Debtor has or may at any time have against Secured Party for any reason whatsoever. Debtor agrees that if Debtor receives written notice of an assignment from Secured Party, Debtor will pay all amounts payable under any assigned Debt Documents to such assignee or as instructed by Secured Party. Debtor also agrees to confirm in writing receipt of the notice of assignment as may be reasonably requested by Secured Party or assignee. DEBTOR SHALL NOT SELL, TRANSFER, ASSIGN, OR OTHERWISE ENCUMBER ANY OF DEBTOR'S RIGHTS, OBLIGATIONS OR INTERESTS UNDER THIS AGREEMENT, ANY NOTE, COLLATERAL SCHEDULE OR OTHER DEBT DOCUMENT, WITHOUT THE PRIOR WRITTEN CONSENT OF SECURED PARTY.

(b) All notices to be given in connection with this Agreement shall be in writing, shall be addressed to the parties at their respective addresses set forth in this Agreement (unless and until a different address may be specified in a written notice to the other party), and shall be deemed given (i) on the date of receipt if delivered in hand or by facsimile transmission, (ii) on the next business day after being sent by express mail, and (iii) on the fourth business day after being sent by regular, registered or certified mail. As used herein, the term "business day" shall mean and include any day other than Saturdays, Sundays, or other days on which commercial banks in New York, New York are required or authorized to be closed.

(c) Upon notice to Debtor, Secured Party may correct patent errors and fill in all blanks in this Agreement, in any Collateral Schedule or in any other Debt Document consistent with the agreement of the parties.

(d) Time is of the essence of this Agreement. This Agreement shall be binding, jointly and severally, upon all parties described as the "Debtor" and their respective heirs, executors, representatives, successors and assigns, and shall inure to the benefit of Secured Party, its successors and assigns.

(e) The unenforceability of any provisions hereof or of the Debt Documents shall not affect the validity of any other provision hereof or thereof.

(f) Debtor hereby acknowledges and agrees that Secured Party reserves the right to impose fees or charges for returned checks and certain optional services that Secured Party may offer or provide to Debtor during the term of this Agreement. Secured Party will notify Debtor the amount of the applicable fee or charge if Debtor requests such optional services. In addition, Secured Party may make available to Debtor a schedule of fees or charges for such optional services from time to time or upon demand, provided, however, that such fees and charges are subject to change in Secured Party's sole discretion without notice to Debtor.

(g) This Agreement and its Collateral Schedules and related Notes constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior understandings (whether written, verbal or implied) with respect to such subject matter. THIS AGREEMENT AND ITS COLLATERAL SCHEDULES AND RELATED NOTES SHALL NOT BE CHANGED OR TERMINATED ORALLY OR BY COURSE OF CONDUCT, BUT ONLY BY A WRITING SIGNED BY BOTH PARTIES. Section headings contained in this Agreement have been included for convenience only, and shall not affect the construction or interpretation of this Agreement.

(h) This Agreement shall continue in full force and effect until all of the Indebtedness has been indefeasibly paid in full to Secured Party or its assignee. The surrender, upon payment or otherwise, of any Note or any of the other documents evidencing any of the Indebtedness shall not affect the right of Secured Party to retain the Collateral for such other Indebtedness as may then exist or as it may be reasonably contemplated will exist in the future. This Agreement shall automatically be reinstated if Secured Party is ever required to return or restore the payment of all or any portion of the Indebtedness (all as though such payment had never been made).

(i) DEBTOR AND SECURED PARTY HEREBY UNCONDITIONALLY WAIVE THEIR RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, ANY OF THE DEBT DOCUMENTS, ANY DEALINGS BETWEEN DEBTOR AND SECURED PARTY RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN DEBTOR AND SECURED PARTY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY OF THE OTHER DEBT DOCUMENTS OR ANY OTHER DOCUMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. IN THE EVENT OF ANY LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(j) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL. DEBTOR IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK TO HEAR AND DETERMINE ANY SUIT, ACTION OR PROCEEDING AND TO SETTLE ANY DISPUTES, WHICH MAY ARISE OUT OF OR IN CONNECTION HERewith AND WITH THE DEBT DOCUMENTS (COLLECTIVELY, THE "PROCEEDINGS"), AND DEBTOR FURTHER IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO REMOVE ANY SUCH PROCEEDINGS FROM ANY SUCH COURT (EVEN IF REMOVAL IS SOUGHT TO ANOTHER OF THE ABOVE-NAMED COURTS). DEBTOR IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MIGHT NOW OR HEREAFTER HAVE TO THE ABOVE-NAMED COURTS BEING NOMINATED AS THE EXCLUSIVE FORUM TO HEAR AND DETERMINE ANY SUCH PROCEEDINGS AND AGREES NOT TO CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE ABOVE-NAMED COURTS FOR ANY REASON WHATSOEVER, THAT IT OR ITS PROPERTY IS IMMUNE FROM LEGAL PROCESS FOR ANY REASON WHATSOEVER, THAT ANY SUCH COURT IS NOT A CONVENIENT OR APPROPRIATE FORUM IN EACH CASE WHETHER ON THE GROUNDS OF VENUE OR FORUM NON-CONVENIENS OR OTHERWISE. DEBTOR ACKNOWLEDGES THAT BRINGING ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY COURT OTHER THAN THE COURTS SET FORTH ABOVE WILL CAUSE IRREPARABLE HARM TO SECURED PARTY WHICH COULD NOT ADEQUATELY BE COMPENSATED BY MONETARY DAMAGES, AND, AS SUCH, DEBTOR AGREES THAT, IN ADDITION TO ANY OF THE REMEDIES TO WHICH SECURED PARTY MAY BE ENTITLED AT LAW OR IN EQUITY, SECURED PARTY WILL BE ENTITLED TO AN INJUNCTION OR INJUNCTIONS (WITHOUT THE POSTING OF ANY BOND AND WITHOUT PROOF OF ACTUAL DAMAGES) TO ENJOIN THE PROSECUTION OF ANY SUCH PROCEEDINGS IN ANY OTHER COURT. Notwithstanding the foregoing, Secured Party shall have the right to apply to a court of competent jurisdiction in the United States of America or abroad for equitable relief as is necessary to preserve, protect and enforce its rights under this Agreement and any other Debt Document, including, but not limited to orders of attachment or injunction necessary to maintain the status quo pending litigation or to enforce judgments against Debtor, any Guarantor or the collateral pledged to Secured Party pursuant to any Debt Document or to gain possession of such collateral.

(k) This Agreement and any amendments, waivers, consents or supplements hereto in connection herewith may be executed in any number of counterparts and by different parties hereto in separate counterparts, all of which taken together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Delivery of an executed signature page of this Agreement or any delivery contemplated hereby by facsimile or electronic transmission shall be as effective as delivery of a manually executed counterpart thereof.

(l) To the extent that any Note and Collateral Schedule would constitute chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest therein may be created through the transfer or possession of this Agreement in and of itself without the transfer or possession of the original of a such Note and Collateral Schedule executed pursuant to this Agreement and incorporating this Agreement by reference.

(m) Debtor authorizes Secured Party and its representatives to contact and communicate with Debtor and provide Debtor with information and notices relating to Secured Party's services and products from time to time, including, without limitation, solicitations and/or materials advertising the commercial availability, price or quality of goods, property or services, via facsimile transmission or email.

(n) Debtor hereby acknowledges that it has not received or relied on any legal, tax, financial or accounting advice from Secured Party and that Debtor has had the opportunity to seek advice from its own advisors and professionals in that regard.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Debtor and Secured Party, intending to be legally bound hereby, have duly executed this Agreement in one or more counterparts, each of which shall be deemed to be an original, as of the day and year first above written.

SECURED PARTY:
General Electric Capital Corporation

By: /s/ Kevin Deady

Name: Kevin Deady

Title: Sr. Risk Analyst

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner

Title: V. President

Signature page for Master Security Agreement

COLLATERAL SCHEDULE NO. 8727912-001 ("COLLATERAL SCHEDULE")
DATED THIS APRIL 23, 2012
BETWEEN GE CAPITAL COMMERCIAL INC.
(TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, IF ANY, "SECURED PARTY")
AND
APIO, INC. ("DEBTOR")
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012
BETWEEN GENERAL ELECTRIC CAPITAL CORPORATION ("GECC")
AND
DEBTOR

Secured Party & Mailing Address:

GE Capital Commercial Inc.
c/o General Electric Capital Corporation
4 Park Plaza, Suite 1400
Irvine, CA 92614

Debtor & Mailing Address:

Apio, Inc.
P.O. Box 727
Guadalupe, CA 93434

This Collateral Schedule is executed pursuant to, and incorporates by reference the terms and conditions of, and capitalized terms used but not defined herein shall have the meanings assigned to them in, the Master Security Agreement identified above (the "**Master Agreement**"). This Collateral Schedule and the terms of the Master Agreement incorporated herein by reference are collectively referred to as the "**CSMA**"). Among other things, the CSMA describes Collateral (as defined in the Master Agreement) in which Debtor has granted Secured Party a security interest in connection with the Indebtedness (as defined in the Master Agreement) including without limitation that certain Promissory Note dated April 23, 2012, in the original principal amount of \$12,660,000.00 (the "**Note**"). The CSMA and the Note (as any of the same may be amended, supplemented or otherwise modified from time to time) are collectively referred to as the "**Loan**". The Loan is a separate and independent transaction and contractual obligation between Debtor and Secured Party, and notwithstanding the existence of other collateral schedules to, and/or promissory notes issued under, the Master Agreement, Secured Party may take enforcement action with respect to this CSMA and the Collateral described herein independently of any other collateral schedule(s) executed pursuant to the Master Agreement. DEBTOR HEREBY ACKNOWLEDGES AND AGREES THAT THE ORIGINATING SECURED PARTY UNDER THIS LOAN IS GE CAPITAL COMMERCIAL INC. AND THIS LOAN AND ALL OTHER DEBT DOCUMENTS (IN EACH CASE, SOLELY TO THE EXTENT RELATING TO THIS LOAN) SHALL BE CONSTRUED ACCORDINGLY. SECURED PARTY SHALL HAVE ALL RIGHTS OF GECC UNDER THE MASTER AGREEMENT. SECURED PARTY MAY APPOINT AGENTS (INCLUDING GECC) TO ACT ON ITS BEHALF.

A. DESCRIPTION OF COLLATERAL SCHEDULE COLLATERAL: SEE ATTACHED ANNEX A-1 THROUGH A-5

and including all additions, attachments, accessories and accessions thereto, and any and all substitutions, upgrades, replacements or exchanges therefor, and all insurance and/or other proceeds thereof.

B. CERTIFICATION OF ACCEPTANCE: Debtor hereby certifies and warrants that as of the date set forth below under Debtor's signature or, if such date is not completed, the date of this Collateral Schedule as set forth above: (i) all the collateral listed above (the "**Collateral Schedule Collateral**") has been delivered and installed (if applicable); (ii) Debtor has inspected the Collateral Schedule Collateral, and all such testing as it deems necessary has been performed by Debtor or the applicable supplier or manufacturer; (iii) Debtor has found all such Collateral Schedule Collateral to be satisfactory and meets all applicable specifications and is fully operational for its intended use; and (iv) with respect to new items of Collateral, copies of the Bill(s) of Lading or other documentation acceptable to Secured Party which show the date of delivery of the Collateral Schedule Collateral will be provided to Secured Party upon request.

C. CERTIFICATION OF NO DEFAULT: Debtor does further certify that as of the date set forth below under Debtor's signature or, if such date is not completed, the date of this Collateral Schedule as set forth above: (i) There exists no Event of Default under the Loan; and (ii) the representations and warranties made by Debtor pursuant to or under the Loan are true and correct in all material respects.

D. DOCUMENTATION FEE: \$94,950.00, payable on or before the date of the Note.

E. Modifications and Additions for this Collateral Schedule Only

1. For purposes of this Collateral Schedule, the Master Agreement is amended and/or supplemented with the following terms and conditions:
 - (i) Preferred Payment Terms. Credit to Debtor's account for this Loan may be delayed if payment is (a) not received at the Secured Party's payment address indicated in Secured Party's invoice or other instructions from Secured Party from time to time or (b) not accompanied by Secured Party's invoice number. Preferred forms of payment include direct debit, wires, company checks and certified checks. Payment in any other form may delay processing or be returned to Debtor. Delayed credit may cause Debtor to incur a late payment fee. All credit for payments of Debtor's account for this Loan are subject to final payment by the institution on which the item of payment was drawn.
 - (ii) Payment Application. Secured Party reserves the right to select the method by which payments and credits are allocated to the Loan account of the Debtor in Secured Party's sole discretion.
 - (iii) Disputed Payments. Without prejudice to any of the rights and remedies of Secured Party under the Loan or (as the case may be) any of the other Debt Documents, all written communication concerning disputed amounts, including any check or other payment instrument that (a) indicates that the written payment constitutes "payment in full" or is tendered as full satisfaction of a disputed amount or (b) is tendered with other conditions or limitation must be mailed or delivered to the Secured Party at the address for billing inquiries and/or correspondence shown on the invoice or statement and not to the payment address.
 - (iv) Compliance with Applicable Laws. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, any provisions in the Loan to the contrary notwithstanding, in no event shall the Loan require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum amount permitted by applicable law as now or hereafter construed by a court of competent jurisdiction. If any such excess interest is contracted for, charged or received pursuant to the Loan, or in the event that all of the principal balance under the Loan shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received shall exceed the maximum amount of interest permitted by applicable law as so construed, then in such event any such excess which may have been collected shall, at Secured Party's option, either be credited to the unpaid principal balance of or other amounts payable under the Loan as a prepayment of principal or such other amounts, without any prepayment fee, or refunded to Debtor, and the effective rate of interest shall automatically be reduced to the maximum lawful rate allowed under applicable law as now or hereafter construed by a court of competent jurisdiction. Without limiting the foregoing, all calculations of the rate of interest contracted for, charged or received with respect to the Loan which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the fullest extent permitted by applicable law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness, all interest at any time contracted for, charged to or received from Debtor in connection with such indebtedness. Notwithstanding the foregoing, if any applicable law is amended or the law of the United States of America preempts any applicable law, so that it becomes lawful for Secured Party to receive a greater interest per annum rate than is presently allowed, Debtor agrees that, on the effective date of such amendment or preemption, as the case may be, the lawful maximum hereunder shall be increased to the maximum interest per annum rate allowed by the amended law or the law of the United States of America.
 - (v) Information Sharing Consent. Debtor and each of Debtor's affiliates authorize Secured Party to disclose information about Debtor and Debtor's affiliates that Secured Party may at any time possess to any Secured Party affiliate, successor, assign and/or participant, and/or to any manufacturer or vendor of any property subject to the Loan or to any other party with a financial interest in the Loan, whether such information was supplied by Debtor to Secured Party or otherwise obtained by Secured Party.
 - (vi) Secured Party Assignment. Secured Party, from time to time, may assign, sell, or transfer in whole or in part its interests in the Loan, or any of its rights under any of the other Debt Documents, including servicing rights, whether as part of a securitization transaction or by participation, assignment, sale or other transfer (in each case, a "Secured Party Transfer"). Upon a Secured Party Transfer of Secured Party's entire right and interest under the Loan and (as the case may be) any other Debt Documents, Secured Party shall automatically be relieved, from and after the date of such assignment, of liability for the performance of any obligation of Secured Party contained in the Loan and (as the case may be) any other Debt Documents arising or accruing from or after the assignment.
 - (vii) Governing Law. THE STATE OR COMMONWEALTH INDICATED IN THE GOVERNING LAW PROVISION SET FORTH IN THE MASTER AGREEMENT AND THE NOTE SHALL BE REPLACED WITH THE STATE OF NEW YORK.
 - (viii) Consent to Jurisdiction. Any legal action or proceeding with respect to this Loan or any other Debt Documents, shall be brought exclusively in the federal or state courts located in the State of New York, and Debtor accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts; provided, however, that nothing in this Loan or any other Debt Documents shall limit or restrict the right of Secured Party to commence any proceeding in the federal or state courts located in the state in which any Collateral is located to the extent Secured Party deems such proceeding necessary or advisable to exercise remedies available under this Loan or any other Debt Documents or to commence legal proceedings or otherwise proceed against the Debtor in any other jurisdiction. Secured Party and Debtor hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions.
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2. Promotional Materials. Debtor hereby confirms that Secured Party is authorized and permitted to use Debtor's name, logo and/or trademark in connection with certain promotional materials that Secured Party may disseminate to the public in connection with the transaction contemplated under this Loan, the Master Agreement and/or (as the case may be) any other loan entered into under the Master Agreement and the business relationship between Debtor and Secured Party established under the Master Agreement and each loan, and such promotional materials may include, but are not limited to, presentations, brochures, internet website, advertising in newspaper and/or other publications. Secured Party agrees, if Debtor so requests in writing, to give Debtor an opportunity to review and comment on any such promotional materials.

Except as expressly modified hereby, all terms and provisions of the Master Agreement shall remain in full force and effect. In the event of any conflict between the provisions of this Collateral Schedule and the provisions of the Master Agreement, the provisions of this Collateral Schedule shall prevail with respect to the Loan created hereunder. This Collateral Schedule is not binding or effective with respect to the Master Agreement or Collateral until executed on behalf of Secured Party and Debtor by authorized representatives of Secured Party and Debtor, respectively.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Debtor and Secured Party, intending to be legally bound hereby, have duly executed this Collateral Schedule in one or more counterparts, each of which shall be deemed to be an original, as of the date indicated below.

SECURED PARTY:

GE Capital Commercial, Inc.

By: /s/ Kevin Deady

Name: Kevin Deady

Title: Authorized Signatory

DEBTOR:

Apio, Inc.

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner

Title: Vice President

Signature Page for Collateral Schedule No. 8727912-001

ANNEX A-1
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
7	1996 GMC Sierra Pickup; brown	1000013	1GTEK19K3RE556510
762	2001 Chevy; CK15703; white		1GCEK14V21Z113392
1325	'87 International Flatbed	1000050	1HTLDUGP3HH504330
1560	1999 Silverado; pewter	1000763	1GCEK19TOXE226555
1638	2000 Silverado; gold		1GCEC19T9YZ328735
1650	Ford Explore, 2000, white		1FMZU63P1YZB89655
2221	Watering Truck		1HTAR1825BBB24745
2384	2006 Chevy Silverado		1GCHK29D26E191012
2430	2005 Chevy		LAST FOUR DIGITS 7214
2496	VA Trans Truck - 08 Intl 4300		HTMMAAN08H560509
2530	2008 GMC Sierra 1500		2GTFK13M081184859
2583	GMC Sierra 2008	243075	
2627	Toyota Tundra 4x4 2010 White		5TFUM5F19AX003538
2629	Toyota Tundra 4x4 2010 Silver		5TFUM5F13AX002868
2666	2010 Chevy Silverado Gray	8Z65129	1GCSKTE35AZ132787
2670	2010 Chevy Silverado Silver		3GCRKSE3XAG289255
2671	2010 Chevy Silverado White	47270A1	3GCRKSE37AG295174
2685	2011 GMC Sierra 1500 Grey		3GTP2VE37BG258622
248	Conference Room Furniture	3001008	
265	Receptionist Console		
278	Plymold Flat Bench Units		FF77896
1780	InFocus ZGA Projector		
2174	Apio PMA Booth Graphics		
2203	Cal Ex Office Lshld Imrvmnts		
2218	Cubicles for QA Lab		
2336	Entrance & Truck "Apio" Signs		
2337	VA Office Furniture		
2348	VA Break Room 5 Tables		
2406	Refrigeration Units for PMA		0609001391 & 0609001392
2550	New Trade Show Booth		
2552	QA Office Furniture		
2560	Lab Furniture		
275	Plant Video Camera Equipment	1000806	
368	Phone Wiring, New		
1541	Fire Safe - Media Manager	3001212	
1629	HP Laserjet Printers		
1774	HP LaserJet 4100TN		USBGC00778
1788	JD Edwards System	SOFTWARE	M1H36A02R
1892	JD Edwards System	3001203	
1927	Toshiba Tecra M2 PTM20U-OM	1001388	44049468P
2032	FireKing Electronic Media Safe	CAL-EX	DS1817-1LG
2101	MS MBL Visio Std 2002		D86-00916
2142	JDE-T2 + Array		
2167	Acer 17" LCD Screens	1001341-45	
2168	Motorola Hand Radios		

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-1
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2193	Cisco Wireless Access Points		
2211	Expansion Array for JDE	3001042	
2240	Lexicom AS2	3001047	
2255	JD Edwards		
2258	Client Software Cmplcy		
2290	HP Proliant DL140	3001028	M03FMF6238
2291	Cisco Firewall	3001044	CON-SNT-PKG7
2299	Auto Cad		
2313	Antivirus Server		
2323	Softshare Delta/ECS		
2335	Avaya Phone System	3001204	
2370	Internet Redundancy - Radware		
2371	MS Office & MS 2003 Server		
2372	Security Camera	4000221	
2380	Justice Lab - Chrome		
2399	Data Warehouse Server	3001214	
2400	Cognos Contributor		
2402	Avaya Phone Win VCL 8 channel		
2405	RFID Wal-Mart Project		
2410	EDI Backup Server	3001219	
2421	Citrix Service	3001216-218	100J3-100J1-100HY
2427	Easy Pay Manager		
2437	BackUp Server Replacement		
2440	Tech Display Equip 4 Tradeshows	3001175	
2504	RF Scan Gun		
2507	Engine Room Monitoring Device	3001213	
2508	Cognos		
2519	New File Server APIOFS1	3001215	
2521	RF Scan Gun		
2523	Engine Rm Monit Device		
2526	Bck Up & Recovery For Cognos		
2532	Laptop D Sherrod		
2533	Laptop For Ray Clark	3001211	28361708Q
2536	2 MS SQL Servers - Enterprise		
2561	Weight Ticket Sftwr & Hrdwr		
2563	Wireless Infastructure Project	3001201	
2581	Expansion Array	3001200	
2607	Apio E-mail Server	3001202	
2608	QA Data Colection Hardware		
2611	140 Windows 08 Server Licenses		
2612	109 SQL 2008 Access Licenses		
2642	NetAPP Raid Array	3001197	
2664	Co-Pack IT System Equipment		
2684	VM Ware Expansion		
2749	Office 2010 Upgrade		
16	Metal Detector	2000182	21981
36	Metal Detector	2000238	12011-03
51	Combo Scale	1000713	

INITIALS DEBTOR: /s/ GSS

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<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
61	Platform	1000714	
116	Upgrade to Cooler Racks		
118	Metal Detector	1000061	13292-01
127	Chain Hoist		
139	Floor Scale		
145	Newtec Scale		
156	Ice Pulverizer	2000200	
187	Slicing Wheel		
191	Addition to Metal Detector		
209	Coils		
211	Packaging Equip (D'Arrigo Bros	1000712	
260	Mini Tray Machine		
266	Electric Chain Hoist w/15' cha		
291	Bagger (VA Expansion)		
335	Cascading Dryer Conveyor		
338	Celery Cutter Machine	2000356	
354	Metal Detector, Safeline	100081B	42329
357	Yellow Waste Bins (30)		
362	Submersible Sump Pump	30001114	
364	Cull Elevator	1000070A	117652-A
374	Blue Macro Bins 34-FVLF (40)		
395	Processing Line - VA	1000071	15026-1
406	Green Cauliflower Trays(7,500)		
409	40hp Sullair Compressor	2000362	003-123548/005-D17399
436	Broccoli Line (VA Expansion)		
465	Green Chillpck TrayTote(2,400)		018592E04M
472	Cauliflower Line (VA Expansion)		
486	Marathon Trash Compactors (2)		
492	Green Chillpck TrayTote(2400)		
494	Green Chillpck Tray/Tote (400)		
518	Haug AS-400 Auto Tray Sealer		
530	Green Chillpck TrayTote(2400)		
551	Green Chillpck TrayTote(2400)		
575	Red Chillpck TraTote(2400)		
579	Party Tray Line/Sealer (Expans		
584	Red Chillpck TrayTote(2400)		
587	Red Chillpck TrayTote(2400)		
590	Red Chillpack Tray/Tote (300)		
683	Haysen Bag Forming Collars		72769DSL
685	Cooler Fans		
707	Tru - Hone Knife Sharpener		
710	Processing Line Conveyer Exten		
1049	Cull System	1000070B	117652-B
1065	Scale Feed/Distribution System		
1172	Yellow Cauliflower Trays(4000)		
1255	Bagger - IIIapack	1000073	1186224
1270	Cauliflower Line	1000074	
1284	Cauliflower Totes		
1314	Reyco Cull System	2000346	
1342	40' Container		VC5714

INITIALS DEBTOR: /s/ GSS

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EQUIPMENT LOCATION: 4575 West Main Street, Guadalupe, CA 93434

Asset #	Asset Description	Tag #	Serial Number
1604	Barnes Pump	2000115	0663033-0998
1666	Barnes Pump	2000116	1189-52596
1671	Ice Injector	1000157G	
1723	Packing Line (VA Expansion)		
1741	Chlorination system	2000121	
1801	Hytrol Conveyor System		
1815	DSL Forming Collars		
1884	VA Truck Scale		
1889	VA Broccoli Chilled Wash Line	30001123	
1890	Automated Square Tray Sealer		
1963	PVCA-STC Leak Testers		
1975	Floor Scale w/ Ramp		
1979	Ice Extruder Plates		
2020	Upgrade VFFS VA Machines #1		
2021	Upgrade VFFS VA Machines #2		
2022	Upgrade VFFS VA Machines #3		
2023	Upgrade VFFS VA Machines #4		
2024	Upgrade VFFS VA Machines #5		
2025	Upgrade VFFS VA Machines #6		
2038	One 24"x5'0" Dewatering Shaker	2000308	
2043	24"x8' Incline Belt Conveyor		
2049	Reservoir for Crown Line		
2050	Galvanized Rails for Conveyor		
2060	Injection Mold		
2097	Haug Tray Sealer		
2098	Twin Pick Rack System		
2143	Macro Bins (Blue) (40)		
2144	Macro Bins (Gray) (30)		
2145	Maintenance Dept Storage		
2147	Pallet Stretch Wrap Wrapper		
2154	Macro Plastic Bins (530)		
2157	Cauliflower Wash & Trim		
2158	Ink Tray Conveyor Re-Config		
2161	Wash & Drying Line	4000258	
2165	Ice Injector Overhaul		
2169	Mini Me Tray Machine		
2170	Yamoto Sigma Scale		
2173	Universal Labeling Machines		
2175	Tray Machines	4000262	
2176	VA Line Inkjet Printer (5)	2-225	
2181	Tray Line Metal Detector	2000255	
2182	Raw Broc Hopper	2-186 2-205	
2185	Hoppers/Scales for Bagger #5		
2186	AS 400 Additions	2000241	
2188	Broccoli Macro Bins (1568)		
2189	Macro Bins (Blue) (50)		
2190	Macro Bins (Gray) (50)		
2192	Broc Dispersing Belt		
2195	Convert Cauli Ln to BrocTrimLn		
2197	P&P 4" Membrane Setup		

INITIALS DEBTOR: /s/ GSS

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<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2201	Raw Product Green Trays		
2204	AS400 Tray Machine		
2205	AS300 Tray Machine		
2213	Receiving Area Shade Canopy		
2215	Tray Machine		
2216	2001 Wiggins 12 Pallet Frklft		WLC-012041
2217	Lab Shrink Wrap Machine	3001233	
2219	Ammonia Detection System		
2226	Analytical Balance	3000125	
2227	90 Degree Radius Take-Away		
2228	Pack off Conveyor		
2229	Metal Detectors	2000259	S/N-2000259
2230	Incline Elevator	2000335	
2231	Ink Jet Printer	2000231	
2233	Broccoli Slaw Processing Unit	2000336	
2234	Triple Wash Line w/Chiller		
2235	100hp Sullair Compressor	2000361	
2236	Scale		
2237	Twin Tube Bagger		
2238	Punch and Patch Systems (5)		
2241	Metal Detector	2000246	
2242	Ink Jet Printer	2000267	BJ502
2243	Auto Labeler	3001189	L15H 0604L
2244	Burst Tank		
2246	Petite Tray Sealer Plates		
2247	Tray In-Feed System		
2248	Packing Conveyor	4000260-261	
2249	Labeling Conveyor		
2251	Triple Wash Line w/Chiller		
2253	Inkjet Printers		
2254	Auto Labeler	30001078	
2257	Metal Break and Sheer	2000357	
2261	In Store Tray Carrier Plates		
2262	Membrane Die & Adhesive Roller		
2263	Conveyor Modification		
2264	Scales		SN 070380050085
2266	Metal Detector	2000242	39243
2268	Metal Detector		
2269	Auto Labeler	3001162	L15D 4209HRW
2270	Auto Labeler	2000281	L15D 3955HLW
2271	Auto Labeler	3001088	L15D 4152HLW
2272	Auto Labeler	3001191	L60 HAUG-1604L
2273	Auto Labeler	3001193	L60 HAUG-1603R
2275	90 Degree Radius Take-Away		
2276	90 Degree Radius Take-Away		
2277	90 Degree Radius Take-Away		
2278	90 Degree Radius Take-Away		
2279	90 Degree Radius Take-Away		
2280	Incline Elevators		
2281	Incline Elevators		

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<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2282	Inkjet Printer	2000226	
2283	Inkjet Printer		
2284	Metal Detector	2000173	22173
2286	Ink Jet Printer	2000288	
2287	Auto Labeler	2000279	L15C 3906HRW
2288	Auto Labeler	2000287	L15C 3907HLW
2289	Pentetrometer	3001154	
2293	Dunk Tank		
2295	Punch and Patch System	4000256	L60D 996RT
2296	Punch and Patch System	2000224	L60D 967RT
2297	Punch and Patch System	4000257	L60E 1213R
2298	Punch and Patch System	2000219	L60E 1212R
2302	Chiller Mueller Freon		
2308	Garden Veg Tray Automation		
2309	Ink Jet Printer	30001081	
2310	CC Stalk Slicer	2000329	
2311	Haug Tray Sealer	3001082	176381
2315	In-store tray Automation		
2316	Snap Pea Conveyor		
2322	Tables with Adjustable Legs		
2327	Petite Machine	3001068	51K9060-CWT
2328	Metal Detector	3001069	S/N-LINE 15
2329	Auto Labeler	3001070	L150-4151HLW
2330	Auto Labeler	3001071	L15D-4118HRW
2331	Ink Jet Printer	3001067	BV528
2332	90 Degree Radius		
2333	Take-Away Conveyor	3001090	
2334	Flex Wash Line	2000312	
2341	Cooler Scrubber Machine	3001126	T7-10259316
2343	Metal Detector Tubs		
2344	Box Chute		
2345	Stainless Tables	3001072-1076	
2346	2 Ink Jet Printers		
2351	VA Raw Product Bins (500)		
2354	Auto Labeler	3001185	L15D 4015HLW
2355	Auto Labeler	3001079	L15D 4050HLW
2356	Auto Labeler	3001188	L15D 4032HLW
2357	2002 Club Car		E0220148367
2358	2001 Club Car		E0335318201
2361	Air Hoist for Spin Dryer	2000381	
2362	Reyco Enhancements/Relocation		
2363	Snack Line Tray Line Heater		
2365	Carrot Distribution System		
2378	O2/CO2 Analyzer from PBI	3001017	
2381	Cooling Evaporator		
2393	Auto Labeler	3001183	L15D 3956HLW
2394	Auto Labeler	3001163	L15D 4204HLW
2395	Auto Labeler	2000276	L15D 4046HRW
2396	Pallet Shrink Wrap Machine	3001232	Q300 LANTECH
2397	Punch & Patch Equip - Sd Dish		

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<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2398	Burst Tank Tray Room	2000123	
2401	AS320W 4up Tray Sealer		
2412	Cauliflower Line - #2		
2413	Auto Labeler	30001105	L15D 4133HLW
2414	Auto Labeler	3001165	L15C 3917HRW
2416	Speed Door #1		
2417	Speed Door #2		
2418	Speed Door #3		
2419	Pack Off Equipment		
2420	De water Shaker	2000306	
2422	Ice Plant rebuilt in 2007		
2428	Checkpoint Gas Analyzer	3001095	
2429	2 Door Refrig Unit for Lab		
2432	Snack Tray Tooling		
2433	Ice Plant Rebuild		
2434	Labeling Conveyors (4)	2000125 -128	
2442	Broccoli Sizer(shaker equip)		
2444	CIP Patch Punch/Applicator		
2445	Cold Room 2 Units		
2456	Reyco Fridge Incubator	3001135	Y08F-317191-YF
2457	Incubator Bod10a		V06F-308919-VF
2458	Low Temp Incubator Model 815	3001136	WB54507372
2459	Tray Sealer	3001152	
2460	EG & G Chromatog Equip	3001146	
2461	Spectrophotometer	3001138	
2462	Pressure Decay & Occlusion Tes	3001139	972332
2463	Pressure Decay & Occlusion Tes	3001140	972375
2464	Heat Sealer	3001142	98-20921
2465	Circulating Bath	3001131/1133	
2467	Carbon Dioxide Analyzer	3001133	
2470	Agilent 6850 Series GC System	3001156	
2471	Flowboard 9 station 3 gasses	3001145	
2472	Oxygen Permeation Analyzer	3001148	
2473	Portable Counting Scale	3001149	
2474	Satorius Top Bloading Balance	3001150	
2475	Heat Sealer	3001151	
2476	Bridge Portable CO2/O2 Analyze	3001011	
2478	Bridge Portable CO2/O2 Analyze	3001155	
2481	Stnlss Steel Drop Tube w/flang		
2484	Metal Detector		
2485	Precision Air Flow Test Device		
2486	Racking- Tomato Room		
2487	Raw Product Bins (1400)		
2488	VFFS Indexer		
2489	Gas Sweeper Model 6330 Exterra		
2490	Scrubber -Adv Model 4530 AXP	3001167	2011502
2491	VA Plant Evaporators 2007		
2492	Raw Product Whrse Speed Doors		
2494	Lantech Stretch Wrapper	3001173	
2495	Plant Emergency Lighting		

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<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2497	Kalmar 12 Pallet Forklift		
2498	Forklift Terminal Scanners (6)		
2500	Chlorine System		
2501	Metal Detector		
2502	Auto Labelers (2)	1157, 0269	L15D 4242HKRL15D 4051HLW
2503	Tote Washer		
2506	Sward Harness Rocker		
2517	Tray Pack Off Equipment		
2518	Air Compressor and Dryer	30001170	68846-T02
2520	Broc Air Knife Systems		
2524	Forklift Battery Chargers		
2525	2 Auto Labelers	0286, 0278	L15D 4049HLW L15D 4049HLW
2527	Checkpoint O2/CO2 Analyzer		
2528	Raw Product Totes (1,000)		
2534	2 Ink Jet Printers		
2535	2 Auto Labelers	1190, 1194	L15D 4042HRWL15D 4048HRW
2537	Bagger # 7 Punch & Patch		
2538	Instore #15 Punch & Patch		
2539	Bagger Forming Collars Tubes		
2540	Product Shade Area		
2542	QA Plant Burst Tank		
2543	Checkweigher		
2545	26" Wide Metal Detector		
2546	Twin Bagger & Scale		
2547	Slaw Line Shaker		
2548	Trash Compactor		
2551	Film Tray Sealer/ Seal & Peel		
2553	NH3 Temp Sensor		
2554	NH3 Temp Sensor		
2555	Commercial Slicer		
2556	Celery Processing Line		
2557	Cooler Recirculator PLC Contro		
2558	3 Daewoo Forklifts		CM00298 CM00299 CM00300
2559	Floor Pallet Scale		
2562	2 Ink Jet Printers		
2565	Black Celery Totes (10,000)		
2568	2 Ink Jet Printers		
2569	Punch & Patch Systems (2)	218, 222	L60E 1211L-L60D 968RT
2570	Twin Bagger Take-away/Pack Off		
2571	Twin Bagger Inclice Conveyers		
2573	Twin Tube Metal Detector		
2574	(2) Cooler Evaporators		
2575	Triple Stage Forklift Attach		
2576	(3) Plant Evaporators		
2579	Sams Instore Tray Line Convers		
2582	Raw Product Bins (1425)		
2584	Deli Cup Tray Sealer for Lab		
2585	Kalmar 12 Pallet Forklift		T431050333
2587	Hand Washing Units		
2589	Basket Hoist System		

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<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2590	EG&G Chromatog Equip	3001147	
2591	Circulating Bath		
2592	Microscope Olympus BX40	3001195	8K03767
2593	GTIN Traceability Case Labelin		
2594	Minipack tunnel 50 ss stnlss		4000292
2595	Bagger#2 control systm upgrade		
2598	Tooling for round tray servo	2000233	3001108
2599	VFD Air compressor & Controls	4000293/294	
2600	Air Storage tanks&Piping	4000296	
2601	VFD Regulators & Controls	4000299	EL0849155874
2604	Raw Product Bins (1700)		
2609	Blue Snap Pea Totes (22,980)		
2610	Turbo 185 Ton Ice Maker	4000278	S09H0006001
2613	Tooling For 14x14 Tray - Haug	3001068A	
2614	Motorola WT4090 Scanners	3001177-1180	00258-00232-00252-00270
2615	Green Cauli/Crown Totes 2,728		
2616	H&C QX775D Tray Sealer	4000291	
2617	Cup/Petite Line Packoff	2000243	
2618	Plant Air Makeup System	4000279	9-366662
2619	VA Plant 3 Speed Doors	4000280-282	50438-50436-50437
2620	Utility Processing Lline		
2621	Cup/Petite Line Take	4000290	
2622	Cup/Petite Metal Detector		
2623	Cup/Petite Ink Jet Printer	4000289	BP163
2624	Cup/Petite Auto Labelers (2)		
2631	E5000 Cat Forklift Bin Dumper	2631	A4EC320288
2632	VFFS Indexer	4000288	
2633	Cat P6000-LP #38 Yard Bin Wash	2633	AT31F03886
2639	Upgrade Ice Plant Supp Structur		
2640	Ice Injector #2		
2641	Forklift RFID for iGPS Readers		
2643	Ice Injector	2000000A	960238
2644	4 Auto Broc Floret Machines		
2645	Engine RM Pwr Trans Switch		
2646	VA Plant Pwr Transf Switch		
2647	Cooler Pwr Transf Switch		
2648	Broc Floret & Cauli Machine		
2649	4 Spin Dryer Baskets		
2650	3 Butter Nut Peelers	270-271-272	
2651	3-Spin Dryers	4000161-2-4	267131-267132-267133
2652	Green Cauli Totes Green(4,100)		
2653	2 - Cooler Speed Doors		
2654	VA Loading Dock Speed Door		
2655	VA Plant Speed Door		
2656	Broc Optical Sorter	4000263/264	L5378067-06
2657	Co-Pack Tray Tables		
2658	Co-Pack Tray Labelers		
2659	Co-Pack Tray Ink Jet Printers		FA590 & FA594
2660	Co-Pack Tray Labeling Belt	4000261	
2662	Reyco System		

INITIALS DEBTOR: /s/ GSS

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<u>Asset #</u>	<u>Asset Description</u>	<u>Tag #</u>	<u>Serial Number</u>
2663	Co-Pack Wash Line Chiller	4000277	
2672	Macro Bins (Ivory) (685)		
2674	Low Temperature Incubator	3001181	WB71424186
2676	Bagger Thermal Printers (2)		
2681	Case Take-Away Conveyor		
2682	Tennent Scrubber T15-Rider	4000240	T15-17142
2683	Broccoli Floret Machines (12)		
2686	Cooler Evaporator Controls &		
2687	QA Paperless System		
2691	Forklift Attachment	4000116	112152
2722	Bagger Thermal Printers (8)		
2723	Scale VFFS Yamato Sigma		
2724	Bagger & Scale		
2725	Slaw Line Expanded Capacity		
2726	Incline Belting Bagger 1		
2728	Triple Drop Hoppers&Inclines		
2729	Support Frame for Bagger Scale		
2730	Trolley System Bagger		
2731	Take-Away & Packout		
2732	Metal Detector		
2733	Punch & Patch System		
2735	Peeler 1 (Squash) & 6 Upgrades		
2736	Macro Bins (Ivory) (1,352)		
2737	Celery Optical Sorter		
2738	Air Makeup System Expansion		
2740	Cooling Tag Scanners (3)		
2741	Punch & Patch Bagger		
2742	Plant Water Booster Pump System		
2743	Pressure Tunnel		#7ACV1105MCB
2744	Plant Air Evacuation System		
2746	Cauliflower Auto-Trim Line		
2750	Broccoli Auto-Floret Mchns (6)		
2752	Evaporator (Cooler)	AGHN 071.2H	

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-2
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: **Apio, Inc.**
SECURED PARTY: **GE Capital Commercial, Inc.**
EQUIPMENT LOCATION: **12700 S. Dixie Highway, Bowling Green, OH 43402**

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Bagger	Sandiacere	TG20 LD	3004
Scale	Ishida	W-S/60 WP	91/13305
Bag Printer	Markem	SmartDate 3i	
Scale Platform		2003	
Conveyor Platform		2004	
BG 69 In feed Shaker	FMC Allen	Syntron 2003	F72344 D009
Metal Detector	Loma	2007	
Turntable			
Box Printing conveyor	Lincoln Coder		
Pack off conveyor			
Labeler(s)	SATO	CL408e	
Bagger	Sandiacre	TG320LD	2710
Scale	Ishida	CCW.M.214W.S/70.WP	00/13049
Bag Printer	Makrem	SmartDate 3i	
BG 70 In feed Shaker	FMC Allen	Syntron 2003	F72344 D009
Pack off conveyor			
Turntable			
Metal Detector/ Box Printer	Eriez	Model V	
Labeler(s)	SATO	CL408e	
Bagger	Sandiacre	TG320LD	2655
Scale	Ishida	CCW.M.214W.S/70.WP	02/11878
Bag Printer	Makrem	SmartDate 3i	
BG 71 In feed Shaker	FMC Allen	Syntron 2003	F72344 D009
Pack off conveyor(s)			
Turntable			
Tote Box Dumper 1	MTC Corp	2006	
BG 1 Bin Veyor	MTC Corp	2006	
BG 3 Size Grader	Key Technology	Iso-Flo 431523-1	03-92490-1
Tote Box Dumper 2	MTC Corp	2006	
BG 4 Bin Veyor	MTC Corp	2006	
BG 6 Size Grader	Key Technology	Iso-Flo 431523-1	03-92490-2
BG 7 Scoop Belt	FMC Allen	2003	F72335D001
BG 8 Distribution Shaker	Key Technology	Iso Flo 418445-1	94-32108
BG 9 Conveyor 9 - BG 8 to 27			
BG 10 Snipper A Drive			
BG 11 Small UBR		2005	
BG 12 Conveyor UBR 1	Lakewood	2003	
BG 13 Conveyor UBR 2	Lakewood	2003	
BG 14 Conveyor A to 32			
BG 15 Snipper B		2004	
BG 16 Snipper D		2004	
BG 20 Snipper C		2004	
BG 21 Snipper E		2004	
BG 25 Conveyor A to C	AMCS	2003	
BG 27 Distribution Shaker D-3	FMC Allen		
BG 28 Snipper 1			
BG 29 Snipper 2			
BG 30 Snipper 3			
BG 31 Conveyor 1-E			
BG 32 Conveyor F-J			
BG 33 Conveyor 8 to 34			
BG 34 Distribution Shaker F-J	Meyer	VF11-18-6	1217
BG 35 Snipper F		2004	
BG 36 Snipper G		2004	
BG 37 Conveyor Incline			

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-2
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR:
SECURED PARTY:
EQUIPMENT LOCATION:

Apio, Inc.
GE Capital Commercial, Inc.
12700 S. Dixie Highway, Bowling Green, OH 43402

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
BG 38 Snipper H		2004	
BG 39 Snipper J	Hughes		
BG 40 Size Grader	Key Technology	Iso Flo 431487	
BG 41 Conveyor 41 - Scoop	FMC Allen	2003	F72335D002
Tegra 1 Feed Shaker	Key Technology	2003	03-92498
Tegra 1 Sorter	Key Technology	2003	03-92498
BG 42 Conveyor Tegra 1	Lakewood	2003	
BG 43 Conveyor Incline	Lakewood	2003	
Tegra 2 Feed Shaker	Key Technology	Tegra	03-92497
Tegra 2 Sorter	Key Technology	Tegra	03-92497
BG 45 Reject Shaker Tegra 2	Key Technology	Tegra	03-92497
BG 46 Conveyor Incline	Key Technology	Tegra	03-92497
BG 47 Conveyor			
BG 48 Conveyo-Tegra 2	Lakewood	2003	
BG 49 Conveyor Incline	Lakewood	2003	
BG 50 Distribution Shaker	Key Technology	Iso-Flo 417253-1	93-27641
BG 51 Grading Table	Lakewood	2003	
BG 52 Grading Table	Lakewood	2003	
BG 53 Grading Table	Lakewood	2003	
BG 54 Conveyor 51 Return	Lakewood	2003	
Rework Hopper	FMC Allen	2003	F72344D010
BG 55 Conveyor 52 Return	Lakewood	2003	
BG 56 Conveyor 53 Return	Lakewood	2003	
BG 57 Conveyor Cull Return	Lakewood	2003	
BG 58 Conveyor 51-53	Lakewood	2003	
BG 59 Conveyor Lyco Incline	Lakewood	2003	
BG 60 Lyco Washer	Lyco	60' X 8' Cooler	RDB 0903-32800
Chiller 1 Lyco Compressor	Bohn		
Chiller 1 Heat exchanger	Chester Jensen		
Chiller 1 Pump	Tri Clover		
BG 61 Drying Belt			
Blower Main Line	Republic	1200	
BG 62 Scoop Belt	FMC Allen	2003	F72344D003
Magnet	Eriez		
BG 63 Incline			
BG 64 Shaker with Gate	FMC Allen	2003	F72344D005
BG 65 Shaker with Gate	FMC Allen	2003	F72344D006
BG 66 Shaker with Gate	FMC Allen	2003	F72344D007
BG 67 Shaker with Gate	FMC Allen	2003	F72344D007
Chiller 3 Compressor	Bohn		
Chiller 3 Process Water in	Chester Jensen		
Chiller 3 Pump	Tri Clover		
Process Water Pump	Tri Clover		
Chiller 4 Process water Tank			
Process Water Tank			
Tote Box Dumper 3	MTC Corp	2006	
BG 101 Binveyor	MTC Corp	2006	
BG 103 Conveyor	Lakewood	2003	
BG 104 Conveyor	Lakewood	2003	
BG 105 Conveyor	Lakewood	2003	
BG 106 Incline	AMCS	2003	
BG 107 Distribution Shaker			
BG 108 Alt Snipper 1		2011	
BG 109 Alt Snipper 2		2005	
BG 110 Alt Snipper 3		2005	
BG 111 Alt Snipper 4		2011	
BG 112 Conveyor 1-4		2011	
BG 113 Conveyor Tegra 1			

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-2
TO COLLATERAL SCHEDULE NO. 8727912-001
TO MASTER SECURITY AGREEMENT
DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 12700 S. Dixie Highway, Bowling Green, OH 43402

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
BG 114 Conveyor			
BG 115 Conveyor Incline			
BG 117 Grading Table	Lakewood	2003	
BG 118 Conveyor	Lakewood	2003	
BG 119 Conveyor Incline	Lakewood	2003	
BG 120 Lyco Washer	Lyco	60' X 4' Cooler	RDB 0903-32801
Chiller 2 Compressor	Bohn		
Chiller 2 Heat Exchanger	Chester Jensen		
BG 121 Drying Belt		2011	
Blower Alt Line	Republic	1200	
BG 122 Scoop Belt	FMC Allen	2003	F72344D004
Magnet	Eriez		
BG 123 Conveyor Incline			
BG 124 Hopper Shaker	FMC Allen	2003	F72344D010
BG 126 Incline with Gate	FMC Allen	2003	F72344D011
BG 127 Shaker with Gate	FMC Allen	2003	F72344D008
BG 128 Shaker with Gate	FMC Allen	2003	F72344D008
BG 151 Conveyor Tegra 2	Lakewood	2003	
BG 152 Cull Grading	Lakewood	2003	
BG 153 Conveyor	Lakewood	2003	
BG 154 Reject Shaker T egra 1	FMC Allen		
BG 155 Conveyor	Lakewood	2003	
BG 156 Conveyor	AMCS	2003	
BG 157 Conveyor			
BG 158 Conveyor			
BG 159 Conveyor Incline	Lakewood	2003	
BG 162 Incline to UBR			
BG 163 Conveyor UBR out			
BL 3 Conveyor Truck inlet			
BL 4 Incline Conveyor			
BL 7 Bin Veyor			
BL 8 Shaker	Key Technology		
BL 9 Incline			
BL 10 Shaker	FMC Allen		
BL 11 Blower	FMC Allen		
BL 12 Conveyor			
BL 13 Size Grader	FMC Allen		
BL 14 Conveyor Under 13			
BL 15 Sizew Grader	Key Technology		
BL16 Conveyor under 15			
BL 17 Conveyor Under 15			
BL 18 Conveyor Incline			
BL 19 Distributiohn Shaker	Commercial		
Bl 20 Grading Table 1			
Bl 21 Grading Table 2			
Bl 22 Grading Table 3			
BL 23 Grading Table 4			
BL 24 Grading Table 5		2007	
BL 25 Conveyor 20-24			
BL 26 Incline Conveyor			
BL 27 Pump			
BL Flume Tank			
BL 28 Flume Incline			
Tank chiller 1	Bohn	25 Hp	
Tank chiller 2	Bohn	20 Hp	
Water Storage Tank			

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-2
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 12700 S. Dixie Highway, Bowling Green, OH 43402

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Storage Tank Chiller	Filtrine	5 Hp	
BL 29 Shaker	Key Technology		
BL 30 Drying Belt	Reyco		
BL 31 Blower	Reyco	25 Hp	
BL 32 Blower Filter	Reyco		
BL 33 Incline to Dry Room			
BL 34 Pump			
BL 35 Pump			
BL Pivot Chute		2007	
700 - Totes folding			
Compressor 1	Comp Air	100 Hp	
Compressor 2	Atlas Copco	60 Hp	
Compressor 3	Atlas Copco	60 Hp	
Air Dryer	Domminick Hunter		
Air Tank Vertical	Gal Air	600	
Air Tank Horizontal	Gal Air	200	
ORP System Main Line	Pulse Instruments		
ORP System Alternate Line	Pulse Instruments		
Control Panel	Square D		
Power Factor Unit	Square D		
Floor Scale 1			
Floor Scale 2			
Floor Scale 3			
Battery Charger	Raymond		
Battery Charging station	Toyota		
Water & Septic Pumps			
Baler			
Trash Compactor			
Racking			
Floor Scrubber	Tennant	5700	
Freezer			
Dock 1 Plate & Enclosure	McCormick		
Dock 2 Plate & Enclosure	McCormick		
Dock 3 Plate & Enclosure	McCormick		
Time Clock			
Electrical Transformer 1			
Electrical Transformer 2			
Electrical Transformer 3			
Electrical Transformer 4			
Electrical Transformer 5			
 Office Equipment			
Big Jack Bean Harvester 120 "			
Kubota Tractor			
Pixall Big Jack			
Pixall Big Jack			
1996 Pixall Big Jack			
Trailer			
Trailer			
Trailer			
Trailer #5, install conveyor			
1987 Ford Dump Truck			
2006 Dodge Ram 4x4			

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-3
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION: 26 Industrial Drive, Hanover, PA 17331

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Bagger	Sandiacere	TG20 LD	X87857
Scale	Yamato	ADW-714SWH	WG000730
Bag Printer	Markem	SmartDate 3i	7775292
Scale Platform		2003	
Transfer Belt		2008	
Metal Detector	Fortress	Phantom	
Turntable			
Box Printing conveyor	Loveshaw	MICROJET III B	1705127-218B
Labeler(s)	SATO	CL408e	9M030149
Label winder	Label Accessories Inc.	GLR-100	RC790016
Bagger	Sandiacre	TG320LD	X87897
Scale	Yamato	ADW-714SV	MA87894/WG070531
Bag Printer	Makrem	SmartDate 3i	7775011
Metal Detector/ Turntable	Fortress	Phantom	
Box Printing conveyor	Loveshaw	MICROJET III B	B805501-218B
Labeler(s)	SATO	CL408e	7G03537
Tote Box Dumper 1	D & E Farms		
EvenFeeder	D & E Farms		
#3 Conveyor	D & E Farms		
#4 Incline Conveyor	D & E Farms		
Magnet	Eriez		
#5 Distribution Shaker	D & E Farms		
#6 Snipper 1	D & E Farms		
#7 Snipper 2	D & E Farms		
#8 Snipper 3	D & E Farms		
#9 Snipper 4	D & E Farms		
#10 Snipper 5	D & E Farms		
#11 Snipper 6		2012	
#12 Snipper 7	D & E Farms		
#13 Snipper 8	D & E Farms		
4 Pumps			
Heat Exchanger 2			
Trough and Flume Tank	D & E Farms		
#30 Incline From Flume	D & E Farms		
Air Blower			
Water Separator	D & E Farms		
#31 Incline Conveyor	D & E Farms		
#32 Distribution Shaker	D & E Farms		
#33 UBR 1	D & E Farms		
#34 UBR 2	D & E Farms		
#37 Size Grader	D & E Farms		
#38 Size Grader	D & E Farms		
#39 Grading Table 1	D & E Farms		
#40 Grading Table 2	D & E Farms		
#43 Transfer Belt	D & E Farms		
#44 Scoop Belt	D & E Farms		

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-3
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION : 26 Industrial Drive, Hanover, PA 17331

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
#45 Shaker Conveyor	D & E Farms		
#46 Drying Belt 1	D & E Farms		
#47 Drying Belt 2	D & E Farms		
#48 Drying Belt 3	D & E Farms		
#49 Shaker Conveyor	Commercial	Iso-Flo	
#50 UV Incline Belt	D & E Farms		
UV Lights	Reyco		
#52 Shaker with Gate	Key Technology	Iso-Flo	
#53 Side Shoot Conveyor	D & E Farms		
#53A Transfer Conveyor	D & E Farms		
#54 Conveyor	D & E Farms		
Tote Box Dumper 2	D & E Farms		
#55 EvenFeeder	D & E Farms		
#56 Incline Conveyor	D & E Farms		
#57 Conveyor	D & E Farms		
Compressor 1	Quincy QT10	QT10VT00012	20070922-0016
Compressor 2	Quincy QT15	QT15	QU1105100023
Air Dryer	PARKER	TW055-A1-JCE	110501934
Air Dryer	PARKER	TW40	80300134
ORP System Main Line	Pulse Instruments		
Floor Scale 1	METTLER TOLEDO	XIF	00451046DK
Drain Water Screen			
Baler			
Pallet Wrapper	PHOENIX	PRTL2150	7091696
Push Back Racking			
Racking			
Floor Scrubber	Advance		
Freezer			
Dock 1 Plate & Enclosure	SERCO		
Dock 2 Plate & Enclosure	SERCO		
Dock 3 Plate & Enclosure	SERCO		
Time Clock			
Pallet Jack #1	Toyota	7HBW23	34558
Pallet Jack #2	Toyota	7HBW23	34559
Office Equipment			
Truck Scale	Fairbanks	120 ton cap	PIT 6020-HVA09
300 - Totes folding est.			
Forming Tube		Retail 12 oz	
Forming Tube		Retail 12 oz	
Forming Tube		Retail 32 oz	
Forming Tube		Retail 32 oz	
Forming Tube		Food Service/ 5 lb	

INITIALS DEBTOR: /s/ GSS
 INITIALS SECURED PARTY: /s/ KD

ANNEX A-4
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR:
SECURED PARTY:
EQUIPMENT LOCATION :

Apio, Inc.
GE Capital Commercial, Inc.
7909 S. Crossway Drive, Pico Rivera, CA 90660

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Bagger	Line Equipment	LE360	60645
Scale	Ishida	CCW-R	P2966927
Bag Printer	Markem - Imaje	Smartdate 3i	GP1081141
Mezzanine			
Metal Detector	Eriez	Model V	123938
In feed / incline conveyor(s)			
Out feed conveyor(s)			
Turntable			
Pack off conveyor(s)			
Box Printer	Lincoln Coder	50-R	
Labeler(s)	SATO	CL408e	OAO30191
Bagger	Line Equipment	LE360	69090
Scale	Ishida	CCW-RZ	
Bag Printer	Markem - Imaje	Smartdate 3i	GP1081125
Mezzanine			
Metal Detector	Advanced Detection		1200
Transfer conveyor			
Out feed conveyor(s)			
Turntable	Smalley		9686-01
Box Printer Conveyor	Laughlin Corporation		
Labeler(s)	SATO	CL408e	OAO30096
Tote Bin Dumper			
Binveyor		2007	
Incline Conveyor			
Distribution shaker	Key Technology	S1043492	445538-03611
Snipper 1		2011	
Transfer Conveyor 1		2011	
Snipper 2		2006	
UBR 1			
Snipper 3		2006	
UBR 2			
Snipper 4		2006	
UBR 3			
Snipper 5		2006	
UBR 4			
Snipper 6		2011	
Transfer Belt 2		2011	
Rework Belt			
Flume Tank			
Incline out of Flume		2010	
VST Sorter			
Grading Table 1		2011	
Grading Table 2		2011	
Chiller	Trenton Refrigeration	4 DA3 R18 MET	CCK0814365
Chiller coil			

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

ANNEX A-4
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR:
SECURED PARTY:
EQUIPMENT LOCATION :

Apio, Inc.
GE Capital Commercial, Inc.
7909 S. Crossway Drive, Pico Rivera, CA 90660

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>
Water Pump	AMT	4909-9B	1626-312
Blower	Republic	RB1200HC	40405773
Water Filter System	Rosedale Products	MC8-30-2P	236273
Battery Charger for Fork Lift	Flex200	FLX20018865T1H	07N1108M
Battery Charger for Fork Lift	Silver Star	18-750FRT	307PP10618
Air Compressor 1	Ingersol Rand	2475N7.5	611290020
Air Compressor 2	FS Curtis	E71V and VT12-A3	EA101067 24XR68
Air Dryer	Gardner Denver	RNC100A1	
Floor Scale #1	U Line	5000 lb	
Floor Scale #2	U Line	5000 lb	
Pallet Jack #1	Toyota		
Pallet Jack #2	Toyota		
Pallet Jack #3	Crown		
Pallet Jack #4	Crown		
Office Equipment			
Foamer	Chemco		
Forming Tube		Retail 12 oz	
Forming Tube		Retail 12 oz	
Forming Tube		Retail 12 oz	
Forming Tube		Retail 32 oz	
Forming Tube		Food Service/ 5 lb	

INITIALS DEBTOR: /s/ GSS
 INITIALS SECURED PARTY: /s/ KD

ANNEX A-5
 TO COLLATERAL SCHEDULE NO. 8727912-001
 TO MASTER SECURITY AGREEMENT
 DATED AS OF APRIL 23, 2012

DEBTOR: Apio, Inc.
SECURED PARTY: GE Capital Commercial, Inc.
EQUIPMENT LOCATION : 9095 17th Place, Vero Beach, FL 32966

<u>Asset Description</u>	<u>Manufacturer/Make</u>	<u>Model</u>	<u>Serial Number</u>	<u>Location</u>
Bagger	Sandiacre	TG320 LD	2786	Packing Room
Scale	Yamato	ADW-714SWH	WG980796	Packing Room
Bag Printer	Markem	SmartDate 3i		Packing Room
Mezzanine				Packing Room
Metal Detector	Advanced Detection			Packing Room
In feed incline conveyor				Packing Room
Transfer Conveyor				Packing Room
Out feed conveyor				Packing Room
Metal Detector	Advanced Detection			Packing Room
Turntable				Packing Room
Box Printing conveyor	Lincoln Coder			Packing Room
Labeler	SATO	CL408e		office
Tote Box Dumper	MTC Corp			Grading Room
BinVeyor	Key Technology			Grading Room
Collection Conveyor				Grading Room
Incline Conveyor				Grading Room
Distrubution Shaker	Key Technology	Iso Flo 434026-1	2005 Green Glen	Grading Room
Snipper 1		2006		Grading Room
UBR 1		2011		Grading Room
Snipper 2		2006		Grading Room
UBR 2		2011		Grading Room
Snipper 3		2006		Grading Room
UBR 3		2011		Grading Room
Snipper 4		2006		Grading Room
UBR 4		2012		Grading Room
Flume Water Pump				Grading Room
Rework Conveyor	Lakewood			Grading Room
Flume Tank				Grading Room
Incline out of Flume				Grading Room
VST Sorter				Grading Room
Grading Table				Grading Room
Chiller Compressor	Bohn	20 Hp		West side of Building
Chiller Coil		2010		West Side of Building
Blower		7.5Hp		Grading Room
Water Tank & Stand		800 Gallon		
Fork Truck 1	Toyota	7FBEU15	114766	Warehouse
Fork Truck 2	Toyota	7FBEU15	61596	Warehouse
Battery Charger	Toyota			Warehouse
Battery Charger	Toyota			Warehouse
Floor Scale	5000 #	GSE 350		Warehouse
Floor Scrubber	American-Lincoln			Warehouse
Air Compressor	Ingersol Rand	15 Hp		East outside of building
Air Dryer				Outside of Building
Product Racks				Finish Cooler
Film Racks				South Packing Room
Office Equipment				Offices
Forming Tube		Retail 12 oz		South Packing Room
Forming Tube		Retail 32 oz		South Packing Room
Forming Tube		Food Service/ 5 lb		South Packing Room
Sanitation Foamer				South Packing Room

INITIALS DEBTOR: /s/ GSS

INITIALS SECURED PARTY: /s/ KD

PROMISSORY NOTE

April 23, 2012
(Date)

FOR VALUE RECEIVED, Apio, Inc., a Delaware corporation, located at the address stated below ("**Maker**") promises to pay to the order of GE Capital Commercial Inc. or any subsequent holder hereof (each, a "**Payee**") c/o General Electric Capital Corporation, 4 Park Plaza, Suite 1400, Irvine, CA 92614 or at such other place as Payee may designate as follows:

- (a) the principal sum of twelve million six hundred sixty thousand Dollars (\$12,660,000.00), and
- (b) interest on the unpaid principal balance from the date hereof through and including the dates of payment, at a fixed, simple interest rate of Four and 39/100 percent (4.39%) per annum (the "**Contract Rate**") in eighty four (84) consecutive monthly installments of principal and interest as follows:

<u>Periodic Installment</u>	<u>Amount</u>
1 through 83	\$175,356.39

(each, a "**Periodic Installment**") and a final installment of \$175,356.39 plus any outstanding and unpaid principal, accrued interest and any and all amounts due hereunder and under the other Debt Documents (as defined below). The first Periodic Installment, plus (as applicable) interest accrued at the Contract Rate on the unpaid principal balance hereunder for the period from the date hereof through but not including the starting date covered by such first Periodic Installment, shall be due and payable on June 1, 2012 and the following Periodic Installments and the final installment shall be due and payable on the same day of each succeeding period (each, a "**Payment Date**"). All payments shall be applied: first, to interest due and unpaid hereunder and under the other Debt Documents; second, to all other amounts due and unpaid hereunder and under the other Debt Documents, and then to principal due hereunder and under the other Debt Documents. The acceptance by Payee of any payment which is less than payment in full of all amounts due and owing at such time shall not constitute a waiver of Payee's right to receive payment in full at such time or at any prior or subsequent time. Interest shall be calculated on the basis of a 365-day year (or a 366-day leap year, as applicable) and will be charged at the Contract Rate for each calendar day on which any principal is outstanding. The payment of any Periodic Installment after its due date shall result in a corresponding decrease in the portion of the Periodic Installment credited to the remaining unpaid principal balance. The payment of any Periodic Installment prior to its due date shall result in a corresponding increase in the portion of the Periodic Installment credited to the remaining unpaid principal balance.

All amounts due hereunder and under the other Debt Documents are payable in the lawful currency of the United States of America. Maker hereby expressly authorizes Payee to insert the date value is actually given in the blank space on the face hereof and on all related documents pertaining hereto.

This Note may be secured by a security agreement, chattel mortgage, pledge agreement or like instrument (each of which is hereinafter called a "**Security Agreement**", and collectively with any other document or agreement related thereto or to this Note, the "**Debt Documents**").

Conditions Precedent to Funding. Last Funding Date: April 24, 2012. All of the terms and conditions set forth in the Debt Documents are subject to the satisfaction of all the following conditions precedent no later than the Last Funding Date, each in form and substance reasonably satisfactory to Payee at its sole discretion: (i) all of the conditions precedent set forth in the Debt Documents as they relate to this Note; (ii) no Event of Default (as defined in the Security Agreement) or event which with the passage of time or the giving of notice would become an Event of Default has occurred and is continuing under the Debt Documents; (iii) as of the Last Funding Date, there will have been, since the date that this Note is delivered to the Maker for execution, no adverse change (as determined by Payee in its sole discretion) in the business prospects or projections, operations, management, financial or other conditions of the Maker, any affiliate of Maker, any Guarantor, or any other party to whom Payee may have recourse in regard to the Debt Documents as they relate to this Note, or in the industry in which Maker or Guarantor or such other party operates, or a change in control of any one of the aforesaid parties; and (iv) the absence, during the period from the date that this Note is delivered to the Maker for execution to the Last Funding Date, of any disruption of, or adverse change in the leasing, lending, loan syndication, financial, banking or capital markets. If any such condition precedent is not so satisfied by the Last Funding Date, Payee shall have no obligation to proceed with the transactions contemplated under this Note or any other Debt Documents related to this Note.

Time is of the essence hereof. If Payee does not receive from Maker payment in full of any Periodic Installment or any other sum due under this Note or any other Debt Document is not received within ten (10) days after its due date, Maker agrees to pay a late fee equal to five percent (5%) on such late Periodic Installment or other sum, but not exceeding any lawful maximum. Such late fee will be immediately due and payable, and is in addition to any other costs, fees and expenses that Maker may owe as a result of such late payment. Additionally, if an Event of Default (as such terms are defined and/or used in the Security Agreement) has occurred and is continuing, then the entire principal sum remaining unpaid, together with all accrued interest thereon and any other sum payable under this Note or any other Debt Document, at the election of Payee, shall immediately become due and payable, with interest thereon at the lesser of ten percent (10%) per annum or the highest rate not prohibited by applicable law from the date of such accelerated maturity until paid (both before and after any judgment). The application of such 10% interest rate shall not be interpreted or deemed to extend any cure period set forth in this Note or any other Debt Document, cure any default or otherwise limit Payee's right or remedies hereunder or under any Debt Document.

Maker may prepay in full, but not in part, all outstanding amounts hereunder before they are due on any scheduled Payment Date upon at least ten (10) days' prior written notice to Payee. Payee is authorized and entitled to apply any amounts paid by Maker as a prepayment of indebtedness to delinquent interest or other amounts due and owing from Maker to Payee hereunder and under any other Debt Documents before application of such funds to principal outstanding hereunder.

If Maker makes a prepayment of this Note for any reason, Maker shall pay irrevocably and in full to Payee (i) all outstanding principal amounts, (ii) all accrued interest, (iii) the Prepayment Fee (as defined below) and (iv) any and all other amounts due hereunder or under the other Debt Documents. Maker specifically acknowledges that, to the fullest extent allowed by applicable law, it shall be liable for the Prepayment Fee on any acceleration hereof or under the other Debt Documents. In the event of an acceleration hereof or under the other Debt Documents, the Prepayment Fee shall be determined as if (a) Maker prepaid this Note in full immediately before such acceleration and (b) the prepayment notice referred to above was received by Payee ten (10) days prior to such date.

For purposes hereof, the term "Prepayment Fee" shall be an amount equal to an additional sum equal to the following percentage of remaining principal balance for prepayments occurring in the indicated period: three percent (3.00%) (for prepayments occurring prior to the first anniversary of the date hereof), two percent (2.00%) (for prepayments occurring on and after the first anniversary of the date hereof but prior to the second anniversary of the date hereof), one percent (1.00%) (for prepayments occurring on and after the second anniversary of the date hereof but prior to the third anniversary of the date hereof) and zero percent (0%) (for prepayments occurring any time thereafter).

It is the intention of the parties hereto to comply with the applicable usury laws; accordingly, it is agreed that, notwithstanding any provision to the contrary in this Note or any other Debt Document, in no event shall this Note or any other Debt Document require the payment or permit the collection of interest in excess of the maximum amount permitted by applicable law. If any such excess interest is contracted for, charged or received under this Note or any other Debt Document, or if all of the principal balance shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under this Note or any other Debt Document on the principal balance shall exceed the maximum amount of interest permitted by applicable law, then in such event: (a) the provisions of this paragraph shall govern and control, (b) neither Maker nor any other person or entity now or hereafter liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by applicable law, (c) any such excess which may have been collected shall be either applied as a credit against the then unpaid principal balance or refunded to Maker, at the option of Payee, and (d) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate allowed under applicable law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under this Note or any Debt Document which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness evidenced hereby, all interest at any time contracted for, charged or received from Maker or otherwise by Payee in connection with such indebtedness; provided, however, that if any applicable state law is amended or the law of the United States of America preempts any applicable state law, so that it becomes lawful for Payee to receive a greater interest per annum rate than is presently allowed, Maker agrees that, on the effective date of such amendment or preemption, as the case may be, the lawful maximum hereunder shall be increased to the maximum interest per annum rate allowed by the amended state law or the law of the United States of America.

Maker hereby consents to any and all extensions of time, renewals, waivers or modifications of, and all substitutions or releases of, security or of any party primarily or secondarily liable on this Note or any other Debt Document or any term and provision of either, which may be made, granted or consented to by Payee, and agrees that suit may be brought and maintained against Maker and/or any and all sureties, endorsers, guarantors or any others who may at any time become liable for payments and performance under this Note and any other Debt Documents (each such person, other than Maker, an "**Obligor**"), at the election of Payee without joinder of any other as a party thereto, and that Payee shall not be required first to foreclose, proceed against, or exhaust any security hereof in order to enforce payment of this Note. Maker hereby waives presentment, demand for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, and all other notices in connection herewith, as well as filing of suit (if permitted by law) and diligence in collecting this Note or enforcing any of the security hereof, and agrees to pay (if permitted by law) all expenses incurred in collection, including Payee's actual attorneys' fees.

Maker hereby irrevocably authorizes and empowers the Prothonotary or Clerk, or any attorney for any Court of record to appear for Maker in such Courts, at any time, and confess a judgment against Maker, without process, in favor of any holder hereof, without the filing of a declaration of default, with release of errors, without stay of execution, for such amount as may appear from the face hereof to be due hereunder (or, if such attorney so elects, for the amount which may be due hereon as evidenced by an affidavit signed by a representative of holder setting forth the amount then due) together with charges, attorney's fees and costs as herein provided, and Maker hereby waives and releases all benefits and relief from any and all appraisal, stay or exemption laws of any state, now in force or hereafter to be passed. If a copy hereof, verified by an affidavit, shall have been filed in said proceeding, it shall not be necessary to file the original as a warrant of attorney. No single exercise of the foregoing warrant and power to confess judgment shall be deemed to exhaust the power, whether or not such exercise shall be held by any Court to be invalid, voidable, or void, but the power shall continue undiminished and may be exercised from time to time as often as the holder hereof shall elect, until all sums payable or that may become payable hereunder by Maker have been paid in full.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

MAKER IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK TO HEAR AND DETERMINE ANY SUIT, ACTION OR PROCEEDING AND TO SETTLE ANY DISPUTES, WHICH MAY ARISE OUT OF OR IN CONNECTION HERewith AND WITH THE DEBT DOCUMENTS (COLLECTIVELY, THE "PROCEEDINGS"), AND MAKER FURTHER IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO REMOVE ANY SUCH PROCEEDINGS FROM ANY SUCH COURT (EVEN IF REMOVAL IS SOUGHT TO ANOTHER OF THE ABOVE-NAMED COURTS). MAKER IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MIGHT NOW OR HEREAFTER HAVE TO THE ABOVE-NAMED COURTS BEING NOMINATED AS THE EXCLUSIVE FORUM TO HEAR AND DETERMINE ANY SUCH PROCEEDINGS AND AGREES NOT TO CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE ABOVE-NAMED COURTS FOR ANY REASON WHATSOEVER, THAT IT OR ITS PROPERTY IS IMMUNE FROM LEGAL PROCESS FOR ANY REASON WHATSOEVER, THAT ANY SUCH COURT IS NOT A CONVENIENT OR APPROPRIATE FORUM IN EACH CASE WHETHER ON THE GROUNDS OF VENUE OR FORUM NON-CONVENIENS OR OTHERWISE. MAKER ACKNOWLEDGES THAT BRINGING ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY COURT OTHER THAN THE COURTS SET FORTH ABOVE WILL CAUSE IRREPARABLE HARM TO PAYEE WHICH COULD NOT ADEQUATELY BE COMPENSATED BY MONETARY DAMAGES, AND, AS SUCH, MAKER AGREES THAT, IN ADDITION TO ANY OF THE REMEDIES TO WHICH PAYEE MAY BE ENTITLED AT LAW OR IN EQUITY, PAYEE WILL BE ENTITLED TO AN INJUNCTION OR INJUNCTIONS (WITHOUT THE POSTING OF ANY BOND AND WITHOUT PROOF OF ACTUAL DAMAGES) TO ENJOIN THE PROSECUTION OF ANY SUCH PROCEEDINGS IN ANY OTHER COURT. Notwithstanding the foregoing, Payee shall have the right to apply to a court of competent jurisdiction in the United States of America or abroad for equitable relief as is necessary to preserve, protect and enforce its rights under this Note and any other Debt Document, including, but not limited to orders of attachment or injunction necessary to maintain the status quo pending litigation or to enforce judgments against Maker, any Obligor or the collateral pledged to Payee pursuant to any Debt Document or to gain possession of such collateral. MAKER HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS NOTE, ANY DEBT DOCUMENTS, ANY DEALINGS BETWEEN MAKER AND PAYEE RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN MAKER AND PAYEE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS.) THIS WAIVER IS IRREVOCABLE MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS NOTE, ANY DEBT DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. IN THE EVENT OF LITIGATION, THIS NOTE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

This Note and the other Debt Documents constitute the entire agreement of Maker and Payee with respect to the subject matter hereof and supersede all prior understandings, agreements and representations, express or implied.

No variation or modification of this Note, or any waiver of any of its provisions or conditions, shall be valid unless in writing and signed by an authorized representative of Maker and Payee. Any such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Payment Authorization

Payee is hereby directed and authorized by Maker to advance and/or apply the proceeds of the loan as evidenced by this Note to the following parties in the stipulated amounts as set forth below, and to the extent any such proceeds are to be paid to Maker, Payee is hereby irrevocably authorized and directed by Maker to first apply such proceeds to any amount due and owing by Maker to Payee on or prior to Payee's funding of such proceeds and then remit the balance of such proceeds to Maker:

<u>Company Name</u>	<u>Address</u>	<u>Amount</u>
Apio, Inc.	4575 West Main Street, Guadalupe, CA 93434	\$ 12,660,000.00
		Total \$ 12,660,000.00

Any provision in this Note or any of the other Debt Documents which is in conflict with any statute, law or applicable rule shall be deemed omitted, modified or altered to conform thereto.

[SIGNATURE PAGE FOLLOWS]

Apio, Inc.

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner

Title: Vice President

Fed Tax ID#: 77-0528042

Address: 4575 West Main Street
Guadalupe, CA 93434

Signature Page for Promissory Note

GUARANTY

Date: April 23, 2012

Beneficiary Notice Address:
c/o General Electric Capital Corporation
4 Park Plaza, Suite 1400
Irvine, CA 92614

THIS GUARANTY ("**Guaranty**"), dated as of April 23, 2012, by Landec Corporation, a corporation organized and existing under the laws of the state of Delaware ("**Guarantor**"), is provided in favor of "Beneficiary". As used in this Guaranty, the term "**Beneficiary**" shall mean General Electric Capital Corporation and all its subsidiaries, parent entities and affiliates, including, but not limited to, GE Capital Commercial Inc. and General Electric Credit Corporation of Tennessee, entities formed, managed or serviced by any of the foregoing, including, but not limited to, GE CF Trust and GE TF Trust, and the successors and assigns of each of the foregoing. If more than one Guarantor has entered into this Guaranty, the obligations of each Guarantor under this Guaranty shall be joint and several and any reference below to "Guarantor" shall mean each such Guarantor.

To induce Beneficiary to extend credit to Apio, Inc., a corporation organized and existing under the laws of the state of Delaware ("**Customer**"), pursuant to the terms of that certain Master Security Agreement dated as of the date hereof between Customer and Beneficiary, that certain Promissory Note dated as of the date hereof given by Customer to Beneficiary, together with any security agreements, chattel mortgages, pledge agreements, schedules and/or any other documents or instruments evidencing, or relating to such financial accommodation (but excluding therefrom, however, documents and agreements relating to that certain revolving credit facility being provided by certain affiliates of Beneficiary to Customer on or about the date hereof) (as amended, amended and restated, supplemented or otherwise modified from time to time, collectively the "**Transaction Documents**" and each individually, a "**Transaction Document**"), but without in any way binding Beneficiary to do so, Guarantor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the due regular and punctual payment of any sum or sums of money which Customer may owe to Beneficiary now or at any time hereafter, evidenced by a Transaction Document, whether it represents principal, interest (including interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), late charges, indemnities, an original balance, an accelerated balance, liquidated damages, a balance reduced by partial payment, a deficiency after sale or other disposition of any equipment, collateral or security, or any other type of sum of any kind whatsoever that Customer may owe to Beneficiary now or at any time hereafter, and does hereby further guarantee to Beneficiary the due, regular and punctual performance of any other duty or obligation of any kind or character whatsoever that Customer may owe to Beneficiary now or at any time hereafter arising from or relating to (directly or indirectly) any and all Transaction Documents (all such payment and performance obligations being collectively referred to as the "**Obligations**"). Guarantor does hereby further guarantee to pay within ten (10) days after demand all losses, costs, attorneys' fees and expenses which may be suffered by Beneficiary by reason of an Event of Default (as defined in the Transaction Documents) or default of Guarantor hereunder. All payments made under this Guaranty shall be paid to Beneficiary in immediately available funds without set-off or counterclaim consistent with Beneficiary's payment policy, generally by check or wire transfer drawn on a bank account located in the United States in the name of Guarantor and not by currency, money orders or travelers checks.

This Guaranty is a guaranty of prompt payment and performance (and not merely a guaranty of collection). Nothing herein shall require Beneficiary to first seek or exhaust any remedy against Customer, its successors and assigns, or any other person obligated with respect to the Obligations, or to first foreclose, exhaust or otherwise proceed against any leased equipment, collateral or security which may be given in connection with the Obligations. It is agreed that Beneficiary may, upon any breach or default of Customer, or at any time thereafter, make demand upon Guarantor and receive payment and performance of the Obligations, with or without notice or demand for payment or performance by Customer, its successors or assigns, or any other person. Suit may be brought and maintained against Guarantor, at Beneficiary's election, without joinder of Customer or any other person as parties thereto. The obligations of each signatory to this Guaranty, and any other guarantor of the Obligations, shall be joint and several. Without limiting the generality of the foregoing, each representation, warranty, covenant and/or other undertaking by Guarantor hereunder shall be deemed to have been made jointly and severally by each of the undersigned. A separate action or actions may be brought against any one of the undersigned parties whether or not an action is brought against any of the other undersigned parties. Notices hereunder required to be provided to the Guarantor shall be effective if provided to any one of the undersigned parties, and any consent by Guarantor shall be effective if provided by any one of the undersigned parties.

Guarantor agrees that Guarantor's obligations under this Guaranty shall be primary, absolute, continuing and unconditional, irrespective of and unaffected by any of the following actions or circumstances (regardless of any notice to or consent of such Guarantor) and Guarantor hereby affirmatively and irrevocably waives as a defense to the payment or performance of obligations hereunder each and every one of the following defenses: (a) the genuineness, validity, regularity and enforceability of the Transaction Documents or any other document; (b) any extension, renewal, amendment, change, waiver or other modification of the Transaction Documents or any other document; (c) the absence of, or delay in, any action to enforce the Transaction Documents, this Guaranty or any other document; (d) Beneficiary's failure or delay in obtaining any other guaranty of the Obligations (including, without limitation, Beneficiary's failure to obtain the signature of any other guarantor hereunder); (e) the release of, extension of time for payment or performance by, or any other indulgence granted to Customer or any other person with respect to the Obligations by operation of law or otherwise; (f) the existence, value, condition, loss, subordination or release (with or without substitution) of, or failure to have title to or perfect and maintain a security interest in, or the time, place and manner of any sale or other disposition of any leased equipment, collateral or security given in connection with the Obligations, or any other impairment (whether intentional or negligent, by operation of law or otherwise) of the rights of Guarantor; (g) Customer's voluntary or involuntary bankruptcy, insolvency, assignment for the benefit of creditors, reorganization, or similar proceedings affecting Customer or any of its assets; (h) any merger or consolidation of Customer, any change in control of Customer or any sale of all or substantially all of the assets of Customer; or (i) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of an obligor, surety or guarantor.

This Guaranty, the Transaction Documents and the Obligations may be assigned by Beneficiary, without the consent of Guarantor. Guarantor agrees that if Guarantor receives written notice of an assignment from Beneficiary, Guarantor will pay all amounts due hereunder to such assignee or as instructed by Beneficiary. Guarantor also agrees to acknowledge and confirm in writing any such assignment in form and content as may be reasonably requested by assignee. Guarantor hereby waives and agrees not to assert against any such assignee any of the defenses set forth in the immediate preceding paragraph. Guarantor may not assign, transfer or delegate any of Guarantor's rights, duties or obligations under this Guaranty without the prior written consent of Beneficiary.

This Guaranty may be terminated upon delivery to Beneficiary (at Beneficiary's notice address shown above, as the same may from time to time be changed in accordance with the notice provisions of this Guaranty) of a written termination notice from Guarantor. However, as to all Obligations (whether matured, unmatured, absolute, liquidated, contingent or otherwise) incurred by Customer prior to Beneficiary's receipt of such written termination notice (and regardless of any subsequent amendment, extension or other modification which may be made with respect to such Obligations), this Guaranty shall nevertheless continue and remain undischarged until all such Obligations are indefeasibly paid and performed in full.

Guarantor agrees that this Guaranty shall remain in full force and effect or be reinstated (as the case may be) if at any time payment or performance of any of the Obligations (or any part thereof) is rescinded, reduced or must otherwise be restored or returned by Beneficiary, all as though such payment or performance had not been made. If, by reason of any bankruptcy, insolvency or similar laws affecting the rights of creditors, Beneficiary shall be prohibited from exercising any of Beneficiary's rights or remedies against Customer or any other person or against any property, then, as between Beneficiary and Guarantor, such prohibition shall be of no force and effect, and Beneficiary shall have the right to make demand upon, and receive payment from, Guarantor of all amounts and other sums that would be due to Beneficiary upon a default with respect to the Obligations.

Notice of acceptance of this Guaranty and of any default by Customer or any other person is hereby waived. Presentment, protest demand, and notice of protest, demand and dishonor of any of the Obligations, and the exercise of possessory, collection or other remedies for the Obligations, are hereby waived. Guarantor warrants that Guarantor has adequate means to obtain from Customer on a continuing basis financial data and other information regarding Customer and is not relying upon Beneficiary to provide any such data or other information. Without limiting the foregoing, notice of adverse change in Customer's financial condition or of any other fact which might materially increase the risk of Guarantor is also waived. All settlements, compromises, accounts stated and agreed balances made in good faith between Customer, its successors or assigns, and Beneficiary shall be binding upon and shall not affect the liability of Guarantor.

Payment of all amounts now or hereafter owed to Guarantor by Customer or any other obligor for any of the Obligations is hereby subordinated in right of payment to the indefeasible payment in full to Beneficiary of all Obligations and is hereby assigned to Beneficiary as a security therefor. Guarantor hereby irrevocably and unconditionally waives and relinquishes all statutory, contractual, common law, equitable and all other claims against Customer, any other obligor for any of the Obligations, any collateral therefor, or any other assets of Customer or any such other obligor, for subrogation, reimbursement, exoneration, contribution, indemnification, setoff or other recourse in respect of sums paid or payable to Beneficiary by Guarantor, and Guarantor hereby further irrevocably and unconditionally waives and relinquishes any and all other benefits which Guarantor might otherwise directly or indirectly receive or be entitled to receive by reason of any amounts paid by, or collected or due from, Guarantor, the Customer or any other obligor for any of the Obligations, or realized from any of their respective assets.

GUARANTOR HEREBY UNCONDITIONALLY WAIVES GUARANTOR'S RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS GUARANTY, THE OBLIGATIONS GUARANTEED HEREBY, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN GUARANTOR AND BENEFICIARY RELATING TO THE SUBJECT MATTER HEREOF OR THEREOF, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN GUARANTOR AND BENEFICIARY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY, THE OBLIGATIONS GUARANTEED HEREBY, OR ANY RELATED DOCUMENTS. IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

As used in this Guaranty: a) the word "person" shall include any individual, corporation, partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization, or any government or any political subdivision thereof; and b) the word "entity" shall mean any corporation, partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization, or any government or any political subdivision thereof (but shall not mean an individual).

This Guaranty is intended by the parties as a final expression of the guaranty of Guarantor and is also intended as a complete and exclusive statement of the terms thereof. No course of dealing, course of performance or trade usage, nor any parol evidence of any kind, shall be used to supplement or modify any of the terms hereof, nor are there any conditions to the full effectiveness of this Guaranty. This Guaranty and each of its provisions may only be waived, modified, varied, released, terminated or surrendered, in whole or in part, by a duly authorized written instrument signed by Beneficiary. No failure by Beneficiary to exercise Beneficiary's rights hereunder shall give rise to any estoppel against Beneficiary, or excuse Guarantor from performing hereunder. Beneficiary's waiver of any right to demand performance hereunder shall not be a waiver of any subsequent or other right to demand performance hereunder. The rights and remedies of Beneficiary hereunder are cumulative and nonexclusive of any other rights and remedies that Beneficiary may have under any other agreement or at law or in equity and may be exercised individually or concurrently, any or all thereof may be exercised instead of or in addition to each other or any remedies at law, in equity, or under statute.

THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE). This Guaranty shall bind Guarantor's successors and assigns and the benefits thereof shall extend to and include Beneficiary's successors and assigns. Upon Beneficiary's request, Guarantor will deliver Beneficiary copies of Guarantor's complete financial statements, reflecting the Guarantor's assets, liabilities, net worth and income and expenses in reasonable detail, along with copies of the Guarantor's most recent tax returns and an updated personal financial statement. Guarantor will deliver to Beneficiary Guarantor's complete financial statements, certified by a recognized firm of certified public accountants, within ninety (90) days of the close of each fiscal year of Guarantor. Guarantor will deliver to Beneficiary copies of Guarantor's quarterly financial reports certified by Guarantor's chief financial officer, within ninety (90) days after the close of each fiscal quarter of Guarantor and copies of Guarantor's most current tax returns. As applicable, Guarantor will deliver to Beneficiary copies of all Forms 10-K and 10-Q, if any, within 30 days after the dates on which they are filed with the Securities and Exchange Commission (it being understood that to the extent the same are properly filed on EDGAR they shall be deemed delivered to Beneficiary on the date on which the same are filed on EDGAR). In addition, in the event of default hereunder, Beneficiary may at any time inspect Guarantor's records. Documents required to be delivered pursuant to this paragraph (to the extent any such documents are included in materials otherwise filed with the Securities and Exchange Commission) shall be deemed to have been delivered on the date (i) on which Guarantor posts such documents, or provides a link thereto on Guarantor's website on the internet at the website address "www.landec.com" (or any successor page notified to Beneficiary); or (ii) on which such documents are posted on Guarantor's behalf on an Internet or intranet website, if any, to which Beneficiary has access.

Guarantor hereby represents and warrants to Beneficiary as of the date hereof that (i) Guarantor (if an entity) is duly organized and validly existing under the laws of its state of incorporation or formation, as applicable, and has full corporate (or similar) power to enter into this Guaranty and to perform its obligations hereunder; (ii) Guarantor's execution, delivery and performance hereof does not and will not violate any judgment, order or law applicable to Guarantor, or constitute a breach of or default under any material indenture, mortgage, deed of trust, or other agreement entered into by Guarantor with the Guarantor's creditors or any other party; (iii) no approval, consent or withholding of objections that has not already been obtained is required from any governmental authority or any other entity with respect to the execution, delivery and performance by Guarantor of this Guaranty; (iv) this Guaranty constitutes a valid, legal and binding obligation of Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability; (v) there are no proceedings presently pending or threatened against Guarantor which will impair Guarantor's ability to perform under this Guaranty; (vi) all financial statements delivered to Beneficiary in connection with this Guaranty have been (and will be) prepared in accordance with generally accepted accounting principles and since the date of Guarantor's most recent financial statement, there has been no material adverse change in the financial condition of Guarantor; (vii) it is to the benefit of Guarantor to execute this Guaranty; (viii) the benefit to Guarantor is reasonably worth the obligations hereby guaranteed; and (ix) Guarantor is and will remain in full compliance with all laws and regulations applicable to Guarantor including, without limitation, Guarantor neither is nor shall be (Y) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (Z) a person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders.

If any provisions of this Guaranty are in conflict with any applicable statute, rule or law, then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating any other provisions hereof.

GUARANTOR IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK TO HEAR AND DETERMINE ANY SUIT, ACTION OR PROCEEDING AND TO SETTLE ANY DISPUTES, WHICH MAY ARISE OUT OF OR IN CONNECTION HERewith AND WITH THE TRANSACTION DOCUMENTS (COLLECTIVELY, THE "PROCEEDINGS"), AND GUARANTOR FURTHER IRREVOCABLY WAIVES ANY RIGHT GUARANTOR MAY HAVE TO REMOVE ANY SUCH PROCEEDINGS FROM ANY SUCH COURT (EVEN IF REMOVAL IS SOUGHT TO ANOTHER OF THE ABOVE-NAMED COURTS). GUARANTOR IRREVOCABLY WAIVES ANY OBJECTION WHICH GUARANTOR MIGHT NOW OR HEREAFTER HAVE TO THE ABOVE-NAMED COURTS BEING NOMINATED AS THE EXCLUSIVE FORUM TO HEAR AND DETERMINE ANY SUCH PROCEEDINGS AND AGREES NOT TO CLAIM THAT GUARANTOR IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE ABOVE-NAMED COURTS FOR ANY REASON WHATSOEVER, THAT GUARANTOR OR GUARANTOR'S PROPERTY IS IMMUNE FROM LEGAL PROCESS FOR ANY REASON WHATSOEVER, THAT ANY SUCH COURT IS NOT A CONVENIENT OR APPROPRIATE FORUM IN EACH CASE WHETHER ON THE GROUNDS OF VENUE OR FORUM NON-CONVENIENS OR OTHERWISE. GUARANTOR ACKNOWLEDGES THAT BRINGING ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY COURT OTHER THAN THE COURTS SET FORTH ABOVE WILL CAUSE IRREPARABLE HARM TO BENEFICIARY WHICH COULD NOT ADEQUATELY BE COMPENSATED BY MONETARY DAMAGES, AND, AS SUCH, GUARANTOR AGREES THAT, IN ADDITION TO ANY OF THE REMEDIES TO WHICH BENEFICIARY MAY BE ENTITLED AT LAW OR IN EQUITY, BENEFICIARY WILL BE ENTITLED TO AN INJUNCTION OR INJUNCTIONS (WITHOUT THE POSTING OF ANY BOND AND WITHOUT PROOF OF ACTUAL DAMAGES) TO ENJOIN THE PROSECUTION OF ANY SUCH PROCEEDINGS IN ANY OTHER COURT. Notwithstanding the foregoing, Beneficiary shall have the right to apply to a court of competent jurisdiction in the United States of America or abroad for equitable relief as is necessary to preserve, protect and enforce Beneficiary's rights under this Guaranty and the Transaction Documents, including, but not limited to orders of attachment or injunction necessary to maintain the status quo pending litigation or to enforce judgments against Guarantor, Customer or the collateral pledged to Beneficiary pursuant to any Transaction Document or to gain possession of any asset or such collateral subject of the Transaction Documents.

All notices to be given in connection with this Guaranty shall be in writing, shall be addressed to the parties at their respective notice addresses set forth in this Guaranty (unless and until a different address may be specified in a written notice to the other party or parties), and shall be deemed given: (i) on the date of receipt if delivered by hand; (ii) on the next business day after being sent by overnight courier service; and (iii) on the third business day after being sent by regular, registered, certified mail

EACH PERSON SIGNING ON BEHALF OF THE ENTITY REPRESENTS AND WARRANTS THAT HE OR SHE HAS THE AUTHORITY TO SIGN ON BEHALF OF SUCH ENTITY AND BY SO SIGNING TO BIND SUCH ENTITY HEREUNDER.

This Guaranty may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Guaranty by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Guaranty is executed the day and year above written.

Landec Corporation
as Guarantor

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner

Title: CFO

Attest: Rosemary Artman

Address for notices:
3603 Haven Avenue
Menlo Park, CA 94025

Signature Page for Guaranty

April 23, 2012

Landec Corporation
3603 Haven Avenue
Menlo Park, CA 94025

RE: Acknowledgement of Obligations under Guaranty

Ladies and Gentlemen:

GE Capital Commercial Inc. (together with its successors and assigns if any, the "Financing Company") is considering providing lease or (as the case may be) loan financing on or about the date hereof (the "New Financing") to Apio, Inc. ("Customer") for equipment or other personal property described in the New Financing.

In connection with the New Financing, Landec Corporation ("Guarantor") has executed a continuing Guaranty (the "Guaranty") in favor of Beneficiary (as defined in the Guaranty) pursuant to which Guarantor has guaranteed all of Customer's Obligations (as defined in the Guaranty). Guarantor hereby acknowledges that Financing Company is a Beneficiary under the Guaranty and that the term "Obligations" as used in the Guaranty includes all of Customer's present and future obligations and liabilities to Financing Company under any and all agreements, notes, leases, schedules, instruments and other documents now and hereafter executed in connection with the New Financing.

Please sign this acknowledgement in the space provided below and return the executed copy to my attention.

Notwithstanding the execution of this acknowledgement, the terms and conditions of the Guaranty remain in full force and effect and unmodified. Thank you.

GE Capital Commercial Inc.

By: /s/ Keavin Deady

Name: Kevin Deady

Title: Authorized Signatory

[SIGNATURE PAGE FOLLOWS]

ACKNOWLEDGED AND AGREED:

Landec Corporation
as Guarantor

By: /s/ Gregory S. Skinner

Name: Gregory S. Skinner

Title: Chief Financial Officer

Date: _____

Attest: /s/ Rosemary Artman

Signature Page for Acknowledgement of Obligations under Guaranty

**Contact Information:****At the Company:**

Gregory S. Skinner
Vice President Finance and CFO
(650) 261-3677

LANDEC CORPORATION ACQUIRES GREENLINE FOODS, INC.

MENLO PARK, Calif.--(BUSINESS WIRE)—April 23, 2012--Landec Corporation (Nasdaq:LNDC), a company that develops and markets patented products for food, agricultural and biomedical applications, announced today that its wholly owned food subsidiary, Apio, Inc., has acquired GreenLine Foods, Inc. from The Riverside Company, a global private equity firm. GreenLine Foods, headquartered in Perrysburg, Ohio, is the leading processor and marketer of value-added, fresh-cut green beans in North America. The acquisition is expected to be immediately accretive to Landec. For Landec's upcoming fiscal year 2013 beginning May 28, 2012, GreenLine's revenues are projected to be approximately \$95 million to \$100 million and EBITDA is estimated to be between \$10 million to \$11 million.

The acquisition of GreenLine combines two leading brands in the fresh-cut produce market, the Apio Eat Smart® brand and the GreenLine® brand, resulting in combined market presence in approximately 80% of North American retail grocery store sites, supported by GreenLine's strategic and extensive East Coast processing and distribution facilities. GreenLine's primary production facilities are located in Bowling Green, Ohio and Hanover, Pennsylvania. Additional production facilities are located in Vero Beach, Florida and Pico Rivera, California with distribution centers in Chester, New York and Rock Hill, South Carolina. The addition of GreenLine's significant footprint on the East Coast and dedicated fleet of privately operated trucks complements and strengthens Apio's California base of operations.

Under the agreement with Riverside, Apio acquired all of the outstanding equity interests of GreenLine for \$63.0 million in cash with no assumed debt. The agreement also includes future earn-out potential for Riverside of up to \$7.0 million based on GreenLine achieving certain financial targets during calendar year 2012. In conjunction with the acquisition, Apio obtained \$31.8 million in term financing secured by Apio's and GreenLine's fixed assets. In addition, Apio entered into a five-year, \$25.0 million working capital line, with an interest rate of LIBOR plus 2%, based on the combination of Apio and GreenLine accounts receivable and eligible inventory balances. The term debt is comprised of a \$12.7 million equipment loan which matures in seven years with a fixed interest rate of 4.37% and a \$19.1 million real estate loan that matures in ten years with a fixed interest rate of 4.02%. Both the term financing and the working capital line are being financed by GE Capital.

For the fiscal year ending May 27, 2012, Landec will record approximately \$800,000 of acquisition related expenses. In addition, the Company will record approximately \$1.0 million of loan origination fees which will be amortized over approximately seven years. The Company is forecasting that GreenLine's operating results for the period from the close of the acquisition to our fiscal year end of May 27, 2012 will offset a majority of the acquisition related expenses.

For fiscal year 2012, as a result of including GreenLine operating results for the last five weeks, we are increasing our revenue guidance and maintaining our net income guidance. For fiscal year 2012, we now expect revenues to grow more than 10% compared to our previous guidance for revenues to grow 9% to 10% and we are maintaining our guidance for net income to grow approximately 40% compared to fiscal year 2011, after adding back the one-time impairment charge of \$4.8 million to net income for fiscal year 2011.

Gary Steele, Landec's Chairman and CEO, commented, "The acquisition of GreenLine is consistent with our strategy for profitable growth in our core businesses by investing in opportunities where we can accelerate growth while increasing our net income. GreenLine's product line is synergistic with our well established channels of distribution and significantly expands Apio's customer base, product line and geographic presence. In addition to providing greater penetration for our products in the market and advancing Apio's long-term growth and profitability goals, we see operational and customer synergies that can be realized in the next 12 to 24 months."

Ron Midyett, CEO of Landec's Apio business, added, "U.S. consumer demand is growing for the convenience of pre-washed, trimmed and ready-to-cook fresh-cut green beans. GreenLine is benefiting from this growth based on its leading market position supported by strong produce sourcing and a national distribution network to ensure year-round supply of high quality fresh-cut green bean products to its customers. With this investment we have added new growth products, significantly expanded Apio's customer base in retail grocery, added new foodservice customers, and acquired strategic East Coast processing and distribution facilities. These new capabilities will allow Apio to offer enhanced services to our customers with a broader range of products, all with a continued commitment to product quality and food safety."

Concluded Steele, "The acquisition of GreenLine will serve to significantly grow Apio's already strong market momentum demonstrated by Apio's 19% unit volume growth in its value-added, fresh-cut specialty packaged vegetable business over the last nine months compared to the overall fresh-cut produce category growth in volume of 6.2%. Apio's unit volume growth and market share, along with that of GreenLine, will continue to benefit from Apio's focus on advancing and improving its competitive advantages in technology, product line breadth and quality, customer service and shipping logistics."

A conference call will follow this release today Monday April 23, 2012 at 4:00 PM Eastern Time (1:00 PM, Pacific Time) during which senior management of Landec will answer investor questions concerning its acquisition of GreenLine. Interested parties have the opportunity to listen to the conference call live on the Internet at www.landec.com by selecting Investors and the Financial Releases & Events page. A replay of the webcast will be available for 30 days. Additionally, investors can listen to the call by dialing (866) 871-4460 or (703) 639-1468 at least five minutes prior to the start. A replay of the call will be available through Monday April 30, 2012 by calling (888) 266-2081 or (703) 925-2533, code #1576061.

Harris Williams & Co. was the exclusive advisor to Riverside and GreenLine.

About GreenLine Foods, Inc.

GreenLine Foods processes and distributes fresh trimmed green beans to retail and foodservice customers across the country. The company is the largest provider of fresh-trimmed, microwaveable packaged green beans in North America and manages the process from planting hybrid seeds through on-time delivery to customers. From its original product focus on fresh-trimmed microwaveable green beans, the company has added new produce items, including wax beans, bean blends, sugar snap peas and French green beans. GreenLine's manufacturing process retains product quality, extends shelf life and reduces product spoilage. When GreenLine beans reach customers' kitchens, they're trimmed and ready to cook, ensuring quick preparation, consistent quality and easy storage that outlasts traditional bulk green beans. GreenLine's primary production facilities are located in Bowling Green, OH and Hanover, PA. Additional production facilities are located in Vero Beach, FL and Pico Rivera, CA with distribution centers in New York and South Carolina. The company is headquartered in Perrysburg, Ohio. For more information, please visit www.greenlinebeans.com.

About Landec Corporation

Landec Corporation is a materials science company that leverages its proprietary polymer technologies, application development and innovation capabilities to develop and commercialize new products in food, agricultural, biomedical and industrial markets. Landec has two proprietary polymer technology platforms: Intelimer Polymers® and Sodium Hyaluronate ("NaHy") that are the foundation for its business. Landec's subsidiary, *Apio*, has become the leader in US fresh-cut specialty packaged vegetables by combining Landec's proprietary food packaging technology with the capabilities of a large national food supplier, processor and distributor. Through its subsidiary, *Lifecore Biomedical*, Landec is now a premium supplier of hyaluronan-based materials and medical products to ophthalmic, orthopedic and veterinary markets worldwide. Landec's *Licensing Partnerships* work closely with market-leading companies to develop and commercialize differentiated polymer-based products. For more information about the Company, visit Landec's website at www.landec.com.

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially, including such factors among others, as the timing and expenses associated with operations, the ability to achieve acceptance of the Company's new products in the market place, the severity of the current economic slowdown, the ability to integrate GreenLine's operations into the Company, weather conditions that can affect the supply and price of produce, the amount and timing of research and development funding and license fees from the Company's collaborative partners, the timing of regulatory approvals, the mix between domestic and international sales, and the risk factors listed in the Company's Form 10-K for the fiscal year ended May 29, 2011 (See item 1A: Risk Factors) which may be updated in Part II. Item 1A Risk Factors in the Company's Quarterly Reports on Form 10-Q. As a result of these and other factors, the Company expects to continue to experience significant fluctuations in quarterly operating results and there can be no assurance that the Company will remain consistently profitable. The Company undertakes no obligation to update or revise any forward-looking statements whether as a result of new developments or otherwise.