

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

FORM 10-K/A  
Amendment No. 1

(Mark One)

- Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended August 30, 2008; or  
 Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-06403

**WINNEBAGO INDUSTRIES, INC.**  
(Exact name of registrant as specified in its charter)

Iowa  
(State or other jurisdiction of  
incorporation or organization)  
  
P.O. Box 152, Forest City, Iowa  
(Address of Principal executive offices)

42-0802678  
(I.R.S. Employer  
Identification No.)

50436  
(Zip Code)

Registrant's telephone number, including area code: (641) 585-3535

**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock (\$.50 par value) and Preferred Share Purchase Rights	The New York Stock Exchange, Inc. Chicago Stock Exchange, Inc.

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:** None

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act).  
Yes  No

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether registrant has submitted electronically and posted on its corporate Web Site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K .

Indicate by check mark whether the registrant is a "large accelerated filer," an "accelerated filer," a "non-accelerated filer" or a "smaller reporting company." See the definitions of "accelerated filer," "large accelerated filer," "non-accelerated filer" or "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):  
Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

Aggregate market value of the common stock held by nonaffiliates of the registrant: \$566,369,540 (28,219,708 shares at the closing price on the New York Stock Exchange of \$20.07 on February 29, 2008).

Common stock outstanding on October 7, 2008: 29,071,988 shares.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement relating to the registrant's December 2008 Annual Meeting of Shareholders, scheduled to be held December 16, 2008, are incorporated by reference into Part II and Part III of this Annual Report on Form 10-K where indicated.

**EXPLANATORY NOTE**

The purpose of this Amendment No. 1 on Form 10-K/A is to file Exhibit 4c, as Exhibits G and H were inadvertently omitted from Exhibit 4c in our Annual Report on Form 10-K for the Fiscal Year Ended August 30, 2008, as filed with the Securities and Exchange Commission on October 29, 2008 (the "Annual

Report”).

In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by our Principal Executive Officer and Principal Financial Officer are filed as exhibits to this Amendment No. 1 on Form 10-K/A.

This Amendment amends only the items of the Annual Report specified above and amends those items solely to reflect the changes described above. This Amendment does not otherwise update the disclosures in the Annual Report as originally filed and does not reflect events occurring after the original filing of the Annual Report on October 29, 2008.

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WINNEBAGO INDUSTRIES, INC.

By /s/ Robert J. Olson

Robert J. Olson

Chairman of the Board, Chief Executive  
Officer, President and Director  
(Principal Executive Officer)

Date: May 20, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on, May 20, 2009, by the following persons on behalf of the Registrant and in the capacities indicated.

<u>Signature</u>	<u>Capacity</u>
<u>/s/ Robert J. Olson</u> Robert J. Olson	Chairman of the Board, Chief Executive Officer, President and Director (Principal Executive Officer)
<u>/s/ Sarah N. Nielsen</u> Sarah N. Nielsen	Vice President, Chief Financial Officer (Principal Financial Officer)
<u>/s/ Brian J. Hrubes</u> Brian J. Hrubes	Controller (Principal Accounting Officer)
<u>/s/ Irvin E. Aal</u> Irvin E. Aal	Director
<u>/s/ Robert M. Chiusano</u> Robert M. Chiusano	Director
<u>/s/ Jerry N. Currie</u> Jerry N. Currie	Director
<u>/s/ Joseph W. England</u> Joseph W. England	Director
<u>/s/ Lawrence A. Erickson</u> Lawrence A. Erickson	Director
<u>/s/ John V. Hanson</u> John V. Hanson	Director
<u>/s/ Gerald C. Kitch</u> Gerald C. Kitch	Director

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## Exhibit Index

- 3a. Articles of Incorporation previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 27, 2000 (Commission File Number 001-06403) and incorporated by reference herein.
- 3b. Amended By-Laws of the Registrant previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 28, 2004 (Commission File Number 001-06403) and incorporated by reference herein.
- 4a. Continuing Guaranty, Commercial Security Agreement, Deposit Account Control Agreement and Collateral Receipt all dated October 1, 2003 previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 30, 2003 (Commission File Number 001-06403) and incorporated by reference herein.
- 4b. Limited Guaranty dated February 27, 2004 whereas Winnebago Industries, Inc. will act as the Guarantor to a certain lease agreement previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 28, 2004 (Commission File Number 001-06403) and incorporated by reference herein.
- 4c. Credit and Security Agreement between Wells Fargo Bank, National Association and Winnebago Industries, Inc. dated September 17, 2008.
- 10a. Winnebago Industries, Inc. Deferred Compensation Plan previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 2, 1991 (Commission File Number 001-06403), and incorporated by reference herein and the Amendment dated June 29, 1995 previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10b. Winnebago Industries, Inc. Profit Sharing and Deferred Savings Investment Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1985 (Commission File Number 001-06403), and incorporated by reference herein and the Amendment dated July 1, 1995 previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated March 21, 2007 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10c. Winnebago Industries, Inc. 2004 Incentive Compensation Plan previously filed as Appendix B with the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on January 13, 2004 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated October 11, 2006 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10d. Winnebago Industries, Inc. Directors' Deferred Compensation Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 30, 1997 (Commission File Number 001-06403), and incorporated by reference herein and the Amendment dated October 15, 2003 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 29, 2003 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated October 11, 2006 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10e. Winnebago Industries, Inc. 1997 Stock Option Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 30, 1997 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10f. Winnebago Industries, Inc. Executive Share Option Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 1998 (Commission File Number 001-06403) and incorporated by reference herein, and the Amendment dated July 1, 1999 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 29, 1999 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated January 1, 2001 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 24, 2001 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10g. Winnebago Industries, Inc. Rights Plan Agreement previously filed with the Registrant's Current Report on Form 8-K dated May 3, 2000 (Commission File Number 001-06403) and incorporated by reference herein, the Amendment dated January 13, 2003 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 1, 2003 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated May 17, 2006 previously filed with the Registrant's Current Report on Form 8-K dated May 23, 2006 (Commission File Number 001-06403) and incorporated by reference herein.

- 10h. Executive Change of Control Agreement dated January 17, 2001 between Winnebago Industries, Inc. and Raymond M. Beebe previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 24, 2001 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10i. Executive Change of Control Agreement dated January 17, 2001 between Winnebago Industries, Inc. and Robert L. Gossett previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 24, 2001 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10j. Executive Change of Control Agreement dated January 17, 2001 between Winnebago Industries, Inc. and Robert J. Olson previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 24, 2001 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 10k. Executive Change of Control Agreement dated July 12, 2001 between Winnebago Industries, Inc. and William J. O'Leary previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 25, 2001 (Commission File Number 001-06403) and incorporated by

reference herein.\*

- 10l. Executive Change of Control Agreement dated November 14, 2005 between Winnebago Industries, Inc. and Sarah N. Nielsen previously filed with the Registrant's Report on Form 8-K dated November 14, 2005 and filed on November 15, 2005 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10m. Executive Change of Control Agreement dated March 13, 2003 between Winnebago Industries, Inc. and Roger W. Martin previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 1, 2003 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10n. Form of Winnebago Industries, Inc. Incentive Stock Option Agreement for grants of Incentive Stock Options under the 2004 Incentive Compensation Plan previously filed with the Registrant's Current Report on Form 8-K dated October 13, 2004 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10o. Form of Winnebago Industries, Inc. Non-Qualified Stock Option Agreement for grants of Non-Qualified Stock Options under the 2004 Incentive Compensation Plan previously filed with the Registrant's Report on Form 8-K dated October 13, 2004 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10p. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2007, 2008 and 2009 previously filed with the Registrant's Current Report on Form 8-K dated June 27, 2006 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10q. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2008, 2009 and 2010 previously filed with the Registrant's Current Report on Form 8-K dated June 26, 2007 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10r. Winnebago Industries, Inc. Executive Deferred Compensation Plan previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10s. Executive Change of Control Agreement dated March 21, 2007 between Winnebago Industries, Inc. and Randy J. Potts previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 26, 2007 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10t. Winnebago Industries, Inc. Restricted Stock Grant Award Agreement under the 2004 Incentive Compensation Plan previously filed with the Registrant's Current Report on Form 8-K dated October 12, 2006 (Commission File Number 001-06403) and incorporated by reference herein.\*
  - 10u. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2009, 2010 and 2011 previously filed with the Registrant's Current Report on Form 8-K dated August 14, 2008 (Commission File Number 001-06403) and incorporated by reference herein.\*
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- 10v. Winnebago Industries, Inc. Officers' Incentive Compensation Plan for Fiscal 2009 previously filed with the Registrant's Current Report on Form 8-K dated August 14, 2008 (Commission File Number 001-06403) and incorporated by reference herein.\*
- 14.1 Winnebago Industries, Inc. Code of Ethics for CEO and Senior Financial Officers previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 30, 2003 (Commission File Number 001-06403) and incorporated by reference herein.
- 21. List of Subsidiaries.
- 23. Consent of Independent Registered Public Accounting Firm.
- 31.1 Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated May 20, 2009.
- 31.2 Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated May 20, 2009.
- 32.1 Certification by the Chief Executive Officer pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated May 20, 2009.
- 32.2 Certification by the Chief Financial Officer pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated May 20, 2009.

\*Management contract or compensation plan or arrangement.

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## Exhibit 4c.

### WELLS FARGO BUSINESS CREDIT CREDIT AND SECURITY AGREEMENT

**THIS CREDIT AND SECURITY AGREEMENT** (this “Agreement”) is dated September 17, 2008, and is entered into between **Winnabago Industries, Inc.**, an Iowa corporation (“Company”), and **Wells Fargo Bank, National Association** (as more fully defined in Exhibit A, “Wells Fargo”), acting through its Wells Fargo Business Credit operating division.

#### RECITALS

Company has asked Wells Fargo to provide it with a \$25,000,000 revolving line of credit (the “Line of Credit”) for working capital purposes and to facilitate the issuance of documentary and standby letters of credit. Wells Fargo is agreeable to meeting Company’s request, provided that Company agrees to the terms and conditions of this Agreement.

For purposes of this Agreement, capitalized terms not otherwise defined in this Agreement shall have the meanings given them in Exhibit A.

#### 1. AMOUNT AND TERMS OF THE LINE OF CREDIT.

##### 1.1 Line of Credit; Limitations on Borrowings; Termination Date; Use of Proceeds.

(a) Line of Credit and Limitations on Borrowing. Wells Fargo shall make Advances to Company under the Line of Credit that, together with the L/C Amount, shall not at any time exceed in the aggregate the lesser of (i) \$25,000,000 (the “Maximum Line Amount”), or (ii) the Borrowing Base limitations described in Section 1.2. Within these limits, Company may periodically borrow, prepay in whole or in part, and reborrow. **Wells Fargo has no obligation to make an Advance during a Default Period or at any time Wells Fargo believes that an Advance would result in an Event of Default.**

(b) Maturity and Termination Dates. Company may request Advances from the date that the conditions set forth in Section 3 are satisfied until the earlier of: (i) September 17, 2010 (the “Maturity Date”), (ii) the date Company terminates the Line of Credit, or (iii) the date Wells Fargo terminates the Line of Credit following an Event of Default. (The earliest of these dates is the “Termination Date.”)

(c) Use of Line of Credit Proceeds. Company shall use the proceeds of each Advance and each Letter of Credit for ordinary working capital purposes.

(d) Revolving Note. Company’s obligation to repay Advances, regardless of how initiated under Section 1.3, shall be evidenced by a revolving promissory note (as renewed, amended or replaced from time to time, the “Revolving Note”).

##### 1.2 Borrowing Base; Mandatory Prepayment.

(a) Borrowing Base. The borrowing base (the “Borrowing Base”) is an amount equal to:

(i) 80% or such lesser percentage of Eligible Accounts consisting of motor home accounts receivable as Wells Fargo in its sole discretion may deem appropriate, plus

(ii) 80% or such lesser percentage of Eligible Accounts consisting of parts and service accounts receivable as Wells Fargo in its sole discretion may deem appropriate, plus

(iii) 25% or such lesser percentage of Eligible Inventory consisting of raw materials as Wells Fargo in its sole discretion may deem appropriate, plus

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(iv) 35% or such lesser percentage of Eligible Inventory consisting of chassis as Wells Fargo in its sole discretion may deem appropriate, plus

(v) 60% or such lesser percentage of Eligible Inventory consisting of finished goods as Wells Fargo in its sole discretion may deem appropriate, less

(vi) the Borrowing Base Reserve, less

(vii) Indebtedness that Company owes Wells Fargo that has not been advanced on the Revolving Note, less

(viii) Indebtedness that is not otherwise described in Section 1, including Indebtedness that Wells Fargo in its sole discretion finds on the date of determination to be equal to Wells Fargo’s net credit exposure with respect to any swap, derivative, foreign exchange, hedge, deposit, treasury management or similar transaction or arrangement extended to Company by Wells Fargo and any Indebtedness owed by Company to Wells Fargo Merchant Services, L.L.C.

(b) Mandatory Prepayment; Overadvances. If unreimbursed Advances evidenced by the Revolving Note plus the L/C Amount exceed the Borrowing Base or the Maximum Line Amount at any time, then Company shall immediately prepay the Revolving Note in an amount sufficient to eliminate the excess, and if payment in full of the Revolving Note is insufficient to eliminate this excess and the L/C Amount continues to exceed the Borrowing Base, then Company shall deliver cash to Wells Fargo in an amount equal to the remaining excess for deposit to the Special Account, unless, in each case, Wells Fargo has delivered to Company an Authenticated Record consenting to the Overadvance prior to its occurrence, in which event the

Overadvance shall be temporarily permitted on such terms and conditions as Wells Fargo in its sole discretion may deem appropriate, including the payment of additional fees or interest, or both.

### 1.3 Procedures for Line of Credit Advances.

(a) Advances to Operating Account. Advances shall be credited to Company's demand deposit account maintained with Wells Fargo (the "Operating Account"), unless the parties agree in a Record Authenticated by both of them to disburse to another account.

(i) Advances upon Company's Request. Line of Credit Advances may be funded upon Company's request. No request will be deemed received until Wells Fargo acknowledges receipt, and Company, if requested by Wells Fargo, confirms the request in an Authenticated Record. Company shall repay all Advances, even if the Person requesting the Advance on behalf of Company lacked authorization.

(A) Floating Rate Advances. If Company wants a Floating Rate Advance, it shall make the request no later than 11:59 a.m. Central Time on the Business Day on which it wants the Floating Rate Advance to be funded, which request shall specify the principal Advance amount being requested.

(B) LIBOR Advances. If Company wants a LIBOR Advance, it shall make the request no later than 11:59 a.m. Central Time on the Business Day on which it wants the LIBOR Advance to be funded, which request shall specify both the principal Advance amount and Interest Period being requested. No more than four (4) separate LIBOR Advance Interest Periods may be outstanding at any time. Each LIBOR Advance shall be in multiples of \$100,000 and in the minimum amount of at least \$1,000,000. LIBOR Advances are not available for Advances made through the Loan Manager Service, and shall not be available during Default Periods.

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(b) Protective Advances; Advances to Pay Indebtedness Due. Wells Fargo may initiate a Floating Rate Advance on the Line of Credit in its sole discretion for any reason at any time, without Company's compliance with any of the conditions of this Agreement, and (i) disburse the proceeds directly to third Persons in order to protect Wells Fargo's interest in Collateral or to perform any of Company's obligations under this Agreement, or (ii) apply the proceeds to the amount of any Indebtedness then due and payable to Wells Fargo.

### 1.3A LIBOR Advances.

(a) Funding Line of Credit Advances as LIBOR Advances for Fixed Interest Periods. Company may fund a Line of Credit Advance as a LIBOR Advance for one, three, or six month periods (each period an "Interest Period," as more fully defined in Exhibit A).

(b) Procedure for Converting Floating Rate Advances to LIBOR Advances. Company may request that all or any part of an outstanding Floating Rate Advance be converted to a LIBOR Advance, provided that no Default Period is in effect, and that Wells Fargo receives the request no later than 11:59 a.m. Central Time on the Business Day on which Company wishes the conversion to become effective. Each request shall (i) specify the principal amount of the Floating Rate Advance to be converted, (ii) the Business Day of conversion, and (iii) the Interest Period desired. The request shall be confirmed in an Authenticated Record if requested by Wells Fargo. Each conversion to a LIBOR Advance shall be in multiples of \$100,000 and in the minimum amount of at least \$1,000,000.

(c) Expiring LIBOR Advance Interest Periods. Unless Company requests a new LIBOR Advance, or prepays an outstanding LIBOR Advance at the expiration of an Interest Period, Wells Fargo shall convert each LIBOR Advance to a Floating Rate Advance on the last day of the expiring Interest Period. If no Default Period is in effect, Company may request that all or part of any expiring LIBOR Advance be renewed as a new LIBOR Advance, provided that Wells Fargo receives the request no later than 11:59 a.m. Central Time on the Business Day that constitutes the first day of the new Interest Period. Each request shall specify the principal amount of the expiring LIBOR Advance to be continued and the Interest Period desired, and shall be confirmed in an Authenticated Record if requested by Wells Fargo. Each renewal of a LIBOR Advance shall be in multiples of \$100,000 and in the minimum amount of at least \$1,000,000.

(d) Quotation of LIBOR Advance Interest Rates. Wells Fargo shall, with respect to any request for a new or renewal LIBOR Advance, or the conversion of a Floating Rate Advance to a LIBOR Advance, provide Company with a LIBOR quote for each Interest Period identified by Company on the Business Day on which the request was made, if the request is received by Wells Fargo no later than 11:59 a.m. Central Time of the Business Day on which Company has requested that the LIBOR Advance be made effective. If Company does not immediately accept a LIBOR quote, the quoted rate shall expire and any subsequent request for a LIBOR quote shall be subject to redetermination by Wells Fargo.

(e) Taxes and Regulatory Costs. Company shall also pay Wells Fargo with respect to any LIBOR Advance all (i) withholdings, interest equalization taxes, stamp taxes or other taxes (except income and franchise taxes) imposed by any domestic or foreign governmental authority that are related to LIBOR, and (ii) future, supplemental, emergency or other changes in the LIBOR Reserve Percentage, the assessment rates imposed by the Federal Deposit Insurance Corporation, or similar costs imposed by any domestic or foreign governmental authority or resulting from compliance by Wells Fargo with any request or directive (whether or not having the force of law) from any central bank or other governmental authority that are related to LIBOR but not otherwise included in the calculation of LIBOR. In determining which of these amounts are attributable to an existing LIBOR Advance, any reasonable allocation made by Wells Fargo among its operations shall be deemed conclusive and binding.

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### 1.4 Collection of Accounts and Application to Revolving Note.

(a) The Collection Account. Company has granted a security interest to Wells Fargo in the Collateral, including all Accounts. Except as otherwise agreed by both parties in an Authenticated Record, if any Advance has been made (other than outstanding Letters of Credit), all Proceeds of Accounts and other Collateral, upon receipt or collection, shall be deposited each Business Day into the "Collection Account". Funds so deposited ("Account Funds") are the property of Wells Fargo, and may only be withdrawn from the Collection Account by Wells Fargo.

(b) Payment of Accounts by Company's Account Debtors. Company shall instruct all account debtors to make payments either directly to the Lockbox for deposit by Wells Fargo directly to the Collection Account, or instruct them to deliver such payments to Wells Fargo by wire transfer, ACH, or other means as Wells Fargo may direct for deposit to the Collection Account or for direct application to the Line of Credit. If Company receives a payment or the Proceeds of Collateral directly, Company will promptly deposit the payment or Proceeds into the Collection Account. Until deposited, it will hold all such payments and Proceeds in trust for Wells Fargo without commingling with other funds or property. All deposits held in the Collection Account shall constitute Proceeds of Collateral and shall not constitute the payment of Indebtedness.

(c) Application of Payments to Revolving Note. Wells Fargo will withdraw Account Funds deposited to the Collection Account and pay down borrowings on the Line of Credit by applying them to the Revolving Note on the first Business Day following the Business Day of deposit to the Collection Account, or, if payments are received by Wells Fargo that are not first deposited to the Collection Account pursuant to any treasury management service provided to Company by Wells Fargo, such payments shall be applied to the Revolving Note as provided in the Master Agreement for Treasury Management Services and the relevant service description.

1.5 Interest and Interest Related Matters.

(a) Interest Rates Applicable to Line of Credit. Except as otherwise provided in this Agreement, the unpaid principal amount of each Line of Credit Advance evidenced by the Revolving Note shall accrue interest at an annual interest rate calculated as follows:

**Floating Rate**

Line of Credit Advances = Prime Rate plus the applicable Margin, which interest rate shall change whenever the Prime Rate changes (the "Floating Rate"); or

**LIBOR Advance Rate for One, Three, or Six Month Interest Periods**

Line of Credit Advances = LIBOR plus the applicable Margin (the "LIBOR Advance Rate").

Multiple Advances under the Line of Credit may simultaneously accrue interest at both the Floating Rate and at the LIBOR Advance Rate, subject to the limitations of Section 1.3(a)(i).

The Margins through and including the first adjustment occurring as specified below shall be <0.25%> for Floating Rate Advances, and 2.00% for LIBOR Advances.

(Numbers appearing between "< >" are negative.) The Margins shall be adjusted each fiscal quarter of Company beginning with the quarter ending November 29, 2008, on the basis of the Liquidity of Company as of the end of the previous fiscal quarter, in accordance with the following table:

<u>Liquidity</u>	<u>Margins</u>	
	<u>Floating Rate Advances</u>	<u>LIBOR Advances</u>
(i) Liquidity is determined by Wells Fargo to be less than \$50,000,000.	0.25%	2.50%
(ii) Liquidity is determined by Wells Fargo to be between \$50,000,000 and \$100,000,000.	<0.25%>	2.00%
(iii) Liquidity is determined by Wells Fargo to be greater than \$100,000,000.	<0.75%>	1.50%

Each Margin change shall become effective on the first calendar day of the month following the month of receipt by Wells Fargo of the financial statements. If Company fails to timely deliver financial statements as agreed, no reduction in Margin shall be made and Wells Fargo may notify Company that an Event of Default has occurred and increase any Margin to the highest agreed upon Margin and impose the Default Rate.

If amended or restated financial statements would change previously calculated Margins, or if Wells Fargo determines that any financial statements have materially misstated Company's financial condition, then Wells Fargo may, using the most accurate information available to it, recalculate the financial test or tests governing the Margins and retroactively reduce or increase the Margins from the date of receipt of such amended or restated financial statements and charge Company additional interest, which may be imposed on them from the beginning of the appropriate fiscal quarter to which the restated statements or recalculated financial tests relate or to the beginning of the fiscal quarter in which any Event of Default has occurred, as Wells Fargo in its sole discretion deems appropriate.

(b) Default Interest Rate. Commencing on the day an Event of Default occurs, through and including the date identified by Wells Fargo in a Record as the date that the Event of Default has been cured or waived (each such period, a "Default Period"), or during a time period specified in Section 1.8, or at any time following the Termination Date, in Wells Fargo's sole discretion and without waiving any of its other rights or remedies, the principal amount of the Revolving Note shall bear interest at a rate that is three percent (3.0%) above the contractual rate set forth in Section 1.5(a) (the "Default Rate"), or any lesser rate that Wells Fargo may deem appropriate, starting on the first day of the month in which the Default Period begins through the last day of that Default Period, or any shorter time period to which Wells Fargo may agree in an Authenticated Record.

(c) Interest Accrual on Payments Applied to Revolving Note. Payments received by Wells Fargo shall be applied to the Revolving Note as provided in Section 1.4(c), but the principal amount paid down shall continue to accrue interest through the end of the first Business Day following the Business Day that the payment was applied to the Revolving Note.

(d) Usury. No interest rate shall be effective which would result in a rate greater than the highest rate permitted by law. Payments in the nature of interest and other charges made under any Loan Documents or any other document or agreement described in or related to this Agreement that are later determined to be in excess of the limits imposed by applicable usury law will be deemed to be a payment of principal, and the Indebtedness shall be reduced by that amount so that such payments will not be deemed usurious.

1.6 Fees.

(a) Origination Fee. Company shall pay Wells Fargo a one time origination fee of \$40,000, which shall be fully earned and payable upon the execution of this Agreement.

(b) Unused Line Fee. Company shall pay Wells Fargo an annual unused line fee of 0.35% of the daily average of the Maximum Line Amount reduced by outstanding Advances and the L/C Amount (the "Unused Amount"), from the date of this Agreement to and including the Termination Date, which unused line fee shall be payable quarterly in arrears on the first day of each month and on the Termination Date; provided, that such annual unused line fee shall be adjusted each fiscal quarter of Company beginning with the quarter ending November 29, 2008, on the basis of the Liquidity of Company as of the end of the previous fiscal quarter, in accordance with the following table:

<b>Liquidity</b>	<b>Unused Fee</b>
(i) Liquidity is determined by Wells Fargo to be less than \$50,000,000.	.50%
(ii) Liquidity is determined by Wells Fargo to be between \$50,000,000 and \$100,000,000.	.35%
(iii) Liquidity is determined by Wells Fargo to be greater than \$100,000,000.	.20%

(c) Collateral Exam Fees. Company shall pay Wells Fargo fees in connection with any collateral exams, audits or inspections conducted by or on behalf of Wells Fargo at the current rates established from time to time by Wells Fargo as its collateral exam fees (which fees are currently \$125 per hour per collateral examiner), together with all actual out-of-pocket costs and expenses incurred in conducting any collateral examination or inspection.

(d) Line of Credit Termination and/or Reduction Fees. If (i) Wells Fargo terminates the Line of Credit during a Default Period, or if (ii) Company terminates the Line of Credit on a date prior to the Maturity Date, or if (iii) Company and Wells Fargo agree to reduce the Maximum Line Amount, then Company shall pay Wells Fargo as liquidated damages a termination or reduction fee in an amount equal to a percentage of the Maximum Line Amount (or the reduction of the Maximum Line Amount, as the case may be) calculated as follows: (A) two percent (2.0%) if the termination occurs on or before the first anniversary of the first Line of Credit Advance; and (B) one and one-half percent (1.50%) if the termination or reduction occurs after the first anniversary of the first Line of Credit Advance. Such termination or reduction fee shall be waived if the Line of Credit is refinanced by the Iowa Regional Commercial Banking Office of Wells Fargo Bank, National Association.

(e) Overadvance Fees. Company shall pay a \$500 Overadvance fee for each day that an Overadvance exists which was not agreed to by Wells Fargo in an Authenticated Record prior to its occurrence; provided that Wells Fargo's acceptance of the payment of such fees shall not constitute either consent to the Overadvance or waiver of the resulting Event of Default. Company shall pay additional Overadvance fees and interest in such amounts and on such terms as Wells Fargo in its sole discretion may consider appropriate for any Overadvance to which Wells Fargo has specifically consented in an Authenticated Record prior to its occurrence.

(f) Treasury Management Fees. Company shall pay service fees to Wells Fargo for treasury management services provided pursuant to the Master Agreement for Treasury Management Services or any other agreement entered into by the parties, in the amount prescribed in Wells Fargo's current service fee schedule.

(g) Letter of Credit Fees. Company shall pay a fee with respect to each Letter of Credit issued by Wells Fargo of two percent (2.0%) of the aggregate undrawn amount of the Letter of Credit (the "Aggregate Face Amount") accruing daily from and including the date the Letter of Credit is issued until the date that it either expires or is returned, which shall be payable monthly in arrears on the first day of each month and on the date that the Letter of Credit either expires or is returned; provided, that such Letter of Credit fee shall be adjusted each fiscal quarter of Company beginning with the quarter ending November 29, 2008, on the basis of the Liquidity of Company as of the end of the previous fiscal quarter, in accordance with the following table:

<b>Liquidity</b>	<b>Letter of Credit Fee</b>
(i) Liquidity is determined by Wells Fargo to be less than \$50,000,000.	2.25%
(ii) Liquidity is determined by Wells Fargo to be between \$50,000,000 and \$100,000,000.	1.75%
(iii) Liquidity is determined by Wells Fargo to be greater than \$100,000,000.	1.25%



Following an Event of Default, such Letter of Credit fee shall increase by three percent (3.0%), commencing on the first day of the month in which the Default Period begins and continuing through the last day of such Default Period, or any shorter time period that Wells Fargo in its sole discretion may deem appropriate, without waiving any of its other rights and remedies.

(h) Letter of Credit Administrative Fees. Company shall pay all administrative fees charged by Wells Fargo in connection with the honoring of drafts under any Letter of Credit, and any amendments to or transfers of any Letter of Credit, and any other activity with respect to the Letters of Credit at the current rates published by Wells Fargo for such services rendered on behalf of its customers generally.

(i) Other Fees and Charges. Wells Fargo may impose additional fees and charges during a Default Period for (i) waiving an Event of Default, or for (ii) the administration of Collateral by Wells Fargo. All such fees and charges shall be imposed at Wells Fargo's sole discretion following oral notice to Company on either an hourly, periodic, or flat fee basis, and in lieu of or in addition to imposing interest at the Default Rate, and Company's request for an Advance following such notice shall constitute Company's agreement to pay such fees and charges.

(j) Termination and Prepayment Fees Following Transfer Between Wells Fargo Operating Divisions. If the Loan Documents, following Company's request and the consent of Wells Fargo Business Credit (which consent may be withheld by Wells Fargo Business Credit in its sole discretion), are transferred to an operating division of Wells Fargo other than Wells Fargo Business Credit, the transfer will not be deemed a termination or prepayment resulting in the payment of termination and/or prepayment fees, or LIBOR Advance breakage fees, provided that Company agrees, at the time of transfer, to the payment of comparable fees in an amount not less than that set forth in this Agreement, in the event that any facilities extended under this Agreement are terminated early or prepaid after the transfer.

(k) LIBOR Advance Breakage Fees. Company may prepay any LIBOR Advance at any time in any amount, whether voluntarily or by acceleration, provided, however, that if the LIBOR Advance is prepaid, Company shall pay Wells Fargo upon demand a LIBOR Advance breakage fee equal to the sum of the discounted monthly differences for each month from the month of prepayment through the month in which such Interest Period matures, calculated as follows for each such month:

(i) Determine the amount of interest which would have accrued each month on the amount prepaid at the interest rate applicable to such amount had it remained outstanding until the last day of the applicable Interest Period.

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(ii) Subtract from the amount determined in (i) above the amount of interest which would have accrued for the same month on the amount prepaid for the remaining term of such Interest Period at LIBOR in effect on the date of prepayment for new loans made for such term in a principal amount equal to the amount prepaid.

(iii) If the result obtained in (ii) for any month is greater than zero, discount that difference by LIBOR used in (ii) above.

Company acknowledges that prepayment of the Revolving Note may result in Wells Fargo incurring additional costs, expenses or liabilities, and that it is difficult to ascertain the full extent of such costs, expenses or liabilities. Company agrees to pay the above-described LIBOR Advance breakage fees and agrees that this amount represents a reasonable estimate of the LIBOR Advance breakage costs, expenses and/or liabilities of Wells Fargo.

#### 1.7 Interest Accrual; Principal and Interest Payments; Computation.

(a) Interest Payments and Interest Accrual. Accrued and unpaid interest under the Revolving Note on Floating Rate Advances shall be due and payable on the first day of each month (each an "Interest Payment Date") and on the Termination Date, in arrears, and shall be paid in the manner provided in Section 1.4(c). Interest shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of Advance to the Interest Payment Date. Interest accruing on any LIBOR Advance shall be due and payable on the last day of the applicable Interest Period and on the Termination Date; provided, however, for Interest Periods in excess of one month, interest shall nevertheless be due and payable monthly on the last day of each month, and on the last day of the Interest Period.

(b) Payment of Revolving Note Principal. The principal amount of the Revolving Note shall be paid from time to time as provided in this Agreement, and shall be fully due and payable on the Termination Date.

(c) Payments Due on Non-Business Days. If an Interest Payment Date or the Termination Date falls on a day which is not a Business Day, payment shall be made on the next Business Day, and interest shall continue to accrue during that time period.

(d) Computation of Interest and Fees. Interest accruing on the unpaid principal amount of the Revolving Note and fees payable under this Agreement shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(e) Liability Records. Wells Fargo shall maintain accounting and bookkeeping records of all Advances and payments under the Line of Credit and all other Indebtedness due to Wells Fargo in such form and content as Wells Fargo in its sole discretion deems appropriate. Wells Fargo's calculation of current Indebtedness shall be presumed correct unless proven otherwise by Company. Upon Wells Fargo's request, Company will admit and certify in a Record the exact principal balance of the Indebtedness that Company then believes to be outstanding. Any billing statement or accounting provided by Wells Fargo shall be conclusive and binding unless Company notifies Wells Fargo in a detailed Record of its intention to dispute the billing statement or accounting within 30 days of receipt.

#### 1.8 Termination, Reduction or Non-Renewal of Line of Credit by Company; Notice.

(a) Termination by Company after Advance Notice. Company may terminate or reduce the Line of Credit at any time prior to the Maturity Date, if it (i) delivers an Authenticated Record notifying Wells Fargo of its intentions at least 90 days prior to the proposed Termination Date, (ii) pays Wells Fargo the termination fee set forth in Section 1.6(d), and (iii) pays the Indebtedness in full or down to the reduced Maximum Line Amount.

(b) Termination by Company without Advance Notice. If Company fails to deliver Wells Fargo timely notice of its intention to terminate the Line of Credit or reduce the Maximum Line Amount as provided in Section 1.8(a), Company may nevertheless terminate the Line of Credit or reduce the Maximum Line Amount and pay the Indebtedness in full or down to the reduced Maximum Line Amount if it (i) pays the termination fee set forth in Section 1.6(d), and (ii) pays the Default Rate on the Revolving Note commencing on the 90th day prior to the proposed Termination Date and continuing through the date that Wells Fargo receives delivery of an Authenticated Record giving it actual notice of Company's intention to terminate.

(c) Non-Renewal by Company; Notice. If Company does not wish Wells Fargo to consider renewal of the Line of Credit on the next Maturity Date, Company shall deliver an Authenticated Record to Wells Fargo at least 90 days prior to the Maturity Date notifying Wells Fargo of its intention not to renew. If Company fails to deliver to Wells Fargo such timely notice, then the Revolving Note shall accrue interest at the Default Rate commencing on the 90th day prior to the Maturity Date and continuing through the date that Wells Fargo receives delivery of an Authenticated Record giving it actual notice of Company's intention not to renew.

#### 1.9 Letters of Credit.

(a) Issuance of Letters of Credit; Amount. Wells Fargo, subject to the terms and conditions of this Agreement, shall issue, on or after the date that Wells Fargo is obligated to make its first Advance under this Agreement and prior to the Termination Date, one or more irrevocable standby or documentary letters of credit (each, a "Letter of Credit", and collectively, "Letters of Credit") for Company's account. Wells Fargo will not issue any Letter of Credit if the face amount of the Letter of Credit would exceed the lesser of: (i) \$2,500,000 less the L/C Amount, or (ii) the Borrowing Base, less an amount equal to aggregate unreimbursed Line of Credit Advances plus the L/C Amount.

(b) Additional Letter of Credit Documentation. Prior to requesting issuance of a Letter of Credit, Company shall first execute and deliver to Wells Fargo a Standby Letter of Credit Agreement or a Commercial Letter of Credit Agreement, as applicable, an L/C Application, and any other documents that Wells Fargo may request, which shall govern the issuance of the Letter of Credit and Company's obligation to reimburse Wells Fargo for any related Letter of Credit draws (the "Obligation of Reimbursement").

(c) Expiration. No Letter of Credit shall be issued that has an expiry date that is later than one (1) year from the date of issuance, or the Maturity Date in effect on the date of issuance, whichever is earlier.

(d) Obligation of Reimbursement During Default Periods. If Company is unable, due to the existence of a Default Period or for any other reason, to obtain an Advance to pay any Obligation of Reimbursement, Company shall pay Wells Fargo on demand and in immediately available funds the amount of the Obligation of Reimbursement, together with interest accrued from the date of presentment of the underlying draft until reimbursement in full at the Default Rate. Wells Fargo is authorized, alternatively and in its sole discretion, to make an Advance in an amount sufficient to discharge the Obligation of Reimbursement and pay all accrued but unpaid interest and fees with respect to the Obligation of Reimbursement.

#### 1.10 Special Account.

If the Line of Credit is terminated for any reason while a Letter of Credit is outstanding, or if after prepayment of the Revolving Note the L/C Amount continues to exceed the Borrowing Base, then Company shall promptly pay Wells Fargo in immediately available funds for deposit to the Special Account, an amount equal, as the case may be, to either (a) the L/C Amount plus any anticipated fees and costs, or (b) the amount by which the L/C Amount exceeds the Borrowing Base. If Company fails to pay these amounts promptly, then Wells Fargo may in its sole discretion make an Advance to pay these amounts and deposit the proceeds to the Special Account. The Special Account shall be an interest bearing account maintained with Wells Fargo or any other financial institution acceptable to Wells Fargo. Wells Fargo may in its sole discretion apply amounts on deposit in the Special Account to the Indebtedness. Company may not withdraw amounts deposited to the Special Account until the Line of Credit has been terminated and all outstanding Letters of Credit have either been returned to Wells Fargo or have expired and the Indebtedness has been fully paid.

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## 2. SECURITY INTEREST AND OCCUPANCY OF COMPANY'S PREMISES.

2.1 Grant of Security Interest. Company hereby pledges, assigns and grants to Wells Fargo, for the benefit of Wells Fargo and as agent for Wells Fargo Merchant Services, L.L.C., a Lien and security interest (collectively referred to as the "Security Interest") in the Collateral, as security for the payment and performance of all Indebtedness. Following request by Wells Fargo, Company shall grant Wells Fargo, for the benefit of Wells Fargo and as agent for Wells Fargo Merchant Services, L.L.C., a Lien and security interest in all commercial tort claims that it may have against any Person.

2.2 Notifying Account Debtors and Other Obligors; Collection of Collateral. Wells Fargo may, after an Event of Default, deliver a Record giving an account debtor or other Person obligated to pay an Account, a General Intangible, or other amount due, notice that the Account, General Intangible, or other amount due has been assigned to Wells Fargo for security and must be paid directly to Wells Fargo. Company shall join in giving such notice and shall Authenticate any Record giving such notice upon Wells Fargo's request. After Company or Wells Fargo gives such notice, Wells Fargo may, but need not, in Wells Fargo's or in Company's name, demand, sue for, collect or receive any money or property at any time payable or receivable on account of, or securing, such Account, General Intangible, or other amount due, or grant any extension to, make any compromise or settlement with or otherwise agree to waive, modify, amend or change the obligations (including collateral obligations) of any account debtor or other obligor. Wells Fargo may, in Wells Fargo's name or in Company's name, as Company's agent and attorney-in-fact, notify the United States Postal Service to change the address for delivery of Company's mail to any address designated by Wells Fargo, otherwise intercept Company's mail, and receive, open and dispose of Company's mail, applying all Collateral as permitted under this Agreement and holding all other mail for Company's account or forwarding such mail to Company's last known address.

2.3 Assignment of Insurance. As additional security for the Indebtedness, Company hereby assigns to Wells Fargo and to Wells Fargo Merchant Services, L.L.C. all rights of Company under every policy of insurance covering the Collateral and all business records and other documents relating to it, and all monies (including proceeds and refunds) that may be payable under any policy, and Company hereby directs the issuer of each policy to pay all such monies directly to Wells Fargo. At any time, whether or not a Default Period then exists, Wells Fargo may (but need not), in Wells Fargo's or Company's name, execute and deliver proofs of claim, receive payment of proceeds and endorse checks and other instruments representing payment of the policy of insurance, and adjust, litigate, compromise or release claims against the issuer of any policy. Any monies received under any insurance policy assigned to Wells Fargo, other than liability insurance policies, or received as payment of any award or compensation for condemnation or taking by eminent domain, shall be paid to Wells Fargo

and, as determined by Wells Fargo in its sole discretion, either be applied to prepayment of the Indebtedness or disbursed to Company under staged payment terms reasonably satisfactory to Wells Fargo for application to the cost of repairs, replacements, or restorations which shall be effected with reasonable promptness and shall be of a value at least equal to the value of the items or property destroyed.

#### 2.4 Company's Premises.

(a) Wells Fargo's Right to Occupy Company's Premises. Company hereby grants to Wells Fargo the right, after an Event of Default, or during a Default Period and without notice or consent, to take exclusive possession of all locations where Company conducts its business or has any rights of possession, including the locations described on Exhibit B (the "Premises"), until the earlier of (i) payment in full and discharge of all Indebtedness and termination of the Line of Credit, or (ii) final sale or disposition of all items constituting Collateral and delivery of those items to purchasers.

(b) Wells Fargo's Use of Company's Premises. Wells Fargo may use the Premises to store, process, manufacture, sell, use, and liquidate or otherwise dispose of items that are Collateral, and for any other incidental purposes deemed appropriate by Wells Fargo in good faith.

(c) Company's Obligation to Reimburse Wells Fargo. Wells Fargo shall not be obligated to pay rent or other compensation for the possession or use of any Premises, but if Wells Fargo elects to pay rent or other compensation to the owner of any Premises in order to have access to the Premises, then Company shall promptly reimburse Wells Fargo for all such amounts, as well as all taxes, fees, charges and other expenses at any time payable by Wells Fargo with respect to the Premises by reason of the execution, delivery, recordation, performance or enforcement of any terms of this Agreement.

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(d) License. Without limiting the generality of any other Security Document, Company hereby grants to Wells Fargo a non-exclusive, worldwide and royalty-free license to use or otherwise exploit all Intellectual Property Rights of Company for the purpose of: (a) completing the manufacture of any in-process materials during any Default Period so that such materials become saleable Inventory, all in accordance with the same quality standards previously adopted by Company for its own manufacturing and subject to Company's reasonable exercise of quality control; and (b) selling, leasing or otherwise disposing of any or all Collateral during any Default Period.

2.5 Financing Statements. Company authorizes Wells Fargo to file financing statements describing Collateral to perfect Wells Fargo's Security Interest in the Collateral, and Wells Fargo may describe the Collateral as "all personal property" or "all assets" or describe specific items of Collateral including commercial tort claims as Wells Fargo may consider necessary or useful to perfect the Security Interest. All financing statements filed before the date of this Agreement to perfect the Security Interest were authorized by Company and are hereby re-authorized. Following the termination of the Line of Credit and payment of all Indebtedness, Wells Fargo shall, at Company's expense and within the time periods required under applicable law, release or terminate any filings or other agreements that perfect the Security Interest.

2.6 Setoff. Wells Fargo may at any time, in its sole discretion and without demand or notice to anyone, setoff any liability owed to Company by Wells Fargo against any Indebtedness, whether or not due.

2.7 Collateral Related Matters. This Agreement does not contemplate a sale of Accounts or chattel paper, and, as provided by law, Company is entitled to any surplus and shall remain liable for any deficiency. Wells Fargo's duty of care with respect to Collateral in its possession (as imposed by law) will be deemed fulfilled if it exercises reasonable care in physically keeping such Collateral, or in the case of Collateral in the custody or possession of a bailee or other third Person, exercises reasonable care in the selection of the bailee or third Person, and Wells Fargo need not otherwise preserve, protect, insure or care for such Collateral. Wells Fargo shall not be obligated to preserve rights Company may have against prior parties, to liquidate the Collateral at all or in any particular manner or order or apply the Proceeds of the Collateral in any particular order of application. Wells Fargo has no obligation to clean-up or prepare Collateral for sale. Company waives any right it may have to require Wells Fargo to pursue any third Person for any of the Indebtedness.

2.8 Notices Regarding Disposition of Collateral. If notice to Company of any intended disposition of Collateral or any other intended action is required by applicable law in a particular situation, such notice will be deemed commercially reasonable if given in the manner specified in Section 7.4 at least ten calendar days before the date of intended disposition or other action.

### 3. **CONDITIONS PRECEDENT.**

3.1 Conditions Precedent to Initial Advance and Issuance of Initial Letter of Credit. Wells Fargo's obligation to make the initial Advance or issue the first Letter of Credit shall be subject to the condition that Wells Fargo shall have received this Agreement and each of the Loan Documents, and any document, agreement, or other item described in or related to this Agreement, and all fees and information described in Exhibit C, executed and in form and content satisfactory to Wells Fargo.

3.2 Additional Conditions Precedent to All Advances and Letters of Credit. Wells Fargo's obligation to make any Advance (including the initial Advance) or issue any Letter of Credit shall be subject to the further additional conditions: (a) that the representations and warranties described in Exhibit D are correct on the date of the Advance or the issuance of the Letter of Credit, except to the extent that such representations and warranties relate solely to an earlier date; and (b) that no event has occurred and is continuing, or would result from the requested Advance or issuance of the Letter of Credit that would result in an Event of Default.

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### 4. **REPRESENTATIONS AND WARRANTIES.**

To induce Wells Fargo to enter into this Agreement, Company makes the representations and warranties described in Exhibit D. Any request for an Advance will be deemed a representation by Company that all representations and warranties described in Exhibit D are true, correct and complete as of the time

of the request, unless they relate exclusively to an earlier date. Company shall promptly deliver a Record notifying Wells Fargo of any change in circumstance that would materially affect the accuracy of any representation or warranty, unless the representation or warranty specifically relates to an earlier date.

## 5. COVENANTS.

So long as the Indebtedness remains unpaid, or the Line of Credit has not been terminated, Company shall comply with each of the following covenants, unless Wells Fargo shall consent otherwise in an Authenticated Record delivered to Company.

5.1 Reporting Requirements. Company shall deliver to Wells Fargo the following information, compiled where applicable using GAAP consistently applied, in form and content acceptable to Wells Fargo:

(a) Annual Financial Statements. As soon as available and in any event within 90 days after Company's fiscal year end, Company's audited financial statements prepared by an independent certified public accountant acceptable to Wells Fargo, which shall include Company's balance sheet, income statement, and statement of retained earnings and cash flows, prepared on a consolidated and consolidating basis to include Company's Affiliates. The annual financial statements shall be accompanied by a certificate (the "Compliance Certificate") in the form of Exhibit E that is signed by Company's chief financial officer.

Each Compliance Certificate that accompanies an annual financial statement shall also be accompanied by (i) copies of all management letters prepared by Company's accountants; and (ii) a report signed by the accountant stating that in making the investigations necessary to render the opinion, the accountant obtained no knowledge, except as specifically stated, of any Event of Default under this Agreement, and a detailed statement, including computations, demonstrating whether or not Company is in compliance with the financial covenants of this Agreement.

(b) Monthly Financial Statements. As soon as available and in any event within 25 days after the end of each month (or 45 days after the end of the third month of each fiscal quarter of Company), a Company prepared balance sheet, income statement, and statement of retained earnings prepared for that month and for the year-to-date period then ended, prepared, if requested by Wells Fargo, on a consolidated and consolidating basis to include Company's Affiliates, and stating in comparative form the figures for the corresponding date and periods in the prior fiscal year, subject to year-end adjustments. The financial statements shall be accompanied by a Compliance Certificate in the form of Exhibit E that is signed by Company's chief financial officer.

(c) Collateral Reports. If (i) no Advances have been made (not including outstanding Letters of Credit), then no later than 15 days after each month end, or (ii) any Advance has been made (other than outstanding Letters of Credit), then weekly, detailed agings of Company's accounts receivable and accounts payable, a detailed inventory report, an inventory certification report, and a calculation of Company's Accounts, Eligible Accounts, Inventory and Eligible Inventory as of the end of that month, week, or any other shorter time period requested by Wells Fargo.

(d) Projections. No later than 15 days prior to each fiscal year end, Company's projected balance sheet, income statement and statement of cash flows for each month of the next fiscal year, certified as accurate by Company's chief financial officer and accompanied by a statement of assumptions and supporting schedules and information.

(e) Supplemental Reports. Weekly, or more frequently if Wells Fargo requests, Company's standard form of "daily collateral report", together with receivables schedules, collection reports, and copies of invoices, shipment documents and delivery receipts for goods sold to account debtors.

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(f) Litigation. (a) No later than 45 days after each fiscal quarter end, a Record notifying Wells Fargo of any litigation or other proceeding before any court or governmental agency, and (b) promptly after discovery, a Record notifying Wells Fargo of any litigation or other proceeding before any court or governmental agency which seeks a monetary recovery against Company in excess of \$250,000.

(g) Intellectual Property. (i) No later than 30 days before it acquires material Intellectual Property Rights, a Record notifying Wells Fargo of Company's intention to acquire such rights; (ii) except for transfers permitted under Section 5.18, no later than 30 days before it disposes of material Intellectual Property Rights, a Record notifying Wells Fargo of Company's intention to dispose of such rights, along with copies of all proposed documents and agreements concerning the disposal of such rights as requested by Wells Fargo; (iii) promptly upon discovery, a Record notifying Wells Fargo of (A) any Infringement of Company's Intellectual Property Rights by any Person, (B) claims that Company is Infringing another Person's Intellectual Property Rights and (C) any threatened cancellation, termination or material limitation of Company's Intellectual Property Rights; and (iv) promptly upon receipt, copies of all registrations and filings with respect to Company's Intellectual Property Rights.

(h) Defaults. No later than three days after learning of the probable occurrence of any Event of Default, a Record notifying Wells Fargo of the Event of Default and the steps being taken by Company to cure the Event of Default.

(i) Disputes. (a) No later than 45 days after each fiscal quarter end, a Record notifying Wells Fargo of (i) any disputes or claims by Company's customers, (ii) credit memos not previously reported in Section 5.1(e), and (iii) any goods returned to or recovered by Company outside of the ordinary course of business; and (b) promptly after discovery, a Record notifying Wells Fargo of any disputes or claims by Company's customers exceeding \$250,000 individually.

(j) Changes in Officers and Directors. Promptly following occurrence, a Record notifying Wells Fargo of any change in the persons constituting Company's Officers and Directors.

(k) Collateral. Promptly upon discovery, a Record notifying Wells Fargo of any loss of or material damage to any Collateral or of any substantial adverse change in any Collateral or the prospect of its payment.

(l) Commercial Tort Claims. Promptly upon discovery, a Record notifying Wells Fargo of any commercial tort claims brought by Company against any Person, including the name and address of each defendant, a summary of the facts, an estimate of Company's damages, copies of any complaint or demand letter submitted by Company, and such other information as Wells Fargo may request.

(m) Reports to Owners. Promptly upon distribution, copies of all financial statements, reports and proxy statements which Company shall have sent to its Owners.

(n) Tax Returns of Company. No later than five days after they are required to be filed, copies of Company's signed and dated state and federal income tax returns and all related schedules, and copies of any extension requests.

(o) Violations of Law. Promptly after discovery of any violation, a Record notifying Wells Fargo of Company's violation of any law, rule or regulation, the non-compliance with which could have a Material Adverse Effect on Company.

(p) Pension Plans. (i) Promptly upon discovery, and in any event within 30 days after Company knows or has reason to know that any Reportable Event with respect to any Pension Plan has occurred, a Record authenticated by Company's chief financial officer notifying Wells Fargo of the Reportable Event in detail and the actions which Company proposes to take to correct the deficiency, together with a copy of any related notice sent to the Pension Benefit Guaranty Corporation; (ii) promptly upon discovery, and in any event within 10 days after Company fails to make a required quarterly Pension Plan contribution under Section 412(m) of the IRC, a Record authenticated by the Company's chief financial officer notifying Wells Fargo of the failure in detail and

the actions that Company will take to cure the failure, together with a copy of any related notice sent to the Pension Benefit Guaranty Corporation; and (iii) promptly upon discovery, and in any event within 10 days after Company knows or has reason to know that it may be liable or may be reasonably expected to have liability for any withdrawal, partial withdrawal, reorganization or other event under any Multiemployer Plan under Sections 4201 or 4243 of ERISA, a Record authenticated by Company's chief financial officer notifying Wells Fargo of the details of the event and the actions that Company proposes to take in response.

(q) Other Reports. From time to time, with reasonable promptness, all receivables schedules, inventory reports, collection reports, deposit records, equipment schedules, invoices to account debtors, shipment documents and delivery receipts for goods sold, and such other materials, reports, records or information as Wells Fargo may request.

5.2 Financial Covenants. Company agrees to comply with the financial covenants described below, which shall be calculated using GAAP consistently applied, except as they may be otherwise modified by the following capitalized definitions:

(a) Minimum Tangible Net Worth. Company shall achieve, for each period described below, Tangible Net Worth of not less than the amount set forth for each such period:

<u>Period</u>	<u>Minimum Tangible Net Worth</u>
Company's fiscal year ending August 30, 2008	(i) \$170,000,000 plus (ii) \$14,000,000 minus dividends paid during such fiscal year
Company's first fiscal quarter ending November 29, 2008	(i) \$150,000,000 plus (ii) \$3,500,000 minus dividends paid during such fiscal quarter
Company's second fiscal quarter ending February 28, 2008	(i) \$150,000,000 plus (ii) 3,500,000 minus dividends paid during such fiscal quarter
Company's third fiscal quarter ending May 30, 2008	(i) \$140,000,000 plus (ii) \$3,500,000 minus dividends paid during such fiscal quarter
Company's fourth fiscal quarter ending August 29, 2009	(i) \$140,000,000 plus (ii) \$3,500,000 minus dividends paid during such fiscal quarter

(b) Minimum Current Ratio. Company shall achieve, for each period described below, a Current Ratio of not less than the ratio set forth for each such period:

<u>Period</u>	<u>Minimum Current Ratio</u>
Company's fiscal year ending August 30, 2008	3.00 to 1.00
Company's first fiscal quarter ending November 29, 2008	2.50 to 1.00
Company's second fiscal quarter ending February 28, 2008	2.50 to 1.00
Company's third fiscal quarter ending May 30, 2008	2.25 to 1.00
Company's fourth fiscal quarter ending August 29, 2009	2.25 to 1.00

(c) Capital Expenditures. Company shall not incur or contract to incur Capital Expenditures of more than \$7,500,000 in the aggregate during any fiscal year.

(d) New Covenants. Company and Wells Fargo shall agree on new covenant levels for this Section 5.2 prior to September 30, 2009, but if Company and Wells Fargo do not agree, Wells Fargo shall designate the required amounts in its sole discretion based on (i) Company's reasonable projections for such periods and/or (ii) Company's historical financial performance, and the failure by Company to maintain the designated amounts shall constitute an Event of Default.

### 5.3 Other Liens and Permitted Liens.

(a) Other Liens; Permitted Liens. Company shall not create, incur or suffer to exist any Lien upon any of its assets, now owned or later acquired, as security for any indebtedness, with the exception of the following (each a "Permitted Lien"; collectively, "Permitted Liens"): (i) in the case of real property, covenants, restrictions, rights, easements and minor irregularities in title which do not materially interfere with Company's business or operations as presently conducted; (ii) Liens in existence on the date of this Agreement that are described in Exhibit F and secure indebtedness for borrowed money permitted under Section 5.4; (iii) the Security Interest and Liens created by the Security Documents; and (iv) purchase money Liens relating to the acquisition of Equipment not exceeding the lesser of cost or fair market value, not exceeding \$250,000 for any one purchase or \$500,000 in the aggregate during any fiscal year, and so long as no Default Period is then in existence and none would exist immediately after such acquisition.

(b) Financing Statements. Company shall not authorize the filing of any financing statement by any Person as Secured Party with respect to any of Company's assets, other than Wells Fargo. Company shall not amend any financing statement filed by Wells Fargo as Secured Party except as permitted by law.

5.4 Indebtedness. Company shall not incur, create, assume or permit to exist any indebtedness or liability on account of deposits or letters of credit issued on Company's behalf, or advances or any indebtedness for borrowed money of any kind, whether or not evidenced by an instrument, except: (a) Indebtedness described in this Agreement; (b) indebtedness of Company described in Exhibit F; and (c) indebtedness secured by Permitted Liens.

5.5 Guaranties. Company shall not assume, guarantee, endorse or otherwise become directly or contingently liable for the obligations of any Person, except: (a) the endorsement of negotiable instruments by Company for deposit or collection or similar transactions in the ordinary course of business; and (b) guaranties, endorsements and other direct or contingent liabilities in connection with the obligations of other Persons in existence on the date of this Agreement and described in Exhibit F.

5.6 Investments and Subsidiaries. Other than as listed in Exhibit G, Company shall not make or permit to exist any loans or advances to, or make any investment or acquire any interest whatsoever in, any Person or Affiliate, including any partnership or joint venture, nor purchase or hold beneficially any stock or other securities or evidence of indebtedness of any Person or Affiliate, except:

(a) Investments in direct obligations of the United States of America or any of its political subdivisions whose obligations constitute the full faith and credit obligations of the United States of America and have a maturity of one year or less, commercial paper issued by U.S. corporations rated "A 1" or "A 2" by Standard & Poor's Ratings Services or "P 1" or "P 2" by Moody's Investors Service or certificates of deposit or bankers' acceptances having a maturity of one year or less issued by members of the Federal Reserve System having deposits in excess of \$100,000,000 (which certificates of deposit or bankers' acceptances are fully insured by the Federal Deposit Insurance Corporation);

(b) Travel advances or loans to Company's Officers and employees not exceeding at any one time an aggregate of \$50,000;

(c) Prepaid rent not exceeding one month or security deposits; and

(d) Current investments in those Subsidiaries in existence on the date of this Agreement which are identified on Exhibit D.

5.7 Dividends and Distributions. Company may declare or pay dividends on any class of its stock, or make payment on account of the purchase, redemption or retirement of any shares of its stock, or other securities or evidence of its indebtedness or make distributions regarding its stock, either directly or indirectly; provided, however, in no event shall Company pay any dividends if, on a rolling 90-day average, after the payment of dividends, the sum of (i) the Company's excess Availability, plus (ii) the Borrowing Base Reserve is less than \$10,000,000.

5.8 Treasury Stock Purchases. Company shall not make any treasury stock purchases without Wells Fargo's prior written consent.

5.9 Salaries. Company shall not pay excessive or unreasonable salaries, bonuses, commissions, consultant fees or other compensation; or increase the salary, cash bonus, commissions, consultant fees or other compensation (other than compensation in the form of Company's stock, stock units or stock options) of any Director, Officer or consultant, or any member of their families, by more than 20% in any one fiscal year, either individually or for all such Persons in the aggregate, or pay such an increase from any source other than profits earned in the year of payment.

### 5.10 Books and Records; Collateral Examination; Inspection and Appraisals.

(a) Books and Records; Inspection. Company shall keep complete and accurate books and records with respect to the Collateral and Company's business and financial condition and any other matters that Wells Fargo may request, in accordance with GAAP. Company shall permit any employee, attorney, accountant or other agent of Wells Fargo to audit, review, make extracts from and copy any of its books and records at any time during ordinary business hours, and to discuss Company's affairs with any of its Directors, Officers, employees, Owners or agents.

(b) Authorization to Company's Agents to Make Disclosures to Wells Fargo. Company authorizes all accountants and other Persons acting as its agent to disclose and deliver to Wells Fargo's employees, accountants, attorneys and other Persons acting as its agent, at Company's expense, all

financial information, books and records, work papers, management reports and other information in their possession regarding Company.

(c) Collateral Exams and Inspections. Company shall permit Wells Fargo's employees, accountants, attorneys or other Persons acting as its agent, to examine and inspect any Collateral or any other property of Company at any time during ordinary business hours. Collateral examinations may be conducted annually so long as no Event of Default has occurred and no Advances have been made (not including outstanding Letters of Credit). If an Event of Default has occurred or any Advance has been made (other than outstanding Letters of Credit), collateral examinations may be performed quarterly.

(d) Collateral Appraisals. Wells Fargo may also obtain, from time to time, but no more than one time each calendar year, at Wells Fargo's sole discretion and at Company's expense, an appraisal of Company's Inventory by an appraiser acceptable to Wells Fargo in its sole discretion; provided, however, if any Advance has been made and an Event of Default has occurred and is continuing, Wells Fargo may obtain, more frequently than one time each calendar year, at Wells Fargo's sole discretion and at Company's expense, an appraisal of Company's Inventory by an appraiser acceptable to Wells Fargo in its sole discretion.

#### 5.11 Account Verification; Payment of Permitted Liens.

(a) Account Verification. Wells Fargo or its agents may (i) contact account debtors and other obligors at any time to verify Company's Accounts and (ii) require Company to send requests for verification of Accounts or send notices of assignment of Accounts to account debtors and other obligors.

(b) Covenant to Pay Permitted Liens. Company shall pay when due each account payable due to any Person holding a Permitted Lien (as a result of such payable) on any Collateral.

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#### 5.12 Compliance with Laws.

(a) General Compliance with Applicable Law; Use of Collateral. Company shall (i) comply with the requirements of applicable laws and regulations, the non-compliance with which would have a Material Adverse Effect on its business or its financial condition and (ii) use and keep the Collateral, and require that others use and keep the Collateral, only for lawful purposes, without violation of any federal, state or local law, statute or ordinance.

(b) Compliance with Federal Regulatory Laws. Company shall (i) prohibit any Person that is an Owner or Officer from being listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, (ii) not permit the proceeds of the Line of Credit or any other financial accommodation extended by Wells Fargo to be used in any way that violates any foreign asset control regulations of OFAC or other applicable law, (iii) comply with all applicable Bank Secrecy Act laws and regulations, as amended from time to time, and (iv) otherwise comply with the USA Patriot Act and Wells Fargo's related policies and procedures.

(c) Compliance with Environmental Laws. Company shall (i) comply with the requirements of applicable Environmental Laws and obtain and comply with all permits, licenses and similar approvals required by them, and (ii) not generate, use, transport, treat, store or dispose of any Hazardous Substances in such a manner as to create any material liability or obligation under the common law of any jurisdiction or any Environmental Law.

5.13 Payment of Taxes and Other Claims. Company shall pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it (including the Collateral) or upon or against the creation, perfection or continuance of the Security Interest, prior to the date on which penalties attach, (b) all federal, state and local taxes required to be withheld by it, and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon any properties of Company, although Company shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which proper reserves have been made.

#### 5.14 Maintenance of Collateral and Properties.

(a) Company shall keep and maintain the Collateral and all of its other properties necessary or useful in its business in good condition, repair and working order (normal wear and tear excepted) and will from time to time replace or repair any worn, defective or broken parts, although Company may discontinue the operation and maintenance of any properties if Company believes that such discontinuance is desirable to the conduct of its business and not disadvantageous in any material respect to Wells Fargo. Company shall take all commercially reasonable steps necessary to protect and maintain its Intellectual Property Rights.

(b) Company shall defend the Collateral against all Liens, claims and demands of all third Persons claiming any interest in the Collateral. Company shall keep all Collateral free and clear of all Liens except Permitted Liens. Company shall take all commercially reasonable steps necessary to prosecute any Person Infringing its Intellectual Property Rights and to defend itself against any Person accusing it of Infringing any Person's Intellectual Property Rights.

5.15 Insurance. Company shall at all times maintain insurance with insurers acceptable to Wells Fargo, in such amounts, on such terms (including any deductibles) and against such risks as Wells Fargo may require, in such amounts and against such risks as is usually carried by companies engaged in similar business and owning similar properties in the same geographical areas in which Company operates. Company shall also, at all times and without limitation keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft, collision (for Collateral consisting of motor vehicles) and such other risks and in such amounts as Wells Fargo may reasonably request, with any loss payable to Wells Fargo to the extent of its interest, and all such policies of insurance shall contain a lender's loss payable endorsement for the benefit of Wells Fargo. All policies of liability insurance shall name Wells Fargo as an additional insured.

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5.16 Preservation of Existence. Company shall preserve and maintain its existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business and shall conduct its business in an orderly, efficient and regular manner.

5.17 Delivery of Instruments, etc. Upon request by Wells Fargo, Company shall promptly deliver to Wells Fargo in pledge all instruments, documents and chattel paper constituting Collateral, endorsed or assigned by Company.

5.18 Sale or Transfer of Assets; Suspension of Business Operations. Company shall not sell, lease, assign, transfer or otherwise dispose of (a) the stock of any Subsidiary, (b) all or a substantial part of its assets, or (c) any Collateral or any interest in Collateral (whether in one transaction or in a series of transactions) to any other Person other than the sale of Inventory in the ordinary course of business and shall not liquidate, dissolve or suspend business operations. Company shall not transfer any part of its ownership interest in any Intellectual Property Rights and shall not permit its rights as licensee of Licensed Intellectual Property to lapse, except that Company may transfer such rights or permit them to lapse if it has reasonably determined that such Intellectual Property Rights are no longer useful in its business. If Company transfers any Intellectual Property Rights for value, Company shall pay the Proceeds to Wells Fargo for application to the Indebtedness. Company shall not license any other Person to use any of Company's Intellectual Property Rights, except that Company may grant licenses in the ordinary course of its business in connection with sales of Inventory or the provision of services to its customers.

5.19 Consolidation and Merger; Asset Acquisitions. Company shall not, without the prior written consent of Wells Fargo, consolidate with or merge into any other entity, or permit any other entity to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other entity.

5.20 Sale and Leaseback. Company shall not, without the prior written consent of Wells Fargo, enter into any arrangement, directly or indirectly, with any other Person pursuant to which Company shall sell or transfer any real or personal property, whether owned now or acquired in the future, and then rent or lease all or part of such property or any other property which Company intends to use for substantially the same purpose or purposes as the property being sold or transferred.

5.21 Restrictions on Nature of Business. Company shall not, without the prior written consent of Wells Fargo, engage in any line of business materially different from that presently engaged in by Company, and shall not purchase, lease or otherwise acquire assets not related to its business.

5.22 Accounting. Company shall not adopt any material change in accounting principles except as required by GAAP, consistently applied. Company shall not change its fiscal year.

5.23 Discounts, Etc. After notice from Wells Fargo, Company shall not grant any discount, credit or allowance to any customer of Company or accept any return of goods sold. Company shall not at any time modify, amend, subordinate, cancel or terminate any Account.

5.24 Pension Plans. Except as disclosed to Wells Fargo in a Record prior to the date of this Agreement, neither Company nor any ERISA Affiliate shall (a) adopt, create, assume or become party to any Pension Plan, (b) become obligated to contribute to any Multiemployer Plan, (c) incur any obligation to provide post-retirement medical or insurance benefits with respect to employees or former employees (other than benefits required by law) or (d) amend any Plan in a manner that would materially increase its funding obligations.

5.25 Place of Business; Name. Company shall not, without the prior written consent of Wells Fargo, transfer its chief executive office or principal place of business, or move, relocate, close or sell any business Premises. Company shall not permit any tangible Collateral or any records relating to the Collateral to be located in any state or area in which, in the event of such location, a financing statement covering such Collateral would be required to be, but has not in fact been, filed in order to perfect the Security Interest. Company shall not change its name or jurisdiction of organization.

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5.26 Constituent Documents; S Corporation Status. Company shall not amend its Constituent Documents without the prior written consent of Wells Fargo.

5.27 Performance by Wells Fargo. If Company fails to perform or observe any of its obligations under this Agreement at any time, Wells Fargo may, but need not, perform or observe them on behalf of Company and may, but need not, take any other actions which Wells Fargo may reasonably deem necessary to cure or correct this failure; and Company shall pay Wells Fargo upon demand the amount of all costs and expenses (including reasonable attorneys' fees and legal expense) incurred by Wells Fargo in performing these obligations, together with interest on these amounts at the Default Rate.

5.28 Wells Fargo Appointed as Company's Attorney in Fact. To facilitate Wells Fargo's performance or observance of Company's obligations under this Agreement, Company hereby irrevocably appoints Wells Fargo and Wells Fargo's agents as Company's attorney in fact (which appointment is coupled with an interest) with the right (but not the duty) to create, prepare, complete, execute, deliver, endorse or file on behalf of Company any instruments, documents, assignments, security agreements, financing statements, applications for insurance and any other agreements or any Record required to be obtained, executed, delivered or endorsed by Company in accordance with the terms of this Agreement.

## 6. EVENTS OF DEFAULT AND REMEDIES.

6.1 Events of Default. An "Event of Default" means any of the following:

(a) Company fails to pay the amount of any Indebtedness on the date that it becomes due and payable;

(b) Company fails to observe or perform any covenant or agreement of Company set forth in this Agreement, or in any of the Loan Documents, or in any other document or agreement described in or related to this Agreement or to any Indebtedness, or any covenant in Section 5.2 becomes inapplicable due to the lapse of time, and Company and Wells Fargo fail to come to an agreement acceptable to Wells Fargo in Wells Fargo's sole discretion to amend the covenant to apply to future periods;

(c) An Overadvance arises as the result of any reduction in the Borrowing Base, or arises in any manner or on terms not otherwise approved of in advance by Wells Fargo in a Record that it has Authenticated;



(d) An event of default or termination event (however defined) occurs under any swap, derivative, foreign exchange, hedge or other similar transaction or arrangement entered into between Company and Wells Fargo;

(e) Company or any Guarantor becomes insolvent or admits in a Record an inability to pay debts as they mature, or Company or any Guarantor makes an assignment for the benefit of creditors; or Company or any Guarantor applies for or consents to the appointment of any receiver, trustee, or similar officer for the benefit of Company or such Guarantor, or for any of their properties; or any receiver, trustee or similar officer is appointed without the application or consent of Company or any Guarantor; or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against a substantial part of the property of Company or any Guarantor;

(f) Company or any Guarantor files a petition under any chapter of the United States Bankruptcy Code or under the laws of any other jurisdiction naming Company or such Guarantor as debtor; or any such petition is instituted against Company or any Guarantor; or Company or any Guarantor institutes (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, debt arrangement, dissolution, liquidation or similar proceeding under the laws of any jurisdiction; or any such proceeding is instituted (by petition, application or otherwise) against Company or any Guarantor;

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(g) Any representation or warranty made by Company in this Agreement or by any Guarantor in any Guaranty, or by Company (or any of its Officers) or any Guarantor in any agreement, certificate, instrument or financial statement or other statement delivered to Wells Fargo in connection with this Agreement or pursuant to such Guaranty is untrue or misleading in any material respect when delivered to Wells Fargo;

(h) A final, non-appealable arbitration award, judgment, or decree or order for the payment of money in an amount in excess of \$250,000 which is not insured or subject to indemnity, is entered against Company which is not immediately stayed or appealed or paid within 30 days;

(i) Company is in default with respect to any bond, debenture, note or other evidence of material indebtedness issued by Company that is held by any third Person other than Wells Fargo, or under any instrument under which any such evidence of indebtedness has been issued or by which it is governed, or under any material lease or other contract, and the applicable grace period, if any, has expired, regardless of whether such default has been waived by the holder of such indebtedness;

(j) Company liquidates, dissolves, terminates or suspends its business operations or otherwise fails to operate its business in the ordinary course, or merges with another Person; or sells or attempts to sell all or substantially all of its assets;

(k) Company fails to pay any indebtedness or obligation owed to Wells Fargo which is unrelated to the Line of Credit or this Agreement as it becomes due and payable;

(l) Any Guarantor repudiates or purports to revoke the Guarantor's Guaranty, or fails to perform any obligation under such Guaranty, or any individual Guarantor dies or becomes incapacitated, or any other Guarantor ceases to exist for any reason;

(m) Company engages in any act prohibited by any Subordination Agreement, or makes any payment on Subordinated Indebtedness (as defined in the Subordination Agreement) that the Subordinated Creditor was not contractually entitled to receive;

(n) Any event or circumstance occurs that Wells Fargo in good faith believes may impair the prospect of payment of all or part of the Indebtedness, or Company's ability to perform any of its material obligations under any of the Loan Documents, or any other document or agreement described in or related to this Agreement, there occurs any material adverse change in the business or financial condition of Company;

(o) Any Director, Officer, Guarantor, or Owner (who is also an individual) of at least 20% of the issued and outstanding common stock of Company is indicted for a felony offence under state or federal law, or Company hires an Officer or appoints a Director who has been convicted of any such felony offense, or a Person becomes an Owner of at least 20% of the issued and outstanding common stock of Company who has been convicted of any such felony offense;

(p) Any Reportable Event, which Wells Fargo in good faith believes to constitute sufficient grounds for termination of any Pension Plan or for the appointment of a trustee to administer any Pension Plan, has occurred and is continuing 30 days after Company gives Wells Fargo a Record notifying it of the Reportable Event; or a trustee is appointed by an appropriate court to administer any Pension Plan; or the Pension Benefit Guaranty Corporation institutes proceedings to terminate or appoint a trustee to administer any Pension Plan; or Company or any ERISA Affiliate files for a distress termination of any Pension Plan under Title IV of ERISA; or Company or any ERISA Affiliate fails to make any quarterly Pension Plan contribution required under Section 412(m) of the IRC, which Wells Fargo in good faith believes may, either by itself or in combination with other failures, result in the imposition of a Lien on Company's assets in favor of the Pension Plan; or any withdrawal, partial withdrawal, reorganization or other event occurs with respect to a Multiemployer Plan which could reasonably be expected to result in a material liability by Company to the Multiemployer Plan under Title IV of ERISA.

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6.2 Rights and Remedies. During any Default Period, Wells Fargo may in its discretion exercise any or all of the following rights and remedies:

(a) Wells Fargo may terminate the Line of Credit and decline to make Advances and terminate any services extended to Company under the Master Agreement for Treasury Management Services;

(b) Wells Fargo may declare the Indebtedness to be immediately due and payable and accelerate payment of the Revolving Note, and all Indebtedness shall immediately become due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which Company hereby expressly waives;

(c) Wells Fargo may, without notice to Company, apply any money owing by Wells Fargo to Company to payment of the Indebtedness;

(d) Wells Fargo may exercise and enforce any rights and remedies available upon default to a secured party under the UCC, including the right to take possession of Collateral, proceeding with or without judicial process (without a prior hearing or notice of hearing, which Company hereby expressly waives) and sell, lease or otherwise dispose of Collateral for cash or on credit (with or without giving warranties as to condition, fitness, merchantability or title to Collateral, and in the event of a credit sale, Indebtedness shall be reduced only to the extent that payments are actually received), and Company will upon Wells Fargo's demand assemble the Collateral and make it available to Wells Fargo at any place designated by Wells Fargo which is reasonably convenient to both parties;

(e) Wells Fargo may exercise and enforce its rights and remedies under any of the Loan Documents and any other document or agreement described in or related to this Agreement;

(f) Company will pay Wells Fargo upon demand in immediately available funds an amount equal to the Aggregate Face Amount plus any anticipated costs and fees for deposit to the Special Account pursuant to Section 1.10;

(g) Wells Fargo may for any reason apply for the appointment of a receiver of the Collateral, to which appointment Company hereby consents; and

(h) Wells Fargo may exercise any other rights and remedies available to it by law or agreement.

6.3 Immediate Default and Acceleration. Following the occurrence of an Event of Default described in Section 6.1(e) or (f), the Line of Credit shall immediately terminate and all of Company's Indebtedness shall immediately become due and payable without presentment, demand, protest or notice of any kind.

## 7. MISCELLANEOUS.

7.1 No Waiver; Cumulative Remedies. No delay or any single or partial exercise by Wells Fargo of any right, power or remedy under the Loan Documents, or under any other document or agreement described in or related to this Agreement, shall constitute a waiver of any other right, power or remedy under the Loan Documents or granted by Company to Wells Fargo under other agreements or documents that are unrelated to the Loan Documents.. No notice to or demand on Company in any circumstance shall entitle Company to any additional notice or demand in any other circumstances. The remedies provided in the Loan Documents or in any other document or agreement described in or related to this Agreement are cumulative and not exclusive of any remedies provided by law. Wells Fargo may comply with applicable law in connection with a disposition of Collateral, and such compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

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7.2 Amendments; Consents and Waivers; Authentication. No amendment or modification of any Loan Documents, or any other document or agreement described in or related to this Agreement, or consent to or waiver of any Event of Default, or consent to or waiver of the application of any covenant or representation set forth in any of the Loan Documents, or any other document or agreement described in or related to this Agreement; or any release of Wells Fargo's Security Interest in any Collateral, shall be effective unless it has been agreed to by Wells Fargo and memorialized in a Record that: (a) specifically states that it is intended to amend or modify specific Loan Documents, or any other document or agreement described in or related to this Agreement, or waive any Event of Default or the application of any covenant or representation of any terms of specific Loan Documents, or any other document or agreement described in or related to this Agreement, or is intended to release Wells Fargo's Security Interest in specific Collateral; and (b) is Authenticated by the signature of an authorized employee of both parties, or by an authorized employee of Wells Fargo with respect to a consent or waiver. The terms of an amendment, consent or waiver memorialized in any Record shall be effective only to the extent, and in the specific instance, and for the limited purpose to which Wells Fargo has agreed.

7.3 Execution in Counterparts; Delivery of Counterparts. This Agreement and all other Loan Documents, or any other document or agreement described in or related to this Agreement, and any amendment or modification to them may be Authenticated by the parties in any number of counterparts, each of which, once authenticated and delivered in accordance with the terms of this Section 7.3, will be deemed an original, and all such counterparts, taken together, shall constitute one and the same instrument. Delivery by fax or by encrypted e-mail or e-mail file attachment of any counterpart to any Loan Document Authenticated by an authorized signature will be deemed the equivalent of the delivery of the original Authenticated instrument. Company shall send the original Authenticated counterpart to Wells Fargo by first class U.S. mail or by overnight courier, but Company's failure to deliver a Record in this form shall not affect the validity, enforceability, and binding effect of this Agreement or the other Loan Documents, or any other document or agreement described in or related to this Agreement.

7.4 Notices, Requests, and Communications; Confidentiality. Except as otherwise expressly provided in this Agreement:

(a) Delivery of Notices, Requests and Communications. Any notice, request, demand, or other communication by either party that is required under the Loan Documents, or any other document or agreement described in or related to this Agreement, to be in the form of a Record (but excluding any Record containing information Company must report to Wells Fargo under Section 5.1) may be delivered (i) in person, (ii) by first class U.S. mail, (iii) by overnight courier of national reputation, or (iv) by fax, or the Record may be sent as an Electronic Record and delivered (v) by an encrypted e-mail, or (vi) through Wells Fargo's Commercial Electronic Office<sup>®</sup> ("CEO<sup>®</sup>") portal or other secure electronic channel to which the parties have agreed.

(b) Addresses for Delivery. Delivery of any Record under this Section 7.4 shall be made to the appropriate address set forth on the last page of this Agreement (which either party may modify by a Record sent to the other party), or through Wells Fargo's CEO portal or other secure electronic channel to which the parties have agreed.

(c) Date of Receipt. Each Record sent pursuant to the terms of this Section 7.4 will be deemed to have been received on (i) the date of delivery if delivered in person, (ii) the date deposited in the mail if sent by mail, (iii) the date delivered to the courier if sent by overnight courier, (iv) the date of transmission if sent by fax, or (v) the date of transmission, if sent as an Electronic Record by electronic mail or through Wells Fargo's CEO portal or similar secure electronic channel to which the parties have agreed; except that any request for an Advance or any other notice, request, demand or other communication from Company required under Section 1, and any request for an accounting under Section 9-210 of the UCC, will not be deemed to have been received until actual receipt by Wells Fargo on a Business Day by an authorized employee of Wells Fargo.

(d) Confidentiality of Unencrypted E-mail. Company acknowledges that if it sends an Electronic Record to Wells Fargo without encryption by e-mail or as an e-mail file attachment, there is a risk that the Electronic Record may be received by unauthorized Persons, and that by so doing it will be deemed to have accepted this risk and the consequences of any such unauthorized disclosure.

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7.5 Company Information Reporting; Confidentiality. Except as otherwise expressly provided in this Agreement:

(a) Delivery of Company Information Records. Any information that Company is required to deliver under Section 5.1 in the form of a Record may be delivered to Wells Fargo (i) in person, or by (ii) first class U.S. mail, (iii) overnight courier of national reputation, or (iv) fax, or the Record may be sent as an Electronic Record (v) by encrypted e-mail, or (vi) through the file upload service of Wells Fargo's CEO portal or other secure electronic channel to which the parties have agreed.

(b) Addresses for Delivery. Delivery of any Record to Wells Fargo under this Section 7.5 shall be made to the appropriate address set forth on the last page of this Agreement (which Wells Fargo may modify by a Record sent to Company), or through Wells Fargo's CEO portal or other secure electronic channel to which the parties have agreed.

(c) Date of Receipt. Each Record sent pursuant to this Section will be deemed to have been received on (i) the date of delivery to an authorized employee of Wells Fargo, if delivered in person, or by U.S. mail, overnight courier, fax, or e-mail; or (ii) the date of transmission, if sent as an Electronic Record through Wells Fargo's CEO portal or similar secure electronic channel to which the parties have agreed.

(d) Authentication of Company Information Records. Company shall Authenticate any Record delivered (i) in person, or by U.S. mail, overnight courier, or fax, by the signature of the Officer or employee of Company who prepared the Record; (ii) as an Electronic Record sent via encrypted e-mail, by the signature of the Officer or employee of Company who prepared the Record by any file format signature that is acceptable to Wells Fargo, or by a separate certification signed and sent by fax; or (iii) as an Electronic Record via the file upload service of Wells Fargo's CEO portal or similar secure electronic channel to which the parties have agreed, through such credentialing process as Wells Fargo and Company may agree to under the CEO agreement.

(e) Certification of Company Information Records. Any Record (including any Electronic Record) Authenticated and delivered to Wells Fargo under this Section 7.5 will be deemed to have been certified as materially true, correct, and complete by Company and each Officer or employee of Company who prepared and Authenticated the Record on behalf of Company, and may be legally relied upon by Wells Fargo without regard to method of delivery or transmission.

(f) Confidentiality of Company Information Records Sent by Unencrypted E-mail. Company acknowledges that if it sends an Electronic Record to Wells Fargo without encryption by e-mail or as an e-mail file attachment, there is a risk that the Electronic Record may be received by unauthorized Persons, and that by so doing it will be deemed to have accepted this risk and the consequences of any such unauthorized disclosure. Company acknowledges that it may deliver Electronic Records containing Company information to Wells Fargo by e-mail pursuant to any encryption tool acceptable to Wells Fargo and Company, or through Wells Fargo's CEO portal file upload service without risk of unauthorized disclosure.

7.6 Further Documents. Company will from time to time execute, deliver, endorse and authorize the filing of any instruments, documents, conveyances, assignments, security agreements, financing statements, control agreements and other agreements that Wells Fargo may reasonably request in order to secure, protect, perfect or enforce the Security Interest or Wells Fargo's rights under the Loan Documents, or any other document or agreement described in or related to this Agreement (but any failure to request or assure that Company executes, delivers, endorses or authorizes the filing of any such item shall not affect or impair the validity, sufficiency or enforceability of the Loan Documents, or any other document or agreement described in or related to this Agreement, and the Security Interest, regardless of whether any such item was or was not executed, delivered or endorsed in a similar context or on a prior occasion).

7.7 Costs and Expenses. Company shall pay on demand all costs and expenses, including reasonable attorneys' fees, incurred by Wells Fargo in connection with the Indebtedness, this Agreement, the Loan Documents, or any other document or agreement described in or related to this Agreement, and the transactions contemplated by this Agreement, including all such costs, expenses and fees incurred in connection with the negotiation, preparation, execution, amendment, administration, performance, collection and enforcement of the Indebtedness and all such documents and agreements and the creation, perfection, protection, satisfaction, foreclosure or enforcement of the Security Interest.

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7.8 Indemnity. In addition to its obligation to pay Wells Fargo's expenses under the terms of this Agreement, Company shall indemnify, defend and hold harmless Wells Fargo, its parent Wells Fargo & Company, and any of its affiliates and successors, and all of their present and future Officers, Directors, employees, attorneys and agents (the "Indemnitees") from and against any of the following (collectively, "Indemnified Liabilities"):

(a) Any and all transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of the Loan Documents or any other document or agreement described in or related to this Agreement, or the making of the Advances;

(b) Any claims, loss or damage to which any Indemnitee may be subjected if any representation or warranty contained in Exhibit D proves to be incorrect in any respect or as a result of any violation of the covenants contained in Section 5.12; and

(c) Any and all other liabilities, losses, damages, penalties, judgments, suits, claims, costs and expenses of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel) in connection with this Agreement and any other investigative, administrative or judicial proceedings, whether or not such Indemnitee shall be designated a party to such proceedings, which may be imposed on, incurred by or asserted against any such Indemnitee, in any manner related to or arising out of or in connection with the making of the Advances and the Loan Documents, or any other document or agreement described in or related to this Agreement, or the use or intended use of the proceeds of the Advances, with the exception of any Indemnified Liability caused by the gross negligence or willful misconduct of an Indemnitee.

If any investigative, judicial or administrative proceeding described in this Section is brought against any Indemnitee, upon the Indemnitee's request, Company, or counsel designated by Company and satisfactory to the Indemnitee, will resist and defend the action, suit or proceeding to the extent and in the manner directed by the Indemnitee, at Company's sole cost and expense. Each Indemnitee will use its best efforts to cooperate in the defense of any such action, suit or proceeding. If this agreement to indemnify is held to be unenforceable because it violates any law or public policy, Company shall nevertheless make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities to the extent permissible under applicable law. Company's obligations under this Section shall survive the termination of this Agreement and the discharge of Company's other obligations under this Agreement.

7.9 Retention of Company's Records. Wells Fargo shall have no obligation to maintain Electronic Records or retain any documents, schedules, invoices, agings, or other Records delivered to Wells Fargo by Company in connection with the Loan Documents or any other document or agreement described in or related to this Agreement for more than 30 days after receipt by Wells Fargo. If there is a special need to retain specific Records, Company must notify Wells Fargo of its need to retain or return such Records with particularity, which notice must be delivered to Wells Fargo in accordance with the terms of this Agreement at the time of the initial delivery of the Record to Wells Fargo.

7.10 Binding Effect; Assignment; Complete Agreement. The Loan Documents and any other document or agreement described in or related to this Agreement, shall be binding upon and inure to the benefit of Company and Wells Fargo and their respective successors and assigns, except that Company shall not have the right to assign its rights under this Agreement or any interest in this Agreement without Wells Fargo's prior consent, which must be confirmed in a Record Authenticated by Wells Fargo. To the extent permitted by law, Company waives and will not assert against any assignee any claims, defenses or set-offs which Company could assert against Wells Fargo. This Agreement shall also bind all Persons who become a party to this Agreement as a borrower. This Agreement, together with the Loan Documents and any other document or agreement described in or related to this Agreement, comprises the complete and integrated agreement of the parties on the subject matter of this Agreement and supersedes all prior agreements, whether oral or evidenced in a Record. To the extent that any provision of this Agreement contradicts other provisions of the Loan Documents other than this Agreement or any other document or agreement described in or related to this Agreement, this Agreement shall control.

7.11 Sharing of Information. Wells Fargo may share any information that it may have regarding Company and its Affiliates with its accountants, lawyers, and other advisors, and Wells Fargo and each direct and indirect subsidiary of Wells Fargo & Company may also share any information that they have with each other, and Company waives any right of confidentiality it may have with respect to the sharing of all such information.

7.12 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining terms of this Agreement.

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

7.14 Governing Law; Jurisdiction; Venue; Waiver of Jury Trial. The Loan Documents (other than real estate related documents, if any) shall be governed by and construed in accordance with the substantive laws (other than conflict laws) of the State of Minnesota. The parties to this Agreement (a) consent to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Agreement; (b) waive any argument that venue in any such forum is not convenient; (c) agree that any litigation initiated by Wells Fargo or Company in connection with this Agreement or the other Loan Documents may be venued in either the state or federal courts located in the City of Minneapolis, County of Hennepin, State of Minnesota; and (d) agree that a final judgment in any such suit, 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.

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**COMPANY AND WELLS FARGO WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION AT LAW OR IN EQUITY OR IN ANY OTHER PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT.**

**WINNEBAGO INDUSTRIES, INC.**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name: Sarah N. Nielsen  
Its: CFO

By: \_\_\_\_\_  
Name: Tom Hedberg  
Its: Vice President

605 West Crystal Lake Road  
P.O. Box 152  
Forest City, IA 50436  
Fax: (641) 585-6966  
Attn: Don Heidemann  
e-mail: dheidemann@winnebagoind.com  
Federal Employer ID No. 42-0802678  
Organization No. 44181

By: \_\_\_\_\_  
Name: Sarah N. Nielsen  
Its: CFO

Wells Fargo Business Credit

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

MAC N9312-040  
90 South Seventh Street  
Minneapolis, MN 55479  
Fax: (612)341-2472  
Attn: Tom Hedberg  
e-mail: thomas.g.hedberg@wellsfargo.com

By: \_\_\_\_\_  
Name: Tom Hedberg  
Its: Vice President

**REVOLVING NOTE**

\$25,000,000

September \_\_\_\_, 2008

FOR VALUE RECEIVED, the undersigned, WINNEBAGO INDUSTRIES, INC., an Iowa corporation (the "Company"), hereby promises to pay to the order of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Wells Fargo"), acting through its WELLS FARGO BUSINESS CREDIT operating division, on the Termination Date described in the Credit and Security Agreement dated September \_\_\_\_, 2008 (as amended from time to time, the "Agreement") and entered into between Wells Fargo and Company, at Wells Fargo's office at Minneapolis, Minnesota, or at any other place designated at any time by the holder, in lawful money of the United States of America and in immediately available funds, the principal sum of Twenty-Five Million Dollars (\$25,000,000) or the aggregate unpaid principal amount of all Advances made by Wells Fargo to Company under the terms of the Agreement, together with interest on the principal amount computed on the basis of actual days elapsed in a 360-day year, from the date of this Revolving Note until this Revolving Note is fully paid at the rate from time to time in effect under the terms of the Agreement. Principal and interest accruing on the unpaid principal amount of this Revolving Note shall be due and payable as provided in the Agreement. This Revolving Note may be prepaid only in accordance with the Agreement.

This Revolving Note is the Revolving Note referred to in the Agreement, and is subject to the terms of the Agreement, which provides, among other things, for the acceleration of this Revolving Note. This Revolving Note is secured, among other things, by the Agreement and the Security Documents as defined in the Agreement, and by any other security agreements, mortgages, deeds of trust, assignments or other instruments or agreements that may subsequently be given for good and valuable consideration as security for this Revolving Note.

Company shall pay all costs of collection, including reasonable attorneys' fees and legal expenses if this Revolving Note is not paid when due, whether or not legal proceedings are commenced.

Presentment or other demand for payment, notice of dishonor and protest are expressly waived.

WINNEBAGO INDUSTRIES, INC.

By: \_\_\_\_\_  
Name: Sarah N. Nielsen  
Its: CFO

**Exhibit A to Credit and Security Agreement**

**DEFINITIONS**

"Account Funds" is defined in Section 1.4(a).

“Accounts” shall have the meaning given it under the UCC.

“Advance” and “Advances” means an advance or advances under the Line of Credit.

“Affiliate” or “Affiliates” means any Person controlled by, controlling or under common control with Company, including any Subsidiary of Company. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Aggregate Face Amount” means the aggregate amount that may then be drawn under each outstanding Letter of Credit, assuming compliance with all conditions for drawing.

“Agreement” means this Credit and Security Agreement.

“Authenticated” means (a) to have signed; or (b) to have executed or to have otherwise adopted a symbol, or have encrypted or similarly processed a Record in whole or in part, with the present intent of the authenticating Person to identify the Person and adopt or accept a Record.

“Availability” means the amount, if any, by which the Borrowing Base exceeds the sum of (i) the outstanding principal balance of the Revolving Note and (ii) the L/C Amount.

“Borrowing Base” is defined in Section 1.2(a).

“Borrowing Base Reserve” means, as of any date of determination, an amount or a percent of a specified category or item that Wells Fargo establishes in its sole discretion from time to time to reduce availability under the Borrowing Base (a) to reflect events, conditions, contingencies or risks which affect the assets, business or prospects of Company, or the Collateral or its value, or the enforceability, perfection or priority of Wells Fargo’s Security Interest in the Collateral, as the term “Collateral” is defined in this Agreement, or (b) to reflect Wells Fargo’s judgment that any collateral report or financial information relating to Company and furnished to Wells Fargo may be incomplete, inaccurate or misleading in any material respect.

“Business Day” means a day on which the Federal Reserve Bank of New York is open for business and, if such day relates to a LIBOR Advance, a day on which dealings are carried on in the London interbank eurodollar market.

“Capital Expenditures” means for a period, any expenditure of money during such period for the purchase or construction of assets, or for improvements or additions to such assets, which are capitalized on Company’s balance sheet.

“CEO” is defined in Section 7.4(a).

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“Collateral” means all of Company’s Accounts, chattel paper and electronic chattel paper, deposit accounts, documents, Equipment, General Intangibles, goods, instruments, Inventory, Investment Property, letter-of-credit rights, letters of credit, all sums on deposit in any Collection Account, and any items in any Lockbox; together with (a) all substitutions and replacements for and products of such property; (b) in the case of all goods, all accessions; (c) all accessories, attachments, parts, Equipment and repairs now or subsequently attached or affixed to or used in connection with any goods; (d) all warehouse receipts, bills of lading and other documents of title that cover such goods now or in the future; (e) all collateral subject to the Lien of any of the Security Documents; (f) any money, or other assets of Company that come into the possession, custody, or control of Wells Fargo now or in the future; (g) Proceeds of any of the above Collateral; (h) books and records of Company, including all mail or e-mail addressed to Company; and (i) all of the above Collateral, whether now owned or existing or acquired now or in the future or in which Company has rights now or in the future.

“Collection Account” means “Collection Account” as defined in the Master Agreement for Treasury Management Services and related Lockbox and Collection Account Service Description or Collection Account Service Description, whichever is applicable.

“Compliance Certificate” is defined in Section 5.1(a) and is in the form of Exhibit E.

“Commercial Letter of Credit Agreement” means an agreement governing the issuance of documentary letters of credit entered into between Company as applicant and Wells Fargo as issuer.

“Constituent Documents” means with respect to any Person, as applicable, that Person’s certificate of incorporation, articles of incorporation, by-laws, certificate of formation, articles of organization, limited liability company agreement, management agreement, operating agreement, shareholder agreement, partnership agreement or similar document or agreement governing such Person’s existence, organization or management or concerning disposition of ownership interests of such Person or voting rights among such Person’s owners.

“Copyright Security Agreement” means each Copyright Security Agreement entered into between Company and Wells Fargo.

“Current Ratio” means total current assets divided by total current liabilities.

“Default Period” is defined in Section 1.5(b).

“Default Rate” is defined in Section 1.5(b).

“Director” means a director if Company is a corporation, or a governor or manager if Company is a limited liability company.

“Electronic Record” means a Record that is created, generated, sent, communicated, received, or stored by electronic means, but does not include any Record that is sent, communicated, or received by fax.

“Eligible Accounts” means all unpaid Accounts of Company arising from motor home sales and leases and parts and service, net of any credits, but excluding any Accounts having any of the following characteristics:

(a) That portion of motor home Accounts receivable unpaid 30 days or more after the invoice date, and that portion of parts and service Accounts receivable unpaid 90 days or more after the invoice date;

(b) That portion of Accounts related to goods or services with respect to which Company has received notice of a claim or dispute, which are subject to a claim of offset or a contra account, or which reflect a reasonable reserve for warranty claims or returns;

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(c) That portion of Accounts not yet earned by the final delivery of goods or that portion of Accounts not yet earned by the final rendition of services by Company to the account debtor, including with respect to both goods and services, progress billings, and that portion of Accounts for which an invoice has not been sent to the applicable account debtor;

(d) Accounts constituting (i) Proceeds of copyrightable material unless such copyrightable material shall have been registered with the United States Copyright Office, or (ii) Proceeds of patentable inventions unless such patentable inventions have been registered with the United States Patent and Trademark Office;

(e) Accounts owed by any unit of government, whether foreign or domestic (except that there shall be included in Eligible Accounts that portion of Accounts owed by such units of government for which Company has provided evidence satisfactory to Wells Fargo that (i) Wells Fargo's Security Interest constitutes a perfected first priority Lien in such Accounts, and (ii) such Accounts may be enforced by Wells Fargo directly against such unit of government under all applicable laws);

(f) Accounts denominated in any currency other than United States Dollars;

(g) Accounts owed by an account debtor located outside the United States or Canada which are not (i) backed by a bank letter of credit naming Wells Fargo as beneficiary or assigned to Wells Fargo, in Wells Fargo's possession or control, and with respect to which a control agreement concerning the letter-of-credit rights is in effect, and acceptable to Wells Fargo in all respects, in its sole discretion, or (ii) covered by a foreign receivables insurance policy acceptable to Wells Fargo in its sole discretion;

(h) Accounts owed by an account debtor who is insolvent or is the subject of bankruptcy proceedings or who has gone out of business;

(i) Accounts owed by an Owner, Subsidiary, Affiliate, Officer or employee of Company;

(j) Accounts not subject to the Security Interest or which are subject to any Lien in favor of any Person other than Wells Fargo;

(k) That portion of Accounts that has been restructured, extended, amended or modified;

(l) That portion of Accounts that constitutes advertising, finance charges, service charges or sales or excise taxes;

(m) Accounts owed by an account debtor, regardless of whether otherwise eligible, to the extent that the aggregate balance of such Accounts exceeds 15% of the aggregate amount of all Accounts;

(n) Accounts owed by an account debtor, regardless of whether otherwise eligible, if 10% or more of the total amount of Accounts due from such debtor is ineligible under clauses (a), (b), or (k) above; and

(o) Accounts, or portions of Accounts, otherwise deemed ineligible by Wells Fargo in its sole discretion.

"Eligible Inventory" means either (i) if Wells Fargo in its sole discretion has accepted an inventory appraisal, then up to 90% of the Net Orderly Liquidation Value of all Inventory of Company consisting of raw materials, chassis, and finished goods, valued at the lower of cost or market in accordance with GAAP or (ii) if Wells Fargo has not accepted an inventory appraisal, then all Inventory of Company consisting of raw materials, chassis, and finished goods, valued at the lower of cost or market in accordance with GAAP; but in either case excluding Inventory having any of the following characteristics:

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(a) Inventory that is: in-transit; located at any warehouse, job site or other premises not approved by Wells Fargo in an Authenticated Record delivered to Company; not subject to a perfected first priority Lien in Wells Fargo's favor; subject to any Lien or encumbrance that is subordinate to Wells Fargo's first priority Lien; covered by any negotiable or non-negotiable warehouse receipt, bill of lading or other document of title; on consignment from any consignor; or on consignment to any consignee or subject to any bailment unless the consignee or bailee has executed an agreement with Wells Fargo;

(b) Supplies, packaging, parts or sample Inventory, or customer supplied parts or Inventory;

(c) Work-in-process Inventory;

(d) Inventory that is damaged, defective, obsolete, slow moving or not currently saleable in the normal course of Company's operations, or the amount of such Inventory that has been reduced by shrinkage;

(e) Inventory that Company has returned, has attempted to return, is in the process of returning or intends to return to the vendor of the Inventory;

(f) Inventory that is perishable or live;

(g) Inventory manufactured by Company pursuant to a license unless the applicable licensor has agreed in a Record that has been Authenticated by licensor to permit Wells Fargo to exercise its rights and remedies against such Inventory;

(h) Inventory that is subject to a Lien in favor of any Person other than Wells Fargo;

(i) Inventory stored at locations holding less than 10% of the aggregate value of Company's Inventory, or not located at Company's Premises in Forest City, Iowa, Charles City, Iowa, or Hampton, Iowa, or stored at a location without a landlord's disclaimer and consent or mortgagee waiver in a form acceptable to Wells Fargo in its sole discretion; and

(j) Inventory otherwise deemed ineligible by Wells Fargo in its sole discretion.

"Environmental Law" means any federal, state, local or other governmental statute, regulation, law or ordinance dealing with the protection of human health and the environment.

"Equipment" shall have the meaning given it under the Uniform Commercial Code in effect in the state whose laws govern this Agreement.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that is a member of a group which includes Company and which is treated as a single employer under Section 414 of the IRC.

"Event of Default" is defined in Section 6.1.

"Floating Rate" is defined in Section 1.5(a).

"Floating Rate Advance" means an Advance bearing interest at the Floating Rate.

"GAAP" means generally accepted accounting principles, applied on a basis consistent with the accounting practices applied in the financial statements described on Exhibit D.

"General Intangibles" shall have the meaning given it under the UCC.

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"Guarantor(s)" means any Person now or in the future guaranteeing any Indebtedness through the issuance of a Guaranty.

"Guaranty" means an unconditional continuing guaranty executed by a Guarantor in favor of Wells Fargo (if more than one, the "Guaranties").

"Hazardous Substances" means pollutants, contaminants, hazardous substances, hazardous wastes, petroleum and fractions thereof, and all other chemicals, wastes, substances and materials listed in, regulated by or identified in any Environmental Law.

"Indebtedness" is used in its most comprehensive sense and means any debts, obligations and liabilities of Company to Wells Fargo, whether incurred in the past, present or future, whether voluntary or involuntary, and however arising, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and including without limitation all obligations arising under any swap, derivative, foreign exchange, hedge, deposit, treasury management or similar transaction or arrangement however described or defined that Company may enter into at any time with Wells Fargo or with Wells Fargo Merchant Services, L.L.C., whether or not Company may be liable individually or jointly with others, or whether recovery upon such Indebtedness may subsequently become unenforceable.

"Indemnified Liabilities" is defined in Section 7.8.

"Indemnitees" is defined in Section 7.8.

"Infringement" or "Infringing" when used with respect to Intellectual Property Rights means any infringement or other violation of Intellectual Property Rights.

"Intellectual Property Rights" means all actual or prospective rights arising in connection with any intellectual property or other proprietary rights, including all rights arising in connection with copyrights, patents, service marks, trade dress, trade secrets, trademarks, trade names or mask works.

"Interest Payment Date" is defined in Section 1.7(a).

"Interest Period" means the period that commences on (and includes) the Business Day on which either a LIBOR Advance is made or continued or on which a Floating Rate Advance is converted to a LIBOR Advance, and ending on (but excluding) the Business Day numerically corresponding to that date that falls the number of months afterward as selected by Company pursuant to Section 1.3A(b), during which period the outstanding principal amount of the LIBOR Advance shall bear interest at the LIBOR Advance Rate; provided, however, that:

(a) If an Interest Period would otherwise end on a day which is not a Business Day, then it shall end on the next Business Day, unless that day is the first Business Day of a month, in which case the Interest Period shall end on the last Business Day of the preceding month;

(b) No Interest Period applicable to an Advance may end later than the Maturity Date; and

(c) In no event shall Company select Interest Periods with respect to LIBOR Advances which would result in the payment of a LIBOR Advance breakage fee in order to make a required principal payment.

"Inventory" shall have the meaning given it under the UCC.



“Investment Property” shall have the meaning given it under the UCC.

“L/C Amount” means the sum of (a) the Aggregate Face Amount of any outstanding Letters of Credit, plus (b) the amount of each Obligation of Reimbursement that either remains unreimbursed or has not been paid through an Advance on the Line of Credit.

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“L/C Application” means an application for the issuance of standby or documentary Letters of Credit pursuant to the terms of a Standby Letter of Credit Agreement or Commercial Letter of Credit Agreement, in form acceptable to Wells Fargo.

“Letter of Credit” and “Letters of Credit” are each defined in Section 1.9(a).

“Licensed Intellectual Property” is defined in Exhibit D.

“LIBOR” means the rate per annum [rounded upward, if necessary, to the nearest whole 1/8<sup>th</sup> of one percent (1%)] determined pursuant to the following formula:

$$\text{LIBOR} = \frac{\text{Base LIBOR}}{100\% - \text{LIBOR Reserve Percentage}}$$

(a) “Base LIBOR” means the rate per annum for United States dollar deposits quoted by Wells Fargo as the Inter-Bank Market Offered Rate, with the understanding that such rate is quoted by Wells Fargo for the purpose of calculating effective rates of interest for loans making reference to it, on the first day of an Interest Period for delivery of funds on that date for a period of time approximately equal to the number of days in that Interest Period and in an amount approximately equal to the principal amount to which that Interest Period applies. Company understands and agrees that Wells Fargo may base its quotation of the Inter-Bank Market Offered Rate upon such offers or other market indicators of the Inter-Bank Market as Wells Fargo in its discretion deems appropriate including the rate offered for U.S. dollar deposits on the London Inter-Bank Market.

(b) “LIBOR Reserve Percentage” means the reserve percentage prescribed by the Board of Governors of the Federal Reserve System (or any successor) for “Eurocurrency Liabilities” (as defined in Regulation D of the Federal Reserve Board, as amended), adjusted by Wells Fargo for expected changes in such reserve percentage during the applicable Interest Period.

“LIBOR Advance” means an Advance bearing interest at the LIBOR Advance Rate.

“LIBOR Advance Rate” is defined in Section 1.5(a).

“Lien” means any security interest, mortgage, deed of trust, pledge, lien, charge, encumbrance, title retention agreement or analogous instrument or device, including the interest of each lessor under any capitalized lease and the interest of any bondsman under any payment or performance bond, in, of or on any assets or properties of a Person, whether now owned or subsequently acquired and whether arising by agreement or operation of law.

“Line of Credit” is defined in the Recitals.

“Liquidity” means Company’s average excess Availability not limited by the Maximum Line Amount of the Revolving Loan for the prior 90-day period plus average cash balances in accounts individually exceeding \$500,000 for the same period.

“Loan Documents” means this Agreement, the Revolving Note, the Master Agreement for Treasury Management Services, any Guaranty, each Subordination Agreement, each Standby Letter of Credit Agreement, each Commercial Letter of Credit Agreement, any L/C Applications, and the Security Documents, together with every other agreement, note, document, contract or instrument to which Company now or in the future may be a party and which may be required by Wells Fargo in connection with, or as a condition to, the execution of this Agreement. Any documents or other agreements entered into between Company and Wells Fargo that relate to any swap, derivative, foreign exchange, hedge, or similar product or transaction, or which are entered into with an operating division of Wells Fargo other than Wells Fargo Business Credit, shall not be included in this definition.

“Loan Manager” means the treasury management service defined in the Master Agreement for Treasury Management Services and related Loan Manager Service Description.

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“Lockbox” means “Lockbox” as defined in the Master Agreement for Treasury Management Services and related Lockbox and Collection Account Service Description.

“Margin” means a rate per annum, expressed as a percentage, as more fully described in Section 1.5(a).

“Master Agreement for Treasury Management Services” means the Master Agreement for Treasury Management Services, the related Acceptance of Services, and the Service Description governing each treasury management service used by Company.

“Material Adverse Effect” means any of the following:

(a) A material adverse effect on the business, operations, results of operations, prospects, assets, liabilities or financial condition of Company;

(b) A material adverse effect on the ability of Company to perform its obligations under the Loan Documents or any other document or agreement related to this Agreement;

(c) A material adverse effect on the ability of Wells Fargo to enforce the Indebtedness or to realize the intended benefits of the Security Documents, including a material adverse effect on the validity or enforceability of any Loan Document or of any rights against any Guarantor, or on the status, existence, perfection, priority (subject to Permitted Liens) or enforceability of any Lien securing payment or performance of the Indebtedness; or

(d) Any claim against Company or threat of litigation which if determined adversely to Company would cause Company to be liable to pay an amount exceeding \$250,000 or would result in the occurrence of an event described in clauses (a), (b) and (c) above.

“Maturity Date” is defined in Section 1.1(b).

“Maximum Line Amount” is defined in Section 1.1(a).

“Multiemployer Plan” means a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) to which Company or any ERISA Affiliate contributes or is obligated to contribute.

“Net Cash Proceeds” means the cash proceeds of any asset sale (including cash proceeds received as deferred payments pursuant to a note, installment receivable or otherwise, but only upon actual receipt) net of (a) attorney, accountant, and investment banking fees, (b) brokerage commissions, (c) amounts required to be applied to the repayment of debt secured by a Lien not prohibited by this Agreement on the asset being sold, and (d) taxes paid or reasonably estimated to be payable as a result of such asset sale.

“Net Orderly Liquidation Value” means a professional opinion of the probable Net Cash Proceeds that could be realized at a properly advertised and professionally conducted liquidation sale, conducted under orderly sale conditions for an extended period of time (usually six to nine months), under the economic trends existing at the time of the appraisal.

“Obligation of Reimbursement” is defined in Section 1.9(b).

“OFAC” is defined in Section 5.12(b).

“Officer” means with respect to Company, an officer if Company is a corporation, a manager if Company is a limited liability company, or a partner if Company is a partnership.

“Operating Account” is defined in Section 1.3(a), and maintained in accordance with the terms of Wells Fargo’s Commercial Account Agreement in effect for demand deposit accounts.

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“Overadvance” means the amount, if any, by which the unpaid principal amount of the Revolving Note, plus the L/C Amount, is in excess of the then-existing Borrowing Base.

“Owned Intellectual Property” is defined in Exhibit D.

“Owner” means with respect to Company, each Person having legal or beneficial title to an ownership interest in Company or a right to acquire such an interest.

“Patent and Trademark Security Agreement” means each Patent and Trademark Security Agreement entered into between Company and Wells Fargo.

“Pension Plan” means a pension plan (as defined in Section 3(2) of ERISA) maintained for employees of Company or any ERISA Affiliate and covered by Title IV of ERISA.

“Permitted Lien” and “Permitted Liens” are defined in Section 5.3(a).

“Person” means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a governmental entity.

“Plan” means an employee benefit plan (as defined in Section 3(3) of ERISA) maintained for employees of Company or any ERISA Affiliate.

“Premises” is defined in Section 2.4(a).

“Prime Rate” means at any time the rate of interest most recently announced by Wells Fargo at its principal office as its Prime Rate, with the understanding that the Prime Rate is one of Wells Fargo’s base rates, and serves as the basis upon which effective rates of interest are calculated for those loans making reference to it, and is evidenced by its recording in such internal publication or publications as Wells Fargo may designate. Each change in the rate of interest shall become effective on the date each Prime Rate change is announced by Wells Fargo.

“Proceeds” shall have the meaning given it under the UCC.

“Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form, and includes all information that is required to be reported by Company to Wells Fargo pursuant to Section 5.1.

“Reportable Event” means a reportable event (as defined in Section 4043 of ERISA), other than an event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the Pension Benefit Guaranty Corporation.

“Revolving Note” is defined in Section 1.1(d).

“Security Documents” means this Agreement, the Copyright Security Agreement, the Patent and Trademark Security Agreement(s), and any other document delivered to Wells Fargo from time to time to secure the Indebtedness.

“Security Interest” is defined in Section 2.1.

“Special Account” means a specified cash collateral account maintained with Wells Fargo or another financial institution acceptable to Wells Fargo in connection with each undrawn Letter of Credit issued by Wells Fargo, as more fully described in Section 1.10.

“Standby Letter of Credit Agreement” means an agreement governing the issuance of standby letters of credit by Wells Fargo entered into between Company as applicant and Wells Fargo as issuer.

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“Subordinated Creditor(s)” means any Person now or in the future subordinating indebtedness of Company held by that Person to the payment of the Indebtedness.

“Subordination Agreement” means a subordination agreement executed by a Subordinated Creditor in favor of Wells Fargo (if more than one, the “Subordination Agreements”).

“Subsidiary” means any Person of which more than 50% of the outstanding ownership interests having general voting power under ordinary circumstances to elect a majority of the board of directors or the equivalent of such Person, irrespective of whether or not at the time ownership interests of any other class or classes shall have or might have voting power by reason of the happening of any contingency, is at the time directly or indirectly owned by Company, by Company and one or more other Subsidiaries, or by one or more other Subsidiaries.

“Tangible Net Worth” means the aggregate of total stockholders’ equity plus subordinated debt less any intangible assets and less any loans or advances to, or investments in, any related entities or individuals.

“Termination Date” is defined in Section 1.1(b).

“Trademark Security Agreement” means each Trademark Security Agreement entered into between Company and Wells Fargo.

“UCC” means the Uniform Commercial Code in effect in the state designated in this Agreement as the state whose laws shall govern this Agreement, or in any other state whose laws are held to govern this Agreement or any portion of this Agreement.

“Unused Amount” is defined in Section 1.6(b).

“Wells Fargo” means Wells Fargo Bank, National Association in its broadest and most comprehensive sense as a legal entity, and is not limited in its meaning to the Wells Fargo Business Credit operating division, or to any other operating division of Wells Fargo.

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## **Exhibit B to Credit and Security Agreement**

### **PREMISES**

The Premises referred to in the Credit and Security Agreement have addresses as follows:

- 605 W. Crystal Lake Road, P.O. Box 152, Forest City, IA 50436
- 1280 Olive Ave., Hampton, IA 50441
- 1200 Rove Avenue, Charles City, Iowa 50616

## Exhibit C to Credit and Security Agreement

### CONDITIONS PRECEDENT

Wells Fargo's obligation to make an initial Advance shall be subject to the condition that Wells Fargo shall have received the following, executed and in form and content satisfactory to Wells Fargo. The following descriptions are limited descriptions for reference purposes only and should not be construed as limiting in any way the subject matter that Wells Fargo requires each document to address.

**A. Loan Documents to be Executed by Company:**

(1) The Revolving Note.

(2) The Credit and Security Agreement.

(3) The Master Agreement for Treasury Management Services, the Acceptance of Services, and the related Service Description for each deposit or treasury management related product or service that Company will subscribe to, including without limitation the Loan Manager Service Description and the Lockbox and Collection Account Service Description.

(4) The Standby Letter of Credit Agreement and the Commercial Letter of Credit Agreement, and a separate L/C Application for each Letter of Credit that Company has requested that Wells Fargo issue.

**B. Loan Documents to be Executed by Third Parties:**

(1) A Landlord's Disclaimer and Consent to each lease entered into by Company and that Landlord with respect to the Premises, pursuant to which the Landlord waives its Lien in any goods or other Inventory of Company located on the Premises.

(2) Certificates of Insurance required under this Agreement, with all hazard insurance containing a lender's loss payable endorsement in Wells Fargo's favor and with all liability insurance naming Wells Fargo as additional insured.

**C. Documents Related to the Premises:**

(1) Any leases pursuant to which Company is leasing the Premises from a lessor.

**D. Federal Tax, State Tax, Judgment, UCC and Intellectual Property Lien Searches:**

(1) Current searches of Company in appropriate filing offices showing that (i) no Liens have been filed and remain in effect against Company and Collateral except Permitted Liens or Liens held by Persons who have agreed in an Authenticated Record that upon receipt of proceeds of the initial Advances, they will satisfy, release or terminate such Liens in a manner satisfactory to Wells Fargo, and (ii) Wells Fargo has filed all UCC financing statements necessary to perfect the Security Interest, to the extent the Security Interest is capable of being perfected by filing.

**E. Constituent Documents:**

(1) The Certificate of Authority of Company, which shall include as part of the Certificate or as exhibits to the Certificate, (i) the Resolution of Company's Directors and, if required, Owners, authorizing the execution, delivery and performance of those Loan Documents and other documents or agreements described in or related to this Agreement to which Company is a party, (ii) an Incumbency Certificate containing the signatures of Company's Officers or agents authorized to execute and deliver those instruments, agreements and certificates, referenced in (i) above, as well as Advance requests, on Company's behalf, (iii) Company's Constituent Documents, (iv) a current Certificate of Good

Standing or Certificate of Status issued by the secretary of state or other appropriate authority for Company's state of organization, certifying that Company is in good standing and in compliance with all applicable organizational requirements of the state of organization, and (v) a Secretary's Certificate of Company's secretary or assistant secretary certifying that the Certificate of Authority of Company is true, correct and complete.

(2) An Officer's Certificate of an appropriate Officer of Company confirming, in his or her personal capacity, the representations and warranties set forth in this Agreement.

(3) A Customer Identification Information Form and such other forms and verification as Wells Fargo may need to comply with the U.S.A. Patriot Act.

**F. Miscellaneous Matters or Documents:**

(1) Payment of fees and reimbursable costs and expenses due under this Agreement through the date of initial Advance or issuance of a Letter of Credit, including all legal expenses incurred through the date of the closing of this Agreement.

(2) Evidence that after making the initial Advance and satisfying all obligations owed to Company's prior lender and all trade payables older than 60 days from invoice date, book overdrafts and closing costs, the availability under the Line of Credit is not less than \$66,000,000.

(3) Any documents or other agreements entered into by Company and Wells Fargo that relate to any swap, derivative, foreign exchange, hedge, deposit, treasury management or similar product or transaction extended to Company by Wells Fargo not already provided pursuant to the requirements of (A)-(E) above.

(4) Such other documents as Wells Fargo in its sole discretion may require.

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## Exhibit D to Credit and Security Agreement

### REPRESENTATIONS AND WARRANTIES

Company represents and warrants to Wells Fargo as follows:

(a) Existence and Power; Name; Chief Executive Office; Inventory and Equipment Locations; Federal Employer Identification Number and Organizational Identification Number. Company is a corporation organized, validly existing and in good standing under the laws of the State of Iowa and is licensed or qualified to transact business in all jurisdictions where the character of the property owned or leased or the nature of the business transacted by it makes such licensing or qualification necessary. Company has all requisite power and authority to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under, those Loan Documents and any other documents or agreements that it has entered into with Wells Fargo related to this Agreement. During its existence, Company has done business solely under the names set forth below in addition to its correct legal name. Company's chief executive office and principal place of business is located at the address set forth below, and all of Company's records relating to its business or the Collateral are kept at that location. All Inventory and Equipment is located at that location or at one of the other locations set forth below. Company's name, Federal Employer Identification Number and Organization Identification Number are correctly set forth at the end of the Agreement next to Company's signature.

Trade Names
None.

Chief Executive Office / Principal Place of Business
605 W. Crystal Lake Road, P.O. Box 152, Forest City, IA 50436

Other Inventory and Equipment Locations
1280 Olive Ave., Hampton, IA 50441
1200 Rove Avenue, Charles City, IA 50616

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(b) Capitalization. The Capitalization Chart below constitutes a correct and complete list of all ownership interests of Company and all rights to acquire ownership interests including the record holder, number of interests and percentage interests on a fully diluted basis, and the Organizational Chart below shows the ownership structure of all Subsidiaries of Company.

Capitalization Chart
See attached Exhibit H.

Organizational Chart
N/A

(c) Authorization of Borrowing; No Conflict as to Law or Agreements. The execution, delivery and performance by Company of the Loan Documents and any other documents or agreements described in or related to this Agreement, and all borrowing under the Line of Credit have been authorized and do not (i) require the consent or approval of Company's Owners; (ii) require the authorization, consent or approval by, or registration, declaration or filing with, or notice to, any governmental agency or instrumentality, whether domestic or foreign, or any other Person, except to the extent obtained, accomplished or given prior to the date of this Agreement; (iii) violate any provision of any law, rule or regulation (including Regulation X of the Board of Governors of the Federal Reserve System) or of any order, writ, injunction or decree presently in effect having applicability to Company or of Company's Constituent Documents; (iv) result in a breach of or constitute a default or event of default under any indenture or loan or credit agreement or any other material agreement, lease or instrument to which Company is a party or by which it or its properties may be bound or affected; or (v) result in, or require, the creation or imposition of any Lien (other than the Security Interest) upon or with respect to any of the properties now owned or subsequently acquired by Company.

(d) Legal Agreements. This Agreement, the other Loan Documents, and any other document or agreement described in or related to this Agreement, will constitute the legal, valid and binding obligations of Company, enforceable against Company in accordance with their respective terms.

(e) Subsidiaries. Except as disclosed below, Company has no Subsidiaries.

Subsidiaries
None.

(f) Financial Condition; No Adverse Change. Company has furnished to Wells Fargo its audited financial statements for its fiscal year ended August 25, 2007, and unaudited financial statements for the fiscal-year-to-date period ended May 31, 2008, and those statements fairly present Company's financial condition as of those dates and the results of Company's operations and cash flows for the periods then ended and were prepared in accordance with GAAP. Since the date of the most recent financial statements, there has been no material adverse change in Company's business, properties or condition (financial or otherwise).

(g) Litigation. There are no actions, suits or proceedings pending or, to Company's knowledge, threatened against or affecting Company or any of its Affiliates or the properties of Company or any of its Affiliates before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to Company or any of its Affiliates, would have a Material Adverse Effect on the financial condition, properties or operations of Company or any of its Affiliates.

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Litigation Matters in Excess of \$250,000
None.

(h) Intellectual Property Rights.

(i) Owned Intellectual Property. Set forth below is a complete list of all patents, applications for patents, trademarks, applications to register trademarks, service marks, applications to register service marks, mask works, trade dress and copyrights for which Company is the owner of record (the "Owned Intellectual Property"). Except as set forth below, (A) Company owns the Owned Intellectual Property free and clear of all restrictions (including covenants not to sue any Person), court orders, injunctions, decrees, writs or Liens, whether by agreement memorialized in a Record Authenticated by Company or otherwise, (B) no Person other than Company owns or has been granted any right in the Owned Intellectual Property, (C) all Owned Intellectual Property is valid, subsisting and enforceable, and (D) Company has taken all commercially reasonable action necessary to maintain and protect the Owned Intellectual Property.

(ii) Agreements with Employees and Contractors. Company has entered into a legally enforceable agreement with each Person that is an employee or subcontractor obligating that Person to assign to Company, without additional compensation, any Intellectual Property Rights created, discovered or invented by that Person in the course of that Person's employment or engagement with Company (except to the extent prohibited by law), and further obligating that Person to cooperate with Company, without additional compensation, to secure and enforce the Intellectual Property Rights on behalf of Company, unless the job description of the Person is such that it is not reasonably foreseeable that the employee or subcontractor will create, discover, or invent Intellectual Property Rights.

(iii) Intellectual Property Rights Licensed from Others. Set forth below is a complete list of all agreements under which Company has licensed Intellectual Property Rights from another Person ("Licensed Intellectual Property") other than readily available, non-negotiated licenses of computer software and other intellectual property used solely for performing accounting, word processing and similar administrative tasks ("Off-the-shelf Software") and a summary of any ongoing payments Company is obligated to make with respect thereto. Except as set forth below or in any other Record, copies of which have been given to Wells Fargo, Company's licenses to use the Licensed Intellectual Property are free and clear of all restrictions, Liens, court orders, injunctions, decrees, or writs, whether by agreed to in a Record Authenticated by Company or otherwise. Except as disclosed below, Company is not contractually obligated to make royalty payments of a material nature, or pay fees to any owner of, licensor of, or other claimant to, any Intellectual Property Rights.

(iv) Other Intellectual Property Needed for Business. Except for Off-the-shelf Software and as disclosed below, the Owned Intellectual Property and the Licensed Intellectual Property constitute all Intellectual Property Rights used or necessary to conduct Company's business as it is presently conducted or as Company reasonably foresees conducting it.

(v) Infringement. Except as disclosed below, Company has no knowledge of, and has not received notice either orally or in a Record alleging, any Infringement of another Person's Intellectual Property Rights (including any claim set forth in a Record that Company must license or

refrain from using the Intellectual Property Rights of any Person) nor, to Company's knowledge, is there any threatened claim or any reasonable basis for any such claim.

Intellectual Property Disclosures
None.

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(i) Taxes. Company and its Affiliates have paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by each of them. Company and its Affiliates have filed all federal, state and local tax returns which to the knowledge of the Officers of Company or any Affiliate, as the case may be, are required to be filed, and Company and its Affiliates have paid or caused to be paid to the respective taxing authorities all taxes as shown on these returns or on any assessment received by any of them to the extent such taxes have become due.

(j) Titles and Liens. Company has good and absolute title to all Collateral free and clear of all Liens other than Permitted Liens. No financing statement naming Company as debtor is on file in any office except to perfect only Permitted Liens.

(k) No Defaults. Company is in compliance with all provisions of all agreements, instruments, decrees and orders to which it is a party or by which it or its property is bound or affected, the breach or default of which could have a Material Adverse Effect on Company's financial condition, properties or operations.

(l) Submissions to Wells Fargo. All financial and other information provided to Wells Fargo by or on behalf of Company in connection with Company's request for the credit facilities contemplated hereby (i) is true and correct and complete in all material respects, (ii) does not omit any material fact that would cause such information to be misleading, and (iii) as to projections, valuations or proforma financial statements, presents a good faith opinion as to such projections, valuations and proforma condition and results.

(m) Financing Statements. Company has previously authorized the filing of financing statements sufficient when filed to perfect the Security Interest and other Liens created by the Security Documents. When such financing statements are filed, Wells Fargo will have a valid and perfected security interest in all Collateral capable of being perfected by the filing of financing statements. None of the Collateral is or will become a fixture on real estate, unless a sufficient fixture filing has been filed with respect to such Collateral.

(n) Rights to Payment. Each right to payment and each instrument, document, chattel paper and other agreement constituting or evidencing Collateral is (or, in the case of all future Collateral, will be when arising or issued) the valid, genuine and legally enforceable obligation, subject to no defense, setoff or counterclaim of the account debtor or other obligor named in that instrument.

(o) Employee Benefit Plans.

(i) Maintenance and Contributions to Plans. Except as disclosed below, neither Company nor any ERISA Affiliate (A) maintains or has maintained any Pension Plan, (B) contributes or has contributed to any Multiemployer Plan, or (C) provides or has provided post-retirement medical or insurance benefits to employees or former employees (other than benefits required under Section 601 of ERISA, Section 4980B of the IRC, or applicable state law).

(ii) Knowledge of Plan Noncompliance with Applicable Law. Except as disclosed below, neither Company nor any ERISA Affiliate has (A) knowledge that Company or the ERISA Affiliate is not in full compliance with the requirements of ERISA, the IRC, or applicable state law with respect to any Plan, (B) knowledge that a Reportable Event occurred or continues to exist in connection with any Pension Plan, or (C) sponsored a Plan that it intends to maintain as qualified under the IRC that is not so qualified, and no fact or circumstance exists which may have an adverse effect on such Plan's tax-qualified status.

(iii) Funding Deficiencies and Other Liabilities. Neither Company nor any ERISA Affiliate has liability for any (A) accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the IRC) under any Plan, whether or not waived, (B) withdrawal, partial withdrawal, reorganization or other event under any Multiemployer Plan under Section 4201 or 4243 of ERISA, or (C) event or circumstance which could result in financial obligation to the Pension Benefit Guaranty Corporation, the Internal Revenue Service, the Department of Labor or any participant in connection with any Plan (other than routine claims for benefits under the Plan).

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Employee Benefit Plans
Active Plans:
1. Winnebago Industries, Inc. Profit Sharing and Deferred Savings and Investment Plan.
2. Winnebago Industries, Inc. Executive Deferred Compensation Plan (2007).
3. Winnebago Industries, Inc. 2004 Incentive Compensation Plan.
Frozen Plans:
1. Split Dollar Life Insurance Plan – Closed to additional participants since 1998.
2. Non-Qualified Deferred Compensation Program (1981) – Closed to additional deferrals since January 2001.
3. Postretirement medical, prescription drug and dental benefits (15 years of continuous services, retire at age 55 or older) –

4. Closed to any additional participants since April 2001.  
Non-Qualified Share Option Program (2001) – Closed to additional deferrals since January 2005.

(p) Environmental Matters.

(i) Hazardous Substances on Premises. Except as disclosed below, there are not present in, on or under the Premises any Hazardous Substances in such form or quantity as to create any material liability or obligation for either Company or Wells Fargo under the common law of any jurisdiction or under any Environmental Law, and no Hazardous Substances have ever been stored, buried, spilled, leaked, discharged, emitted or released in, on or under the Premises in such a way as to create a material liability.

(ii) Disposal of Hazardous Substances. Except as disclosed below, Company has not disposed of Hazardous Substances in such a manner as to create any material liability under any Environmental Law.

(iii) Claims and Proceedings with Respect to Environmental Law Compliance. Except as disclosed below, there have not existed in the past, nor are there any threatened or impending requests, claims, notices, investigations, demands, administrative proceedings, hearings or litigation relating in any way to the Premises or Company, alleging material liability under, violation of, or noncompliance with any Environmental Law or any license, permit or other authorization issued pursuant thereto.

(iv) Compliance with Environmental Law; Permits and Authorizations. Except as disclosed below, Company (A) conducts its business at all times in compliance with applicable Environmental Law, (B) possesses valid licenses, permits and other authorizations required under applicable Environmental Law for the lawful and efficient operation of its business, none of which are scheduled to expire, or be withdrawn, or be materially limited within the next 12 months, except as otherwise previously disclosed to Wells Fargo, provided that any licenses, permits or other authorizations that are scheduled to expire within the next 12 months shall be renewed immediately upon expiration; and (C) has not been denied insurance on grounds related to potential environmental liability.

(v) Status of Premises. Except as disclosed below, the Premises are not and never have been listed on the National Priorities List, the Comprehensive Environmental Response, Compensation and Liability Information System or any similar federal, state or local list, schedule, log, inventory or database.

(vi) Environmental Audits, Reports, Permits and Licenses. Company has delivered to Wells Fargo all environmental assessments, audits, summary reports, permits, licenses and other documents describing or relating in any way to the Premises or Company's businesses that have been requested by Wells Fargo.

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**Environmental Matters**

CDI, LLC and Winnebago Industries, Inc. v. Iowa Department of Natural Resources:

CDI, LLC operates recreational vehicle painting facilities adjacent to Company's facilities at the Company's locations in Charles City and Forest City, Iowa. When the CDI facility in Forest city began requesting air permits, the Iowa Department of Natural Resources designated CDI and Company as a "single source" at both locations. The single source determination is a 3-part test: (1) the facilities of CDI and Company are continuous and adjacent; (2) CDI and Company have the same two-digit SIC code; and (3) CDI and Company are under common control when one company controls the pollution control decisions of the other. CDI and Company agreed that the first and second elements of the test have been met, however both companies maintain that the third element has not been met. Hancock County Iowa District Court Judge Paul Riffel has ruled in support of CDI's and Company's position, and CDI and Company are awaiting the results of an evidentiary hearing held May 28-29, 2008, from Administrative Law Judge LaMarche, IDNR.

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**Exhibit E to Credit and Security Agreement**

**COMPLIANCE CERTIFICATE**

To: Wells Fargo Bank, National Association

Date: \_\_\_\_\_, 200\_

Subject: Financial Statements



In accordance with our Credit and Security Agreement dated September \_\_\_\_, 2008 (as amended from time to time, the "Credit Agreement"), attached are the financial statements of **Winnebago Industries, Inc.** (the "Company") dated \_\_\_\_\_, 200\_ (the "Reporting Date") and the year-to-date period then ended (the "Current Financials"). All terms used in this certificate have the meanings given in the Credit Agreement.

(A) Preparation and Accuracy of Financial Statements. I certify that the Current Financials have been prepared in accordance with GAAP, subject to year-end audit adjustments, and fairly present Company's financial condition as of the Reporting Date.

(B) Name of Company; Merger and Consolidation. I certify that:

(Check one)

- Company has not, since the date of the Credit Agreement, changed its name or jurisdiction of organization, nor has it consolidated or merged with another Person.
- Company has, since the date of the Credit Agreement, either changed its name or jurisdiction of organization, or both, or has consolidated or merged with another Person, which change, consolidation or merger:  was consented to in advance by Wells Fargo in an Authenticated Record, and/or  is more fully described in the statement of facts attached to this Certificate.

(C) Events of Default. I certify that:

(Check one)

- I have no knowledge of the occurrence of an Event of Default under the Credit Agreement, except as previously reported to Wells Fargo in a Record.
- I have knowledge of an Event of Default under the Credit Agreement not previously reported to Wells Fargo in a Record, as more fully described in the statement of facts attached to this Certificate, and further, I acknowledge that Wells Fargo may under the terms of the Credit Agreement impose the Default Rate at any time during the resulting Default Period.

(D) Litigation Matters. I certify that:

(Check one)

- I have no knowledge of any material adverse change to the litigation exposure of Company or any of its Affiliates or of any Guarantor.
- I have knowledge of material adverse changes to the litigation exposure of Company or any of its Affiliates or of any Guarantor not previously disclosed in Exhibit D, as more fully described in the statement of facts attached to this Certificate.

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(E) Financial Covenants. I further certify that:

(Check and complete each of the following)

1. Minimum Tangible Net Worth. Pursuant to Section 5.2(a) of the Credit Agreement, as of the Reporting Date, Company's Tangible Net Worth was \$ \_\_\_\_\_, which  satisfies  does not satisfy the requirement that Tangible Net Worth be not less than the amount set forth in the table below on the Reporting Date:

<u>Period</u>	<u>Minimum Tangible Net Worth</u>
Company's fiscal year ending August 30, 2008	(i) \$170,000,000 plus (ii) \$14,000,000 minus dividends paid during such fiscal year
Company's first fiscal quarter ending November 29, 2008	(i) \$150,000,000 plus (ii) \$3,500,000 minus dividends paid during such fiscal quarter
Company's second fiscal quarter ending February 28, 2009	(i) \$150,000,000 plus (ii) \$3,500,000 minus dividends paid during such fiscal quarter
Company's third fiscal quarter ending May 30, 2009	(i) \$140,000,000 plus (ii) \$3,500,000 minus dividends paid during such fiscal quarter
Company's fourth fiscal quarter ending August 29, 2009	(i) \$140,000,000 plus (ii) \$3,500,000 minus dividends paid and thereafter during such fiscal quarter

2. Minimum Current Ratio. Pursuant to Section 5.2(b) of the Credit Agreement, as of the Reporting Date, Company's Current Ratio was \_\_\_\_\_ to 1.00, which  satisfies  does not satisfy the requirement that Current Ratio be not less than the ratio set forth in the table below on the Reporting Date:

<u>Period</u>	<u>Minimum Current Ratio</u>
Company's fiscal year ending August 30, 2008	3.00 to 1.00
Company's first fiscal quarter ending November 29, 2008	2.50 to 1.00
Company's second fiscal quarter	2.50 to 1.00

ending February 28, 2009

Company's third fiscal quarter  
ending May 30, 2009

2.25 to 1.00

Company's fourth fiscal quarter  
ending August 29, 2009 and thereafter

2.25 to 1.00

3. Capital Expenditures. Pursuant to Section 5.2(c) of the Credit Agreement, for the year-to-date period ending on the Reporting Date, Company has expended or contracted to expend during the fiscal year ended August \_\_, 200\_\_ for Capital Expenditures, \$\_\_\_\_\_ in the aggregate, which o satisfies o does not satisfy the requirement that such expenditures not exceed \$7,500,000 in the aggregate during such year.

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4. Salaries. Company o has o has not paid excessive or unreasonable salaries, bonuses, commissions, consultant fees or other compensation, or increased the salary, cash bonus, commissions, consultant fees or other compensation (other than compensation in the form of Company's stock or stock options) of any Director, Officer or consultant, or any member of their families, by more than twenty percent (20%) as of the Reporting Date over the amount paid in Company's previous fiscal year, either individually or for all such persons in the aggregate, and o has o has not paid any increase from any source other than profits earned in the year of payment, and as a consequence Company o is o is not in compliance with Section 5.9 of the Credit Agreement.

Attached are statements of all relevant facts and computations in reasonable detail sufficient to evidence Company's compliance with the financial covenants referred to above, which computations were made in accordance with GAAP.

WINNEBAGO INDUSTRIES, INC.

By: \_\_\_\_\_  
Its: Chief Financial Officer

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## Exhibit F to Credit and Security Agreement

### PERMITTED LIENS

Creditor	Collateral	Jurisdiction	Filing Date	Filing No.
Lichtsinn Motors, Inc.	GM Chassis purchased from Creditor	Iowa	Filed: 2/15/1999  Continuation Filed: 2/10/2004  Secured Party Amendment Filed: 3/23/2006  Secured Party Amendment Filed: 6/10/2008	K991839  P461521  E742093  E920842-0
IBM Credit LLC	Specific equipment	Iowa	Filed: 1/30/2004	P460355
Alliance Leasing, Inc., as assigned from First American Commercial Bancorp, Inc.	Leased equipment	Iowa	Filed: 6/12/2006  Assignment Filed: 9/12/2006	P538061  P542153
Winmark Capital Corporation	Leased equipment	Iowa	Filed: 11/21/2006	X078879
Winmark Capital Corporation	Leased equipment	Iowa	Filed: 1/31/2007	P548421-8

Winmark Capital Corporation	Leased equipment	Iowa	Filed: 8/08/2008	P571311-2
Plaintiff: Joyce Shropshire	(Litigation. Nature of Suit: 445 Civil Rights Americans with Disabilities – Employment. Jury trial set for 7/13/2009	U.S. District Court (IA Northern District)	Filed: 2/8/2008	Ct. File No. 3:08-cv-03007.MWB

**INDEBTEDNESS**

None.

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**GUARANTIES**

Primary Obligor	Amount and Description of Obligation Guaranteed	Beneficiary of Guaranty
CDI, LLC 1179 Kent Street PO Box 1385 Elkhart, IN 46515	First 60 monthly lease payments, totaling approximately \$1,600,000, of which \$365,000 was remaining as of May 31, 2008. Estimated fair value of the guaranty as of May 31, 2008, was \$73,000 and presented as prepaid expenses and other accrued liabilities in Company's consolidated balance sheets.	HCC Leasing Corporation 1400 South 4th St. Forest City, Iowa 50436

**Repurchase Commitments**

Company's repurchase agreements provide that, in the event of default by a dealer under its agreement to pay the lending institution, Company will repurchase the financed merchandise. The agreements provide that Company's liability will not exceed 100 percent of the dealer invoice and provide for periodic liability reductions based on the time since the date of the original invoice. Company's contingent liability on these repurchase agreements was approximately \$283.7 million and \$308.2 million at May 31, 2008 and August 25, 2007, respectively. Losses under these repurchase agreements for the forty weeks ended May 31, 2008 were \$12,000 compared to losses of \$4,000 for the thirty-nine weeks ended May 26, 2007. Repurchase reserves under our repurchase agreements at May 31, 2008 and August 25, 2007 were not significant. Upon resale of the repurchased units, Company does not record the transaction as revenue. The difference between the repurchase price and the net proceeds received from reselling the units is charged against Company's reserve for losses on repurchases.

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**Exhibit G to Credit and Security Agreement**

**PERMITTED INVESTMENTS**

[Attached.]

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**Winnebago Industries, Inc.**  
**DCF Valuation Analysis**  
**August 30, 2008**

Auction Maturity Date	Stated Maturity	Years	Broker	Current Tax Equiv. Yield	Rating	Insurance	Auction	Issuer	Par
09/10/08	12/1/2039	31.5	RBC		Aaa/AAA	NONE	DA-35	ARK STUD LN-6315	3,000,000
09/19/09	5/1/2041	32.9	RBC		Aaa/AAA	NONE	DA-35	AZ HIGHER ED-6325	3,000,000
09/17/08	7/1/2026	18.1	LB-NY	recd \$ 090808	A/A+	NONE	DA-35	BRKLYN UNION-6320-	3,100,000
09/24/08	6/1/2034	26.0	UBS-C		NR/AAA/NR	NONE	DA-35	KY HIGHER ED-6327	5,000,000
09/12/08	5/1/2040	31.9	UBS-C		AAA/Aaa/AAA	MBIA	DA-35	NJ HIGHER ED-6319	4,500,000
09/17/08	12/1/2034	26.5	UBS-C		Aaa/AAA/AA	AMBAC	DA-35	RI STUD LOAN-6323	4,000,000
09/24/08	9/1/2027	19.3	RBC		Aaa/NR/NR	NONE	DA-35	SC ED ASST-6326	5,000,000
09/26/08	12/1/2027	19.5	RBC		Aaa/NR/AAA	NONE	DA-35	SO TX HIGHER ED-6329	5,000,000
09/17/08	12/1/2038	30.5	RBC		Aaa/AAA/AAA	NONE	DA-35	WA STUD LN-6321	5,000,000
09/24/08	4/1/2039	30.9	RBC		NR/AAA/AAA	NONE	DA-35	WY STUD LN-6331	5,000,000
Total									42,600,000

Issuer	Par	Projected Tax Equiv. Yield	Implied Price - NPV	Tranche	Call Dt	Subtotal	Days per Yr
ARK STUD LN-6315	3,000,000		2,895,594		022908	3,000,000	TE 360 1st-Jun, Dec
AZ HIGHER ED-6325	3,000,000		2,856,443	42M		3,000,000	TE 360 1st-May, Nov
BRKLYN UNION-6320-	3,100,000	moved to ST	3,100,000			3,100,000	TE 360 MAT
KY HIGHER ED-6327	5,000,000		4,949,972	57.6M	022908	5,000,000	TE 366 1st-Jun, Dec
NJ HIGHER ED-6319	4,500,000		4,461,422	67.5M	022908	5,000,000	TE 365 1st-Jun, Dec
RI STUD LOAN-6323	4,000,000		3,959,978	32M	022908	4,000,000	TE 366 1st-Jun, Dec
SC ED ASST-6326	5,000,000		4,769,483		031508	5,000,000	TE 360 1st-Mar, Spt
SO TX HIGHER ED-6329	5,000,000		4,760,739		021408	5,000,000	TE 360 1st-Jun, Dec
WA STUD LN-6321	5,000,000		4,625,865		022908	5,000,000	TE 360 1st-Jun, Dec
WY STUD LN-6331	5,000,000		4,625,865		030108	5,000,000	TE 360 1st-Jun, Dec
Total	42,600,000		41,005,360				

Temporary Impairment 1,594,640

Wtd Avg. Duration	
7.04%	2.22
7.04%	2.32
7.28%	1.32
11.74%	3.05
10.56%	3.37
9.39%	2.49
11.74%	2.26
11.74%	2.29
11.74%	3.58
11.74%	3.62
	26.53

Issuer	PV	Price
ARK STUD LN-6315	2,895,594	0.97
AZ HIGHER ED-6325	2,856,443	0.95
BRKLYN UNION-6320-	3,100,000	1.00
KY HIGHER ED-6327	4,949,972	0.99
NJ HIGHER ED-6319	4,461,422	0.99
RI STUD LOAN-6323	3,959,978	0.99
SC ED ASST-6326	4,769,483	0.95
SO TX HIGHER ED-6329	4,760,739	0.95
WA STUD LN-6321	4,625,865	0.93
WY STUD LN-6331	4,625,865	0.93
	41,005,360	
	0.963	
	(1,594,639.53)	

RBC	24,533,989	0.944
LB	3,100,000	1.000
UBS	13,371,372	0.990
	41,005,360	0.963

**Money Market Funds**

	August 30, 2008 Balance
Fidelity - FMPXX	4,168,000
WF Tax-Exempt Money Fund	10,484,000
WF Treasury Plus	2,805,000
Total Money Funds	17,457,000

**Exhibit H to Credit and Security Agreement**

**CAPITALIZATION CHART**

[Attached.]

H-2 and H-3

## Company Overview: Ownership Summary [16-Sep-08]

## Winnebago Industries Inc (WGO-US)

Investor Type	# Investors	% O/S	Position	Position Chg
Firms	318	124.43	36,165,595	-937,738
Strategic Entities	2	5.17	1,503,332	0
Insiders	30	67.64	19,659,293	-2,121,042
Retail/Other	NA	0.00	0	NA
Total	350	197.24	57,328,220	

Rotation: Firms	# Investors	% O/S	Position Chg	Value Chg (\$MM)
Buyers	68	68.69	5,095,319	53
Sellers	84	50.61	-6,033,057	-63
Net		119.30	-937,738	-10

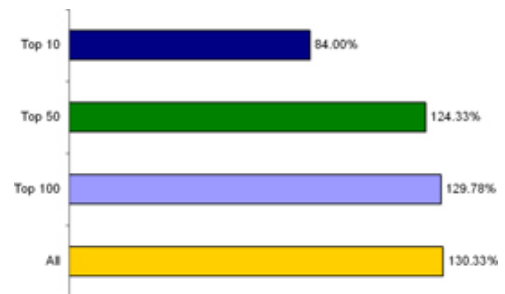
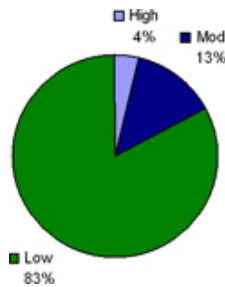
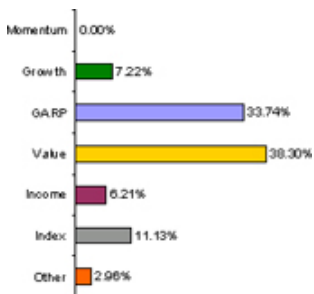
Filing Status	Q3 2008	Q2 2008	Q1 2008
	1.20%	88.62%	1.80%

Location: Firms				
Metro Area	# Investors	% O/S	Position	Position Chg
New York	89	35.30	10,259,020	779,983
Boston	21	20.56	5,974,620	-786,959
Baltimore/Washington D.C.	8	11.90	3,459,915	375,927
Kansas City	4	9.10	2,644,375	715,914
Country	# Investors	% O/S	Position	Position Chg
United States	275	118.14	34,338,301	-1,496,337
Canada	11	4.99	1,449,047	502,915
United Kingdom	15	0.62	180,378	14,124
Norway	1	0.45	131,480	19,121

## Investment Style: Firms

## Turnover: Firms

## Concentration



## Top 10 Investors

Investor Name	% O/S	Position	Position Chg	Value(\$MM)	Filing Date	Source
Royce & Associates, LLC	17.65	5,129,435	-22,200	52.3	30-Jun-08	13F
Fidelity Management & Research	14.88	4,325,968	-21,700	44.1	30-Jun-08	13F
T. Rowe Price Associates, Inc.	11.62	3,378,920	388,350	34.4	30-Jun-08	13F
Barrow, Hanley, Mewhinney & Strauss, Inc.	7.13	2,071,600	756,200	21.1	30-Jun-08	13F
Franklin Advisory Services, LLC	6.98	2,028,300	169,500	20.7	30-Jun-08	13F
Capital World Investors	5.76	1,673,000	50,000	17.0	30-Jun-08	13F
Hanson Capital Partners, L.L.C.	5.17	1,503,332		52.3	10-Nov-06	13D
Kornitzer Capital Management Inc.	5.13	1,490,425	-1,125	15.2	30-Jun-08	13F
Phillips, Hager & North Investment Management Ltd.	4.94	1,434,557	526,307	14.6	30-Jun-08	13F
Barclays Global Investors, N.A.	4.75	1,379,644	50,604	14.1	30-Jun-08	13F

## Top 10 Mutual Funds

Mutual Fund Name	% O/S	Position	Position Chg	Value(\$MM)	Filing Date	Source
Fidelity Value Fund	8.15	2,370,291	0	30.2	31-Jul-08	MF
T. Rowe Price Small Cap Value Fund	5.91	1,717,900	87,100	29.0	31-Mar-08	MF
American Funds SMALLCAP World Fund	5.76	1,673,000	1,673,000	17.0	30-Jun-08	MF
Royce Low-Priced Stock Fund	5.39	1,567,200	1,567,200	26.5	31-Mar-08	MF
Royce Pennsylvania Mutual Fund	4.34	1,260,300	312,000	21.3	31-Mar-08	MF
Buffalo Small Cap Fund	4.29	1,245,600	0	12.7	30-Jun-08	MF
Royce Total Return Fund	3.23	937,700	44,900	15.8	31-Mar-08	MF
Fidelity Equity-Income Fund	3.03	881,737	0	11.3	31-Jul-08	MF
Janus Small Cap Value Fund	2.41	700,000	700,000	7.1	30-Jun-08	MF
Royce Value Fund	2.25	655,035	0	11.1	31-Mar-08	MF

## Winnebago Industries, Inc.

## VALUATION DISCLOSURE RECAP - SUMMARY

FROM 8/26/2007 TO 8/30/2008

FAIR MARKET VALUE: \$11.35

FORFEITURE RATE: Defined Rate

DEFINED RATE: 0.000

SINGLE: USE WGT AVG RATE: No

REPORT TYPE: Options

EQUITY PLAN: All

PURCHASE PLAN:

## STOCK OPTIONS

	Shares	Weighted Average Exercise Price	Weighted Remaining Contractual Term	Aggregate Intrinsic Value as of 08/30/08
BEGINNING OUTSTANDING GRANTED	1,137,975	\$ 26.31822		
Price < Market Value	0	\$ 0.00000		

Price = Market Value	0	\$	0.00000		
Price > Market Value	0	\$	0.00000		
Total	0	\$	0.00000		
EXERCISED	(59,201)	\$	10.85798		
CANCELLED					
Forfeited	(667)	\$	26.93000		
Expired	(33,208)	\$	29.29463		
Total	(33,875)	\$	29.24807		
<hr/>					
ENDING OUTSTANDING	1,044,899	\$	27.09917	5.44	\$ 142,275.44
ENDING VESTED + EXPECTED TO VEST	1,044,899	\$	27.09917	5.44	\$ 142,275.44
ENDING EXERCISABLE	971,540	\$	27.08872	5.31	\$ 142,275.44
WGT. AVG. REMAINING RECOGNITION PERIOD:	0.13				

**OUTSTANDING AND EXERCISABLE BY PRICE RANGE  
AS OF 08/30/08**

OPTIONS OUTSTANDING				OPTIONS EXERCISABLE			
Range of Exercise Prices		Number Outstanding As of 08/30/08	Weighted Average Remaining Contractual Term	Weighted Average Exercise Price	Number Exercisable As of 08/30/08		Weighted Average Exercise Price
\$ 7.68750	\$ 18.25000	147,308	2.63	\$ 14.45031	147,308	\$ 14.45031	
\$ 18.84250	\$ 18.84250	16,000	4.38	\$ 18.84250	16,000	\$ 18.84250	
\$ 19.73750	\$ 19.73750	16,000	3.38	\$ 19.73750	16,000	\$ 19.73750	
\$ 26.49500	\$ 26.49500	191,368	4.37	\$ 26.49500	191,368	\$ 26.49500	
\$ 26.93000	\$ 26.93000	239,457	7.02	\$ 26.93000	170,265	\$ 26.93000	
\$ 31.47500	\$ 31.47500	310,266	6.02	\$ 31.47500	310,266	\$ 31.47500	
\$ 32.34500	\$ 32.34500	12,500	7.21	\$ 32.34500	8,333	\$ 32.34500	
\$ 33.63000	\$ 33.63000	28,000	7.36	\$ 33.63000	28,000	\$ 33.63000	
\$ 34.85500	\$ 34.85500	44,000	5.38	\$ 34.85500	44,000	\$ 34.85500	
\$ 35.14750	\$ 35.14750	40,000	6.37	\$ 35.14750	40,000	\$ 35.14750	
<hr/>							
\$ 7.68750	\$ 35.14750	1,044,899	5.44	\$ 27.09917	971,540	\$ 27.08872	

**Exhibit 31.1**

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert J. Olson, Chief Executive Officer of Winnebago Industries, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Winnebago Industries, Inc. (the "Registrant");
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements and other financial information included in this Annual Report fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
  - b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and
  - d) disclosed in this Annual Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in this case) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financing reporting; and,
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information and;
  - b) any fraud, whether or not material, that involved management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 20, 2009

By: /s/ Robert J. Olson  
Robert J. Olson  
Chairman of the Board, Chief Executive Officer and President

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**Exhibit 31.2**

**CERTIFICATION BY CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Sarah N. Nielsen, Chief Financial Officer of Winnebago Industries, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Winnebago Industries, Inc. (the "Registrant");
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements and other financial information included in this Annual Report fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
  - b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and
  - d) disclosed in this Annual Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in this case) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financing reporting; and,
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information and;
  - b) any fraud, whether or not material, that involved management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 20, 2009

By: /s/ Sarah N. Nielsen  
Sarah N. Nielsen  
Vice President, Chief Financial Officer

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**Exhibit 32.1**

**CERTIFICATION PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with this Annual Report on Form 10-K of Winnebago Industries, Inc. for the period ended August 30, 2008, I, Robert J. Olson, Chairman of the Board, Chief Executive Officer and President of Winnebago Industries, Inc., certify that pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (a) This Annual Report on Form 10-K ("periodic report") of Winnebago Industries, Inc. (the "issuer"), for the fiscal year ended August 30, 2008 as filed with the Securities and Exchange Commission on the date of this certificate, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (b) the information contained in this periodic report fairly represents, in all material respects, the financial condition and results of operations of the issuer.

Date: May 20, 2009

By: /s/ Robert J. Olson

Robert J. Olson

Chairman of the Board, Chief Executive Officer and President

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**Exhibit 32.2**

**CERTIFICATION PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with this Annual Report on Form 10-K of Winnebago Industries, Inc. for the period ended August 30, 2008, I, Sarah N. Nielsen, Chief Financial Officer of Winnebago Industries, Inc., certify that pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (a) This Annual Report on Form 10-K ("periodic report") of Winnebago Industries, Inc. (the "issuer"), for the fiscal year ended August 30, 2008 as filed with the Securities and Exchange Commission on the date of this certificate, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (b) the information contained in this periodic report fairly represents, in all material respects, the financial condition and results of operations of the issuer.

Date: May 20, 2009

By: /s/ Sarah N. Nielsen

Sarah N. Nielsen

Vice President, Chief Financial Officer

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