

REIMBURSEMENT AGREEMENT

Between

2400 COMPANY, LLC

And

**CITY NATIONAL BANK,
NATIONAL BANKING ASSOCIATION**

Dated as of November 1, 2008

Letter of Credit No. 080917.OD.5080

REIMBURSEMENT AGREEMENT

REIMBURSEMENT AGREEMENT, dated as of November 1, 2008 (the "Agreement") between 2400 COMPANY, LLC, a California limited liability company (the "Borrower"), and CITY NATIONAL BANK, a national banking association (the "Bank").

WHEREAS, pursuant to that certain Indenture of Trust dated as of November 1, 2008 between the California Enterprise Development Authority (the "Issuer"), and Deutsche Bank National Trust Company (the "Trustee") (the "Indenture"), and that certain Loan Agreement dated as of November 1, 2008, by and between the Issuer and the Borrower (the "Loan Agreement"), the Issuer shall issue, its Tax-Exempt and Taxable Variable Rate Demand Industrial Development Revenue Bonds, Series 2008 (Pocino Foods Company Project) (the "Bonds") in the aggregate principal amount of \$9,000,000, and shall loan to Borrower the proceeds of the sale of the Bonds to refinance, improve and equip a food manufacturing facility; and

WHEREAS, as a condition precedent to the issuance of the Bonds and the making of the loan to the Borrower, the Issuer requires that the Borrower obtain and, deliver to the Trustee, for the benefit of the holders of the Bonds, an irrevocable letter of credit to secure payment of the Bonds; and

WHEREAS, the Borrower has requested that the Bank issue an irrevocable direct-pay letter of credit to the Trustee substantially in the form attached hereto as Exhibit A (the "Letter of Credit"), and the Bank has agreed to issue such Letter of Credit upon and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants contained herein, and in order to induce the Bank to issue its letter of credit, the Borrower and the Bank hereby agree as follows (capitalized terms used herein and not otherwise defined have the meaning set forth in Section 18 hereof):

SECTION 1. Terms and Amount of Letter of Credit.

The Bank hereby agrees, on the terms and subject to the conditions set forth in this Agreement, to issue its irrevocable direct-pay Letter of Credit for the account of the Borrower in favor of the Trustee in an initial amount not to exceed the Stated Amount, which amount approximates the aggregate principal amount of the Bonds plus forty five (45) days' interest calculated at twelve percent (12%), based on the actual number of days elapsed in a year of 365 days. The Letter of Credit shall be issued on the date which the Bank, in its-sole discretion, shall determine that all of the conditions precedent set forth in Section 4 of this Agreement shall have been satisfied, and shall expire on the Expiration Date. Notwithstanding anything herein to the contrary, this Agreement shall not expire or be otherwise terminated until such time as all payment obligations to the Bank due or to become due hereunder have been paid.

SECTION 2. Reimbursement and Other Payment.

(a) Reimbursement Obligations. Except as provided in Section 2(b) hereof, the Borrower agrees to pay to the Bank (i) on the day that any Drawing is made by the Trustee under the Letter of Credit all amounts to be advanced by the Bank pursuant to the Letter of Credit on behalf of the Borrower in respect of each such Drawing; (ii) interest on any and all amounts unpaid by the Borrower when due under this Agreement from the date such amounts become payable until payment in full; and (iii) all amounts paid by Bank to the Confirming Bank to reimburse Confirming Bank for draws under its confirming letter of credit related to the Bank (collectively, the "Reimbursement Obligations"). Except as provided in Section 2(b) hereof, interest shall accrue on unpaid Reimbursement Obligations at a rate per annum equal to the Bank's Prime Rate.

(b) Tender Reimbursement Obligations.

(i) Each Tender Drawing paid by the Bank under the Letter of Credit shall constitute a Tender Reimbursement Obligation which obligation shall be due and payable by the Borrower as set forth below. The Trustee shall use the proceeds of Tender Drawings only for the purpose of purchasing Bonds tendered or deemed tendered for purchase pursuant to Sections 2.04 and 4.06 of the Indenture.

(ii) Upon receiving notification of any Tender Drawing, the Bank shall notify the Borrower of such Tender Drawing and the amount of the Tender Drawing. The amount of any Tender Drawing shall be due and payable within five (5) days of the date of the Tender Drawing (the "Tender Drawing Date"). Interest shall accrue on all Tender Drawing amounts from the Tender Drawing Date at the Default Rate.

(iii) Reimbursement Following Reinstatement for Remarketed Bonds. All proceeds of the sale by the Remarketing Agent (as provided in Section 4.07 of the Indenture) of Bank Bonds, shall be remitted by the Tender Agent to the Bank to prepay any then outstanding Tender Reimbursement Obligations, applied in the order in which the draws connected therewith were made.

(iv) The Trustee shall deliver all Bonds purchased with the proceeds of a Tender Drawing to the Bank (or its designated nominee) and shall register the Bank (or its designated nominee) as owner of such Bonds in its registration books which Bonds shall evidence the corresponding Tender Reimbursement Obligation. Such Bonds shall be deemed Bank Bonds and shall be entitled to all of the rights and privileges of and shall be governed by all of the terms and conditions of the Bonds and the Indenture; provided, however, that:

a. such Bonds shall be redeemed or purchased and all principal and interest owing thereon shall be payable to the Bank;

b. if the Bank receives reimbursement in full of amounts paid by the Bank with respect to any Tender Drawing by 5:00 p.m. (Los Angeles time) on the day of such Tender Drawing, no interest shall be payable by the Borrower with respect thereto;

c. such Bonds may not be tendered for purchase pursuant to Section 2.04 of the Indenture;

d. such Bonds shall not be entitled to payment of any premium upon redemption.

(c) Continuing Letter of Credit Fees. The Borrower agrees to pay to the Bank continuing nonrefundable letter of credit fees (the "Continuing Fees") in an amount equal to one and twenty-nine hundredths percent (1.29%) per annum of the Stated Amount less the amounts drawn under the Letter of Credit which are not reinstated with such Continuing Fees payable in six month installments. Said fees shall be payable in advance on the Date of Issuance and thereafter on each six month anniversary of the Date of Issuance. In addition, the Borrower shall pay to Bank upon the amendment or transfer of the Letter of Credit and upon the negotiation of each draft drawn under the Letter of Credit, reasonable fees and charges determined by Bank in accordance with Bank's standard fees and charges in effect at the time the Letter of Credit is amended or transferred or any draft is paid. In the event, the Confirming Bank no longer has its confirming letter of credit (the "Confirming Letter of Credit") in place for the benefit of the Trustee, the Continuing Fees shall be reduced 4 basis points (0.04%) per annum. Notwithstanding anything to the contrary contained herein, the 4 basis points (0.04%) annual fee for the Confirming Letter of Credit, which is included in the Continuing Fees amount above, shall be paid by Borrower to Bank in equal monthly installments on the first day of each month. Notwithstanding the above, the portion of any Continuing Fees paid in advance shall be refundable for any months following the termination and

return to Bank of the Letter of Credit.

Interest and Letter of Credit Fees payable hereunder (including interest at the Default Rate and the Tender Drawing Rate) shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Borrower agrees to pay, in lawful currency of the United States and in immediately available funds, all amounts due the Bank under this Agreement directly to the Bank at the address listed on the signature page hereof until such time as the Borrower is notified in writing by the Bank of a different address.

If any amount payable hereunder shall fall due on a day that is not a Business Day, then such due date shall be extended to the next succeeding Business Day, and interest shall continue to accrue during such extension. Nothing contained in this Agreement shall be deemed to establish or require the payment of a rate of interest in excess of the maximum rate permitted by applicable law.

SECTION 3. Interest Payments; Security Interest in Collateral Optional Redemption of Bonds

(a) Borrower agrees that it shall optionally redeem Bonds in the amounts and on the dates shown on the schedule attached hereto as Exhibit B (the "Scheduled Redemptions"). Borrower shall deposit into the Reimbursement Account (as defined below), (a) on the Business Day preceding each Interest Payment Date the amount necessary (the "Interest Payment Amount") to reimburse Bank for the F Drawing (and, to the extent applicable, the A Drawing) which shall be made by the Trustee on the next succeeding Interest Payment Date (as such term is defined in the Indenture) and (b) on the Business Day preceding each Scheduled Redemption shown on Exhibit B, the amount of the applicable Scheduled Redemption shown on Exhibit B.

(b) Borrower shall maintain with Bank, and Borrower hereby grants to Bank a security interest in, an interest bearing deposit account over which Borrower shall have no control ("Reimbursement Account") and into which Borrower shall deposit the Redemption Payments and the Interest Payment Amounts. Bank shall, and Borrower hereby authorizes Bank to, debit the Reimbursement Account on each Redemption Payment Date and on each Interest Payment Date to fund the A Drawing or the B Drawing or the F Drawing pursuant to which the interest payment was made.

(c) The Borrower grants to the Bank as security for the performance by Borrower of its obligations hereunder, a lien on all real property and improvements constituting the Project (the "Real Property"), and a security interest in all personal property, fixtures, machinery and equipment, now owned or hereafter acquired by Borrower, located in or on, related to, or to be used in connection with the Project, all funds maintained pursuant to the Indenture ("Bond Funds") and the Pledged Bonds (as defined in the Indenture) and all proceeds of the foregoing, (collectively, the "Collateral"). Borrower hereby represents and warrants to the Bank that the Real Property and the Collateral are free and clear of liens and encumbrances (except liens for special and general property taxes which are unpaid but not due and those liens and encumbrances shown in the title policy issued to Bank under this Agreement) and shall continue to remain free and clear of liens and encumbrances until such time as all amounts due under this Agreement have been paid in full; provided, however, Borrower shall be permitted to enter into first priority purchase money liens in the ordinary course of business.

(d) Borrower agrees to take any and all action and to execute any and all documents as the Bank, in its sole discretion, may deem necessary or desirable in order to perfect a lien and security interest in the Real Property and Collateral in favor of the Bank as referenced in Section 3(b) hereof.

(e) (e) Any optional redemption of the Bonds, other than the Scheduled Redemptions, shall require prior written consent of Bank, as well as receipt by Bank of satisfactory evidence of Borrower's ability to reimburse Bank for any drawing under the Letter of Credit for such.

redemption.

SECTION 4. Issuance of the Letter of Credit.

(a) Agreement of the Bank. Subject to the terms and conditions of this Agreement, on the Date of Issuance and subject to satisfaction of the conditions set forth in Subparagraph (b) below, the Bank shall issue the Letter of Credit in the Stated Amount effective on the Date of Issuance.

(b) Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the following conditions precedent:

(i) The Bank shall have received on or before the Date of Issuance the following, each dated such date and, in form and substance as is satisfactory to the Bank and its counsel:

- a. A Deed of Trust with Assignment of Rents, in form and substance satisfactory to the Bank, duly executed and acknowledged by Borrower, constituting a lien on the Real Property (the "Deed of Trust");
- b. A Security Agreement: Equipment, in form and substance satisfactory to Bank, duly executed by Borrower, granting to Bank a security interest in the Collateral located on the Real Property or related thereto (the "Security Agreement: Equipment");
- c. An Environmental Indemnity Agreement in form and substance satisfactory to the Bank duly executed and acknowledged by the Borrower and the Guarantor (the "Environmental Indemnity");
- d. Acknowledgment copies of proper UCC-1 Financing Statements duly filed in the office of the Secretary of State of the State of California, in the Office of the County Recorder of Los Angeles County, State of California, and in all other jurisdictions as may be necessary or, in the opinion of the Bank, desirable to perfect the security interests in favor of the Bank created by the security agreements referenced hereinabove;
- e. Evidence that all other actions necessary or, in the opinion of the Bank, desirable to perfect and protect the security interests and liens created by the Deed of Trust and the Security Agreement have been taken;
- f. An ALTA lender's LP10 extended coverage policy of title insurance, in an amount not less than the Stated Amount issued by a title insurance company acceptable to Bank: and its legal counsel, naming Bank as an insured lender, containing such endorsements as Bank or its legal counsel may request, including without limitation endorsement numbers 100 and 116, and insuring Bank against any liens, encumbrances and exceptions, except only those exceptions Bank has approved in writing;
- g. Guaranty of Borrower's obligations under this Agreement, duly executed by Guarantor;
- h. Evidence of all insurance required to be maintained by the terms of the Deed of Trust;

- i. A tax service contract for the Real Property;
- j. An opinion of Kutak Rock LLP, Bond Counsel, and an opinion of Chadbourne & Parke LLP, Borrower's Counsel, both dated the Date of Issuance and addressed to the Bank, which opinions shall be satisfactory to the Bank and its counsel in form and substance;
- k. Executed copies of this Agreement;
- l. Review and approval by Bank and its legal counsel of such leases, regulatory agreements, and other contracts and agreements as are designated by Bank;
- m. Review and approval of current financial statements and credit reports for Borrower and Guarantor (collectively, the "Financial Statements");
- n. UCC, tax lien and litigation searches and termination of all liens; and
- o. Such other documents, instruments, approvals (and, if requested by Bank, certified duplicates of executed copies thereof) or opinions, including opinions of Borrower's legal counsel, as Bank may reasonably request.

(ii) The following statements shall be true and correct on the Date of Issuance as they pertain to the Borrower and the Bank shall have received a certificate signed by Borrower dated the Date of Issuance, stating that:

- a. the representations and warranties contained in Section 7 of this Agreement or in any instrument delivered pursuant to or in connection with this Agreement are correct on and as of the Date of Issuance (and after giving effect to the issuance of the Letter of Credit) as though made on and as of such date;
- b. no Default or Event of Default has occurred and is continuing, or would result from the issuance of the Letter of Credit;
- c. no material adverse change has occurred in the operations or condition (financial or otherwise) of Borrower or Guarantors since the date of the most recent Financial Statements, except as disclosed in writing to the Bank, or would result from the issuance of the Letter of Credit;
- d. all conditions precedent to the issuance of the Bonds to be performed by the Borrower shall have been satisfied.

(iii) on or prior to the Date of Issuance, the Bank shall have received reimbursement of Bank's fees and expenses (including allocated in-house counsel fees of \$15,000) incurred in connection with this Agreement and the Letter of Credit, together with payment of the initial Continuing Fee and an initial Confirming Bank fee of \$3,000.

(c) Other Obligations of Borrower. As soon as possible following the Date of Issuance, Borrower shall insure that a complete transcript of proceedings relating to the issuance of the Bonds is delivered to Bank.

SECTION 5. Disbursements.

Each draw of funds from the Bond proceeds other than up to 2% to pay costs of issuance

shall be made in accordance with the terms of the Indenture.

SECTION 6. Obligations Absolute.

Except as hereinafter provided, the obligations of the Borrower under this Agreement shall be absolute, unconditional and irrevocable and shall be paid and performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances.

(a) any lack of validity or enforceability of the Letter of Credit or any of the Related Documents except if such lack of validity or enforceability shall be the result of any action or omission of the Bank;

(b) any amendment or waiver of, or any consent to this Agreement or any Related Documents;

(c) the existence of any claim, set-off, defense or other rights which the Borrower may have at any time against the Trustee, any beneficiary or any transferee of the Letter of Credit (or any Person for whom the Trustee, any such beneficiary or any such transferee may be acting), the Bank or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transaction; provided that nothing in this Section 6 shall prevent the assertion of any such claim by separate suit or counterclaim;

(d) any statement in any certificate or any other document presented under the Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) payment by the Bank under the Letter of Credit against presentation of a draft or certificate which does not comply with the terms of the Letter of Credit except if such payment constitutes the gross negligence or willful misconduct of the Bank;

(f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, other than resulting from Bank's gross negligence or willful misconduct;

(g) any delay, extension of time, renewal, compromise or other indulgence agreed to by the Bank, without notice to or approval of the Borrower in respect to any of the Borrower's indebtedness to the Bank under this Agreement;

(h) any failure to complete the improvements financed with the proceeds of the Bonds;
or

(i) any exchange, release or nonperfection of any lien or security interest in any collateral pledged or otherwise provided to secure any of the obligations contemplated herein or in any of the other Related Documents.

SECTION 7. Representations and Warranties.

The Borrower represents and warrants as follows:

(a) Legal Status. Borrower is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of California, and is 'qualified to do business (and is in good standing as a foreign corporation, if applicable) in all jurisdictions in which such qualification or licensing is required or in which the failure to so qualify or to be so licensed could have a material adverse impact on Borrower.

(b) Business Operations. The Borrower has all powers and all governmental licenses,

permits, franchises, authorizations, consents and approvals and rights to all trademarks, trade names, patents and fictitious names, if any, necessary to enable the conduct of the business in which it is now engaged in compliance with applicable law.

(c) Power and Authority. The execution, delivery and performance by the Borrower of this Agreement and the Related Documents to which it is a party are within the Borrower's powers, have been duly authorized by all necessary action, do not contravene or constitute a default under any provision of applicable law or regulation or of any agreement, judgment, injunction, order, decree or contractual restriction binding on the Borrower or its property, and do not result in or require the creation or imposition of any lien, security interest or other charge or encumbrance upon or with respect to any of its properties, except as contemplated by such Related Documents.

(d) Approvals. No further approval, authorization, consent, order, notice to or filing or registration with any governmental authority or any public board or body (other than in connection or in compliance with the provisions of the securities or "blue sky" laws of any jurisdiction which were not required on or prior to the Date of Issuance) is legally required with respect to the Borrower's participation in the issuance of the Bonds and the entering into performance by the Borrower of this Agreement and the Related Documents to which it is a party.

(e) Enforceability. This Agreement and the Related Documents to which the Borrower is a party have been or will be duly executed and delivered and are, or upon execution will be the valid and legally binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors rights generally or the availability of equitable remedies.

(f) Disclosure of Information. The statements and information contained in the official statement issued in connection with the issuance of the Letter of Credit which relate to the Borrower and/or the Project, and which relate to information provided by the Borrower in connection with the issuance of the Letter of Credit are, and at the Date of Issuance will continue to be, true, correct and complete in all material respects and as to such statements, do not and at the Date of Issuance will not omit any statement or information necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(g) Financial Statements. The financial statements of Borrower and Guarantors dated December 31, 2007, true copies of which have been delivered to the Bank, (i) are complete, correct and present fairly the financial position of Borrower and Guarantors, respectively, as of the date thereof and the results of operations and changes in financial position for the periods indicated, (ii) disclose all liabilities of Borrower and Guarantors that are required to be reflected or reserved against under generally accepted accounting principles, whether liquidated or unliquidated, fixed or contingent, and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied. Since the date of the most recent financial statements, there has been no material adverse change in the condition or operations of the Borrower or Guarantors, nor has the Borrower or either of the Guarantors mortgaged, pledged, granted a security interest in or otherwise encumbered any of its assets or properties except in favor of the Bank or as otherwise permitted by the Bank in writing.

(h) Litigation. Except as disclosed to the Bank in writing prior to the date hereof, there are no actions, suits or proceedings, and no proceedings before any governmental commission, board, bureau or other administrative agency, pending, or, to the knowledge of the Borrower, threatened against or affecting the Borrower or either of the Guarantors which will (to the extent not covered by insurance) in the opinion of the Borrower have a material adverse effect on the Project, the business, the financial condition or results of operations of the Borrower or either of the Guarantors or which in any manner questions the validity of this Agreement or any of the Related Documents to which the Borrower or any Guarantor is a party.

(i) Filing of Tax Returns. The Borrower and each of the Guarantors has filed all United

States federal income tax returns, State tax returns and all other material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or either of the Guarantors, except for those which Borrower or such Guarantor is diligently contesting in good faith and with respect to which adequate provision has been made. The charges, accruals and reserves on the books of the Borrower and Guarantors as determined by the Borrower and Guarantors or an independent certified accountant or firm of accountants, as applicable, in respect of taxes or other governmental charges are, in the opinion of the Borrower and Guarantors or the independent certified accountant or firm of accountants, as applicable, adequate. The Borrower will promptly notify the Bank of any taxes or assessments that the Borrower or either of the Guarantors is contesting. Borrower has no knowledge of any pending assessments or adjustments of the income tax payable by any Guarantor or Borrower with respect to any year.

(j) Government Regulations. The Borrower is not subject to regulation under the Investment Company Act of 1940, the Federal Power Act, the interstate Act, the Public Utility Holding Company Act of 1935 or any federal or state statute or regulation limiting its ability to incur indebtedness for money borrowed.

(k) Securities Activities. The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined within Regulations G, T and U of the Board of Governors of the Federal Reserve System), and not more than twenty-five percent (25%) of the value of the Borrower's assets consists of such margin stock.

(l) Related Documents. The Borrower makes the representations and warranties made by it in the Related Documents to and for the benefit of the Bank as if the same were set forth at length in this Agreement.

(m) Changes in Law. To the best of the Borrower's knowledge, there is not pending any change of law which, if enacted or adopted, could have a material adverse effect on the Borrower's ability to perform its obligations under the Related Documents.

(n) Environmental Matters. Except as disclosed by the Borrower to the Bank in writing prior to the date hereof, to the best of Borrower's knowledge, Borrower is in compliance in all material respects with all applicable federal or state environmental, hazardous waste, health and safety statutes and any rules or regulations adopted pursuant thereto, which govern or affect any of Borrower's operations and/or properties, including without limitation, the Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), the Superfund Amendments and Reauthorization Act of 1986, the Federal Resource Conservation and Recovery Act of 1976, and the Federal Toxic Substances Control Act, as any of the same may be amended, modified or supplemented from time to time. To the best of Borrower's knowledge, none of the operations of Borrower is the subject of any federal or state investigation evaluating whether any remedial action involving material expenditure is needed to respond to a release of any toxic or hazardous waste or substance into the environment and Borrower has no material contingent liability in connection with any release of any toxic or hazardous waste or substance into the environment.

(o) No Breach. The consummation of the transactions contemplated hereby and the execution, delivery and performance of this Agreement and the other Related Documents by the Borrower will not violate or constitute or result in a material breach of or a default under any mortgage, deed of trust, lease, loan or security agreement, contract, indenture, the partnership agreement of the Borrower, or any other instrument to which the Borrower is a party or by which it may be bound or affected.

(p) Americans with Disabilities Act Compliance. The Project has been designed and shall be constructed and completed, and thereafter maintained, in strict accordance and full compliance with all of the requirements of the Americans with Disabilities Act of July 26, 1990, Pub.

L. No. 101-336, 104 Stat. 327, 42 U.S.C. 12101, et. seq., as amended from time to time ("ADA"). Borrower shall be responsible for all ADA compliance costs.

(q) No Subordination. There is no agreement, indenture, contract or instrument to which Borrower is a party or by which Borrower may be bound that requires the subordination in right if payment of any of the Borrower's obligations subject to this Agreement or any other obligation of the Borrower.

(r) ERISA. The Borrower is in compliance in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974, as amended or recodified from time to time ("ERISA"); the Borrower has not violated any provision of any defined employee pension benefit plan (as defined in ERISA) maintained or contributed to by the Borrower (each, a "Plan"); no Reportable Event, as defined in ERISA, has occurred and is continuing with respect to any Plan initiated by the Borrower; Borrower has met its minimum funding requirements under ERISA with respect to each Plan; and each Plan will be able to fulfill its benefit obligations as they come due in accordance with the Plan documents and under generally accepted accounting principles.

(s) Other Obligations. The Borrower is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract instrument or obligation.

(t) Real Property Collateral. Except as disclosed by the Borrower to the Bank in writing prior to the date hereof, with respect to any real property collateral required hereby, to the best of Borrower's knowledge:

(i) All taxes, governmental assessments, insurance premiums, and water, sewer and municipal charges, and rents (if any) which previously became due and owing in respect thereof have been paid as of the date hereof.

(ii) There are no mechanics' or similar liens or claims, which have been filed for work, labor or material (and no rights are outstanding that under law could give rise to any such lien) which affect all or any interest in any such real property and which are or may be prior to or equal to the lien thereon in favor of the Bank.

(iii) None of the improvements which were included for purposes of determining the appraised value of any such real property lies outside of the boundaries and/or' building restriction lines thereof, and no improvements on adjoining properties materially encroach upon any such real property:

(iv) There is no pending, or to the best of the Borrower's knowledge threatened, proceeding for the total or partial condemnation of all or any portion of any such real property, and all such real property is in good repair and free and clear of any damage that would materially and adversely affect the value thereof as security and/or the intended use thereof.

SECTION 8. Covenants of the Borrower.

So long as the Expiration Date has not occurred or any amount is due or owing to the Bank hereunder, the Borrower agrees that it will comply with the following covenants:

(a) Reporting Requirements. The Borrower will deliver to the Bank, in form and detail satisfactory to Bank:

(i) not later than one hundred twenty (120) days after and as of the end of each fiscal year, reviewed financial statements of PFC, prepared by a certified public accountant acceptable to Bank, to include balance sheet, income statement, statement of cash flow and a statement of owner's equity, all supporting schedules, footnotes and calculations showing

that Borrower and PFC have met the financial conditions set forth in Section 8(o);

(ii) not later than ninety (90) days after and as of the end of each fiscal year, the personal financial statements of Frank J. Pocino, prepared by Frank J. Pocino, to include all assets and liabilities;

(iii) not later than forty five (45) days after the end of each fiscal quarter, commencing with fiscal quarter ending June 30, 2008, interim financial statements of PFC, to include balance sheet, income statement, statement of cash flow and all supporting schedules and footnotes;

(iv) not later than ten (10) days after filing and not later than October 31 of each year, a copy of the federal tax return of PFC, Guarantors and Borrower, together with all schedules; and

(v) from time to time such other information as the Bank may reasonably request, including without limitation, copies of rent rolls, leases, and other information with respect to any real property collateral required by this Agreement.

(b) Consolidations, Mergers, Sales of Assets. The Borrower will not dispose of all or substantially all of its assets and not combine or consolidate with or merge into, any other entity, or sell, lease (excepting that certain existing lease of the project to Pocino Foods Company) or otherwise transfer all or any substantial part of its assets to any entity, without the prior written consent of the Bank. It is hereby expressly agreed that any disposition of the Project in violation of this subparagraph (b) shall be deemed an Event of Default hereunder and shall be ineffective to relieve the Borrower of its obligations under this Agreement. Nothing in this subparagraph (b) shall affect any provision of the Related Documents to which the Borrower is a party which require the consent of the Issuer, the Bank or the Trustee as a precondition to the disposition of the Project.

(c) Maintenance of Property: Insurance. The Borrower will keep all properties useful or necessary to the Borrower's business in good repair and condition and will, from time to time make necessary repairs, renewals and replacements thereto so that such properties shall be fully and efficiently preserved and maintained in accordance with applicable standards for similar industrial manufacturing facilities. The Borrower will maintain the insurance required under Section 32 hereof.

(d) Conduct of Business and Maintenance of Existence. The Borrower will preserve, renew and keep in full force and effect all rights; privileges, contracts and leases necessary or desirable for the normal conduct of Borrower's business. The Borrower will also continue to conduct its business in an orderly manner without voluntary interruption and remain qualified to do business in the State and in each other jurisdiction where such qualification is required.

(e) Compliance with Laws. The Borrower shall preserve and maintain all licenses, permits, governmental approvals, rights, privileges and franchises necessary for the conduct of its business. The Borrower will comply, in all material respects, with the provisions of all documents pursuant to which the Borrower is organized and/or govern Borrower's continued existence and with the requirements of all laws, ordinances, rules, regulations, and requirements of governmental authorities applicable to the Borrower or its business.

(f) Inspection of Property, Books and Records. The Borrower will keep, proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. The Borrower will permit representatives of the Bank at reasonable times and intervals upon prior written notice to visit and inspect any of Borrower's properties, books and records, to examine and make copies of, subject to proprietary and confidentiality policies and agreements binding upon the Borrower, of any books and records, and to discuss its affairs, finances and accounts with its employees and independent public accountants, all at such reasonable times and as often as may reasonably be desired.

(g) Notices. The Borrower will promptly give written notice to the Bank of the occurrence of any Default or Event of Default at the earliest possible date after discovery of such Default or Event of Default, but in any event no later than five (5) Business Days following (i) the occurrence of a Default or Event of Default, signed by Borrower setting forth the details of, and the actions which the Borrower proposes to take with respect to, such Default or Event of Default; (ii) any change in the name or the organizational structure of the Borrower; (iii) the occurrence and nature of any Reportable Event or Prohibited Transaction, each as defined in ERISA, or any funding deficiency with respect to any Plan; or (iv) any termination or cancellation of any insurance policy which the Borrower is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the Borrower's property. The Borrower will also promptly give notice to the Bank of any pending or threatened action, suit or proceeding against Borrower.

(h) Related Documents. The Borrower will comply with the terms and covenants of the Related Documents to which it is a party. The Borrower will not amend, modify or terminate or agree to amend, modify or terminate any Related Documents without the Bank's prior written consent, which shall not be unreasonably withheld.

(i) Taxes and Other Liabilities. Borrower shall pay and discharge when due any and all indebtedness, obligations, assessments and taxes, both real and personal and including federal and state income taxes; except such (i) as the Borrower may in good faith contest or as to which a bona fide dispute may arise and (ii) for which the Borrower has made provision, to the Bank's satisfaction, for eventual payment thereof in the event that it is found that the same is an obligation of the Borrower.

(j) Other Indebtedness. Regarding the Project, the Borrower shall not create, incur, assume or permit to exist any indebtedness or liabilities resulting from borrowings, loans or advances, whether secured or unsecured, matured or unmatured, liquidated or unliquidated, joint or several, except the liabilities of the Borrower to the Bank and any other liabilities of the Borrower existing as of, and disclosed to Bank in writing prior to, the date hereof, and indebtedness subordinated to Borrower's obligations to Bank pursuant to a subordination agreement(s) inform and content acceptable to Bank, and other purchase money indebtedness and lines of credit incurred in connection with the day-to-day operations of Borrower in the ordinary course of business.

(k) Guaranties. The Borrower shall not guarantee or become liable in any way as surety, endorser (other than as endorser of negotiable instruments for deposit or collection in the ordinary course of business), accommodation endorser or otherwise for, nor pledge or hypothecate any assets of the Borrower as security for, any liabilities or obligations of any person or entity, except in favor of Bank.

(l) Loans, Advances, Investments. The Borrower shall not make any loans or advances to or investments in any person or entity, except as disclosed to the Bank in writing prior to the date hereof, excepting any intracompany loans between Borrower and Pocino Foods Company incurred in the ordinary course of Borrower's business.

(m) Use of Funds. The Borrower shall not use the proceeds of the Bonds for any purposes other than as contemplated by the Indenture. Each draw by Borrower of funds from the Bond proceeds, other than up to 2% to pay costs of issuance, shall require the consent of the Bank and be made in accordance with the terms of the Indenture. Advances of Bond proceeds may not exceed 72.5% of the appraised value of the Real Property.

(n) Pledge of Assets. The Borrower shall not mortgage, pledge, grant or permit to exist a security interest in, or a lien upon, any of its assets which are part of or relate to the Project, now owned or hereafter acquired, except any of the foregoing in favor of the Bank or which are existing as of, and disclosed to the Bank in writing prior to, the date hereof or purchase money liens on

equipment purchased in the ordinary course of business.

SECTION 9. Events of Default.

Upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

(a) Misrepresentation. Any representation or warranty made by the Borrower herein or in any certificate, financial or other statement furnished by the Borrower pursuant to this Agreement or any of the Related Documents shall prove to be incorrect, false or misleading in any material respect when furnished or made;

(b) Required Payments. The Borrower shall fail to pay to Bank or deposit with Bank any amount specified in this Agreement when due to be paid or deposited and 3 Business Days have passed following written notice of such failure from Bank to Borrower;

(c) Other Covenants. The Borrower shall fail to perform or observe any other material term, covenant or agreement on its part to be performed or observed hereunder (other than as specified in (b) above) or under any other Related Document, and with respect to any such default which by its nature can be cured, such default shall continue for a period of thirty (30) days from written notice of its occurrence from Bank to Borrower specifying the default;

(d) Invalidity. Any material provision of this Agreement or any Related Document shall at any time for any reason cease to be in full force and effect or valid and binding on the Borrower, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Borrower or the Borrower shall deny that 'it has any further liability or obligation under this Agreement, and such event shall have or be likely to have a material adverse effect on the condition of the Borrower and its ability to perform its obligations under' this Agreement and the Related Documents;

(e) Voluntary Insolvency. The Borrower or either Guarantor shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of itself or of its property, (ii) admit in writing its inability to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent, or (v) commence a voluntary case under the federal bankruptcy laws of the United States of America or file a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding; or corporate action shall be taken by it for the purpose of effecting any of the foregoing;

(f) Involuntary Insolvency. If without the application, approval or consent of the Borrower or either Guarantor, an involuntary case or other proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking in respect of the Borrower or either Guarantor, an order for relief or an adjudication in bankruptcy, reorganization, dissolution, winding-up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee; receiver, liquidator or custodian or the like of the Borrower or either Guarantor, or of all or any substantial part of the assets of the Borrower or either Guarantor, or other like relief in respect thereof under any bankruptcy or insolvency law, which is not dismissed within sixty (60) calendar days of the date of commencement of such case or other proceeding;

(g) Other Defaults. The Borrower or either Guarantor shall default in the payment or performance of any tax liability, or of any obligation or any defined event of default under the terms of any contract or instrument pursuant to which Borrower or either Guarantor has incurred any debt or other liability, including but not limited to the Related Documents, to any person or entity, including Bank; or the occurrence of any default or defined event of default under the Credit Agreement; and

in either case, any cure periods with respect to such default or event of default have expired;

(h) Death or Incapacity. The death or incapacity of Frank J. Pocino and failure of Borrower to provide a substitute manager for the Borrower and a Guarantor reasonably acceptable to Bank within 60 days, the dissolution or liquidation of Borrower; or Borrower or the manager or any of the members of Borrower shall take action seeking to effect the dissolution or liquidation of Borrower;

(i) Change in Ownership. Any change of ownership of an aggregate of fifty percent (50%) or more of the members' equity in Borrower or any change in ownership if an aggregate of fifty percent (50%) or more of the common stock of PFC;

(j) [Intentionally Omitted];

(k) Real Estate. The sale, transfer, hypothecation, assignment or encumbrance, whether voluntary, involuntary or by operation of law, without Bank's prior written consent, of all or any part of or interest in any real property collateral required hereby;

(l) Litigation. The filing of a notice of judgment lien in excess of \$100,000 against the Borrower or either Guarantor; or the recording of any abstract of judgment in excess of \$100,000 against the Borrower or either Guarantor in any county in which the Borrower or either Guarantor has an interest in real property; or the service of a notice of levy and/or of a writ of attachment or execution, or other like process, against the assets of the Borrower or either Guarantor; or the entry of a judgment against the Borrower or either Guarantor, which is/are not satisfied, stayed, vacated, discharged of record, or bonded over by Borrower pending an appeal or final resolution, within thirty (30) calendar days of being rendered;

(m) Tax exempt Status. The Bonds no longer qualify as tax exempt bonds under the Internal Revenue Code.

(n) Remedies. Upon the occurrence of an Event of Default, the Bank may, and upon the occurrence of an Event of Default for which the Bank has received a notice from the Trustee that an event of default has occurred under the Indenture or from the Issuer that an event of default has occurred under the Loan Agreement and such default is not cured by the Borrower within the applicable time period, the Bank shall declare all amounts payable by the Borrower under this Agreement to be immediately due and payable (and the same shall upon such notice become immediately due and payable), in each case without any presentment, demand, protest or other notice or formality of any kind. Upon any such occurrence, the Bank may, in addition, (a) exercise all of its rights and remedies under any Related Document (to which the Bank is a party or the Bank is a third party beneficiary) or applicable law, (b) direct the Trustee to redeem all Bonds as provided in Section 4.09 of the Indenture or cause a mandatory tender as provided in Section 4.07 of the Indenture, or (c) exercise all or any combination of the remedies provided for in this paragraph.

SECTION 10. Amendments, Etc.

No amendment or waiver of any provision of this Agreement nor consent to any departure by the Borrower therefrom shall in any event be-effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 11. Notices.

Except as expressly provided for herein, all notices and other communications provided for hereunder shall be in writing (including tested telex, telegraphic and facsimile communication) and mailed, telegraphed, telexed, faxed or delivered to each party at the address or telex or facsimile

number specified for such party on the signature page of this Agreement, or at such other address or telex or facsimile number as shall be designated by such party in a written notice to the other party. All such notices and other communications shall, when mailed, telegraphed or faxed, be effective when received addressed as aforesaid, if telexed, when the appropriate answer back is received, and if faxed, when confirmation of receipt is received. Communications by the Trustee with the Bank with respect to the Letter of Credit shall be made as provided in the Letter of Credit. Any telex, telegraphic or facsimile communication provided to the Bank hereunder shall be promptly followed by a written confirmation thereof.

SECTION 12. No Waiver: Remedies.

No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 13. Right of Set-off; Waiver of Right of Set-off.

Upon the occurrence and during the continuance of any Event of Default, the Bank is hereby authorized at any time and from time to time, without notice to the Borrower (any such notice being expressly waived by the Borrower), to set-off and apply any and all deposits (general or special; time or demand, provisional or final, including but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement which are matured and liquidated in amount, irrespective of whether or not the Bank shall have made any demand under this Agreement. The Bank agrees promptly to notify the Borrower prior to any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Bank under this Section are in addition to other rights and remedies which the Bank may have including, without limitation, other rights of set-off; provided, however, that the Bank waives any such right, and any other similar right it may have at law or otherwise, during the pendency of any bankruptcy, insolvency, reorganization; arrangement, readjustment of debt, dissolution, liquidation, or similar proceedings against the Borrower under the laws of any jurisdiction, to the extent that the exercise of such rights during the pendency of such proceedings would result in the Bank's being released, prevented or restrained from or delayed in fulfilling the Bank's obligations with respect to the Letter of Credit, as provided herein.

SECTION 14. Indemnification.

Trustor agrees to indemnify and hold Bank, and any of its successors in interest, harmless from, any and all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, costs of evidence of title, costs of evidence of value, and other expenses which it may suffer or incur; (i) by reason of this Agreement; (ii) by reason of the execution of this Agreement or the performance of any act required or permitted hereunder or by law; (iii) as a result of any failure of Borrower to perform Borrower's obligations under this Agreement; or (iv) by reason of any alleged obligation or understanding of Beneficiary to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to this Agreement, including without limitation, the payment of any insurance, taxes, assessments, rents or other lease obligations, liens, encumbrances or other obligations of Borrower under this Agreement.

SECTION 15. Continuing Obligation.

The obligation of the Borrower under this Agreement shall continue until the later of (a) the Expiration Date or (b) the date upon which all amounts due and owing to the Bank under this Agreement shall have been paid in full and shall (i) be binding upon the Borrower and the Bank,

their successors and assigns, and (ii) inure to the benefit of and be enforceable by the Bank and the Borrower and their successors and assigns; provided that the Borrower may not assign all or any part of this Agreement without the prior written consent of the Bank. Notwithstanding the foregoing, the indemnity set forth in Section 14 and Section 32 herein shall survive the termination of this Agreement.

SECTION 16. Transfer of Letter of Credit.

The Letter of Credit may be transferred in accordance with the provisions set forth therein and in the Indenture.

SECTION 17. Liability of the Bank.

As between the Borrower and the Bank, the Borrower assumes all risks of the acts or omissions of the Issuer, the Trustee and any transferee of the Letter of Credit with respect to its use of the Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the Trustee or the Issuer at law or in equity or under any other agreement; unless any such act or omission is the result of Bank's willful misconduct or gross negligence.

SECTION 18. Certain Defined Terms.

As used in this Agreement and unless otherwise expressly indicated, or unless the context clearly requires otherwise, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"A Drawing" means any draw in the form of Annex A to the Letter of Credit made under the Letter of Credit to pay the principal amount upon an optional and/or a mandatory redemption of a portion of the Bonds in accordance with the Indenture.

"Account" or "Accounts" has the meaning given in the Code, and includes, but is not limited to, any right to payment for goods sold or leased or for services rendered which is not evidenced by an instrument or chattel paper from any Person, whether now existing or hereafter arising or acquired, whether or not it has been earned by performance.

"Affiliate" means any person directly or indirectly controlling, controlled by, or under common control with PFC, and includes any employee stock ownership plan of PFC or an Affiliate.

"Agreement" means this Reimbursement Agreement, as the same may be from time to time amended or supplemented.

"Appraisal" has the meaning set forth in Section 4(b)(i)(o) of this Agreement.

"Bank" means City National Bank, a national banking association.

"Bank Bonds" means the Bonds purchased or deemed to be purchased or otherwise acquired with drawings under the Letter of Credit, during any period such Bonds are held by or on behalf of the Bank.

"B Drawing" means any draw in the form of Annex B to the Letter of Credit made under the Letter of Credit to pay unpaid interest upon an optional and/or a mandatory redemption of a portion of the Bonds.

"Bonds" means the California Enterprise Development Authority Tax-Exempt and Taxable Variable Rate Demand Industrial Development Revenue Bonds, Series 2008 (Pocino Foods Company Project), in the original aggregate principal amount of \$9,000,000.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks in the City of New York, New York, banks and trust companies in the city in which the Principal Office (as defined in the Indenture) of the Trustee is located and banks in the city in which the Principal Office of the Bank is located are required or authorized by law to remain closed or (iii) a day on which the New York Stock Exchange is closed.

"Cash Flow from Operations" will be determined on a consolidated basis for PFC and the Subsidiaries and means the sum of (a) net income after taxes and before extraordinary items in accordance with GAAP for the month of determination times twelve (12), plus (b) interest expense since the beginning of the fiscal year times twelve (12) divided by the number of months which have elapsed since the beginning of the fiscal year, plus (c) depreciation since the beginning of the fiscal year times twelve (12) divided by the number of months which have elapsed since the beginning of the fiscal year, less (d) distributions to shareholders since the beginning of the fiscal year, less non-financed expenditures for capital assets since the beginning of the fiscal year and plus/minus loans to shareholders since the beginning of the fiscal year, (a), (b) and (c) shall be calculated by reference to such amounts since the beginning of the fiscal year times twelve (12) divided by the number of months which have elapsed since the beginning of the fiscal year, through December 31, 2007, and thereafter by reference to the most recently ended month and the immediately preceding eleven months.

"C Drawing" means any draw in the form of Annex C to the Letter of Credit made under the Letter of Credit to pay the principal amount of those Bonds which the Remarketing Agent has been unable to remarket within the time limits established in the Indenture.

"Code" means the Uniform Commercial Code of California, as currently in effect and as amended and replaced from time to time, except where the Uniform Commercial Code of another state governs the perfection of a security interest in Collateral located in that state.

"Confirming Bank" means the Federal Home Loan Bank of San Francisco.

"Control" (including with correlative meaning, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

"Credit Agreement" means that certain Credit Agreement dated as of February 28, 2007 between PFC and the Bank, as such agreement is amended from time to time.

"Current Liabilities" will be determined on a consolidated basis for Borrower and the Subsidiaries in accordance with GAAP and will include, without limitation: (a) all payments on Subordinated Debt required to be made within one (1) year after the date on which the determination is made, and (b) all indebtedness payable to stockholders, Affiliates, Subsidiaries or officers regardless of maturity, unless such indebtedness has been subordinated, on terms satisfactory to CNB, to the Obligations.

"D Drawing" means any draw in the form of Annex D to the Letter of Credit made under the Letter of Credit to pay the unpaid interest on those Bonds which the Remarketing Agent has been unable to remarket within the time limits established in the Indenture.

"Date of Issuance" is the date the Letter of Credit is issued, that date being November 6, 2008.

"Debt" means, at any date, the aggregate amount of, without duplication, (a) all obligations of PFC or any Subsidiary for borrowed money, or reimbursement for open letters of credit and banker's acceptances, (b) all obligations of PFC or any Subsidiary evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of PFC or any Subsidiary to pay the deferred

purchase price of property or services, (d) all capitalized lease obligations of PFC or any Subsidiary, (e) all obligations or liabilities of others secured by a lien on any asset of PFC or any Subsidiary, whether or not such obligation or liability is assumed, (f) all obligations guaranteed by PFC or any Subsidiary, (g) all obligations, direct or indirect, for letters of credit, and (h) any other obligations or liabilities which are required by GAAP to be shown as liabilities on the balance sheet of PFC or any Subsidiary.

"Deed of Trust" means the Deed of Trust with Assignment of Rents defined in Section 4(b)(i)(a) hereof.

"Default" means any event or condition specified in Section 9 hereof which, with the giving of notice or the lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Rate" means a variable rate of interest equal to the Prime Rate in effect from time to time plus one percent (1%).

"Drawing" means an A Drawing, B Drawing, C Drawing, D Drawing, E Drawing or F Drawing; as the context may require.

"E Drawing" means any draw in the form of Annex E to the Letter of Credit made under the Letter of Credit to pay the total unpaid principal and interest on all of the Bonds outstanding at stated maturity, upon acceleration following an Event of Default or upon redemption as a whole.

"Environmental Indemnity" means the Environmental Indemnity Agreement defined in Section 4(b)(i)(c) hereby.

"Event of Default" has the meaning set forth in Section 9 hereof.

"Expiration Date" has the meaning assigned to that term in the Letter of Credit.

"F Drawing" means any draw in the form of Annex F to the Letter of Credit made under the Letter of Credit to pay unpaid interest with respect to the Bonds, on an Interest Payment Date.

"GAAP" shall mean generally accepted accounting principles.

"Guaranty" shall mean the Guaranty executed by Guarantor in favor of the Bank.

"Guarantor" shall mean Frank J. Pocino.

"Indenture" means the Indenture of Trust dated as of November 1, 2008 between the Issuer and the Trustee together with any amendments and supplements thereto.

"Interest Payment Amount" has the meaning set forth in Section 3(a) of this Agreement.

"Issuer" means the California Industrial and Economic Development Bank.

"Letter of Credit" means the Bank's irrevocable direct-pay Letter of Credit No. 080917.OD.5080.

"Loan Agreement" means the Loan Agreement dated as of November 1, 2008 between the Issuer and Borrower.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or agency or instrumentality thereof.

"PFC" means Pocino Foods Company, a California corporation.

"Prime Rate" means a base rate that the Bank from time to time establishes and which serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto.

"Project" means the real property and improvements of Borrower located on the Borrower's property in Los Angeles County, California, which are more particularly described in the Deed of Trust, including all improvements financed with the proceeds of the Bonds and all fixtures, equipment, inventory and accounts receivable Lender acknowledges that the Project is operated by Pocino Food Company pursuant to that certain lease dated January 1, 2008 between Borrower and Pocino Food Company, and that Borrower has no interest in the equipment, inventory, and other property of Pocino Food Company..

"Quick Assets" means the sum of cash, plus cash equivalents, plus Accounts, plus securities classified as short-term marketable securities according to GAAP, as such items appear on PFC's consolidated balance sheet, determined in accordance with GAAP.

"Real Property" means that certain real property in Los Angeles County commonly known as 14250 Lomitas Avenue, City of Industry, California and more fully described in the Deed of Trust.

"Related Documents" means the Bonds, the Indenture, the Loan Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Security Agreement, the Guaranties, the UCC-1 Financing Statements, and any other agreement or instrument related to the issuance of the Letter of Credit and pertaining to Borrower.

"Remarketing Agent" means the Remarketing Agent appointed pursuant to the Remarketing Agreement and any successors appointed in accordance with Section 8.08 of the Indenture.

"Reimbursement Account" has the meaning set forth in Section 3(b) of this Agreement.

"Reimbursement Obligations" has the meaning set forth in Section 2(a) of this Agreement.

"Security Agreement: Equipment" has the meaning set forth in Section 4(b)(i)(b) of this Agreement.

"Stated Amount" means \$9,135,000.

"Subordinated Debt" means Debt of Borrower or any Subsidiary, the repayment of which is subordinated, on terms satisfactory to CNB, to the Obligations.

"Subsidiary" means any Person, the majority of whose voting interests are at any time owned, directly or indirectly, by PFC and/or by one or more Subsidiaries.

"Tangible Net Worth" means the total of all assets appearing on a balance sheet prepared in accordance with GAAP for PFC and the Subsidiaries on a consolidated basis, minus (a) all intangible assets, including, without limitation, unamortized debt discount, Affiliate, employee, officer and stockholder receivables or advances, goodwill, research and development costs, patents, trademarks, the excess of purchase price over underlying values of acquired companies, any covenants not to complete, deferred charges, copyrights, franchises and appraisal surplus; minus (b) the amount, if any, at which shares of stock of a non-wholly owned Subsidiary appear on the asset side of PFC's consolidated balance sheet, as determined in accordance with GAAP; minus (c) all obligations which are required by GAAP to be classified as a liability on the consolidated balance sheet of PFC and the Subsidiaries; minus (d) minority interests; and minus (d) deferred income and reserves not otherwise classified as liability on the consolidated balance sheet of Borrower and the Subsidiaries.

"Tender Agent" means the tender agent named as such under the Indenture and any successor tender agent appointed pursuant to the indenture.

"Tender Drawing" means any draw upon the Letter of Credit pursuant to a draft accompanied by a certificate in the form of Annex C or D to the Letter of Credit for the purchase price of the Bonds which are tendered for repurchase pursuant to Article IV of the Indenture.

"Tender Drawing Date" has the meaning set forth in Section 2(b)(i) of this Agreement.

"Tender Reimbursement Obligation" means any obligation of the Borrower to the Bank resulting from a Tender Drawing.

"Total Senior Liabilities" means, as of any date of determination, the amount of all liabilities that should be reflected as a liability on a consolidated balance sheet of PFC and the Subsidiaries prepared in accordance with GAAP, less Subordinated Debt.

"Trustee" means Deutsche Bank National Trust Company, acting under the Indenture or any successor to such party as Trustee under the Indenture.

"UCP" means the Uniform Customs and Practices for Documentary Credits, an International Chamber of Commerce publication, or any substitution therefor or replacement thereof.

SECTION 19. Costs, Expenses and Taxes; Allocation of Increased Costs.

(a) Costs, Expenses and Taxes. Borrower agrees to pay on demand by Bank all costs, expenses and fees incurred or assessed by the Bank in connection with the preparation, execution and delivery of this Agreement, the Letter of Credit (including any extensions thereof), the Related Documents and any other documents which may be delivered in connection with this Agreement and the Letter of Credit, the granting of any extension of the Letter of Credit, any waiver or amendment or the giving of any consent under, this Agreement, the Related Documents and such instruments or any transfer of the Letter of Credit, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Bank (to include outside counsel fees and all allocated costs of the Bank's in-house counsel) with respect thereto and with respect to advising the Bank as to its rights and responsibilities under this Agreement, all reasonable costs and expenses, including the reasonable fees and out-of-pocket expenses of counsel for the Bank (to include outside counsel fees and all allocated costs of the Bank's in-house counsel), if any, in connection with the enforcement of this Agreement and such other documents which may be delivered in connection with this Agreement. Borrower shall pay the Bank's customary draw fee for each draw on the Letter of Credit (such draw fee is currently \$50) and a \$250 fee in connection with any amendment of the Letter of Credit or this Agreement, together with reasonable out-of-pocket expenses of counsel for the Bank (to include outside counsel fees and all allocated costs of the Bank's in-house counsel). In addition, the Borrower shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the Letter of Credit (including any extensions thereof), the Related Documents and such other documents and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay by the Borrower in paying or omission to pay such taxes and fees. The Bank agrees promptly to notify the Borrower of any such taxes and fees which are incurred by the Bank.

(b) Allocation of Increased Costs: If any past, present or future legislative, administrative or judicial action has the direct or indirect effect of imposing upon the Bank any requirement or condition regarding this Agreement or the Letter of Credit that directly or indirectly increases the cost to the Bank of issuing, maintaining or honoring draws under the Letter of Credit, over the cost thereof as of the date of this Agreement; the Bank shall so notify the Borrower and the Borrower shall pay to the Bank on or before the due date or dates specified in the Bank's notice all additional

amounts necessary to compensate the Bank for such additional costs. The Bank shall deliver to the Borrower a certificate showing the amount and manner of calculation of such increased costs, and stating that the assessment of such increase in costs is fair and reasonable and has not been arbitrarily applied to the Borrower. Such certificate shall be conclusive (absent manifest error) as to such amount. Without limiting the generality of the foregoing, if (a) any insurance premium is imposed by the Federal Deposit Insurance Corporation or other similar banking authority in connection with the Letter of Credit, (b) any reserve requirement is imposed by any banking authority in connection with the Letter of Credit, or (c) any capital adequacy requirement not currently in effect is imposed by any banking authority which has the effect of reducing the anticipated return on capital of the Bank in connection with the Letter of Credit, then the cost to the Bank of such premium, reserve requirement and/or capital adequacy requirement shall be payable by the Borrower as an additional cost in accordance with this Section.

SECTION 20. Attorneys' Fees.

In the event that any party hereto shall incur legal fees-and costs in connection with the actual or threatened breach of any provision hereof, or to enforce any right or remedy hereunder, such party shall be entitled to recover such reasonable fees and costs from the breaching party. In the event that an action is brought in connection with this Agreement the prevailing party shall be entitled to recover from the losing party in addition to any money judgment or other relief, such reasonable attorneys' fees; actual disbursements and costs as may be incurred by the prevailing party instituting or defending such litigation, together with such reasonable costs and expenses of litigation as may be allowed by the court. Such attorneys' fees shall include reasonable outside counsel fees and all reasonable allocated costs of the Bank's in-house counsel.

SECTION 21. Severability.

Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 22. Governing Law.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts to be performed in said State. Unless Bank otherwise specifically agrees in writing, the Letter of Credit, even if it is not a documentary credit, the opening of the Letter of Credit, the performance by Bank under the Letter of Credit, and the performance by the beneficiary and any advising, confirming, negotiating, paying or other bank under the Letter of Credit, shall be governed by and be construed in accordance with the UCP in force on the Date of Issuance of the Letter of Credit.

SECTION 23. Headings.

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

SECTION 24. Consent of Jurisdiction and Venue, Etc.

(a) The Borrower irrevocably (i) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement or such other documents which may be delivered in connection with this Agreement may be brought in a court of record in the State of California or in the Courts of the United States of America having jurisdiction over the State of California, (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding and (iii) waives any objection which it may have to the laying of venue of any suit, action or proceeding in any of such, courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. The

Borrower irrevocably consents to the service of any and all process: in any such suit, action or proceeding by mailing of copies of such process to the Borrower at its address specified in Schedule A hereto by certified mail, return receipt requested. The Borrower agrees that a final and non-appealable 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.

(b) Nothing in this Section shall affect the right of the Bank to serve legal process in any other manner permitted by law or affect the right of the Bank to bring any suit, action or proceeding against the Borrower or its property in the courts of any other jurisdictions.

SECTION 25. Satisfaction Requirement.

If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Bank, the determination of such satisfaction shall be made by the Bank in its sole and exclusive judgment reasonably exercised in good faith.

SECTION 26. Consents.

Any time the Bank's consent is required hereunder, such consent shall not be unreasonably withheld or delayed.

SECTION 27. Accounting Terms and Definitions.

Unless otherwise specified herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP in effect from time to time, on a basis consistent with the most recent financial statements of the Borrower delivered to the Bank.

SECTION 28. Counterparts.

This Agreement may be signed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 29. Rights and Remedies Cumulative.

All rights and remedies of the Bank under this Agreement are in addition to all rights and remedies of the Bank as a bondholder under the Indenture.

SECTION 30. Bank Reliance.

It is specifically understood by the Borrower that all statements, representations and warranties made by the Borrower in this Agreement and any other Related Document to which the Borrower is a party shall be deemed to have been relied upon by the Bank as an inducement to enter into this Agreement and the other agreements contemplated hereby and that if any such statements, representations and warranties were materially incorrect at the time they were made, the Bank may consider any such misrepresentation or breach an Event of Default hereunder. There are no facts that the Borrower has failed to disclose to the Bank that, individually or in the aggregate, could have a materially adverse effect on the Borrower's ability to perform its obligations under any of the Related Documents. Each of the representations and warranties shall survive any investigations or inquiries made by the Bank or any of its representatives.

SECTION 31. Permitted Contests.

The Borrower shall have the right, before any delinquency occurs, to contest or object in good

faith to any claim, demand, levy or assessment (other than in respect of any indebtedness or obligation of the Borrower under any of the Related Documents), by appropriate legal proceedings which are not prejudicial to the Bank's rights, but this shall not be deemed or construed as in any way relieving, modifying or providing any extension of time with respect to the Borrower's covenant to pay and comply with any such claim, demand, levy or assessment, unless the Borrower shall have given prior written notice to the Bank of the Borrower's intent to so contest or object thereto, and unless (i) the Borrower shall have demonstrated to the Bank's satisfaction that such legal proceedings shall conclusively operate to prevent enforcement prior to final determination of such proceedings, and (ii) the Borrower shall have furnished such bond, surety, undertaking, or other security in connection therewith as is requested by and satisfactory to the Bank, in the amount of such claim plus reasonable sums to pay costs, interest and penalties, to assure payment of the matters under contest and to prevent any sale or forfeiture of the Project.

SECTION 32. INSURANCE.

32.1. Acceptable Insurance Companies. All insurance required by this Agreement shall be carried in companies which are: (i) licensed to do business in the state in which the Real Property is located; and (ii) acceptable to the Bank and have a general policy issuer's rating of B+ Class VIII or better in the latest Best's Key Rating Guide, provided, however, non-admitted insurers approved by the department of insurance in the state where the property is located shall be permitted for Course of Construction/Builders Risk insurance required pursuant to Section 32.2.1 below.

32.2. Amounts of Coverage.

Property Insurance. Property insurance must be in an amount at least equal to the replacement cost of rebuilding the Project and on a non-reporting basis. All property insurance policies shall use ISO's Loss Payable Provision Endorsement (CP 12 18) or its equivalent, in favor of the Bank, and must: (a) be attached to all policies; (b) show the Bank's address; (c) include Borrower's loan number; and (d) be signed by the insurer.

32.2.1. Property Under Construction.

(a) Delivery of Evidence of Property Insurance, Acord Form 27, 2003 version, with coverage listed for Course of Construction/Builder's Risk Completed Value Form for an "All Risk" form, excluding earthquake but including flood (if required, see below). The policy shall also cover all property used or to be used in or part of the construction wherever the property is located and while in transit.

(b) Delivery of an executed Certificate of Liability insurance, addressed to the Bank and naming the Bank as an additional insured with respect to Commercial General Liability Insurance from the Contractor or Owner/Builder for all forms of liability risk including personal and advertising injury, bodily injury, property damage, contractual, independent contractors, completed operations, products liability, broad form property damage, premises and operations, explosion and underground hazard. This insurance shall be for at least One Million Dollars (\$1,000,000) combined single limit per occurrence subject to a \$2,000,000 general aggregate limit and on forms satisfactory to the Bank and provide that the insurer must give the Bank at least 30 days notice of any changes, cancellation or non-renewal. In addition, certain project types such as hotels/motels, office buildings, shopping centers and construction projects may require a higher excess/umbrella liability amount. All applicable forms and endorsements must be attached to the policy.

(c) During construction, a minimum of 25% of soft cost coverage must be maintained, to cover such items as real estate property taxes and architecture, engineering or consulting fees.

(d) Workers Compensation insurance. During construction, Workers' Compensation & Employer's Liability coverage is required in the minimum amount of \$1,000,000, the

Bank should be named as a Certificate Holder on the policy.

32.2.2. General Liability. A Commercial General Liability policy must be obtained with Borrower listed on the declarations page as the "named insured" or added to the policy with an "additional named insured" endorsement. The Bank must be added to the policy with an "additional insured" endorsement. General Liability coverage must include such traditional "Broad Form" coverage as Insured Contracts, and coverage for damage to Borrower's work or work out of which the damage arises was performed on behalf of Borrower by a subcontractor or others. Exposures such as properties serving alcohol should maintain Liquor Liability coverage by endorsement to the General Liability Policy. The minimum coverage amounts for General Liability are as follows:

- (a) General Aggregate Limit (not including Products/Completed Operations) - \$2,000,000
- (b) Products - Completed Operations Aggregate Limit - \$1,000,000
- (c) Personal and Advertising Injury Limit - \$1,000,000
- (d) Each Occurrence Limit - \$1,000,000
- (e) Fire Damage Limit - \$50,000 Per Fire
- (f) Medical Expense Limit - \$5,000 Per Person Limit

32.2.3. Excess Liability. All projects must have Excess/Umbrella Liability Coverage of at least \$2,000,000. Properties that have third party traffic such as hotels, motels, office buildings, shopping centers and construction projects may require a higher excess/umbrella liability coverage amount than the Bank's required \$2,000,000.

32.2.4. Flood insurance. When property securing the loan is located in a Special Flood Hazard Area and in a community that participates in the National Flood Insurance Program (NFIP), federal law requires that you purchase flood insurance. At a minimum, flood insurance purchased must cover the lesser of:

- (a) the outstanding principal balance of the loan (or the maximum credit line, if applicable); or
- (b) the maximum amount of coverage allowed for the type of property under the NFIP.

32.2.5. Flood insurance coverage under the NFIP is limited to the overall value of the property securing the designated loan minus the value of the land.

32.3. Insurance Requirements. Borrower shall, at its sole cost and expense, insure and keep insured, the Property against such perils and hazards, and in such amounts and with such limits, as the Bank may, from time to time require.

32.3.1. Property Insurance. Borrower shall, at its sole cost and expense, insure and keep insured, the Property against such perils and hazards, and in such amounts and with such limits, as the Bank may, from time to time require, and, in any event, including, insurance against loss to the Project, which during construction, if any, shall be on an "All Risk" perils "Builders' Risk," non-reporting "Completed Value" form and after completion of construction, shall be insurance against such other risks as the Bank may reasonably require, including, but not limited to, insurance covering the cost of demolition of undamaged portions of any portion of the Project when required by code or ordinance, the increased cost of reconstruction to conform with current code or ordinance requirements and the cost of debris removal. In addition, during construction, if any, such policies

shall cover not less than twenty-five percent (25%) of soft costs, such as real estate property taxes; architect, engineering and consulting fees; legal and accounting fees, including, but not limited to, the cost of in-house attorneys and paralegals; advertising and promotion expenses; interest on money borrowed; additional commissions incurred upon renegotiating leases, and any and all other expenses which may be incurred as a result of any property loss or destruction by an insured. Such policies shall be in amounts equal to the full replacement cost of the Improvements, including the foundation and underground pipes, all fixtures, equipment, construction materials and personal property on and off site, and Borrower's interest in any leasehold improvements. Such policies shall also contain a one hundred percent (100%) co-insurance clause with an agreed amount endorsement (with such amount to include the replacement cost of the foundation and any underground pipes), a permission to occupy endorsement and deductibles which are in amounts acceptable to the Bank.

32.3.2. Flood. Insurance against loss or damage by flood or mud slide in compliance with the Flood Disaster Protection Act of 1973, as amended from time to time, if the project is now, or at any time while any of Borrower's obligations hereunder or under any other document related to this Agreement remain unpaid or unperformed, shall be, situated in any area which an appropriate governmental authority designates as a special flood hazard area, Zone A or Zone V, in amounts equal to the lesser of:

- 1) the outstanding principal balance of the loan (or the maximum credit line, if applicable); or
- 2) the maximum amount of coverage allowed for the type of property under the National Flood Insurance Program ("NFIP").

Flood insurance coverage under the NFIP is limited to the overall value of the property securing the designated loan minus the value of the land on which the property is located.

32.3.3. Earthquake. If required by the Bank, insurance against loss or damage by earthquake in an amount equal to the probable maximum loss for the Project, fixtures and equipment, plus the cost of debris removal, if the Project is now, or at any time while any of Borrower's obligations hereunder remain unpaid or unperformed, shall be situated in any area which is classified as a Major Damage Zone, Zones 3 and 4, by the International Conference of Building Officials.

32.3.4. General Liability. Commercial general public liability insurance against death, bodily injury and property damage arising in connection with the Project. Such policy shall be written on a Standard "ISO" occurrence basis form or equivalent form, shall name the Bank as the additional insured, shall designate thereon the location of the Project and have such limits as the Bank may reasonably require, but in no event less than \$2,000,000 in the aggregate. Borrower shall also obtain excess umbrella liability insurance with such limits as the Bank may reasonably require, but in no event less than \$2,000,000.

32.3.5. Contractor's Insurance. During the entire period of construction, Borrower shall cause to be furnished to the Bank, certificates from the insurance carrier for the Contractor evidencing workers' compensation, employers' liability, commercial automobile liability, excess umbrella liability coverage and commercial general liability insurance (including contractual liability and completed operations coverage) written on a standard "ISO" occurrence basis form, or its equivalent, with general liability insurance limits as the Bank may reasonably require. Borrower shall cause each Subcontractor to maintain commercial general liability, commercial automobile liability, workers' compensation, employers' liability and excess umbrella liability coverage, in form and amount satisfactory to the Bank.

32.3.6. Other Insurance. All insurance as is reasonable and customary in the operation of Borrower's business(es) and the maintenance of the Project, along with such other

insurance relating to the Project and the use and operation thereof, as the Bank may, from time to time, reasonably require, including, but not limited to, dramshop, products liability and non-owned aircraft.

32.4. Policy Requirements. All insurance shall:

32.4.1. be carried in companies with a Best's rating of B+VIII or better, or otherwise acceptable to the Bank;

32.4.2. be in form and content acceptable to the Bank;

32.4.3. provide thirty (30) days' advance written notice to the Bank before any cancellation, adverse material modification or notice of non-renewal; and

32.4.4. to the extent limits are not otherwise specified herein, contain deductibles which are in amounts acceptable to the Bank.

All physical damage policies and renewals shall contain: (a) a Loss Payable Provision Endorsement (CP 12 18) naming the Bank as mortgagee, which clause shall expressly state that any breach of any condition or warranty by Borrower shall not prejudice the rights of the Bank under such insurance; and (b) a loss payable clause in favor of the Bank on a Standard ISO's Loss Payable Provisions Endorsement form (CP 12 18) or equivalent, for personal property, contents, inventory, equipment, loss of rents and business interruption. All liability policies and renewals shall name the Bank as an additional insured with such additional insured endorsement subject to the Bank's approval and state that such insurance shall be primary and non-contributory to any other insurance of the additional insured. No additional parties appear in the mortgage or loss payable clause without the Bank's prior written consent. All certificates of insurance and "blanket" insurance policies shall reference the specific Project being covered by name and address. All deductibles shall be in amounts acceptable to the Bank. In the event of the foreclosure of the Deed of Trust or any other transfer of title to the Project in full or partial satisfaction of the obligations hereunder, all rights, title and interest of Borrower in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee.

32.5. Delivery of Policies. Any notice pertaining to insurance and required pursuant to this Paragraph 32 shall be given in the manner provided for notices in this Agreement. The insurance shall be evidenced by the original policy or a true and certified copy of the original policy, or in the case of liability insurance, by certificates of insurance. Borrower shall use its best efforts to deliver originals of all policies and renewals (or certificates evidencing the same), marked "paid" (or evidence satisfactory to the Bank of the continuing coverage) to the Bank at least fifteen (15) days before the expiration of existing policies and, in any event, Borrower shall deliver originals of such policies or certificates to the Bank at least five (5) days before the expiration of existing policies. If the Bank has not received satisfactory evidence of such renewal or substitute insurance in the time frame herein specified, the Bank shall have the right, but not the obligation, to purchase such insurance for the Bank's interest only. Any amounts so disbursed by the Bank pursuant to this Paragraph 32.5 shall be a part of the debt secured by the Deed of Trust and shall bear interest at the Default Rate. Nothing contained in this Paragraph 32.5 shall require the Bank to incur any expense or take any action hereunder, and inaction by the Bank shall never be considered a waiver of any right accruing to the Bank on account of this Paragraph 32.5.

32.6. Separate Insurance. Borrower shall not carry any separate insurance on the Project concurrent in kind or form with any insurance required hereunder, or contributing in the event of loss without the Bank's prior written consent, and any such policy shall have attached a standard non-contributing mortgagee clause, with loss payable to the Bank, and shall otherwise meet all other requirements set forth herein.

32.7. Notice of Casualty. Borrower shall give to the Bank immediate notice of any loss

occurring on or with respect to the Project. In case of loss covered by any of such policies, the Bank is authorized to adjust, collect and compromise, in its discretion, all claims thereunder and, in such case, Borrower covenants to sign upon demand, or the Bank may sign or endorse on Borrower's behalf, all necessary proofs of loss, receipts, releases and other papers required by the insurance companies to be signed by Borrower. Borrower hereby irrevocably appoints the Bank as its attorney-in-fact for the purposes set forth in the preceding sentence. the Bank may deduct from such insurance proceeds any expenses incurred by the Bank in the collection and settlement thereof, including, but not limited to, attorneys' and adjusters' fees and charges.

32.8. Application of Proceeds.

32.8.1. If all or any part of the Project shall be damaged or destroyed by fire, earthquake or other casualty, or damaged or taken through the exercise of the power of eminent domain or other cause, the Bank shall be reimbursed for all costs and expenses incurred to collect such proceeds and thereafter hold and disburse to Borrower as Borrower's Funds the net insurance proceeds, award or other compensation, proceeds from insurance (collectively, the "Proceeds"), and Borrower shall promptly and with all due diligence restore and repair the Project, whether or not the Proceeds are sufficient to pay the cost of such restoration or repair. the Bank may require that all plans and specifications for such restoration or repair be submitted to and approved by the Bank, in writing, prior to commencement of the work. the Bank shall apply excess Proceeds, if any, to the obligations hereunder such order and manner as the Bank may elect. Borrower hereby expressly acknowledges and agrees that the insurance subject to the requirement that the Bank hold and disburse to Borrower net insurance proceeds includes all casualty insurance obtained by Borrower in connection with the Project, including, without limitation, earthquake insurance, whether such casualty insurance is required or not required by the Bank.

32.8.2. If the amount of the Proceeds to be made available to Borrower is less than the cost of the restoration or repair as estimated by the Bank in its reasonable judgment, Borrower shall cause to be deposited with the Bank the amount of such deficiency within thirty (30) days of the Bank's written request therefor (but in no event later than the commencement of the work), and Borrower's Funds shall be disbursed prior to the disbursement of the Proceeds. If Borrower is required to deposit funds under this Paragraph 32.8.2, the deposit of such funds shall be a condition precedent to the Bank's obligation to disburse the Proceeds held by the Bank hereunder.

32.8.3. In the event that the Proceeds, together with Borrower's Funds, are insufficient to restore the Property in such a fashion that the Bank's security interest therein remains unimpaired, then at the Bank's election, to be exercised by written notice to Borrower within thirty (30) days following the Bank's unrestricted receipt in cash or the equivalent thereof of the Proceeds, the entire amount of the Proceeds shall either: (a) be applied to the Loan in such order and manner as the Bank may elect or (b) be made available to Borrower on the terms and conditions set forth in this Paragraph 32.8 to finance the cost of restoration or repair.

32.8.4. The amount of the Proceeds which is to be made available to Borrower, together with any deposits made by Borrower hereunder, shall be held by the Bank to be disbursed from time to time to pay the cost of repair or restoration either, at the Bank's option, to Borrower or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as the Bank may impose to assure that the work is fully completed in a good and workmanlike manner and paid for, and that no liens or claims arise by reason thereof. the Bank may require (a) evidence of the estimated cost of completion of such restoration or repair satisfactory to the Bank and (b) such architect's certificates, waivers of liens, contractor's sworn statements, title insurance endorsements, plats of survey and other evidence of cost, payment and performance as are acceptable to the Bank. If the Bank requires mechanics' and materialmen's lien waivers in advance of making Disbursements, such waivers shall be deposited with an escrow trustee acceptable to the Bank pursuant to a construction loan escrow agreement satisfactory to the Bank. No payment made prior to final completion of the repair or restoration shall exceed ninety percent (90%) of the value of the work performed from time to time.

the Bank shall not commingle any such funds held by it with its other general funds. the Bank shall not be obligated to pay interest in respect of any such funds held by it, nor shall Borrower be entitled to a credit against any portion of the Loan, except and to the extent the funds are applied thereto pursuant to this Paragraph 32.8. Without limitation of the foregoing, the Bank shall have the right at all times to apply such funds to the cure of any Event of Default hereunder, or the performance of any obligations of Borrower under this Agreement.

SECTION 33. Arbitration.

- (a) This paragraph concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any document related to this Agreement (collectively a "Claim"). For the purposes of this arbitration provision only, the term "parties" shall include any parent corporation, subsidiary or affiliate of Bank involved in the servicing, management or administration of any obligation described or evidenced by this Agreement.
- (b) At the request of any party to this Agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Act"). The Act will apply even though this Agreement provides that it is governed by the law of a specified state. The arbitration will take place on an individual basis without resort to any form of class action.
- (c) Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof ("AAA"), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, any party to this Agreement may substitute another arbitration organization with similar procedures to serve as the provider of arbitration.
- (d) The arbitration shall be administered by AAA and conducted, unless otherwise required, by law, in any U.S. state where real or tangible personal property collateral for this credit is located or if there is no such collateral, in the state specified in the governing law section of this Agreement. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars (\$5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty(30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered and enforced.
- (e) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.

This paragraph does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of

possession or appointment of a receiver, or additional or supplementary remedies.

- (g) The procedure described above will not apply if the Claim, at the time of the proposed submission to arbitration, arises from or relates to an obligation to Bank secured by real property. In this case, both of the parties to this Agreement must consent to submission of the Claim to arbitration. If both parties do not consent to arbitration, the Claim will be resolved as follows: The parties will designate a referee (or a panel of referees) selected under the auspices of AAA in the same manner as arbitrators are selected in AAA administered proceedings. The designated referee(s) will be appointed by a court as provided in California Code of Civil Procedure Section 638 and the following related sections. The referee (or presiding referee of the panel) will be an active attorney or a retired judge. The award that results from the decision of the referee(s) will be entered as a judgment in the court that appointed the referee, in accordance with the provisions of California Code of Civil Procedure Sections 644 and 645.
- (h) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.
- (i) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore; without intending in any way to limit this Agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Agreement:

Executed as of the date first written above.

CITY NATIONAL BANK, a national banking association

By: _____
Garry Mazzei, Vice President

Address for Notices:

3633 Inland Empire Boulevard, Suite 105
Ontario, CA 91764
Attention: Garry Mazzei
Facsimile: 909-476-7984

2400 COMPANY, LLC

By: _____
Frank Pocino, Managing Member

Address for Notices:

14250 Lomitas Avenue
City of Industry, California 91746-3096
Attention: Frank Pocino, Managing Member
Facsimile: 626-968-0196

EXHIBIT A

November 19, 2008

Irrevocable Letter of Credit No. 080917.OD.5080

Deutsche Bank National Trust Company
101 California Street, 46th Floor
San Francisco, California 94111

Attn: Corporate Trust Department

Ladies and Gentlemen:

1. At the request and on the instructions of our customer, 2400 Company, LLC, a California limited liability company (the “**Borrower**”), we hereby establish this Irrevocable Letter of Credit No. 080917.OD.5080 (the “**Letter of Credit**”) in your favor as Trustee under that certain Indenture of Trust dated as of November 1, 2008 (the “**Indenture**”) between you and the California Enterprise Development Authority (the “**Issuer**”) for the holders of the California Enterprise Development Authority Tax-Exempt Variable Rate Demand Industrial Development Revenue Bonds, Series 2008A (Pocino Foods Company Project) in the original principal amount of \$7,665,000 and the California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds, Series 2008B (Pocino Foods Company Project) in the original principal amount of \$1,335,000 (the “**Bonds**”), for the account of the Borrower, pursuant to the Reimbursement Agreement, dated as of November 1, 2008, as amended, by and between us and the Borrower (the “**Reimbursement Agreement**”).

2. We hereby irrevocably authorize you to draw on us on any Business Day (as defined below) on or before the Expiration Date (as defined in Section 7 below), in accordance with the terms and conditions hereinafter set forth, by sight drafts in an aggregate amount not exceeding Nine Million One Hundred Thirty Five Thousand Dollars (\$9,135,000) (as reduced and reinstated from time to time in accordance with the provisions hereof, the “**Stated Amount**”) of which Stated Amount not more than Nine Million Dollars (\$9,000,000) (the “**Principal Portion**”) may be drawn with respect to principal outstanding on the Bonds (or that portion of the purchase price of Bonds corresponding to the principal thereof) and not more than the lesser of One Hundred Thirty Five Thousand (\$135,000) or 45 days interest on the Bonds (computed at the rate of 12% per annum on a 360 day basis) (the “**Interest Portion**”) may be drawn with respect to interest on the Bonds (or that portion of the purchase price of Bonds corresponding to the accrued interest thereon).

Irrevocable Letter of Credit No. 080917.OD.5080
Dated November 19, 2008

3. Funds under this Letter of Credit are available to you against your sight draft(s) accompanied by your executed and completed certificate(s) dated the date of presentation in the form of either Exhibit 1 or Exhibit 2 hereto. Each sight draft presented hereunder shall be in the form attached hereto as Exhibit 7, duly completed by you.

4. Each sight draft drawn under this credit must bear on its face the clause "Drawn under City National Bank Irrevocable Letter of Credit No. 080917.OD.5080" and must be dated the date of presentation to us.

5. Demand for payment may be made by you under this Letter of Credit on or before the Expiration Date by presentation to us at our office at 555 South Flower Street, 24th Floor, Los Angeles, California 90071 or at such other address as we may specify in a notice delivered to you (the "**Payment Office**") and at any time during business hours at the Payment Office, on a Business Day. Demands for payment and the accompanying certificates may also be made by telecopy transmission to (213) 673-8649. If demand for payment accompanied by your duly completed certificate in the form of Exhibit 1 hereto is received by us as aforesaid at or prior to 3:00 p.m., Los Angeles time, on a Business Day, and provided that such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, no later than 9:30 a.m., Los Angeles time, on the next succeeding Business Day. If demand for payment accompanied by your duly completed certificate in the form of Exhibit 1 hereto is received by us as aforesaid after 3:00 p.m., Los Angeles time, on a Business Day, and provided that such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 9:30 a.m., Los Angeles time, on the second succeeding Business Day thereafter. If a demand for payment accompanied by your duly completed certificate in the form of Exhibit 2 hereto is received by us as aforesaid prior to 8:30 a.m., Los Angeles time on a Business Day, and provided that such demand and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 12:00 noon, Los Angeles time, on the same Business Day or not later than 12:00 noon, Los Angeles time on such later Business Day as you may specify. If a demand for payment accompanied by your duly completed certificate in the form of Exhibit 2 hereto is received by us as aforesaid at or after 8:30 a.m. but at or prior to 3:00 p.m. Los Angeles time on a Business Day, and provided that such demand and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 9:30 a.m. Los Angeles time, on the next Business Day. If a demand for payment accompanied by your duly completed certificate in the form of Exhibit 2 hereto is received by us as aforesaid after 3:00 p.m. Los Angeles time on a Business Day, and provided that such demand and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount

Irrevocable Letter of Credit No. 080917.OD.5080
Dated November 19, 2008

demanded, in immediately available funds, not later than 9:30 a.m. Los Angeles time, on the second succeeding Business Day thereafter. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that such demand was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that we are holding any documents at your disposal or are returning the same to you, as we may elect. Upon being notified that such demand was not effected in accordance with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment if, and to the extent that, you are entitled (without regard to the provisions of this sentence) and able to do so. As used herein the term “**Business Day**” shall mean any day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State of California are authorized by law to be closed.

6. Demands for payment honored hereunder shall not exceed the Stated Amount as the same may be reduced or reinstated as hereinafter provided. The Principal Portion and the Interest Portion of the Stated Amount shall each be reduced automatically, without notice to you, by the respective amount of drawings honored under each such portion. The Interest Portion of the Stated Amount shall be automatically and immediately reinstated to an amount equal to 45 days interest on the Bonds (computed at the rate of 12% per annum on a 360 day basis) effective on the date of each drawing under the Interest Portion; provided, however that, with respect to any reduction in the Stated Amount made as a result of a drawing pursuant to the Liquidity Drawing Certificate attached hereto as Exhibit 2, both the Principal Portion and the Interest Portion of such drawing shall be reinstated effective only upon our delivery to you of written confirmation of reinstatement.

7. This Letter of Credit shall expire at 4:00 p.m., Los Angeles time, on the earlier to occur of the following dates (the “**Expiration Date**”): (i) November 19, 2013, as such may be extended below; (ii) the date on which we receive a certificate executed by you in the form of either Exhibit 3, 4 or 5 hereto or (iii) fifteen (15) days following your receipt of a written notice from us that an Event of Default has occurred and is continuing under the Reimbursement Agreement, as amended, and directing you to redeem the Bonds. This Letter of Credit shall be automatically extended for periods of one (1) year each unless we notify you at least one hundred eighty (180) days prior to any Expiration Date that the Letter of Credit will not be extended. This original Letter of Credit shall be promptly surrendered to us by you upon such expiration.

8. This Letter of Credit, including the exhibits attached hereto, sets forth in full the terms of our undertaking, and this undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein (except the ISP98, as defined in Section 11 below, or as expressly provided herein), or in which this Letter

Irrevocable Letter of Credit No. 080917.OD.5080
Dated November 19, 2008

of Credit is referred to or to which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

9. This Letter of Credit is transferable in its entirety (but not in part) to any transferee who has succeeded you as Trustee under the Indenture (and any such transferee shall, upon the effectiveness of such transfer, be deemed to be the Trustee for purposes of this Letter of Credit) and may be successively transferred to successor Indenture Trustees. Transfer of this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit for endorsement hereon of such transfer accompanied by a certificate executed by the beneficiary substantially in the form of Exhibit 6 attached hereto.

10. Only you (or a transferee as permitted by the terms of this Letter of Credit) may make a drawing under this Letter of Credit. Upon the payment to you or your account of the amounts specified in all sight drafts permitted to be drawn hereunder, we shall be fully discharged of our obligation under this Letter of Credit, and we shall not thereafter be obligated to make any further payments under this Letter of Credit to you or to any other person or entity who may have made to you or who makes to you a demand for payment on any Bond.

11. Except as otherwise provided herein, this Letter of Credit shall be governed by and construed in accordance with International Standby Practices, Publication No. 590 of the International Chamber of Commerce (ISP98). As to matters not covered by the ISP98 and to the extent not inconsistent with the ISP98 or made inapplicable by this Letter of Credit, this Letter of Credit shall be governed by the laws of the State of California, including the Uniform Commercial Code as in effect in the State of California.

12. We hereby agree with you that each draft drawn in compliance with the terms of this credit shall be duly honored on presentation to us and shall be paid with our funds and not with any funds of the Borrower.

Very truly yours,

CITY NATIONAL BANK

By: _____

Name: To Man Yuen

Title: Vice President

By: _____

Name: Robert Saikali

Title: Vice President

Irrevocable Letter of Credit No. 080917.OD.5080
Dated November 19, 2008

Delivery Address:

City National Bank
555 South flower Street, 24th Floor
Los Angeles, California 90071
Attn: International Department

Telephone: (213) 673-8640
Telecopy: (213) 673-8649

DRAWING CERTIFICATE FOR PAYMENT
OF PRINCIPAL AND/OR INTEREST

To: City National Bank
555 South Flower Street, 24th Floor
Los Angeles, California 90071
Attn: Letter of Credit Department

Re: \$7,665,000 in aggregate principal amount of the California Enterprise Development Authority Tax-Exempt Variable Rate Demand Industrial Development Revenue Bonds, Series 2008A (Pocino Foods Company Project) and \$1,335,000 in aggregate principal amount of the California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds, Series 2008B (Pocino Foods Company Project) (collectively, the “**Bonds**”) issued pursuant to an Indenture of Trust dated as of November 1, 2008 (the “**Indenture**”) between California Enterprise Development Authority (the “**Issuer**”) and Deutsche Bank National Trust Company, as Trustee

The undersigned (the “**Trustee**”), acting by and through its duly authorized officer, hereby certifies, with reference to its concurrent presentation of a sight draft under that certain Letter of Credit No. 080917.OD.5080 (the “**Letter of Credit**”), issued by City National Bank in favor of the Trustee under the Indenture, that (i) the amount of the sight draft accompanying this Certificate is payable under the Indenture and was computed in accordance with the terms thereof and of the Letter of Credit and does not exceed the Stated Amount (as defined in the Letter of Credit); and (ii) the sight draft accompanying this certificate is in the amount of \$ _____ of which \$ _____ is being drawn under the Principal Portion of the Letter of Credit (the “Principal Drawing”) and \$ _____ is being drawn under the Interest Portion of the Letter of Credit. No portion of the amount being drawn herewith is being drawn in respect of the purchase price of Bonds tendered for purchase under the Indenture.

To be completed if the sight draft includes a Principal Drawing: [Upon payment of the Principal Drawing designated above, the amount available under the Letter of Credit shall be \$ _____ for the Principal Portion and \$ _____ for the Interest Portion.]

Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, _____.

TRUSTEE:
[Name of Trustee]
By: _____
[Name and Title]

LIQUIDITY DRAWING CERTIFICATE

To: City National Bank
555 South Flower Street, 24th Floor
Los Angeles, California 90071
Attn: Letter of Credit Department

Re: \$7,665,000 in aggregate principal amount of the California Enterprise Development Authority Tax-Exempt Variable Rate Demand Industrial Development Revenue Bonds, Series 2008A (Pocino Foods Company Project) and \$1,335,000 in aggregate principal amount of the California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds, Series 2008B (Pocino Foods Company Project) (collectively, the “**Bonds**”) issued pursuant to an Indenture of Trust dated as of November 1, 2008 (the “**Indenture**”) between California Enterprise Development Authority (the “**Issuer**”) and Deutsche Bank National Trust Company, as Trustee

The undersigned (the “**Trustee**”), acting by and through its duly authorized officer, hereby certifies, with reference to its concurrent presentation of a sight draft under that certain Letter of Credit No. 080917.OD.5080 (the “**Letter of Credit**”), issued by City National Bank in favor of the Trustee under the Indenture, that (i) the amount of the sight draft accompanying this Certificate is payable under the Indenture and was computed in accordance with the terms thereof and of the Letter of Credit and does not exceed the Stated Amount (as defined in the Letter of Credit); and (ii) the sight draft accompanying this certificate is in the amount of \$_____ of which \$_____ is being drawn under the Principal Portion of the Letter of Credit with respect to the principal amount of Bonds being tendered for purchase under the Indenture and \$_____ is being drawn under the Interest Portion of the Letter of Credit with respect to accrued and unpaid interest due on Bonds being tendered for purchase under the Indenture. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, _____.

TRUSTEE:
[Name of Trustee]

By: _____
[Name and Title]

ALTERNATE LETTER OF CREDIT
CERTIFICATE

To: City National Bank
555 South Flower Street, 24th Floor
Los Angeles, California 90071
Attn: Letter of Credit Department

Re: \$7,665,000 in aggregate principal amount of the California Enterprise Development Authority Tax-Exempt Variable Rate Demand Industrial Development Revenue Bonds, Series 2008A (Pocino Foods Company Project) and \$1,335,000 in aggregate principal amount of the California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds, Series 2008B (Pocino Foods Company Project) (collectively, the “**Bonds**”) issued pursuant to an Indenture of Trust dated as of November 1, 2008 (the “**Indenture**”) between California Enterprise Development Authority (the “**Issuer**”) and Deutsche Bank National Trust Company, as Trustee

The undersigned (the “**Trustee**”), acting by and through its duly authorized officer, hereby certifies, with reference to that certain Letter of Credit No. 080917.OD.5080 (the “**Letter of Credit**”), issued by City National Bank in favor of the Trustee under the Indenture, that:

- (1) The Trustee is presently Trustee under the Indenture for the owners of the Bonds.
- (2) The conditions precedent for the acceptance of an Alternate Letter of Credit, as set forth in the Loan Agreement by and between the Issuer and 2400 Company, LLC dated as of November 1, 2008, have been satisfied.
- (3) As Trustee under the Indenture, the Trustee has accepted such Alternate Letter of Credit and such Alternate Letter of Credit is effective.
- (4) Pursuant to the Indenture and the Letter of Credit, we are delivering herewith the Letter of Credit for cancellation.
- (5) The undersigned officer of the Trustee is duly authorized to execute and deliver this Certificate on behalf of the Trustee.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, ____.

TRUSTEE:
[Name of Trustee]

By: _____
[Name and Title]

FIXED INTEREST RATE CONVERSION
CERTIFICATE

To: City National Bank
555 South Flower Street, 24th Floor
Los Angeles, California 90071
Attn: Letter of Credit Department

Re: \$7,665,000 in aggregate principal amount of the California Enterprise Development Authority Tax-Exempt Variable Rate Demand Industrial Development Revenue Bonds, Series 2008A (Pocino Foods Company Project) and \$1,335,000 in aggregate principal amount of the California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds, Series 2008B (Pocino Foods Company Project) (collectively, the “**Bonds**”) issued pursuant to an Indenture of Trust dated as of November 1, 2008 (the “**Indenture**”) between California Enterprise Development Authority (the “**Issuer**”) and Deutsche Bank National Trust Company, as Trustee

The undersigned (the “**Trustee**”), acting by and through its duly authorized officer, hereby certifies, with reference to that certain Letter of Credit No. 080917.OD.5080 (the “**Letter of Credit**”), issued by City National Bank in favor of the Trustee under the Indenture, that:

- (1) The Trustee is presently Trustee under the Indenture for the owners of the Bonds.
- (2) The interest rate on the Bonds has been converted to a Fixed Interest Rate, as defined in the Indenture.
- (3) Pursuant to the Indenture and the Letter of Credit, we are delivering herewith the Letter of Credit for cancellation.
- (4) The undersigned officer of the Trustee is duly authorized to execute and deliver this Certificate on behalf of the Trustee.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, _____.

TRUSTEE:
[Name of Trustee]

By: _____
[Name and Title]

DEFEASANCE OR FULL PAYMENT
OF BONDS CERTIFICATE

To: City National Bank
555 South Flower Street, 24th Floor
Los Angeles, California 90071
Attn: Letter of Credit Department

Re: \$7,665,000 in aggregate principal amount of the California Enterprise Development Authority Tax-Exempt Variable Rate Demand Industrial Development Revenue Bonds, Series 2008A (Pocino Foods Company Project) and \$1,335,000 in aggregate principal amount of the California Enterprise Development Authority Taxable Variable Rate Demand Industrial Development Revenue Bonds, Series 2008B (Pocino Foods Company Project) (collectively, the “**Bonds**”) issued pursuant to an Indenture of Trust dated as of November 1, 2008 (the “**Indenture**”) between California Enterprise Development Authority (the “**Issuer**”) and Deutsche Bank National Trust Company, as Trustee

The undersigned (the “**Trustee**”), acting by and through its duly authorized officer, hereby certifies, with reference to that certain Letter of Credit No. 080917.OD.5080 (the “**Letter of Credit**”), issued by City National Bank in favor of the Trustee under the Indenture, that:

- (1) The Trustee is presently Trustee under the Indenture for the owners of the Bonds.
- (2) No Bonds remain outstanding under the Indenture.
- (3) Pursuant to the Indenture and the Letter of Credit, we are delivering herewith the Letter of Credit for cancellation.
- (4) The undersigned officer of the Trustee is duly authorized to execute and deliver this Certificate on behalf of the Trustee.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of _____, _____.

TRUSTEE:
[Name of Trustee]

By: _____
[Name and Title]

TO: City National Bank
555 South Flower Street, 24th Floor
Los Angeles, California 90071
Attn: Letter of Credit Department

Re: Irrevocable Letter of Credit No. 080917.OD.5080

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:
(Name of Transferee)
(Address)

all rights of the undersigned beneficiary to draw under the above Letter of Credit. The transferee has succeeded to the undersigned as Trustee under that certain Indenture of Trust dated as of November 1, 2008 between the California Enterprise Development Authority and the undersigned as Trustee.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The advice of such Letter of Credit is returned herewith, and in accordance therewith, we ask you both to endorse the transfer on the reverse thereof, and forward it directly to the transferee with a customary notice of transfer, whereupon this transfer shall become effective.

Very truly yours,

Signature of Beneficiary
Name: _____
Title: _____

Signature Guaranteed

Each signature with title applied above on behalf of the named beneficiary conforms with that on file with us and the executing officer is authorized for the execution of this instrument.

By: _____
Name: _____
Title: _____
Phone: _____

_____ [date] _____

CITY NATIONAL BANK
Letter of Credit No. 080917.OD.5080

AT SIGHT

PAY TO THE ORDER OF DEUTSCHE BANK NATIONAL TRUST COMPANY, AS TRUSTEE, THE SUM OF U.S. \$_____ DOLLARS, FOR VALUE RECEIVED, DRAWN UNDER CITY NATIONAL BANK IRREVOCABLE LETTER OF CREDIT NO. 080917.OD.5080

Deutsche Bank National Trust Company, as Trustee

By: _____

Name: _____

Title: _____

TO: City National Bank
555 South Flower Street, 24th Floor
Los Angeles, California 90071
Attn: Letter of Credit Department

EXHIBIT B

Bond Redemption

DATE	AMOUNT
November 15, 2009	\$ 110,000.00
November 15, 2010	\$ 195,000.00
November 15, 2011	\$ 210,000.00
November 15, 2012	\$ 215,000.00
November 15, 2013	\$ 230,000.00
November 15, 2014	\$ 240,000.00
November 15, 2015	\$ 250,000.00
November 15, 2016	\$ 265,000.00
November 15, 2017	\$ 275,000.00
November 15, 2018	\$ 290,000.00
November 15, 2019	\$ 305,000.00
November 15, 2020	\$ 325,000.00
November 15, 2021	\$ 340,000.00
November 15, 2022	\$ 360,000.00
November 15, 2023	\$ 380,000.00
November 15, 2024	\$ 400,000.00
November 15, 2025	\$ 415,000.00
November 15, 2026	\$ 440,000.00
November 15, 2027	\$ 455,000.00
November 15, 2028	\$ 485,000.00
November 15, 2029	\$ 510,000.00
November 15, 2030	\$ 530,000.00
November 15, 2031	\$ 560,000.00
November 15, 2032	\$ 590,000.00
November 15, 2033	\$ 625,000.00
November 15, 2034	\$ -
November 15, 2035	\$ -
November 15, 2036	\$ -
November 15, 2037	\$ -
November 15, 2038	\$ -
	\$ 9,000,000.00