

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

FORM 10-K

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

For the Fiscal Year Ended December 30, 2000

or

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

Commission File No. 1-9973

THE MIDDLEBY CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware

36-3352497

(State or other jurisdiction
of incorporation or organization)

(IRS Employer Identification
Number)

1400 Toastmaster Drive, Elgin, Illinois

60120

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 847-741-3300

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class
Common stock,
par value \$0.01 per share

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 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 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. ()

The aggregate market value of the voting stock held by nonaffiliates of the Registrant as of March 26, 2001 was approximately \$55,564,814. The number of shares outstanding of the Registrant's class of common stock, as of March 26, 2001, was 8,980,172 shares.

Documents Incorporated by Reference

Part III of Form 10-K incorporates by reference the company's definitive proxy statement to be filed pursuant to Regulation 14A in connection with the 2001 annual meeting of stockholders.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
DECEMBER 30, 2000

FORM 10-K ANNUAL REPORT
TABLE OF CONTENTS
PART I

	Page
Item 1. Business.....	1
Item 2. Properties.....	9
Item 3. Legal Proceedings.....	9
Item 4. Submission of Matters to a Vote of Security Holders.....	9
Item 4A. Executive Officers of the Registrant.....	10

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.....	11
Item 6. Selected Financial Data.....	13
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	14
Item 8. Financial Statements and Supplementary Data.....	24
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.....	48

PART III

Item 10. Directors and Executive Officers of the Registrant.....	48
Item 11. Executive Compensation.....	48
Item 12. Security Ownership of Certain Beneficial Owners and Management.....	48
Item 13. Certain Relationships and Related Transactions.....	48

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.....	48
--	----

PART I

Item 1. Business

General

The Middleby Corporation ("Middleby" or the "company"), through its operating subsidiary Middleby Marshall Inc. ("Middleby Marshall") and its subsidiaries, is a leader in the design, manufacture, marketing, distribution, and service of a broad line of cooking and warming equipment used in all types of foodservice operations, including quick-service restaurants, full-service restaurants, retail outlets, hotels and other institutions. The company's products include Middleby Marshall(R) and CTX(R) conveyor oven equipment, Southbend(R) ranges, convection ovens and heavy-duty cooking equipment, SteamMaster(R) steam cooking equipment and Toastmaster(R) toasters and counterline cooking and warming equipment.

Founded in 1888 as a manufacturer of baking ovens, Middleby Marshall Oven Company was acquired in 1983 by TMC Industries Ltd., a publicly traded company that changed its name in 1985 to The Middleby Corporation. Throughout its history, the company had been a leading innovator in the baking equipment

industry and in the early 1980s positioned itself as a leading foodservice equipment manufacturer by introducing the conveyor oven that revolutionized the pizza market. In 1989, the company became a broad line equipment manufacturer through the acquisition of the Foodservice Equipment Group of Hussmann Corporation, which included Southbend, Toastmaster and CTX. The company initiated its international distribution and service strategy in 1990 by acquiring a controlling interest in Asbury Associates, Inc., which was renamed Middleby Worldwide in 1999. In 1991, the company established Middleby Philippines Corporation ("MPC") to provide modular foodservice equipment and custom kitchen fabrications to restaurant and hotel chains in the Pacific Rim and Middle Eastern markets.

The company has identified, as a major area of growth, the rapidly growing international markets targeted by restaurant and hotel chains. To capture this market, Middleby established its own export management company, set up master distribution in international markets and began to distribute complementary products of other American, European, and Asian equipment manufacturers. As the first company in its industry to take these initiatives, Middleby has positioned itself as a preferred foodservice equipment supplier to major chains expanding globally. Middleby's global network enables it to offer kitchen equipment to be delivered virtually anywhere in the world, installed and serviced by Middleby. The company believes that its full service program provides it with a competitive advantage and will enable it to develop significant new international business. The company has delivered and installed equipment in over 100 countries throughout the world.

- 1 -

Business Divisions and Products

The company conducts its business through two principal business divisions; the Cooking Systems Group and the International Distribution Division. See Note 9 to the Consolidated Financial Statements for further information on the company's business divisions.

Cooking Systems Group

Middleby Cooking Systems Group, the company's manufacturing division, has operations located in Illinois, North Carolina and the Philippines. The division's principal product groups include:

Conveyor Oven Equipment Product Group - Middleby Marshall and CTX

The Middleby Marshall oven line is the world's conveyor cooking equipment leader. A brand of baking and cooking equipment since 1888, the Middleby Marshall name is renowned for quality and durability. Middleby Marshall ovens are used by a majority of the leading pizza chains, as well as by other restaurants and institutions. Middleby Marshall conveyor ovens utilize a patented process, Jet-Sweep air impingement, that forces heated air at high velocities through a system of nozzles above and below the food product which is placed on a moving conveyor belt. This process achieves faster baking times and greater consistency of bake than conventional ovens. The company's CTX line of conveyor ovens utilizes patented infra-red cooking and precision control technology for more specialized, lower volume applications. CTX conveyor ovens are sold to restaurants and pizza outlets and offer such additional features as a programmable time and temperature control as well as a self-cleaning function. Conveyor oven products range in price from approximately \$5,000 to \$35,000 per unit and are predominately assembled to order and purchased directly by end-users (who order units customized for their operations) rather than through dealers.

Core Cooking Equipment Product Group - Southbend

In the market for 100 years, Southbend products, mainly heavy-duty, gas-fired equipment, include ranges, convection ovens, broilers, fryers,

griddles, steamers and steam cooking equipment. Southbend products are offered as standardized equipment for general use in restaurants and institutions, and also are made to specification for use by the professional chef. Southbend is known for its innovative product features and premier cooking line. Its 40,000 BTU Pyromax(R) range doubled the industry standard for BTU's when it was introduced in 1996. Southbend's Marathoner Gold(R) convection oven has been judged by a leading industry publication to be the best baking convection oven on the market today. The Southbend Simple Steam steamer is the industry's lowest maintenance and lowest water usage pressureless steamer, and was awarded the 1998 Product Design of the Year by the Electric Foodservice Council. Core cooking equipment products range in price from \$800 to \$15,000 and are predominantly purchased by dealers on an order-by-order basis.

- 2 -

Counterline Cooking Equipment Product Group - Toastmaster

Toastmaster counterline cooking equipment products are predominantly light and medium-duty electric equipment, including pop-up and conveyor toasters, hot food servers, foodwarmers, griddles, convection ovens and ranges. A leading equipment brand since 1917, Toastmaster has been voted the number one toaster product for eighteen consecutive years in the Annual Industry Leaders survey by ID magazine. As a major supplier to global restaurant chains, Toastmaster is able to customize products to fit a chain's particular needs. Toastmaster products are designed with energy saving features and food safety technologies. Counterline cooking equipment products range in price from \$300 to \$12,000 per unit and are predominately purchased from stock by dealers.

The company does not produce consumer products under the Toastmaster name, as an unaffiliated company, Toastmaster, Inc., owns the rights to the brand name for consumer markets.

International Specialty Equipment Product Group - Middleby Philippines Corporation

Founded in 1991, Middleby Philippines Corporation (MPC) engineers, manufactures and installs modular foodservice equipment and custom kitchen fabrications used primarily in conjunction with standard equipment manufactured in the U.S. to provide a complete kitchen installation. Principal products include serving stations, worktables, undercounter refrigeration systems, ventilation systems, cabinets and shelving. Customers are primarily Asian operations of major U.S. and international foodservice chains. Additionally, in 2000 MPC began production of component parts and finished products for the company's domestic operations. This activity accounted for approximately 50% of MPC's business during the year. MPC's manufacturing and assembly operations are located in a modern 54,000 square foot facility outside of Manila.

International Distribution Division - Middleby Worldwide

Middleby Worldwide provides integrated export management and distribution services. The division sells the company's product lines and certain non-competing complementary product lines of other manufacturers throughout the world. The company offers customers a complete package of kitchen equipment, delivered and installed in over 100 countries. For a local country distributor or dealer, the division provides centralized sourcing of a broad line of equipment with complete export management services, including export documentation, freight forwarding, equipment warehousing and consolidation, installation, warranty service and parts support. Middleby Worldwide has regional export management companies in Asia, Europe and Latin America complemented by sales and distribution offices located in Canada, China, France, India, Japan, Korea, Mexico, the Philippines, Spain and Taiwan.

- 3 -

The Customers and Market

The company's domestic sales are primarily through independent dealers and distributors and are marketed by the company's sales personnel and network of independent manufacturers' representatives. The company's international sales are through a combined network of independent and company-owned distributors. The company maintains sales and distribution offices in Canada, China, France, India, Japan, Korea, Mexico, the Philippines, Spain and Taiwan. The company's end-user customers include: (i) fast food or quick-service restaurants, including those restaurants that primarily offer pizza, (ii) full-service restaurants, including casual-theme restaurants, (iii) retail outlets, such as convenience stores, supermarkets and department stores and (iv) public and private institutions, such as hotels, resorts, schools, hospitals, long-term care facilities, correctional facilities, stadiums, airports, corporate cafeterias, military facilities and government agencies. Many of the dealers in the U.S. belong to buying groups that negotiate sales terms with the company. Certain large multi-national restaurant and hotel chain customers have purchasing organizations that manage product procurement for their systems. Included in these customers are several large restaurant chains, which account for a significant portion of the company's business. The company's five largest customers accounted for approximately 24% of net sales in 2000, although no single customer accounting for more than 10% of 2000 net sales.

During the past several decades, growth in the U.S. foodservice industry has been driven primarily by population growth, economic growth and demographic changes, including the emergence of families with multiple wage-earners and growth in the number of higher-income households. These factors have led to a demand for convenience and speed in food preparation and consumption. According to the National Restaurant Association, U.S. food consumers now spend approximately 46% of their budget on food prepared away from home. As a result, U.S. foodservice sales grew for the ninth consecutive year to approximately \$379 billion in 2000. Despite the projected slowdown for the worldwide economy, 2001 sales are projected to increase to \$399 billion, an increase of 5.2% over 2000. The quick-service restaurant segment within the foodservice industry has been the fastest growing segment since the mid '80's. Total quick-service sales amounted to \$107 billion in 2000 and are expected to increase 4.4% to \$112 billion in 2001. The full-service restaurants represent the largest portion of the foodservice industry and represented \$135 billion in sales in 2000 and are expected to increase 6.5% to \$143 billion in 2001. This segment has seen increased chain concepts and penetration in recent years, particularly in upscale segments, driven by the aging of the baby boom generation.

Over the past decade, the food service industry has enjoyed steady growth in the United States due to the development of new quick-service and casual-theme restaurant chain concepts, the expansion into nontraditional locations by quick-service restaurants and store equipment modernization. In the international markets, foodservice equipment manufacturers have been experiencing stronger growth than the U.S. market due to rapidly expanding international economies and increased opportunity for expansion by U.S. chains into developing regions. In 1997, the top 100 restaurant chains built more new units outside the U.S. than inside, for the first time, according to Technomic Inc., a leading foodservice research

- 4 -

firm. The company believes that the worldwide foodservice equipment market has sales in excess of \$10 billion at a growth rate outpacing the U.S. The company believes that continuing growth in demand for foodservice equipment will result from the development of new restaurant units and the expansion of U.S. chains into international markets and the replacement and upgrade of existing equipment.

The backlog of orders was \$10,918,000 at December 30, 2000, all of which is expected to be filled during 2001. The company's backlog was \$12,040,000 at January 1, 2000. The backlog is not necessarily indicative of the level of business expected for the year, as there is generally a short time between order

receipt and shipment for the majority of the company's products.

Marketing and Distribution

Middleby's products and services are marketed in the U.S. and in over 100 countries through a combination of the company's sales personnel and international marketing divisions and subsidiaries, together with an extensive network of independent dealers, distributors, consultants, sales representatives and agents. The company's relationships with major restaurant chains are primarily handled through an integrated effort of top-level executive and sales management at the corporate and business division levels to best serve each customer's needs.

Each of the company's business divisions is responsible for the marketing of its products and services, under the direction of the division's President. Each business division manages its own sales, promotion and marketing programs with coordination and support provided by corporate sales and marketing functions.

In the United States, each business or sales division distributes its products to independent end-users through a network of non-exclusive dealers nationwide, who are supported by manufacturers' marketing representatives. Sales are made direct to certain large restaurant chains that have established their own procurement and distribution organization for their franchise system.

International sales are primarily made through the International Distribution Division network to independent local country stocking and servicing distributors and dealers and, at times, directly to major chains, hotels and other large end-users by the company-owned distribution companies.

Services and Product Warranty

The company is an industry leader in equipment installation programs and after-sales support and service. The emphasis on global service increases the likelihood of repeat business and enhances Middleby's image as a partner and provider of quality products and

- 5 -

services. It is critical to major foodservice chains that equipment providers be capable of supporting equipment on a worldwide basis.

The company's domestic service network consists of over 80 authorized service parts distributors and 2,500 independent certified technicians that have been formally trained and certified by the company through its factory training school and on-site installation training programs. The service network is separate from the sales network to ensure that technicians remain focused on service issues rather than new business. Technicians work through service parts distributors, which are required to provide around-the-clock service via a toll-free paging number. The company provides substantial technical support at each factory to the technicians in the field through factory-based technical service engineers. The company has stringent parts stocking requirements for these agencies, leading to an exceptionally high first-call completion rate for service and warranty repairs.

Middleby's international service network consists of distributors in over 100 countries with approximately 3,000 service technicians trained in the installation and service of the company's products and supported by internationally-based service managers along with the factory-based technical service engineers. As with its domestic service network, the company maintains stringent parts stocking requirements for its international distributors.

Competition

The cooking and warming segment of the foodservice equipment industry is highly competitive and fragmented. Within a given product line, the industry

remains fairly concentrated, with typically a small number of competitors accounting for the bulk of the line's industry-wide sales. Industry competition includes companies that manufacture a broad line of products and those that specialize in a particular product line. Competition in the industry is based upon many factors, including brand recognition, product features and design, quality, price, delivery lead times, serviceability and after-sale service. The company believes that its ability to compete depends on strong brand equity, exceptional product performance, short lead-times and timely delivery, competitive pricing, and its superior customer service support. Management believes that the demand for its labor saving, multi-functional and energy efficient equipment will increase, driven by quick-service and full-service chains that face labor supply issues, space limitations and increasing operating costs.

In the international markets, the company competes with U.S. manufacturers and numerous global and local competitors. Management believes that the company's integrated international export management and distribution capabilities uniquely position it to provide value-added services to U.S. and internationally based chains, as well as to local country distributors offering a complete line of kitchen equipment.

The company believes that it is among the largest multiple-line manufacturers of cooking and warming equipment in the U.S. and worldwide, although some of its competitors are units of operations that are larger than the company and possess greater financial and

- 6 -

personnel resources. Among the company's major U.S. competitors are certain subsidiaries and divisions of Welbilt Corporation, a subsidiary of Enodis plc; G.S. Blodgett Corp., a subsidiary of Maytag Corporation; Hobart Corporation and Vulcan-Hart Corporation, both subsidiaries of Illinois Tool Works Inc.; and Wells Manufacturing company, a subsidiary of United Technologies Corporation. Major international-based competitors include Zanussi, a subsidiary of Electrolux AB, and Ali Group.

Manufacturing and Quality Control

The company operates two domestic and one international manufacturing facilities. The company's conveyor oven and counterline cooking equipment products are manufactured in Elgin, Illinois and its core cooking equipment products are manufactured in Fuquay-Varina, North Carolina. Middleby's international specialty cooking equipment operation is located in Laguna, the Philippines. Metal fabrication, finishing, sub-assembly and assembly operations are conducted at each manufacturing facility. Equipment installed at individual manufacturing facilities includes numerically controlled turret presses and machine centers, shears, press brakes, welding equipment, polishing equipment, CAD/CAM systems and product testing and quality assurance measurement devices. The company's CAD/CAM systems enable virtual electronic prototypes to be created, reviewed and refined before the first physical prototype is built.

Detailed manufacturing drawings are quickly and accurately derived from the model and passed electronically to manufacturing for programming and optimal parts nesting on various numerically controlled punching cells. The company believes that this integrated product development and manufacturing process is critical to assuring product performance, customer service and competitive pricing.

The company has established comprehensive programs to ensure the quality of products, to analyze potential product failures and to certify vendors for continuous improvement. Every product manufactured or licensed by the company is individually tested prior to shipment to ensure compliance with company standards.

Sources of Supply

The company purchases its raw materials and component parts from a number of suppliers. The majority of the company's material purchases are standard commodity-type materials, such as stainless steel, electrical components and hardware. These materials and parts generally are available in adequate quantities from numerous suppliers. Some component parts are obtained from sole sources of supply. In such instances, management believes it can substitute other suppliers as required. The majority of fabrication is done internally through the use of automated equipment. Certain equipment and accessories are manufactured by other suppliers for sale by the company. The company believes it enjoys good relationships with its suppliers and considers the present sources of supply to be adequate for its present and anticipated future requirements.

- 7 -

Licenses, Patents, and Trademarks

Middleby Marshall has an exclusive license from Enersyst Development Center L.L.C. ("Enersyst") to manufacture, use and sell Jetsweep air impingement ovens in the U.S. for commercial food applications in which the interior length or width of a rectangular cooking area, or in which the diameter of a circular cooking area, equals or exceeds 36 inches. The Enersyst license covers numerous existing patents and provides further exclusive and non-exclusive license rights to existing and future developed technology. Middleby Marshall also holds an exclusive sublicense from Lincoln Foodservice Products, Inc. ("Lincoln"), a subsidiary of Welbilt Corporation, to manufacture, use and sell throughout the world, other than in the U.S. and Japan, air impingement ovens of the above-described dimensions for commercial food applications. This sublicense covers the foreign analogues of the patents covered by the Enersyst license and grants Middleby Marshall rights of first refusal for a similar sublicense in Japan. The Enersyst license expires the later of the expiration of the last of the licensed patents or September 30, 2008. The Lincoln sublicense expires upon the expiration of the last patented improvement covered by the license. Certain individual patents covered under the Enersyst and Lincoln license agreements expire at varying dates through 2008. While the loss of the Enersyst license or the Lincoln sublicense could have an adverse effect on the company, management believes it is capable of designing, manufacturing and selling similar equipment, although not as technologically advanced. Lincoln and Fuji Chubo Setsubi company, Ltd. are the only other foodservice equipment manufacturers licensed under the Enersyst patents.

The company holds numerous patents covering technology and applications related to various products, equipment and systems. Management believes the expiration of any one of these patents would not have a material adverse effect on the overall operations or profitability of the company.

The company owns numerous trademarks and trade names; among them, CTX(R), Middleby Marshall(R), Southbend(R) and Toastmaster(R) are registered with the U.S. Patent and Trademark Office and in various foreign countries.

Employees

As of December 30, 2000, the company employed 699 persons. Of this amount, 263 were management, administrative, sales, engineering and supervisory personnel; 168 were hourly production non-union workers; and 268 were hourly production union members. Included in these totals were 206 individuals employed outside of the United States, of which 133 were management, sales, administrative and engineering personnel, and 73 were hourly production workers, who participate in an employee cooperative. At its Elgin, Illinois facility, the company has a union contract with the International Brotherhood of Teamsters that expires on May 1, 2002. The company also has a union workforce at its manufacturing facility in the Philippines, under a contract that extends through November 2001. Management believes that the relationships between employees, union and management are good.

- 8 -

Seasonality

The company's business, taken as a whole, is not materially affected by seasonality.

Item 2. Properties

The company's principal executive offices are located in Elgin, Illinois. The company operates two manufacturing facilities in the U.S. and one manufacturing facility in the Philippines.

The principal properties of the company are listed below:

Location -----	Principal Function -----	Square Footage -----	Owned/ Leased -----
Elgin, IL	Manufacturing, Warehousing and Offices	207,000	Owned
Fuquay-Varina, NC	Manufacturing, Warehousing and Offices	131,000	Owned
Laguna, the Philippines	Manufacturing, Warehousing and Offices	54,000	Owned

At various other locations the company leases small amounts of office space for administrative and sales functions, and in certain instances limited short-term inventory storage. These locations are in Canada, China, France, Japan, Korea, Mexico, Spain, and Taiwan.

Management believes that these facilities are adequate for the operation of the company's business as presently conducted.

Item 3. Legal Proceedings

The company is routinely involved in litigation incidental to its business, including product liability actions, which are generally covered by insurance. Such routine claims are vigorously contested and management does not believe that the outcome of any such pending litigation will have a material adverse effect upon the financial condition of the company.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of the security holders in the fourth quarter of the year ended December 30, 2000.

Item 4A. Executive Officers of the Registrant

Name ----	Age ---	Principal Occupation and Principal Position and Office with the company -----
William F. Whitman, Jr.	61	Chairman of the Board of the company and Middleby Marshall
Selim A. Bassoul	44	President and Chief Executive

Officer of the company and
Middleby Marshall

David B. Baker

43

Vice President, Chief Financial Officer
and Secretary of the company and
Middleby Marshall

The officers of the company are elected annually by the Board of Directors, hold office until their successors are chosen and qualify, and may be removed by the Board of Directors at any time, at a duly convened meeting of the Board of Directors or by written consent. The company has employment agreements with Messrs. Whitman, Bassoul and Baker. Laura B. Whitman, a director of the company, is the daughter of Mr. Whitman.

- 10 -

PART II

Item 5. Market for Registrant's Common Equity and
Related Stockholder Matters

The company's Common Stock trades on the Nasdaq National Market System under the symbol "MIDD". The following table sets forth, for the periods indicated, the high and low closing sale prices per share of Common Stock, as reported by the Nasdaq National Market System.

	Closing Share Price	
	High	Low
	----	---
Fiscal 2000		
First quarter.....	7.010	5.473
Second quarter.....	7.563	5.104
Third quarter.....	7.256	5.473
Fourth quarter.....	6.825	4.919
Fiscal 1999		
First quarter.....	5.688	3.625
Second quarter.....	6.688	3.750
Third quarter.....	7.875	4.625
Fourth quarter.....	5.750	4.188

In December 1997, the company completed a public stock offering. The offering totaled 3,001,500 shares of which the company sold 2,391,500 shares and 610,000 shares were sold by selling stockholders. Net proceeds to the company totaled approximately \$22.1 million and were used to repay certain indebtedness.

In July 1998, the company's Board of Directors adopted a stock repurchase program and subsequently authorized the purchase of up to 1,800,000 common shares in open market purchases. As of December 30, 2000, 899,800 shares had been repurchased for \$3.7 million.

In November 2000, the company completed a self tender offer. The company purchased a total 1,135,359 shares through the tender. Payments by the company totaled approximately \$7.9 million. As of December 30, 2000, the company estimates there were approximately 1,800 beneficial owners of the company's common stock.

In December 2000, the company declared and paid a \$0.10 per common share special dividend to shareholders of record as of the close of business on December 20, 2000. The company's credit agreement places certain limitations on its right to issue dividends.

- 11 -

During the fiscal year ended December 30, 2000, the company issued an aggregate of 32,875 shares of the company's common stock to current and former employees and directors, pursuant to the exercise of stock options, for an aggregate consideration of \$140,125. Such options were granted under the company's Amended and Restated 1989 Stock Incentive Plan and had exercise prices ranging between a maximum of \$7.50 and a minimum of \$1.875. The issuance of such shares was exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof, as transactions by an issuer not involving a public offering.

- 12 -

PART II

Item 6. Selected Financial Data

(amounts in thousands, except per share data)
Fiscal Year Ended(1)

	2000	1999	1998	1997	1996
	----	----	----	----	----
Income Statement Data:					
Net sales	\$ 126,888	\$ 132,541	\$ 132,320	\$ 148,253	\$ 124,765
Cost of sales	81,702	91,551	96,082	102,523	87,330
Gross profit	45,186	40,990	36,238	45,730	37,435
Selling and distribution expenses ..	15,858	18,694	20,817	22,150	18,319
General and administrative expenses .	17,478	14,430	12,304	10,689	10,439
Non-recurring expenses	--	2,208	3,457	--	--
Income (loss) from operations ..	11,850	5,658	(340)	12,891	8,677
Interest expense and deferred financing amortization, net	1,204	2,724	2,916	4,136	4,351
Other expense (income), net	1,503	763	939	413	(146)
Earnings (loss) before income taxes	9,143	2,171	(4,195)	8,342	4,472
Provision (benefit) for income taxes	5,370	3,165	(211)	2,538	1,389
Earnings (loss) from continuing operations	3,773	(994)	(3,984)	5,804	3,083
Discontinued operations, net of income tax	--	--	--	(564)	(2,610)
Earnings (loss) before extraordinary item	\$ 3,773	\$ (994)	\$ (3,984)	\$ 5,240	\$ 473
Extraordinary loss, net of income tax	(235)	--	--	--	--
Net earnings (loss)	\$ 3,538	\$ (994)	\$ (3,984)	\$ 5,240	\$ 473
Basic earnings (loss) per share:					
Continuing operations	\$ 0.38	\$ (0.10)	\$ (0.37)	\$ 0.65	\$ 0.37
Discontinued operations	--	--	--	(0.06)	(0.31)
Extraordinary loss	(0.03)	--	--	--	--
Net earnings(loss) per share	\$ 0.35	\$ (0.10)	\$ (0.37)	\$ 0.59	\$ 0.06
Weighted average number of shares outstanding	9,971	10,161	10,761	8,863	8,415
Diluted earnings (loss) per share:					
Continuing operations	\$ 0.37	\$ (0.10)	\$ (0.37)	\$ 0.64	\$ 0.35
Discontinued operations	--	--	--	(0.06)	(0.30)
Extraordinary loss	(0.02)	--	--	--	--
Net earnings(loss) per share	\$ 0.35	\$ (0.10)	\$ (0.37)	\$ 0.58	\$ 0.05
Weighted average number of shares outstanding	10,091	10,277	10,872	9,104	8,666
Balance Sheet Data:					
Working capital	\$ 19,084	\$ 28,095	\$ 30,609	\$ 38,790	\$ 25,046
Total assets	78,310	99,048	99,679	103,636	85,685
Total debt	8,539	28,135	27,825	27,913	41,268
Stockholders' equity	37,461	43,168	44,734	52,333	22,167

(1) The company's fiscal year ends on the Saturday nearest to December 31.

- 13 -

Item 7. Management's Discussion and Analysis of Financial
Condition and Results of Operations

Informational Note

This report contains forward-looking statements subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. The company cautions readers that these projections are based upon future results or events and are highly dependent upon a variety of important factors which could cause such results or events to differ materially from any forward-looking statements which may be deemed to have been made in this report, or which are otherwise made by or on behalf of the company. Such factors include, but are not limited to, changing market conditions; the availability and cost of raw materials; the impact of competitive products and pricing; the timely development and market acceptance of the company's products; foreign exchange and political risks affecting international sales; and other risks detailed herein and from time-to-time in the company's Securities and Exchange Commission filings, including those discussed under "Risk Factors" in the company's Registration Statement on Form S-2 (Reg No. 333-35397).

NET SALES SUMMARY
(dollars in thousands)

Fiscal Year Ended(1)

	2000		1999		1998	
	Sales	Percent	Sales	Percent	Sales	Percent
Business Divisions:						
Cooking Systems Group:						
Conveyor oven equipment	\$ 51,941	40.9	\$ 48,986	37.0	\$ 45,605	34.5
Counterline cooking equipment	12,420	9.8	14,058	10.6	15,351	11.6
Core cooking equipment	44,233	34.9	41,702	31.4	39,348	29.7
International specialty equipment	4,756	3.7	3,166	2.4	5,239	4.0
Cooking Systems Group(2)	113,350	89.3	107,912	81.4	105,543	79.8
International Distribution Division (3)	34,446	27.1	40,352	30.4	39,096	29.5
Intercompany sales (4)	(20,908)	(16.4)	(16,105)	(12.1)	(14,678)	(11.1)
Other	--	0.0	382	0.3	2,359	1.8
Total	\$ 126,888	100.0 %	\$ 132,541	100.0 %	\$ 132,320	100.0 %

- (1) The company's fiscal year ends on the Saturday nearest to December 31.
- (2) In 1999, the International Specialty Equipment division was merged into the Cooking Systems Group. See Note 9 for further information.
- (3) Consists of sales of products manufactured by Middleby and products manufactured by third parties.
- (4) Represents the elimination of sales to the company's International Distribution Division from the Cooking Systems Group.

Results of Operations

The following table sets forth certain items in the consolidated statements of earnings as a percentage of net sales for the periods presented:

	Fiscal Year Ended(1)		
	2000	1999	1998
Net sales	100.0%	100.0%	100.0%
Cost of sales	64.4	69.1	72.6
Gross profit	35.6	30.9	27.4
Selling, general and administrative expenses	26.3	25.0	24.9
Non-recurring expense	--	1.6	2.6
Income (loss) from operations	9.3	4.3	(0.1)
Interest expense and deferred financing amortization, net	0.9	2.1	2.2
Other expense, net	1.2	0.6	0.7
Earnings (loss) before income taxes	7.2	1.6	(3.0)
Provision for income taxes	4.2	2.4	--
Earnings (loss) from continuing operations	3.0%	(0.8)%	(3.0)%

(1) The company's fiscal year ends on the Saturday nearest to December 31.

Fiscal Year Ended December 30, 2000 as Compared to January 1, 2000

Net sales. Net sales in fiscal 2000 decreased 4.3% from \$132.5 million in fiscal 1999 to \$126.9 million in fiscal 2000. In 1999 the company discontinued the manufacture of unprofitable product lines and the distribution of certain third-party products inconsistent with the company's long-term growth strategy, which led to the net sales reduction.

Net sales of the Cooking Systems Group increased by \$5.4 million or 5.0% from \$107.9 million in fiscal 1999 to \$113.4 million in fiscal 2000. Sales of conveyor oven equipment increased by \$3.0 million or 6.0%. The increase in conveyor oven sales was attributable to increased sales internationally, including sales to the major pizza chains as they expand globally. Core cooking equipment sales increased \$2.5 million or 6.1% due to the success of new product introductions. Counterline cooking equipment sales decreased \$1.6 million or 11.7% as a result of the discontinuation of numerous unprofitable product lines. Sales of international specialty equipment increased \$1.6 million or 50.2% from the prior year as this division began to manufacture component parts for the U.S. manufacturing operations and finished goods for the U.S. marketplace.

Net sales of the company's International Distribution Division, Middleby Worldwide, decreased by \$5.9 million or 14.6% from \$40.4 million in 1999 to \$34.4 million in 2000. The sales decrease was primarily due to the discontinuation of certain distributed products as the division refocused its sales and service efforts toward products which best complement the

company's core competencies and provide the greatest profitability. This adversely impacted sales in all international markets. Despite the overall reduction, sales of Middleby manufactured products increased in Asia, Europe and Latin America due to increased focus.

Gross profit. Gross profit increased 10.2%, from \$41.0 million in fiscal 1999 to \$45.2 million in fiscal 2000. As a percentage of net sales, gross profit margin increased from 30.9% in 1999 to 35.6% in 2000.

At the Cooking Systems Group margins were favorably impacted by reduced overhead resulting from prior year cost reduction measures and a more favorable product mix with greater sales of higher margin product. The favorable sales mix was due in part to actions to discontinue certain unprofitable product lines of the counterline cooking equipment group.

Gross profit margin at the International Distribution Division also improved as a result of the product refocusing efforts on higher margin Middleby manufactured products and complimentary equipment.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by \$0.2 million from \$33.1 million in 1999 to \$33.3 million in 2000 as reduced selling and distribution expenses were offset by increased general and administrative expenses.

Selling and distribution expenses decreased by \$2.8 million or 15.2%, from \$18.7 million in 1999 to \$15.9 million in 2000. Selling and distribution expenses at the International Distribution Division were lower due to the closure of the division headquarters in the fourth quarter of the prior year. Expenses were also lower at the Cooking Systems Group due to reduced payroll costs and commissions expense.

General and administrative expenses increased by \$3.0 million or 21.1%, from \$14.4 million in 1999 to \$17.5 million in 2000. General and administrative expenses included \$1.5 million associated with the early retirement of the company's President and Chief Executive Officer. This included the immediate expensing of pension costs that would normally have been recognized ratably over the remainder of his expected years of service. General and administrative expenses also include approximately \$0.5 million associated with the closure of several administrative offices and the exit of the related leases, including the lease for the corporate headquarters. Expenses associated with employee benefit and compensation programs, including incentive compensation and retirement benefits also increased from the prior year.

Income from operations. Income from operations increased \$6.2 million or 109.4% to \$11.9 million in fiscal 2000 from \$5.7 million in fiscal 1999. The improved results were due to higher gross margins and lower selling and distribution expenses.

- 16 -

Non-operating expenses. Non-operating expenses decreased 22.4% from \$3.5 million in fiscal 1999 to \$2.7 million in fiscal 2000. Net interest expense declined by \$1.5 million to \$1.2 million as a result of increased interest income on higher cash balances held during the year and the repayment of high interest debt balances. Other expenses increased by \$0.7 million to \$1.5 million during the year as a result of unrealized foreign exchange losses primarily associated with the Philippine Peso.

Income taxes. The company recorded a net tax provision of \$5.4 million in fiscal 2000 at an effective rate of 58.7% primarily related to the company's domestic earnings, while no benefit was recorded related to losses incurred at certain foreign locations. Despite the recorded tax provision, the company does not pay U.S. federal taxes, other than AMT tax due to tax loss carry-forwards available from prior years. In 1999 the company recorded a net tax provision of \$3.2 million at an effective rate of 145.8%.

Extraordinary Item. During the third quarter of 2000 the company repaid its \$15 million unsecured senior note obligation, which was due to mature over a period ending January 10, 2003. An extraordinary charge of \$0.4 million, or \$0.2 million net of income tax, was recorded related to a prepayment penalty for the early retirement of the note.

Fiscal Year Ended January 1, 2000 as Compared to January 2, 1999

Net sales. Net sales in fiscal 1999 increased 0.2% from \$132.3 million in fiscal 1998 to \$132.5 million in fiscal 1999. In 1999 the company discontinued the manufacture of unprofitable product lines and the distribution of certain third-party products inconsistent with the company's long-term growth strategy. Discontinued product offerings accounted for a reduction in sales of approximately \$7.0 million from 1998 to 1999, which was offset by increased sales of continuing product lines. Excluding the effect of discontinued product

lines, the company sales grew roughly 5% and included increases at both the Cooking Systems Group and International Distribution Division.

Net sales of the Cooking Systems Group increased by \$2.4 million or 2.2% from \$105.5 million in fiscal 1998 to \$107.9 million in fiscal 1999. Sales of conveyor oven equipment increased by \$3.4 million or 7.4%. The increase in conveyor oven sales was attributable to increased sales to the major pizza chains, as these customers continue to execute domestic and international expansion strategies. Core cooking equipment sales increased \$2.4 million or 6.0% reflecting continued market penetration and the initial success of new product introductions. These increases were offset in part by reduced sales of counterline cooking equipment and international specialty equipment. Counterline cooking equipment sales decreased \$1.3 million or 8.4% as a result of the discontinuation of unprofitable product lines, while sales of continuing products increased slightly as compared to the prior year. Sales of international specialty equipment decreased \$2.1 million or 39.6% from the prior year due primarily to lower sales resulting from slowed store openings of a major quick-service restaurant chain customer in Asia.

Net sales of the company's International Distribution Division, Middleby Worldwide, increased by \$1.3 million or 3.2% from \$39.1 million in 1998 to \$40.4 million in 1999. The sales increase was due in part to stronger conveyor oven sales, including those sales to major pizza chains expanding internationally. This increase was offset in part by the discontinuation of certain distributed products as the division refocused its sales and service efforts toward products which best complement the company's core competencies and provide the greatest profitability. The division experienced growth in the European and Latin American markets, while sales results within the Asian markets were mixed.

- 17 -

Gross profit. Gross profit increased 13.1%, from \$36.2 million in fiscal 1998 to \$41.0 million in fiscal 1999. As a percentage of net sales, gross profit margin increased from 27.4% in 1998 to 30.9% in 1999.

The Cooking Systems Group realized margin improvement in its conveyor oven, core cooking, and counterline cooking equipment product groups as a result of the benefits from cost reduction initiatives implemented during the year. The counterline cooking equipment product group also benefited from actions to discontinue certain unprofitable product models. These improvements were partly offset by deterioration in gross margin for the international specialty equipment product group due to lower efficiencies resulting from reduced sales volumes and production slowdowns during extended negotiations with the labor union during the second half of the year.

Gross profit margin at the International Distribution Division improved only slightly from the prior year, as the immediate benefits gained from product refocusing efforts were offset by increased inventory provisions related to the discontinued product offerings.

Selling, general and administrative expenses. Selling, general and administrative expenses were \$33.1 million in 1999 and remained unchanged with the prior year as reduced selling and distribution expenses were offset by increased general and administrative expenses.

Selling and distribution expenses decreased by \$2.1 million or 10.2%, from \$20.8 million in 1998 to \$18.7 million in 1999, reflecting lower spending at both the Cooking Systems Group and the International Distribution Division. Lower expenses at the Cooking Systems Group were due to reduced payroll costs from employee reduction initiatives. In addition, commissions expense in 1999 was lower than 1998, as a greater portion of sales were sold direct to the customer rather than through independent sales representatives. Selling and distribution expenses at the International Distribution Division were also lower reflecting the benefit of cost reduction actions implemented in 1998 and 1999 which included the relocation, closure, and consolidation of various international sales offices and warehousing locations.

General and administrative expenses increased by \$2.1 million or 17.3%, from \$12.3 million in 1998 to \$14.4 million in 1999. This increase was due in part to higher provisions for bad debt both at the Cooking Systems Group and International Distribution Division. Expenses also reflect increased costs associated with employee benefit and compensation programs, including employee healthcare, incentive compensation and retirement benefits. Furthermore, depreciation and amortization expenses were also greater than in the prior year.

Non-recurring expenses. Non-recurring expenses of \$2.2 million were recorded during 1999 related to cost reduction initiatives. Included in these charges were \$1.5 million related to severance obligations for headcount reductions and \$0.7 million of expenses related to office closures. Severance charges were recorded related both to the Cooking

- 18 -

Systems Group and International Distribution Division. In 1999, the employee headcount was reduced by 24% from 1,002 at January 2, 1999 to 763 at January 1, 2000, including a decrease of 150 employees internationally and 89 employees domestically.

Income from operations. Income from operations increased \$6.0 million to \$5.7 million in fiscal 1999, as compared to a loss of \$0.3 million in fiscal 1998. The improved results were due to higher gross margins and lower non-recurring expense.

Non-operating expenses. Non-operating expenses decreased 9.5% from \$3.9 million in fiscal 1998 to \$3.5 million in fiscal 1999. Net interest expense declined by \$0.2 million as a result of increased interest income on higher cash balances held during the year. Other expenses also decreased by \$0.2 million during the year.

Income taxes. The company recorded a net tax provision of \$3.2 million in fiscal 1999 at an effective rate of 145.8% primarily related to the company's domestic earnings, while no benefit was recorded related to losses incurred at certain foreign locations. Despite the recorded tax provision, the company does not pay U.S. federal taxes, other than AMT tax due to tax loss carry-forwards available from prior years. In 1998 the company recorded a net tax benefit of \$0.2 million or 5.0% related to the company's domestic tax losses, reduced for adjustments in the tax valuation allowance for tax credits expected to expire unutilized.

Financial Condition and Liquidity

Total cash and cash equivalents decreased by \$12.4 million to \$2.1 million at December 30, 2000 from \$14.5 million at January 1, 2000. The overall reduction in cash resulted from net cash used by financing activities of \$29.4 million and cash used by investing activities of \$0.7 million less cash provided by operating activities of \$17.7 million. Net borrowings decreased from \$28.1 million at January 1, 2000 to \$8.5 million at December 30, 2000.

Operating activities. Net cash provided by operating activities before changes in assets and liabilities was \$10.9 million in 2000 as compared to \$5.4 million in fiscal 1999. This increase reflects the improvement in net earnings in 2000 as compared to 1999. Net cash provided by operating activities after changes in assets and liabilities was \$17.7 million as compared to net cash provided of \$9.8 million in the prior year. Accounts receivable decreased \$6.0 million due to increased collection efforts on a lower sales volume. Inventories increased by \$1.5 million, as a result of the introduction of new products manufactured by the company, including product manufactured in the Philippines for the U.S. market requiring a four to six week transit. Accounts payable decreased \$1.7 million as a result of the timing of disbursements. Net cash provided by changes in other assets and liabilities amounted to \$3.9 million primarily due to an increase in unpaid liabilities associated with executive retirement benefits, employee compensation, customer deposits and restructuring

expenses.

- 19 -

Investing activities. During 2000 the company had capital expenditures of \$0.7 million primarily to enhance manufacturing capabilities at the Cooking Systems Group.

Financing activities. Net cash used by financing activities amounted to \$29.4 million in fiscal 2000 and included the net repayment of debt related obligations of \$20.0 million, the repurchase of stock for treasury in the amount of \$8.5 million, and the payment of a \$0.9 million special dividend.

The net reduction in borrowings includes the early retirement of \$15 million under an unsecured credit note and \$8.9 million under an intellectual property lease. The unsecured senior note obligation was repaid in full with a scheduled payment of \$2.5 million in July 2000 and a \$12.5 million early retirement payment in August 2000. The note obligation was at a 10.99% rate of interest and was due to mature over a period ending January 10, 2003. In conjunction with the early debt retirement, the company repurchased a warrant that gave the noteholder the right to purchase 250,000 shares of common stock at an exercise price of \$3 per share for \$0.9 million. The company incurred an early prepayment penalty of \$0.4 million associated with the retirement of the unsecured note. The intellectual property lease was repaid in December 2000. The lease facility was at a 10.3% rate of interest and was due to mature on December 31, 2001. There was no prepayment penalty associated with the early payment of the lease.

In December 2000, the company entered into a new multi-currency revolving credit facility with its existing bank. The facility has a maturity of December 31, 2003 with an option to extend the expiration to December 31, 2004. The company has the ability to borrow \$20.0 million under this facility. During fiscal 2000, borrowings under the revolving credit facilities increased \$4.9 million to \$8.2 million, and were comprised of \$2.4 million in a Yen denominated loan and \$5.8 million in U.S. dollar denominated borrowings. At December 30, 2000, the company was in compliance with all covenants pursuant to the credit facility.

In October 2000, the company's Board of Directors approved a self tender offer that authorized the purchase of up to 1.5 million common shares from existing stockholders at a per share price of \$7.00. In November 2000, the company announced that 1.1 million shares were accepted for payment pursuant to the tender offer for \$7.9 million. Prior to the tender offer the company had purchased 64,000 shares in the open market for \$0.5 million in conjunction with the company's stock repurchase program adopted in July 1998.

In December 2000, the Board of Directors directed the payment of a \$.10 per share special dividend amounting to a total payment of \$0.9 million. The Board of Directors wanted shareholders to participate in the company's improved earnings and strong after-tax cash flows.

Management believes that the company will have sufficient financial resources available to meet its anticipated requirements for working capital, capital expenditures and debt amortization for the foreseeable future.

- 20 -

Derivative Financial Instruments

The company uses derivative financial instruments, principally foreign currency forward purchase and sale contracts with terms of less than one year, to hedge its exposure to changes in foreign currency exchange rates. The company's primary exposure to changes in foreign currency rates results from intercompany loans made between Middleby affiliates to minimize the need for

borrowings from third parties. Additionally, the company enters into foreign currency forward purchase and sale contracts to mitigate its exposure to changes in exchange rates on intercompany and third party trade receivables and payables. The company does not currently enter into derivative financial instruments for speculative purposes. In managing its foreign currency exposures, the company identifies and aggregates naturally occurring offsetting positions and then hedges residual exposures. The following table summarizes the forward purchase contracts outstanding at December 30, 2000:

	Sell	Purchase	Maturity
843,500,000	South Korean Won	\$ 700,000 US Dollars	March 15, 2001
32,205,000	Taiwan Dollar	\$ 950,000 US Dollars	March 15, 2001
10,060,500	Taiwan Dollar	\$ 300,000 US Dollars	March 1, 2001
600,000	Euro Dollar	\$ 535,260 US Dollars	March 7, 2001
1,600,000	Euro Dollar	\$ 1,375,040 US Dollars	March 15, 2001
600,000	Euro Dollar	\$ 524,100 US Dollars	March 12, 2001

Interest Rate Risk

The company is exposed to market risk related to changes in interest rates. The following table summarizes the maturity of the company's debt obligations:

	Fixed Rate Debt	Variable Rate Debt
	-----	-----
	(dollars in thousands)	
2001	\$ 249	\$ --
2002	46	--
2003	--	8,244
	-----	-----
	\$ 295	\$8,244
	=====	=====

Fixed rate debt is comprised of a capital lease, which bears an interest rate of 9%. Variable rate debt is comprised of borrowings under the company's \$20.0 million revolving credit line, which includes a \$2.4 million Yen denominated loan and \$5.8 million in U.S. dollar denominated borrowings. Interest under the revolving credit facility is assessed based upon the bank's reference rate in each respective country. The interest rate assessed to the Yen denominated loan and the U.S. dollar denominated loan at December 30, 2000 was 1.5% and 7.5%, respectively.

- 21 -

Certain Risk Factors That May Affect Future Results

Quarterly variations in operating results. Results of the company's operations have fluctuated from quarter to quarter in the past, and may fluctuate significantly in the future. Such fluctuations may result from a variety of factors, including the timing of orders from major customers, the timing of new product introductions, the loss of any of its significant customers or distributors, currency fluctuations, disruption in the supply of components for the company's products, changes in product mix or capacity utilization, personnel changes, production delays, seasonality and other factors affecting sales and results of operations.

International exposure. The company has manufacturing operations located in Asia and distribution operations in Asia, Europe, and Latin America. The company's operations are subject to the impact of economic downturns, political instability, and foreign trade restrictions, which may adversely affect the financial results. The company anticipates that international sales will continue to account for a significant portion of consolidated net sales in the foreseeable future. Some sales by the foreign operations are in local currency and an increase in the relative value of the U.S. dollar against such currencies would lead to the reduction in consolidated sales and earnings. Additionally,

foreign currency exposures are not fully hedged and there can be no assurances that the company's future results of operations will not be adversely affected by currency fluctuations.

Dependence on key customers. The company's growth is strongly influenced by the growth of its key customers, many of which are large restaurant chains. The number of new store openings by these chains can vary from quarter to quarter depending on internal growth plans, construction, seasonality and other factors. If these chains were to conclude that the market for their type of restaurant had become saturated, they could open fewer restaurants. In addition, during an economic downturn, key customers could both open fewer restaurants and defer purchases of new equipment for existing restaurants. Either of these conditions could have a material adverse effect on the company's future results of operations. While no single customer accounts for more than 10% of net sales, the company's top five customers accounted for approximately 24% of sales in fiscal 2000.

Competition. The cooking and warming segment of the foodservice equipment industry is highly competitive and fragmented. Within a given product line, the industry remains fairly concentrated, with typically a small number of competitors accounting for the bulk of the industry-wide sales. Industry competition includes companies that manufacture a broad line of commercial foodservice equipment products and those that specialize in a particular product line. Some of the company's competitors have greater financial and marketing resources than the company. In addition, some competitors have different pricing structures and may be able to deliver their products at lower prices. Although the company believes that the performance and price characteristics of its products will provide competitive solutions for its customers' needs, there can be no assurance that its customers will choose the company's products over products offered by competitors. Further, the market for the company's products is

- 22 -

characterized by changing technology and evolving industry standards. The company is aware of other companies that are developing, and in some cases have introduced, new ovens based on high-speed heating methods and technologies. Accordingly, the company's ability to compete successfully will depend, in large part, on its ability to enhance and improve its existing products.

Product liability matters. The company is engaged in a business that could expose it to possible liability claims from others, including foodservice operators and their staffs, as well as from consumers, for personal injury or property damage due to alleged design or manufacturing defects in the company's products. The company maintains an umbrella liability insurance policy to cover claims up to \$15 million per occurrence. There can be no assurance, however, that the company's insurance will be sufficient to cover potential claims or that an adequate level of coverage will be available in the future at reasonable cost. A partially insured or a completely uninsured successful claim against the company could have a material adverse effect on the company.

Risks relating to intellectual property. The company holds numerous patents covering technology and applications related to various products, equipment and systems, and numerous trademarks and trade names registered with the U.S. Patent and Trademark Office and in various foreign countries, including the names CTX, Middleby Marshall, Southbend, SteamMaster, and Toastmaster. There can be no assurance as to the breadth or degree of protection that existing or future patents or trademarks may afford the company.

Dependence on key personnel. The company depends significantly on certain of its executive officers and certain other key personnel, many of whom could be difficult to replace. The incapacity, inability or unwillingness of certain of these people to perform their services may have a material adverse effect on the company. There can be no assurance that the company will be able to continue to attract, motivate and retain personnel with the skills and experience needed to successfully manage the company's business and operations.

Item 8. Financial Statements and Supplementary Data

	Page

Report of Independent Public Accountants	25
Consolidated Balance Sheets.....	26
Consolidated Statements of Earnings.....	27
Consolidated Statements of Changes in Stockholders' Equity	28
Consolidated Statements of Cash Flows	29
Notes to Consolidated Financial Statements	30

The following consolidated financial statement schedule is included in response to Item 14(d).

Schedule II - Valuation and Qualifying Accounts and Reserves..... 47

All other schedules for which provision is made to applicable regulation of the Securities and Exchange Commission are not required under the related instruction or are inapplicable and, therefore, have been omitted.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors
of The Middleby Corporation:

We have audited the accompanying consolidated balance sheets of THE MIDDLEBY CORPORATION (a Delaware corporation) and Subsidiaries as of December 30, 2000, and January 1, 2000, and the related consolidated statements of earnings, changes in stockholders' equity and cash flows for each of the three years in the period ended December 30, 2000. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Middleby Corporation and Subsidiaries as of December 30, 2000, and January 1, 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 30, 2000, in conformity with generally accepted accounting principles in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the index to the financial statements is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects in relation to the basic financial statements

taken as a whole.

Arthur Andersen LLP

Chicago, Illinois
February 9, 2001

- 25 -

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 30, 2000 AND JANUARY 1, 2000
(dollars in thousands, except share data)

ASSETS	2000	1999
-----	----	----
Current assets:		
Cash and cash equivalents	\$ 2,094	\$ 14,536
Accounts receivable, net	18,879	24,919
Inventories, net	18,372	16,884
Prepaid expenses and other	976	689
Current deferred taxes	4,141	3,350
	-----	-----
Total current assets	44,462	60,378
Property, plant and equipment, net	18,968	21,281
Excess purchase price over net assets acquired, net	13,056	13,962
Deferred taxes	1,224	2,332
Other assets	600	1,095
	-----	-----
Total assets	\$ 78,310	\$ 99,048
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 249	\$ 7,131
Accounts payable	7,211	8,861
Accrued expenses	17,918	16,291
	-----	-----
Total current liabilities	25,378	32,283
Long-term debt	8,290	21,004
Retirement benefits and other non-current liabilities	7,181	2,593
Stockholders' equity:		
Preferred stock, \$.01 par value; none issued	--	--
Common stock, \$.01 par value, 11,021,896 and 11,008,771 shares issued in 2000 and 1999, respectively	110	110
Paid-in capital	53,585	54,220
Treasury stock at cost; 2,015,409 and 837,800 shares in 2000 and 1999, respectively	(11,777)	(3,309)
Accumulated deficit	(2,665)	(5,297)
Accumulated other comprehensive income	(1,792)	(2,556)
	-----	-----
Total stockholders' equity	37,461	43,168
	-----	-----
Total liabilities and stockholders' equity	\$ 78,310	\$ 99,048
	=====	=====

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

- 26 -

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE FISCAL YEARS ENDED DECEMBER 30, 2000, JANUARY 1, 2000
AND JANUARY 2, 1999

(amounts in thousands, except per share data)

	2000 ----	1999 ----	1998 ----
Net sales	\$ 126,888	\$ 132,541	\$ 132,320
Cost of sales	81,702	91,551	96,082
Gross profit	45,186	40,990	36,238
Selling and distribution expenses	15,858	18,694	20,817
General and administrative expenses	17,478	14,430	12,304
Non-recurring expenses	--	2,208	3,457
Income (loss) from operations	11,850	5,658	(340)
Interest expense and deferred financing amortization, net	1,204	2,724	2,916
Other expense, net	1,503	763	939
Earnings (loss) before income taxes	9,143	2,171	(4,195)
Provision (benefit) for income taxes	5,370	3,165	(211)
Earnings (loss) before extraordinary item	3,773	(994)	(3,984)
Extraordinary loss, net of income tax	(235)	--	--
Net earnings (loss)	\$ 3,538	\$ (994)	\$ (3,984)
Basic earnings (loss) per share:			
Before extraordinary item	\$ 0.38	\$ (0.10)	\$ (0.37)
Extraordinary loss	(0.03)	--	--
Net earnings (loss) per share	\$ 0.35	\$ (0.10)	\$ (0.37)
Weighted average number of shares	9,971	10,161	10,761
Diluted earnings (loss) per share:			
Before extraordinary item	\$ 0.37	\$ (0.10)	\$ (0.37)
Extraordinary loss	(0.02)	--	--
Net earnings (loss) per share	\$ 0.35	\$ (0.10)	\$ (0.37)
Weighted average number of shares	10,091	10,277	10,872

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

- 27 -

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE FISCAL YEARS ENDED DECEMBER 30, 2000, JANUARY 1, 2000
AND JANUARY 2, 1999

(dollars in thousands)

	Common Stock	Paid-in Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance January 3, 1998	\$109	\$ 53,984	\$ --	\$ (319)	\$ (1,441)	\$ 52,333
Comprehensive income:						
Net loss	--	--	--	(3,984)	--	(3,984)
Currency translation adjustments	--	--	--	--	177	177
Increase in minimum pension liability	--	--	--	--	(1,102)	(1,102)
Net comprehensive income	--	--	--	(3,984)	(925)	(4,909)
Exercise of stock options	--	81	--	--	--	81
Issuance of stock	1	537	--	--	--	538
Purchase of treasury stock	--	--	(3,309)	--	--	(3,309)
Balance, January 2, 1999	\$110	\$ 54,602	\$ (3,309)	\$ (4,303)	\$ (2,366)	\$ 44,734
Comprehensive income:						
Net loss	--	--	--	(994)	--	(994)
Currency translation adjustments	--	--	--	--	(288)	(288)
Decrease in minimum pension liability	--	--	--	--	98	98

Net comprehensive income	--	--	--	(994)	(190)	(1,184)
Exercise of stock options	--	52	--	--	--	52
Purchase of stock on behalf of employee	--	(434)	--	--	--	(434)
Balance, January 1, 2000	\$110	\$ 54,220	\$ (3,309)	\$ (5,297)	\$ (2,556)	\$ 43,168
Comprehensive income:						
Net earnings	--	--	--	3,538	--	3,538
Currency translation adjustments	--	--	--	--	549	549
Decrease in minimum pension liability	--	--	--	--	215	215
Net comprehensive income	--	--	--	3,538	764	4,302
Exercise of stock options	--	143	--	--	--	143
Purchase of stock on behalf of employee	--	144	--	--	--	144
Warrant retirement	--	(922)	--	--	--	(922)
Purchase of treasury stock	--	--	(8,468)	--	--	(8,468)
Dividend payment	--	--	--	(906)	--	(906)
Balance, December 30, 2000	\$110	\$ 53,585	\$ (11,777)	\$ (2,665)	\$ (1,792)	\$ 37,461

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

- 28 -

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED DECEMBER 30, 2000, JANUARY 1, 2000
AND JANUARY 2, 1999
(dollars in thousands)

	2000	1999	1998
	----	----	----
Cash flows from operating activities--			
Net earnings (loss)	\$ 3,538	\$ (994)	\$ (3,984)
Adjustments to reconcile net earnings to net cash provided by continuing operating activities--			
Depreciation and amortization	3,661	3,509	3,160
Non-cash portion of tax provision	3,690	2,560	(843)
Non-cash portion of non-recurring expense	--	300	3,001
Cash effects of changes in--			
Accounts receivable	6,040	(454)	1,009
Inventories	(1,488)	3,548	1,774
Prepaid expenses and other asset	208	980	(670)
Accounts payable	(1,650)	(2,068)	(655)
Accrued expenses and other liabilities	3,654	2,381	(487)
Net cash provided by operating activities	17,653	9,762	2,305
Cash flows from investing activities--			
Additions to property and equipment	(656)	(1,401)	(3,830)
Purchase of subsidiary minority interest	--	(203)	(1,249)
Net cash provided by (used in) investing activities	(656)	(1,604)	(5,079)
Cash flows from financing activities--			
Proceeds (repayments) under intellectual property lease	(8,939)	290	(1,551)
Proceeds (repayments) under revolving credit facilities	4,906	(145)	3,474
Retirement of note obligation	(15,000)	--	--
Retirement of warrant associated with note obligation	(922)	--	--
Reduction in foreign bank debt	--	--	(1,793)
Repurchase of treasury stock	(8,468)	--	(3,309)
Payment of special dividend	(906)	--	--
Proceeds from stock issuances	143	52	618
Stock purchased on behalf of employee	--	(434)	--
Other financing activities, net	(253)	(153)	(218)
Net cash provided by (used in) financing activities	(29,439)	(390)	(2,779)
Changes in cash and cash equivalents--			
Net increase (decrease) in cash and cash equivalents	(12,442)	7,768	(5,553)
Cash and cash equivalents at beginning of year	14,536	6,768	12,321
Cash and cash equivalents at end of year	\$ 2,094	\$ 14,536	\$ 6,768

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

- 29 -

(1) NATURE OF OPERATIONS

The Middleby Corporation (the "company") is engaged in the design, manufacture and sale of commercial and institutional foodservice equipment. Its major lines of products consist of conveyor ovens, toasters, counter-top cooking and warming equipment, ranges, convection ovens, broilers, steamers and semi-custom fabrication. The company manufactures and assembles most of this equipment at two factories in the United States and one operation in the Philippines.

The company's domestic sales are primarily through independent dealers and distributors and are marketed by the company's sales personnel and network of independent manufacturers' representatives. The company's international sales are through a combined network of independent and company-owned distributors. The company maintains regional sales offices in Asia, Europe and Latin America complemented by sales and distribution offices in Canada, China, France, India, Japan, Korea, Mexico, the Philippines, Spain and Taiwan. The company's end-user customers include: (i) fast food or quick-service restaurants, including those restaurants that primarily offer pizza, (ii) full-service restaurants, including casual-theme restaurants, (iii) retail outlets, such as convenience stores, supermarkets and department stores and (iv) public and private institutions, such as hotels, resorts, schools, hospitals, long-term care facilities, correctional facilities, stadiums, airports, corporate cafeterias, military facilities and government agencies. Included in these customers are several large multi-national restaurant chains, which account for a significant portion of the company's business, although no single customer accounts for more than 10% of net sales.

The company purchases raw materials and component parts, the majority of which are standard commodity type materials, from a number of suppliers. Although certain component parts are procured from a sole source, the company can purchase such parts from alternate vendors.

The company has numerous licenses and patents to manufacture, use and sell its products and equipment. Management believes the loss of any one of these licenses or patents would not have a material adverse effect on the financial and operating results of the company.

- 30 -

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. Certain prior year amounts have been reclassified to be consistent with the current year presentation.

The company's fiscal year ends on the Saturday nearest December 31. Fiscal years 2000, 1999 and 1998 ended on December 30, 2000, January 1, 2000 and January 2, 1999, respectively, and each included 52 weeks.

(b) Cash and Cash Equivalents

The company considers all short-term investments with original maturities of three months or less when acquired to be cash equivalents. The company's policy is to invest its excess cash in U.S. Government securities, interest-bearing deposits with major banks, municipal notes and bonds and commercial paper of companies with strong credit ratings that are subject to minimal credit and market risk.

(c) Accounts Receivable

Accounts receivable, as shown in the consolidated balance sheets, are net of allowances for doubtful accounts of \$2,408,000 and \$1,721,000 at December 30, 2000 and January 1, 2000, respectively.

(d) Inventories

Inventories are comprised of material, labor and overhead and are stated at the lower of cost or market. Cost is determined utilizing the first-in, first-out (FIFO) inventory method. Inventories at December 30, 2000 and January 1, 2000 are as follows:

	2000 ----	1999 ----
	(dollars in thousands)	
Raw materials and parts	\$ 5,515	\$ 4,738
Work in process	3,985	3,904
Finished goods	8,872	8,242
	-----	-----
	\$18,372	\$16,884
	=====	=====

- 31 -

(e) Property, Plant and Equipment

Property, plant and equipment are carried at cost as follows:

	2000 ----	1999 ----
	(dollars in thousands)	
Land	\$ 3,322	\$ 3,322
Building and improvements	12,732	12,745
Furniture and fixtures	8,179	8,077
Machinery and equipment	14,924	14,964
	-----	-----
	39,157	39,108
Less accumulated depreciation	(20,189)	(17,827)
	-----	-----
	\$ 18,968	\$ 21,281
	=====	=====

Depreciation expense is provided for using the straight-line method and amounted to \$2,755,000, \$2,745,000 and \$2,510,000 in fiscal 2000, 1999 and 1998, respectively. Following is a summary of the estimated useful lives:

Description -----	Life ----
Building and improvements.....	20 to 40 years
Furniture and fixtures.....	5 to 7 years
Machinery and equipment.....	3 to 10 years

Expenditures which significantly extend useful lives are capitalized. Maintenance and repairs are charged to expense as incurred. Asset impairments are recorded whenever events or changes in circumstances indicate that the recorded value of an asset is less than the sum of its expected future undiscounted cash flows.

(f) Excess Purchase Price Over Net Assets Acquired

The excess purchase price over net assets acquired is being amortized using a straight-line method over periods of 3 to 40 years. Amounts presented are net of accumulated amortization of \$7,391,000 and \$6,485,000 at December 30, 2000

and January 1, 2000, respectively. The company periodically evaluates the useful life and realizability of the excess purchase price over net assets acquired based on current events and circumstances. Impairments are measured utilizing an undiscounted future cash flow method and are recorded at the time management deems an impairment has occurred.

- 32 -

(g) Accrued Expenses

Accrued expenses consist of the following at December 30, 2000 and January 1, 2000, respectively:

	2000	1999
	----	----
	(dollars in thousands)	
Accrued payroll and related expenses	\$ 6,253	\$ 4,820
Accrued customer rebates	3,479	3,472
Accrued commissions	925	1,074
Accrued warranty	1,449	1,628
Other accrued expenses	5,812	5,297
	-----	-----
	\$17,918	\$16,291
	=====	=====

(h) Fair Value of Financial Instruments

The carrying value of all financial instruments approximates the fair value of those assets and liabilities. The company uses derivative financial instruments, principally forward contracts, to hedge its exposure to changes in foreign currency exchange rates. These instruments are adjusted to market value and the related exchange gains and losses are recorded in the statement of earnings.

(i) Foreign Currency

Foreign currency transactions are accounted for in accordance with Statement of Financial Accounting Standards No. 52 ("SFAS No. 52") "Foreign Currency Translation." Assets and liabilities of the company's foreign operations are translated at exchange rates at the balance sheet date. These translation adjustments are not included in determining net income for the period but are disclosed and accumulated in a separate component of stockholders' equity until sale or liquidation of the net investment in the foreign entity takes place. Exchange gains and losses on foreign currency transactions are included in determining net income for the period in which they occur. Intercompany transactions of a long-term investment nature are considered part of the company's net investment and hence do not give rise to gains or losses.

(j) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

- 33 -

(k) Revenue Recognition

Revenue is recognized from sales when a product is shipped. The company recognizes warranty and equipment installation expenses at the time a product is shipped, if applicable. The expense is estimated considering warranty policies and historical experience.

(l) Research and Development Costs

Research and development costs, included in cost of sales in the consolidated statements of earnings, are charged to expense when incurred. These costs were \$1,346,000, \$1,505,000 and \$1,796,000 in fiscal 2000, 1999 and 1998, respectively.

(m) Earnings Per Share

In accordance with SFAS No. 128 "Earnings Per Share", "basic earnings per share" is calculated based upon the weighted average number of common shares actually outstanding, and "diluted earnings per share" is calculated based upon the weighted average number of common shares outstanding, warrants and other potential common shares, if they are dilutive. The company's common share equivalents consist of shares issuable on exercise of outstanding options computed using the treasury method and amounted to 120,000, 116,000 and 111,000 for fiscal 2000, 1999 and 1998, respectively.

(n) Consolidated Statements of Cash Flows

Cash paid for interest was \$2,307,000, \$2,335,000 and \$2,877,000 in fiscal 2000, 1999 and 1998, respectively. Cash payments totaling \$1,162,000, \$204,000 and \$565,000 were made for income taxes during fiscal 2000, 1999 and 1998, respectively.

(o) New Accounting Pronouncements

In June, 1998, the Financial Accounting Standards Board issued SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities." This standard requires that an entity recognize derivatives as either assets or liabilities on its balance sheet and measure those instruments at fair value. SFAS No. 137 amended the effective date of SFAS No. 133 to being effective for fiscal years beginning after June 15, 2000. As a result, the company will adopt the requirements of SFAS No. 133 in the first quarter of the fiscal year 2001. Based on current circumstances, the adoption of SFAS No. 133 will not have a material effect on the financial position or results of operations of the company.

(3) FINANCING ARRANGEMENTS

The following is a summary of long-term debt at December 30, 2000 and January 1, 2000:

	2000	1999
	----	----
	(dollars in thousands)	
Unsecured senior note	\$ --	\$15,000
Unsecured revolving credit line	8,244	3,647
Intellectual property lease	--	8,939
Other financing	295	549
	-----	-----
	8,539	28,135
Less current maturities of long-term debt	249	7,131
	-----	-----
	\$ 8,290	\$21,004
	=====	=====

As of December 30, 2000, the company had borrowings of \$2,444,000 in a Yen denominated loan and \$5,800,000 in a U.S. dollar denominated loan under the company's \$20.0 million unsecured multi-currency revolving credit line. Interest on U.S. borrowings is assessed at floating interest rates of between 0.75% to 1.75% above LIBOR rate or at the bank's reference rate. The interest rate is adjusted quarterly based on the company's defined indebtedness ratio on a rolling four-quarter basis. Interest on foreign borrowings is determined based upon the bank's reference rate within that country. As of December 30, 2000, the interest rate on the Yen and U.S. Dollar denominated borrowings were 1.5% and 7.5%, respectively. A variable commitment fee, based upon the indebtedness ratio, of between 0.10% to 0.25% is charged on the unused portion of the line of credit. The multi-currency revolving line of credit expires on December 31, 2003, and may be extended for an additional year at the company's option.

Other financing arrangements are comprised primarily of capital lease arrangements for production equipment, with repayment periods extending through fiscal 2002. Ownership of the related equipment transfers to the company at the end of the lease period.

The unsecured senior note obligation was repaid in full with a \$2.5 million scheduled payment in July 2000 and a \$12.5 million early retirement payment in August, 2000. The note obligation was at a 10.99% rate of interest and was due to mature over a period ending January 10, 2003. In conjunction with the early debt retirement, the company repurchased a warrant that gave the noteholder the right to purchase 250,000 shares of common stock at an exercise price of \$3 per share, for \$0.9 million. An extraordinary charge of \$0.4 million, or \$0.2 million net of tax, was recorded related to a prepayment penalty for the early retirement of the unsecured senior note obligation.

- 35 -

In December 2000, the company elected to prepay the remaining obligation due under the intellectual property lease. The lease facility was at a 10.3% implicit rate and was due to mature on December 30, 2001. No prepayment penalty was incurred associated with the early payment of this borrowing obligation.

The terms of the revolving credit agreement limit the paying of dividends, capital expenditures and leases, and require, among other things, a minimum amount, as defined, of stockholders' equity, and certain ratios of indebtedness and fixed charge coverage. The credit agreement also provides that if a material adverse change in the company's business operations or conditions occurs, the lender could declare an event of default. At December 30, 2000, the company was in compliance with all covenants pursuant to its revolving credit facility.

The aggregate amount of long-term debt payable during each of the next five years and thereafter is as follows:

	(dollars in thousands)
2001	\$ 249
2002	46
2003	8,244
2004	--
2005	--
2006 and thereafter	--

	\$8,539
	=====

(4) COMMON AND PREFERRED STOCK

(a) Shares Authorized and Issued

At December 30, 2000 and January 1, 2000, the company had 20,000,000 shares of common stock and 2,000,000 shares of Non-voting Preferred Stock

authorized. At December 30, 2000, there were 9,006,487 common stock shares issued and outstanding.

(b) Treasury Stock

In July 1998, the company's Board of Directors adopted a stock repurchase program and during 1998 authorized the purchase of up to 1,800,000 common shares in open market purchases. As of December 30, 2000, 899,800 shares had been purchased for \$3.7 million.

- 36 -

In October 2000, the company's Board of Directors approved a self tender offer that authorized the purchase of up to 1,500,000 common shares from existing stockholders at a per share price of \$7.00. On November 22, 2000 the company announced that 1,135,359 shares were accepted for payment pursuant to the tender offer for \$7.9 million.

(c) Stock Options

The company maintains a 1998 Stock Incentive Plan (the "Plan"), as adopted effective as of February 19, 1998, which provides rights to key employees to purchase shares of common stock at specified exercise prices. The Plan supercedes the 1989 Stock Incentive Plan, as amended, and no further options will be granted under the 1989 Plan. A maximum amount of 550,000 shares can be issued under the Plan. Options may be exercised upon certain vesting requirements being met, but expire to the extent unexercised within a maximum of ten years from the date of grant. Options typically vest over a four year period from the date of grant. The weighted average exercise price of options outstanding under the Plan was \$6.64 at December 30, 2000 and \$7.43 at January 1, 2000.

In addition to the above Plan, certain directors of the company have options outstanding at December 30, 2000 for 1,000 shares exercisable at \$1.875 per share, 75,000 shares exercisable at \$7.50 per share and 24,000 shares exercisable at \$6.00 per share.

- 37 -

A summary of stock option activity is presented below:

Stock Option Activity -----	Employees -----	Directors -----	Option Price Per Share -----
Outstanding at January 3, 1998	124,538 =====	76,000 =====	
Granted	200,000	--	\$7.09
Exercised	(29,300)	--	\$1.25 to \$7.38
Forfeited	(3,250) -----	-- -----	\$5.25 to \$5.63
Outstanding at January 2, 1999	291,988 =====	76,000 =====	
Granted	70,800	--	\$4.50
Exercised	(13,250)	--	\$1.250 to \$5.625

Forfeited	(31,488)	--	\$2.625 to \$5.625
	-----	-----	
Outstanding at January 1, 2000	318,050	76,000	
	=====	=====	
Granted	18,000	24,000	\$6.00 to 7.0625
Exercised	(32,875)	--	\$1.25 to \$5.625
Forfeited	(15,050)	--	\$4.50 to \$5.25
	-----	-----	
Outstanding at December 30, 2000	288,125	100,000	
	=====	=====	
Exercisable at December 30, 2000	115,044	100,000	
	=====	=====	

As permitted under SFAS No. 123: "Accounting for Stock-Based Compensation", the company has elected to follow APB Opinion No. 25: "Accounting for Stock Issued to Employees" in accounting for stock-based awards to employees and directors. Under APB 25, because the exercise price of the company's stock options is equal to or greater than the market price of the underlying stock on the date of grant, no compensation expense is recognized in the company's financial statements for all periods presented.

Pro forma information regarding net earnings and earnings per share is required by SFAS 123. This information is required to be determined as if the company had accounted for its employee and director stock options granted subsequent to December 31, 1994 under the fair value method of that statement. The weighted average estimated fair value of stock options granted in fiscal 2000, 1999 and 1998 was \$3.04, \$2.67 and \$3.62 per share, respectively. The fair value of options has been estimated at the date of grant using a Black-Scholes option pricing

- 38 -

model with the following general assumptions: risk-free interest rate of 5.5 to 5.8 percent, no expected dividend yield, expected lives of 3.5 to 9.0 years and expected volatility of 25 to 60 percent.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the company's options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in the opinion of management, the existing models do not necessarily provide a reliable single measure of the fair value of its options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The company's pro forma net income and per share data from continuing operations is as follows:

	2000	1999	1998
	----	----	----
	(dollars in thousands, except per share data)		
Earnings (loss) from continuing Operations	\$ 3,424	\$ (1,061)	\$ (4,047)
Per share:			

Basic	\$ 0.34	\$ (0.10)	\$ (0.38)
Diluted	\$ 0.34	\$ (0.10)	\$ (0.38)

(5) INCOME TAXES

The provision (benefit) for income taxes is summarized as follows:

	2000 ----	1999 ----	1998 ----
	(dollars in thousands)		
Federal	\$4,083	\$ 2,740	\$ (250)
State and local	445	270	(42)
Foreign	842	155	81
	-----	-----	-----
Total	\$5,370 =====	\$ 3,165 =====	\$ (211) =====
Current	\$4,744	\$ 4,075	\$ 141
Deferred	626	(910)	(352)
	-----	-----	-----
Total	\$5,370 =====	\$ 3,165 =====	\$ (211) =====

- 39 -

Reconciliation of the differences between income taxes computed at the Federal statutory rate to the effective rate are as follows:

	2000 ----	1999 ----	1998 ----
U.S. federal statutory tax rate	34.0%	34.0%	34.0%
NOL utilization and adjustments to valuation allowance	--	--	(18.8)
Permanent book vs. tax differences	3.9	17.7	(4.0)
Foreign tax losses with no benefit and rate differentials	16.6	81.7	(8.2)
State taxes, net of federal benefit	4.2	12.4	2.0
	-----	-----	-----
Consolidated effective tax rate for continuing operations	58.7% =====	145.8% =====	5.0% =====

At December 30, 2000 and January 1, 2000, the company had recorded the following deferred tax assets and liabilities which were comprised of the following:

	2000 ----	1999 ----
	(dollars in thousands)	
Deferred tax assets:		
Federal net operating loss carry-forwards	\$ 748	\$ 1,160
Tax credit carry-forwards	1,813	1,683
Foreign net operating loss carry-forwards	744	1,147
Accrued pension benefits	1,868	1,048
Inventory reserves	514	559
Accrued warranty	487	577
Other	1,649	1,998
Valuation allowance	(1,702)	(1,818)

	-----	-----
Deferred tax assets	6,121	6,354
Deferred tax liabilities:		
Depreciation	(756)	(672)
	-----	-----
Net deferred tax assets	\$ 5,365	\$ 5,682
	=====	=====

As of December 30, 2000, the consolidated tax loss carry-forwards for Federal income tax purposes were approximately \$748,000 on an after tax basis. These carry-forwards expire in 2007. Tax credit carry-forwards are comprised of business tax credits of approximately \$958,000, which expire in 2002 and Federal alternative minimum tax credits of approximately \$855,000 that do not expire. Foreign net operating loss carry-forwards relate primarily to the company's operations in Japan and Taiwan and have varying expiration periods through 2005.

- 40 -

The valuation allowance has been established related to business tax credits and foreign net operating loss carry-forwards which will more likely than not expire unutilized.

(6) COMMITMENTS AND CONTINGENCIES

The company leases office facilities and equipment under operating leases, which expire in fiscal 2001 through 2005. Rental expense was \$1,230,000, \$1,773,000 and \$1,280,000 in fiscal 2000, 1999 and 1998, respectively. Future minimum rental payments under these leases are as follows:

	(dollars in thousands)
2001.....	932
2002.....	364
2003.....	242
2004.....	172
2005	109
2006 and thereafter.....	--

	\$ 1,819
	=====

(7) NON-RECURRING EXPENSES

During the third quarter of 1999, the company recorded restructuring charges aggregating to \$1,248,000. The charge provided for \$1,020,000 related to cost reduction actions at the company's International Distribution business. These actions included the closure of the division headquarters located in Florida and employee reduction efforts at the Florida headquarters office and the Japanese distribution operation. The headquarters for the International Distribution business has been integrated within the company's corporate office. Distribution operations previously existing at the Florida facility have been integrated within regional distribution operations in Asia, Europe and Latin America. The recorded charge consists of lease exit costs of \$360,000, the disposal of fixed assets of \$300,000, and severance benefits of \$360,000 for 11 employees. Additional charges of \$228,000 were recorded principally for severance benefits for 87 employees within the Philippines manufacturing operations of the Cooking Systems Group. All actions associated with these restructuring efforts were completed in the first half of fiscal 2000.

During the first and second quarters of 1999, the company recorded non-recurring expenses in the amount of \$750,000 and \$210,000, respectively. These charges principally related to severance benefits for 52 terminated employees at the Cooking Systems Group and the International Distribution Division. Liabilities associated these actions were fully settled in the first half of 2000.

During the fourth quarter of 1998, the Cooking Systems Group recorded charges of \$1,932,000 associated with the decision to discontinue certain non-strategic product lines. All actions associated with this initiative were fully concluded at the end of the third quarter of 1999.

- 41 -

During the third quarter of 1998, the company decided to discontinue the implementation and fully abandon an enterprise-wide resource planning system. This decision resulted from the failure of the system to meet certain performance specifications. The total expense resulting from this decision amounted to \$1,335,000 and was recorded in accordance with SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and For Long-Lived Assets to be Disposed of." This charge reflects the complete write-off of costs associated with the system, including capitalized software, program development and implementation costs. Additionally, during the third quarter of 1998, the company recorded charges of \$190,000 for restructuring actions related to its International Distribution Division and initiatives to reduce operating costs. These actions included the disposal of assets resulting from the relocation of certain leased facilities and severance benefits associated with terminated employees. These actions were completed in 1998.

(8) ACQUISITION OF MINORITY INTEREST

During the first quarter of 1999, the company acquired the remaining interest in Design-Tek, Inc. from its founder and president. This business unit was then subsequently merged into Middleby Worldwide, the company's international distribution and service organization. The remaining interest was acquired for \$203,000 and allocated to goodwill, amortized over a period of three years.

During the first quarter of 1998, the company acquired the remaining interest in Asbury Associates, Inc. and Middleby Philippines Corporation from the founder and president of Asbury Associates, Inc. The remaining interest was acquired for \$512,000 in cash, 50,000 shares of common stock with a market value of \$387,000 at the date of issuance and forgiveness of certain minority interest liabilities owed by the minority shareholder. This transaction increased the company's ownership interest in these subsidiaries to 100%. The excess purchase price over the value of assets acquired of \$1,249,000 was allocated to goodwill and is amortized over a period of 15 years.

(9) SEGMENT INFORMATION

The company operates in two reportable operating segments defined by management reporting structure and operating activities. The International Specialty Equipment Division was merged into the Cooking Systems Group in 1999 as a result of changes in company management and the organizational reporting structure. Prior year amounts have been restated to present information on a consistent basis.

The worldwide manufacturing divisions operate through the Cooking Systems Group. This business division has manufacturing facilities in Illinois, North Carolina and the Philippines. This division supports four major product groups, including conveyor oven equipment, core cooking equipment, counterline cooking equipment, and international specialty equipment. Principal product lines of the conveyor oven product group include Middleby Marshall ovens and CTX ovens. Principal product lines of the core cooking equipment product group include the Southbend product line of ranges, steamers,

- 42 -

convection ovens, broilers, fryers, griddles and steam cooking equipment. The counterline cooking and warming equipment product group includes toasters, hot

food servers, foodwarmers, griddles, fryers and ranges distributed under the Toastmaster brand name. The international specialty equipment product group is primarily comprised of food preparation tables, undercounter refrigeration systems, ventilation systems and other fabricated equipment used in commercial kitchens. In 2000, this division began to manufacture component parts for the U.S. manufacturing operations and finished goods for the U.S. marketplace.

The International Distribution Division provides integrated design, export management, distribution and installation services through its operations in Canada, China, France, India, Japan, Korea, Mexico, the Philippines, Spain, and Taiwan. The division sells the company's product lines and certain non-competing complementary product lines throughout the world. For a local country distributor or dealer, the company is able to provide a centralized source of foodservice equipment with complete export management and product support services.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The company evaluates individual segment performance based on operating income. Intersegment sales are made at established arms length transfer prices.

- 43 -

The following table summarizes the results of operations for the company's business segments (dollars in thousands):

	Cooking Systems Group	International Distribution	Corporate and Other(1)	Eliminations(2)	Total
2000					
Net sales	\$113,350	\$ 34,446	--	\$(20,908)	\$ 126,888
Operating income	18,903	667	(7,653)	(67)	11,850
Depreciation expense	2,378	182	195	--	2,755
Net capital expenditures	570	107	(21)	--	656
Total assets	54,884	18,044	5,472	(90)	78,310
Long-lived assets(3)	19,280	665	13,903	--	33,848
1999					
Net sales	\$107,912	\$ 40,352	\$ 382	\$(16,105)	\$ 132,541
Operating income	13,644	(2,206)	(5,538)	(242)	5,658
Non-recurring expense	692	245	1,271	--	2,208
Depreciation expense	2,350	299	96	--	2,745
Net capital expenditures	1,049	246	106	--	1,401
Total assets	55,915	20,417	25,177	(2,461)	99,048
Long-lived assets(3)	20,962	1,138	16,570	--	38,670
1998					
Net sales	\$105,543	\$ 39,096	\$ 2,359	\$(14,678)	\$ 132,320
Operating income	7,719	(2,629)	(4,979)	(451)	(340)
Non-recurring expense	1,932	--	1,525	--	3,457
Depreciation expense	2,211	201	98	--	2,510
Net capital expenditures	3,463	39	328	--	3,830
Total assets	58,535	22,786	22,055	(6,785)	96,591
Long-lived assets(3)	28,829	1,351	14,109	--	44,289

- (1) Includes corporate and other general company assets and operations.
- (2) Includes elimination of intercompany sales, profit in inventory, and intercompany receivables. Intercompany sale transactions are predominantly from the Cooking Systems Group to the International Distribution Division.
- (3) Long-lived assets of the Cooking Systems Group includes assets located in

the Philippines which amounted to \$3,279, \$3,738 and \$4,087 in 2000, 1999 and 1998, respectively.

Net sales by each major geographic region are as follows:

	2000	1999	1998
	----	----	----
	(dollars in thousands)		
United States	\$ 89,913	\$ 89,084	\$ 89,005
	-----	-----	-----
Asia	12,056	11,434	15,034
Europe and Middle East	11,539	14,778	13,451
Latin America	9,990	12,742	10,061
Canada	3,390	4,503	4,769
	-----	-----	-----
Total international	36,975	43,457	43,315
	-----	-----	-----
	\$126,888	\$132,541	\$132,320
	=====	=====	=====

- 44 -

(10) EMPLOYEE BENEFIT PLANS

The company maintains a non-contributory defined benefit plan for its union employees at the Elgin, Illinois facility. Benefits are determined based upon retirement age and years of service with the company. The plan is funded in accordance with provisions of the Employee Retirement Income Security Act of 1974.

The company also maintains retirement benefit agreements with its Chairman and recently retired President, and a non-qualified defined benefit retirement plan for certain officers. The retirement benefits are based upon a percentage of the officer's final base salary and number of years of employment. Additionally, the company maintains a retirement plan for non-employee directors. The plan provides for an annual benefit upon retirement from the Board of Directors at age 70, equal to 100% of the director's last annual retainer, payable for a number of years equal to the director's years of service up to a maximum of 10 years.

A summary of the plans' benefit obligations, funded status, and net balance sheet position is as follows:

	(dollars in thousands)			
	2000	2000	1999	1999
	Union	Executive	Union	Executive
	Plan	Plans	Plan	Plans
	-----	-----	-----	-----
Change in Benefit Obligation:				
Benefit obligation - beginning of year .	\$ 2,789	\$ 3,634	\$ 2,715	\$ 3,001
	-----	-----	-----	-----
Service cost	135	1,202	145	252
Interest on benefit obligations	206	347	173	227
Return on assets	(211)	--	103	--
Net amortization and deferral	109	571	(158)	258
	-----	-----	-----	-----
Net pension expense	239	2,120	263	737
Net benefit payments	(135)	(7)	(127)	(7)
Actuarial (gain) loss	1	(175)	(62)	(97)
	-----	-----	-----	-----
Benefit obligation - end of year	2,894	5,572	2,789	3,634
	-----	-----	-----	-----
Change in Plan Assets:				
Plan assets at fair value - beginning of				
Year	2,379	2,360	2,134	--
Company contributions	238	599	269	2,212
Investment gain	64	(75)	103	148
Benefit payments and plan expenses	(135)	--	(127)	--
	-----	-----	-----	-----
Plan assets at fair value - end of year	2,546	2,884	2,379	2,360
	-----	-----	-----	-----
Unfunded benefit obligation	(348)	(2,688)	(410)	(1,274)
Unrecognized net loss	667	415	697	590
Unrecognized prior year service cost	171	--	208	--
Unrecognized net transition asset	(7)	--	(11)	--

Net amount recognized in the balance sheet at year-end	----- \$ 483 -----	----- \$(2,273) -----	----- \$ 484 -----	----- \$ (684) -----
Assumed discount rate	7.5%	7.0%	6.5%	6.2%
Expected return on assets	8.5%	8.5%	8.5%	8.5%

- 45 -

The company also maintains a discretionary profit sharing plan and 401K savings plan for salaried and non-union hourly employees in the United States. Contributions to the profit sharing plan amounted to \$300,000 in each of the fiscal years 2000, 1999 and 1998.

(11) QUARTERLY DATA (UNAUDITED)

	1st ---	2nd ---	3rd ---	4th ---	Total Year -----
	(dollars in thousands, except per share data)				
2000					
Net sales	\$ 32,474	\$32,375	\$ 31,051	\$ 30,988	\$ 126,888
Gross profit	11,214	10,025	10,897	13,050	45,186
Income (loss) from operations	2,644	2,285	3,982	2,939	11,850
Net earnings (loss)	\$ 490	\$ 641	\$ 1,108	\$ 1,299	\$ 3,538
	=====	=====	=====	=====	=====
Basic earnings (loss) per share (1) .	\$ 0.05	\$ 0.06	\$ 0.11	\$ 0.14	\$ 0.35
	=====	=====	=====	=====	=====
Diluted earnings (loss) per share (1)	\$ 0.05	\$ 0.06	\$ 0.11	\$ 0.14	\$ 0.35
	=====	=====	=====	=====	=====
1999					
Net sales	\$ 32,441	\$36,527	\$ 31,988	\$ 31,585	\$ 132,541
Gross profit	9,626	10,726	10,178	10,460	40,990
Non-recurring expense	750	210	1,248	--	2,208
Income (loss) from operations	986	2,236	757	1,679	5,658
Net earnings (loss)	\$ (350)	\$ 401	\$ (657)	\$ (338)	\$ (994)
	=====	=====	=====	=====	=====
Basic earnings (loss) per share (1) .	\$ (0.03)	\$ 0.04	\$ (0.06)	\$ (0.04)	\$ (0.10)
	=====	=====	=====	=====	=====
Diluted earnings (loss) per share (1)	\$ (0.03)	\$ 0.04	\$ (0.06)	\$ (0.04)	\$ (0.10)
	=====	=====	=====	=====	=====
1998					
Net sales	\$ 31,101	\$33,641	\$ 33,891	\$ 33,687	\$ 132,320
Gross profit	9,438	10,672	9,420	6,708	36,238
Non-recurring expense	--	--	1,525	1,932	3,457
Income (loss) from operations	1,621	2,062	(113)	(3,910)	(340)
Net earnings (loss)	\$ 520	\$ 791	\$ (888)	\$ (4,407)	\$ (3,984)
	=====	=====	=====	=====	=====
Basic earnings (loss) per share (1) .	\$ 0.05	\$ 0.07	\$ (0.08)	\$ (0.42)	\$ (0.37)
	=====	=====	=====	=====	=====
Diluted earnings (loss) per share (1)	\$ 0.05	\$ 0.07	\$ (0.08)	\$ (0.42)	\$ (0.37)
	=====	=====	=====	=====	=====

(1) Sum of quarters may not equal the total for the year due to changes in the number of shares outstanding during the year.

- 46 -

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
 FISCAL YEARS ENDED DECEMBER 30, 2000, JANUARY 1, 2000
 AND JANUARY 2, 1999

	Balance Beginning Of Period -----	Additions Charged Expense -----	Write-Offs During the the Period -----	Balance At End Of Period -----
Allowance for doubtful accounts; deducted from accounts receivable on the balance sheets-				
1998	\$ 577,000	\$ 591,000	\$ (363,000)	\$ 805,000
1999	\$ 805,000	\$1,161,000	\$ (245,000)	\$1,721,000
2000	\$1,721,000	\$ 938,000	\$ (251,000)	\$2,408,000
Reserve for product line discontinuance				
1998	\$ --	\$1,932,000	\$ (90,000)	\$1,842,000
1999	\$1,842,000	\$ --	\$ (1,842,000)	\$ --

- 47 -

Item 9. Changes in and Disagreements with Accountants on Accounting and
 Financial Disclosure

None.

PART III

The information required by Part III (Items 10, 11, 12 and 13) is incorporated by reference, to the extent necessary, in accordance with General Instruction G(3), from the company's definitive proxy statement filed pursuant to Regulation 14A in connection with the 2001 annual meeting of stockholders.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. Financial statements.

The financial statements listed on Page 24 are filed as part of this Form 10-K.

3. Exhibits.

3.1

Unofficial Restated Certificate of Incorporation of The Middleby Corporation (as amended to August 23, 1996), incorporated by reference to the company's Form 10-Q/A, Amendment No. 1, Exhibit 3(i), for the fiscal quarter ended June 29, 1996,

filed on August 23, 1996;

3.2 Unofficial Amended and Restated Bylaws of The Middleby Corporation (as amended to August 23, 1996), incorporated by reference to the company's Form 10-Q/A, Amendment No. 1, Exhibit 3(ii), for the fiscal quarter ended June 29, 1996, filed on August 23, 1996;

4.1 Certificate of Designations dated October 30, 1987, and specimen stock certificate relating to the company Preferred Stock, incorporated by reference from the company's Form 10-K, Exhibit (4), for the fiscal year ended December 31, 1988, filed on March 15, 1989;

- 48 -

4.2 Note Agreement dated as of January 1, 1995, among Middleby Marshall Inc. and Asbury Associates, Inc. as Obligors, incorporated by reference to the company's Form 10-K, Exhibit (4) (c), for the fiscal year ended December 31, 1994, filed on March 31, 1995;

4.3 Amendment No. 1 to Note Agreement, incorporated by reference to the company's Form 10-Q, Exhibit (4) (c) (i), for the fiscal quarter ended June 29, 1996, filed August 13, 1996;

4.4 Amendment No. 2 to Note Agreement, incorporated by reference to the company's Form 10-Q, Exhibit (4) (c) (ii), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996;

4.5 Amendment No. 3 to Note Agreement, dated as of August 15, 1996, incorporated by reference to the company's Form 10-K for the fiscal year ended December 28, 1996, filed on March 28, 1997;

4.6 "Second Amendment" (Amendment No. 4) to Note Agreement, dated as of January 15, 1997, incorporated by reference to the company's Form 10-K for the fiscal year ended December 28, 1996, filed on March 28, 1997;

4.7 Amendment No. 5 to Note Agreement, dated as of March 18, 1998, incorporated by reference to the company's Form 8-K, Exhibit 4(a), filed on August 21, 1998.

4.8 Amendment No. 6 to Note Agreement, dated as of March 31, 1999, incorporated by reference to the company's Form 10-K, Exhibit 4(a), for the fiscal year ended January 2, 1999, filed on April 2, 1999.

4.9 Warrant to purchase common stock of The Middleby Corporation dated January 10, 1995, incorporated by reference to the company's Form 10-K, Exhibit (4) (d), for the fiscal year ended December 31, 1994, filed on March 31, 1995;

- 49 -

- 4.10 Intercreditor Agreement dated as of January 10, 1995, by and among Sanwa Business Credit Corporation, as Agent, the Northwestern Mutual Life Insurance company, as the Senior Noteholder, and First Security Bank of Utah, National Association, as Security Trustee and collateral Agent, incorporated by reference to the company's Form 10-K, Exhibit (4) (e), for the fiscal year ended December 31, 1994, filed on March 31, 1995;
- 4.11 Amendment No. 1 to Intercreditor Agreement, incorporated by reference to the company's Form 10-Q, Exhibit (4) (e) (i), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996;
- 4.12 Amendment No. 2 to Intercreditor Agreement, incorporated by reference to the company's Form 10-Q, Exhibit (4) (e) (ii), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996;
- 4.13 Multicurrency Credit Agreement dated as of March 18, 1998 among Middleby Marshall Inc., the Subsidiaries of Middleby Marshall Inc., and Bank of America National Trust and Savings Association, Incorporated by reference to the company's Form 8-K, Exhibit 4(b), filed on August 21, 1998.
- 4.14 Second Amendment and Waiver dated as of March 31, 1999 to Multicurrency Credit Agreement dated as of March 18, 1998, incorporated by reference to the company's Form 10-K, Exhibit 4(b), for the fiscal year ended January 2, 1999, filed on April 2, 1999.
- 4.15 Common Stock Rights Agreement, dated as of August 9, 2000 between the company and the Northwestern Mutual Life Insurance Company, incorporated by reference to the company's 8-K, Exhibit 4(a), filed on August 18, 2000.
- 4.16 Third Amendment dated as of March 31, 2000 to Multicurrency Credit Agreement dated as of March 18, 1998, incorporated by reference to the company's Form TO-1, Exhibit (b) (4) filed on October 23, 2000.
- 4.17 Waiver dated as of August 7, 2000 to Multicurrency Credit Agreement dated as of March 18, 1998, incorporated by reference to the company's Form TO-1, Exhibit (b) (5) filed on October 23, 2000.
- 50 -
- 4.18 Fourth Amendment and Waiver dated as of October 16, 2000 to Multicurrency Credit Agreement dated as of March 18, 1998, incorporated by reference to the company's Form TO-1, Exhibit (b) (6) filed on October 23, 2000.
- 4.19 Amended and Restated Agreement dated as of November 30, 2000 to Multicurrency Credit Agreement dated as of March 18, 1998.
- 10.1* Amended and Restated Employment Agreement of William F. Whitman, Jr., dated January 1, 1995,

incorporated by reference to the company's Form 10-Q, Exhibit (10) (iii) (a), for the fiscal quarter ended April 1, 1995;

- 10.2* Amendment No. 1 to Amended and Restated Employment Agreement of William F. Whitman, Jr., incorporated by reference to the company's Form 8-K, Exhibit 10(a), filed on August 21, 1998.
- 10.3* Amended and Restated Employment Agreement of David P. Riley, dated January 1, 1995, incorporated by reference to the company's 10-Q, Exhibit (10) (iii) (b) for the fiscal quarter ended April 1, 1995;
- 10.4* Amendment No. 1 to Amended and Restated Employment Agreement of David P. Riley incorporated by reference to the company's Form 8-K, Exhibit 10(b), filed on August 21, 1998.
- 10.5* Amended and Restated Employment Agreement of independent directors adopted as of January 1, 1995, incorporated by reference to the company's Form 10-Q, Exhibit (10) (iii) (c), for the fiscal quarter ended April 1, 1995;
- 10.6* The Middleby Corporation Amended and Restated 1989 Stock Incentive Plan, as amended, incorporated by reference to the company's Form 10-Q, Exhibit (10) (iii) (d), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996;
- 10.7* The Middleby Corporation 1998 Stock Incentive Plan, dated February 19, 1998, incorporated by reference to the company's Form 10-K, Exhibit 10(a), for the fiscal year ended January 2, 1999, filed on April 2, 1999.
- 51 -
- 10.8* 1996 Management Incentive Plan (Corporate Vice Presidents), incorporated by reference to company's Form 10-Q, Exhibit 10 (iii) (f), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996;
- 10.9* Description of Supplemental Retirement Program, incorporated by reference to Amendment No. 1 to the company's Form 10-Q, Exhibit 10 (c), for the fiscal quarter ended July 3, 1993, filed on August 25, 1993;
- 10.10* The Middleby Corporation Stock Ownership Plan, incorporated by reference to the company's Form 10-K, Exhibit (10) (iii) (m), for the fiscal year ended January 1, 1994, filed on March 31, 1994;
- 10.11* Amendment to The Middleby Corporation Stock Ownership Plan dated as of January 1, 1994, incorporated by reference to the company's Form 10-K, Exhibit (10) (iii) (n), for the fiscal year ended December 31, 1994, filed on March 31, 1995;
- 10.12 Underwriting agreement dated October 28, 1997 between the company and Shroder and Co. Inc. and Brean Murray, Co Inc., incorporated by reference

to Exhibit 2 to schedule 13D for William F Whitman, Jr., filed on November 5, 1997;

- 10.13 The lease agreement dated as of December 30, 1997 between Middleby Marshall Inc. and Bank of America Leasing and Capital Corporation, incorporated by reference to the company's 8-K filed on January 13, 1998;
- 10.14 Amendment to the lease agreement dated December 30, 1997 between Middleby Marshall Inc. and Bank of America Leasing and Capital Corporation, incorporated by reference to the company's 8-K filed on January 13, 1998;
- 10.15 Grantor trust agreement dated as of April 1, 1999 among the company and Wachovia Bank, N.A, incorporated by reference to the company's Form 10-K, Exhibit 10.15, for the fiscal year ended January 1, 2000 filed on March 31, 2000.
- 10.16* Employment Agreement of Selim A. Bassoul, dated June 1, 2000.
- 52 -
- 10.17* Employment Agreement of David B. Baker, dated June 1, 2000.
- 10.18* Amendment No. 2 to Amended and Restated Employment Agreement of David P. Riley, dated December 1, 2000.
- 10.19* Loan arrangement between the company and Selim A. Bassoul, dated November 19, 1999.
- 10.20* Amendment No. 2 to Amended and Restated Employment Agreement of William F. Whitman, dated January 1, 2001.
- 22.1 List of subsidiaries;

* Designates management contract or compensation plan.

(b) There were no reports on Form 8-K filed with the commission during the fiscal fourth quarter of 2000.

(c) See the financial statement schedule included under Item 8.

- 53 -

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, on the 30th of March 2001.

THE MIDDLEBY CORPORATION

BY: /s/ Selim A. Bassoul

Selim A. Bassoul

President, Chief Executive
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 30, 2001.

Signatures	Title
PRINCIPAL EXECUTIVE OFFICER	
/s/ Selim A. Bassoul ----- Selim A. Bassoul	President and Chief Executive Officer
PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER	
/s/ David B. Baker ----- David B. Baker	Vice President, Chief Financial Officer and Secretary
DIRECTORS	
/s/ William F. Whitman, Jr. ----- William F. Whitman, Jr.	Chairman of the Board and Director
/s/ Robert R. Henry ----- Robert R. Henry	Director
/s/ A. Don Lummus ----- A. Don Lummus	Director
/s/ John R. Miller, III ----- John R. Miller, III	Director
- 54 -	
/s/ Philip G. Putnam ----- Philip G. Putnam	Director
/s/ David P. Riley ----- David P. Riley	Director
/s/ Sabin C. Streeter ----- Sabin C. Streeter	Director
/s/ Joseph G. Tompkins ----- Joseph G. Tompkins	Director
/s/ Laura B. Whitman ----- Laura B. Whitman	Director
/s/ Robert L. Yohe -----	Director

Ex-4
Sequence 1
Description: Ex-4(a)

\$20,000,000

AMENDED AND RESTATED

MULTICURRENCY CREDIT AGREEMENT

Dated as of November 30, 2000

among

MIDDLEBY MARSHALL INC.,

THE SUBSIDIARIES OF MIDDLEBY MARSHALL INC.,

and

BANK OF AMERICA, N.A.

ARTICLE I	DEFINITIONS.....	1
Section 1.1	Certain Defined Terms.....	1
Section 1.2	Other Interpretive Provisions.....	22
Section 1.3	Accounting Principles.....	23
Section 1.4	Currency Equivalents Generally.....	23
ARTICLE II	THE CREDITS.....	23
Section 2.1	Amounts and Terms of Commitments.....	24
Section 2.2	Loan Accounts.....	24
Section 2.3	Procedure for Borrowing.....	24
Section 2.4	Conversion and Continuation Elections.....	26
Section 2.5	Utilization of Offshore Currencies.....	28
Section 2.6	Voluntary Termination or Reduction of Commitment; Optional Prepayments.....	30
Section 2.7	Currency Exchange Fluctuations.....	30
Section 2.8	Repayment.....	31
Section 2.9	Interest and Commitment Fees.....	31
Section 2.10	Computation of Fees and Interest.....	32
Section 2.11	Payments by the Borrowers.....	33
Section 2.12	Amount and Terms of Letters of Credit.....	33
Section 2.13	Extension of the Commitment.....	38
ARTICLE III	TAXES, YIELD PROTECTION AND ILLEGALITY.....	39
Section 3.1	Taxes.....	39
Section 3.2	Illegality.....	40
Section 3.3	Increased Costs and Reduction of Return.....	41
Section 3.4	Funding Losses.....	42
Section 3.5	Inability to Determine Rates.....	43
Section 3.6	Certificates of Bank.....	43
Section 3.7	Survival.....	43
ARTICLE IV	CONDITIONS PRECEDENT.....	43
Section 4.1	Conditions of Initial Loans and Letters of Credit.....	43
Section 4.2	Additional Conditions of Initial Loans and Letters of Credit.....	45
Section 4.3	Conditions to All Borrowings and Letter of Credit Issuances.....	46
ARTICLE V	REPRESENTATIONS AND WARRANTIES.....	46
Section 5.1	Corporate Existence and Power.....	46
Section 5.2	Corporate Authorization; No Contravention.....	47

Section 5.3	Governmental Authorization.....	47
-------------	---------------------------------	----

Section 5.4	Binding Effect.....	48
Section 5.5	Litigation.....	48
Section 5.6	No Default.....	48
Section 5.7	ERISA Compliance.....	48
Section 5.8	Use of Proceeds; Margin Regulations.....	49
Section 5.9	Title to Properties.....	49
Section 5.10	Taxes.....	50
Section 5.11	Financial Condition.....	50
Section 5.12	Environmental Matters.....	51
Section 5.13	Regulated Entities.....	51
Section 5.14	No Burdensome Restrictions.....	51
Section 5.15	Copyrights, Patents, Trademarks and Licenses, etc.....	51
Section 5.16	Subsidiaries.....	51
Section 5.17	Insurance.....	52
Section 5.18	Full Disclosure.....	52
Section 5.19	Indebtedness.....	52
Section 5.20	Capital Stock.....	52
Section 5.21	Foreign Assets Control Regulations, etc.....	52

ARTICLE VI	AFFIRMATIVE COVENANTS.....	53
Section 6.1	Financial Statements.....	53
Section 6.2	Certificates; Other Information.....	54
Section 6.3	Notices.....	55
Section 6.4	Preservation of Corporate Existence, Etc.....	56
Section 6.5	Maintenance of Property.....	56
Section 6.6	Insurance.....	56
Section 6.7	Payment of Obligations.....	57
Section 6.8	Compliance with Laws.....	57
Section 6.9	Compliance with ERISA.....	57
Section 6.10	Inspection of Property and Books and Records.....	57
Section 6.11	Environmental Laws.....	58
Section 6.12	Use of Proceeds.....	58
Section 6.13	Subsidiaries.....	58

ARTICLE VII	NEGATIVE COVENANTS.....	58
Section 7.1	Limitation on Liens.....	58
Section 7.2	Disposition of Assets.....	60
Section 7.3	Mergers, Subsidiaries, Etc.....	60
Section 7.4	Loans and Investments.....	61
Section 7.5	Limitation on Indebtedness.....	62
Section 7.6	Transactions with Affiliates.....	63
Section 7.7	Use of Proceeds.....	63

Section 7.8	Contingent Obligations.....	63
Section 7.9	Restricted Payments.....	64
Section 7.10	ERISA.....	64
Section 7.11	Change in Business.....	65
Section 7.12	Accounting Changes.....	65
Section 7.13	Financial Covenants.....	65
Section 7.14	Negative Pledge.....	67

ARTICLE VIII	EVENTS OF DEFAULT.....	67
Section 8.1	Event of Default.....	67
Section 8.2	Remedies.....	69
Section 8.3	Rights Not Exclusive.....	71

ARTICLE IX	MISCELLANEOUS.....	71
Section 9.1	Amendments and Waivers.....	71

Section 9.2	Notices.....	71
Section 9.3	No Waiver; Cumulative Remedies.....	72
Section 9.4	Costs and Expenses.....	72
Section 9.5	Borrowers' Indemnification.....	72
Section 9.6	Payments Set Aside.....	73
Section 9.7	Successors and Assigns.....	73
Section 9.8	Assignments, Participations, etc.....	73
Section 9.9	Set-off.....	74
Section 9.10	Automatic Debits of Fees.....	74
Section 9.11	Termination of Support Agreement.....	74
Section 9.12	Counterparts.....	75
Section 9.13	Severability.....	75
Section 9.14	No Third Parties Benefited.....	75
Section 9.15	Governing Law and Jurisdiction.....	75
Section 9.16	Waiver of Jury Trial.....	76
Section 9.17	Judgment.....	77
Section 9.18	Entire Agreement.....	77

AMENDED AND RESTATED
MULTICURRENCY CREDIT AGREEMENT

This AMENDED AND RESTATED MULTICURRENCY CREDIT AGREEMENT is entered into as of November 30, 2000, among MIDDLEBY MARSHALL INC., a Delaware corporation ("Middleby"), those certain Subsidiaries of Middleby from time to time parties to this Agreement (together with Middleby, individually, a "Borrower" and collectively, the "Borrowers") and BANK OF AMERICA, N.A. (formerly known as Bank of America National Trust and Savings Association), a national banking association (the "Bank").

WHEREAS, Middleby, the Borrowers, and the Bank are parties to a Multicurrency Credit Agreement, dated as of March 18, 1998, as amended by that certain First Amendment dated as of July 4, 1998, that certain Second Amendment and Waiver dated as of March 31, 1999, that certain Third Amendment dated as of March 31, 2000 and that certain Fourth Amendment and Waiver dated as of October 16, 2000 (as amended, modified or supplemented, the "Original Credit Agreement"); and

WHEREAS, the parties hereto agree that the Original Credit Agreement shall be and hereby is amended and restated in its entirety as follows:

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

ARTICLE I

DEFINITIONS

Section 1.1 Certain Defined Terms. The following terms have the following meanings:

"Acquisition" means, as to any Person, any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition by such Person of all or substantially all of the assets of another Person, or of any business or division of another Person, (b) the acquisition by such Person of in excess of 50%

of the capital stock, partnership interests, membership interests or equity of another Person, or otherwise causing another Person to become a Subsidiary of such Person, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Subsidiary

of such Person) provided that such Person is the surviving entity.

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, membership interests, by contract, or otherwise.

"Agreed Alternative Currency" has the meaning specified in subsection 2.5(e).

"Agreement" means this Amended and Restated Multicurrency Credit Agreement.

"Aggregate Commitment Sublimit" means \$10,000,000, as such amount may be reduced pursuant to Section 2.6 or as a result of one or more assignments pursuant to Section 9.8.

"Applicable Currency" means, as to any particular payment, Letter of Credit or Loan, Dollars or the Offshore Currency in which it is denominated or is payable.

"Applicable Letter of Credit Fee" as at any date of determination, means the rate per annum then applicable in the determination of the amount payable under this Agreement with respect to Letters of Credit, determined in accordance with the definition of the term, Applicable Margin, below.

"Applicable Margin" means subject to the provisions set forth below, for any period, the applicable of the following percentages in effect with respect to such period as the ratio of Indebtedness to EBITDA (the "Ratio") determined pursuant to Section 7.13(b), shall fall within the indicated ranges:

	Level 1	Level 2	Level 3	Level 4	Level 5
Indebtedness/EBITDA	<1.00	1.0 < x <1.50	1.50 < x <2.00	2.00 < x <2.50	2.50 < x
LIBOR or IBOR	0.75%	1.0%	1.13%	1.38%	1.75%
Base Rate	0	0	0	0	0
Commitment Fee	0.10%	0.15%	0.20%	0.20%	0.25%
Letter of Credit Fee	0.3%	0.5%	0.75%	1%	1.50%

For purposes of the foregoing, (a) from the initial Closing Date until December 31, 2000, the Applicable Margin shall be determined in accordance with Level 1, (b) from and after such date, the Applicable Margin shall be determined at any time by reference to the Ratio in effect at the time, (c) any change in the Applicable Margin based on a change in the Ratio shall be effective for all purposes from the date of the receipt by the Bank of an officer's certificate of Middleby with respect to the financial statements to be delivered pursuant to Section 6.1, (i) setting forth in reasonable detail the calculation of such ratio for such fiscal period and (ii) stating that the Responsible Officer has reviewed the terms of this Agreement and has made, or caused to be made under his or her supervision, a review in reasonable detail of the transactions and condition of Middleby and its Subsidiaries during the accounting period covered by the related financial statements and that such review has not disclosed the existence during or at the end of such accounting period, and that the signer does

not have knowledge of the existence as at the date of such officer's certificate, of any condition or event that constitutes a Default or an Event of Default and (d) notwithstanding the foregoing provisions of clauses (b) and (c), no reduction in the Applicable Margin shall be effective if a Default or Event of Default shall have occurred and be continuing. It is understood that the foregoing officer's certificate shall be permitted to be delivered prior to, but in no event later than, the time of the actual delivery of the financial statements required to be delivered pursuant to Section 6.1 for the applicable fiscal period. Any change in the Applicable Margin due to a change in the applicable Level shall be effective on the effective date of such change in the applicable Level and shall apply to all Offshore Rate Loans made on or after the commencement of the period (and to Base Rate Loans that are outstanding at any time during the period) commencing on the effective date of such change in the applicable Level and ending on the date immediately preceding the effective date of the next such change in applicable Level.

"Assignee" has the meaning specified in subsection 9.8(a).

3

"Attorney Costs" means and includes all fees and disbursements of any law firm or other external counsel, the allocated cost of internal legal services and all disbursements of internal counsel.

"BA Leasing Documents" means that certain Lease Agreement dated as of December 30, 1997 between BA Leasing and Capital Corporation, as lessor, and Middleby, as lessee, and any other documents entered into in connection therewith, which may be amended from time to time with the prior written consent of the Bank after the date hereof.

"Bank" has the meaning specified in the introductory clause hereto.

"Banking Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City, San Francisco or Chicago are authorized or required by law to close and (i) with respect to disbursements and payments in Dollars, a day on which dealings are carried on in the applicable offshore Dollar interbank market, and (ii) with respect to any disbursements and payments in and calculations pertaining to any Offshore Currency Loan, a day on which commercial banks are open for foreign exchange business in London, England, and on which dealings in the relevant Offshore Currency are carried on in the applicable offshore foreign exchange interbank market in which disbursement of or payment in such Offshore Currency will be made or received hereunder.

"Bank-Related Persons" means the Bank, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Bank and such Affiliates.

"Base Rate" means, for any day, the higher of : (a) 0.50% per annum above the latest Federal Funds Rate; and (b) the Reference Rate.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Bankruptcy Code" means the Federal Bankruptcy Reform Act of 1978 (11 U.S.C.ss.101, et seq.).

"Borrower" has the meaning specified in the introductory clause hereto.

4

"Borrowing" means a borrowing hereunder consisting of Loans of the same Type and in the same Applicable Currency made to the same Borrower on

the same day by the Bank under Article II, and, other than in the case of Base Rate Loans, having the same Interest Period.

"Borrowing Date" means any date on which a Borrowing occurs under Section 2.3.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City, San Francisco or Chicago are authorized or required by law to close and, if the applicable Business Day relates to any Offshore Rate Loan, means a Banking Day.

"Capital Adequacy Regulation" means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of any bank or of any corporation controlling a bank.

"Change of Control" means any of the following: (a) the Parent Corporation shall cease to own, free and clear of all liens or other encumbrances, at least 51% of the outstanding shares of Voting Stock of Middleby on a fully diluted basis; or (b) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted Middleby's board of directors (together with any new directors whose election by Middleby's board of directors or whose nomination for election by Middleby's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reasons other than death or disability to constitute a majority of the directors then in office.

"Closing Date" means, with respect to any Borrower, the date on which all conditions precedent set forth in Section 4.1 and Section 4.3 and, if applicable, Section 4.2, with respect to such Borrower are satisfied or waived by the Bank.

"Closing Transactions" means the transactions contemplated by the Loan Documents.

5

"Code" means the Internal Revenue Code of 1986, and regulations promulgated thereunder.

"Commitment" has the meaning specified in Section 2.1.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C.

"Computation Date" has the meaning specified in subsection 2.5(a).

"Contingent Obligation" means, as to any Person, any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or financial condition of any other Person, or otherwise assures any creditor of such other Person against loss.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property is bound.

"Conversion/Continuation Date" means any date on which, under Section

2.4, a Borrower (a) converts Loans of one Type to another Type, or (b) continues as Loans of the same Type, but with a new Interest Period, Loans having Interest Periods expiring on such date.

"Corporate Overhead Expense" means the following expenses of the Parent Corporation: directors' fees and expenses, directors' and officers' liability insurance premiums, shareholder reports, shareholder relations, transfer agent fees and expenses, investor relations and corporate communications, Securities and Exchange Commission filing fees and expenses, stock exchange fees, chairman's and president's retirement plan accrual (unfunded), legal fees regarding Securities and Exchange Commission matters, stock option plan, stock ownership plan and corporate matters, stock ownership plan administration expenses and benefits consulting fees (related to directors and officers).

6

"Current Assets" means all cash, cash equivalents, accounts receivable and inventory of Middleby and its Subsidiaries, on a consolidated basis, as of any date of determination, calculated in accordance with GAAP, but excluding Indebtedness due from Affiliates which are not in the same consolidated group as Middleby.

"Current Commitment Termination Date" means the earlier to occur of

- (a) the Current Commitment Termination Date then in effect, as defined in Section 2.13; and
- (b) the date on which the Commitment shall terminate pursuant to Section 2.13 or otherwise in accordance with the provisions of this Agreement.

"Current Liabilities" means all liabilities of Middleby and its Subsidiaries, on a consolidated basis, as of any date of determination, which should, in accordance with GAAP, be classified as current liabilities.

"Default" means any event or circumstance which, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"Dollar Equivalent" means, at any time, (a) as to any amount denominated in Dollars, the amount thereof at such time, and (b) as to any amount denominated in an Offshore Currency, the equivalent amount in Dollars as determined by the Bank at such time on the basis of the Spot Rate for the purchase of Dollars with such Offshore Currency on the most recent Computation Date provided for in subsection 2.5(a).

"Dollars", "dollars" and "\$" each mean lawful money of the United States.

"EBIT" means Net Income plus, without duplication and to the extent deducted in determining such Net Income, interest and income tax expense, all determined in accordance with a first-in, first-out basis of accounting.

"EBITDA" means Net Income plus, without duplication and to the extent deducted in determining such Net Income, interest, depreciation and amortization

7

expense plus income tax expense, all determined in accordance with a first-in, first-out basis of accounting.

"Eligible Assignee" means (a) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least \$200,000,000; (b) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus of at least \$200,000,000 or its Dollar Equivalent, provided that such bank is acting through a branch or agency located in the United States; and (c) a Person that is primarily engaged in the business of commercial banking and that is (i) a Subsidiary of the Bank, (ii) a Subsidiary of a Person of which the Bank is a Subsidiary, or (iii) a Person of which the Bank is a Subsidiary.

"Environmental Claims" means all claims, however asserted, by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment.

"Environmental Laws" means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental, health, safety and land use matters.

"ERISA" means the Employee Retirement Income Security Act of 1974, and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with Middleby within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by Middleby or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as

8

such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by Middleby or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Middleby or any ERISA Affiliate.

"Eurodollar Reserve Percentage" has the meaning specified in the definition of "Offshore Rate".

"Event of Default" means any of the events or circumstances specified in Section 8.1.

"Exchange Act" means the Securities Exchange Act of 1934, and regulations promulgated thereunder.

"Existing Letters of Credit" means the letters of credit issued under the Original Credit Agreement and outstanding on the date hereof.

"FDIC" means the Federal Deposit Insurance Corporation, and any Governmental Authority succeeding to any of its principal functions.

"Federal Funds Rate" means, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, "H.15(519)") on the preceding Business Day opposite the caption "Federal Funds (Effective)"; or, if for any relevant day such rate is not so published on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by the Bank of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Bank.

"Fixed Charge Coverage Ratio" means the ratio of the sum of Net Income before payment of income taxes, plus depreciation, amortization, interest expense and lease

9

expense over the sum of current maturities of long term debt, including current capital lease payments, plus interest expense, plus lease expense, plus shareholder dividends or distributions paid.

"Foreign Borrower" means each Borrower organized and resident in a country other than the United States of America.

"FRB" means the Board of Governors of the Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions.

"Funded Debt" means, as to any Person, all Indebtedness for borrowed money evidenced by notes, bonds, debentures, or similar evidences of Indebtedness and which by its terms matures more than one year from, or is directly or indirectly renewable or extendible at such Person's option under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year from the date of creation thereof, and specifically including capitalized lease obligations, current maturities of long-term debt, revolving credit and short-term debt extendible beyond one year at the option of the debtor, and also including the Obligations.

"Further Taxes" means any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges (including, without limitation, net income taxes and franchise taxes), and all liabilities with respect thereto, imposed by any jurisdiction on account of amounts payable or paid pursuant to Section 3.1.

"FX Trading Office" means the Foreign Exchange Trading Center, Chicago, Illinois, of the Bank, or such other of the Bank's offices as the Bank may designate from time to time.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory

authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Guarantors" means Middleby and Middleby Worldwide.

"Guaranty" means the guaranty executed by the Guarantors in favor of the Bank, in substantially the form of Exhibit E.

"Guaranty Obligation" has the meaning specified in the definition of "Contingent Obligation."

"Indebtedness" means, as to any Person, and includes all (i) obligations of such Person for borrowed money or which have been incurred in connection with the acquisition of property other than current accounts payable, (ii) obligations secured by any Lien or other charge upon property owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, (iii) noncontingent obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, notwithstanding the fact that the rights and remedies of the seller, lender or lessor under such agreement in the event of default are limited to repossession or sale of property, (iv) obligations (other than obligations under any lease which is not a capitalized lease and obligations in an amount equal to the demand component of any contract providing for usual and customary utility services, including gas, water, electricity and wastewater treatment services) to purchase any property or to obtain the services of another Person if the contract requires that payment for such property or services be made regardless of whether such property is delivered or such services are performed, except that no obligation shall constitute Indebtedness solely because the contract provides for liquidated damages or reimbursement of expenses following cancellation, (v) capitalized rentals, (vi) obligations in respect of letters of credit (a) but only to the extent that such letters of credit do not support an obligation of such Person already included in Indebtedness, and (b) in respect of standby letters of credit in excess of \$1,000,000 of the stated amount, and (vii) all guaranties by such Person of obligations of the type described in the foregoing clauses (i) through (vi).

"Indemnified Liabilities" has the meaning specified in Section 9.5.

"Indemnified Person" has the meaning specified in Section 9.5.

"Independent Auditor" has the meaning specified in subsection 6.1(a).

"Individual Commitment Sublimit" means, with respect to any Foreign Borrower, the amount set forth below opposite the name of such Foreign Borrower, as such amount may be reduced pursuant to Section 2.6 or as a result of one or more assignments pursuant to Section 9.8.

Foreign Borrower	Individual Commitment Sublimit
-----	-----
Middleby Philippines Corporation	\$5,000,000
Middleby Japan Corporation	3,000,000
Middleby Taiwan Corporation (f/k/a Asbury Worldwide (Taiwan) Co., Ltd)	2,500,000
Middleby Korea Corporation (f/k/a Asbury Worldwide	2,000,000

Korea Co., Ltd.)

Middleby Mexico, S.A. DE C.V. (f/n/a Asbury Mexico, S.A. de C.V.)	2,000,000
Middleby Worldwide Spain, S.L. (f/k/a Asbury, S.L.)	2,000,000
Aggregate Commitment Sublimit: \$10,000,000	

"Insolvency Proceeding" means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

12

"Interest Expense" means, with respect to any Person for any fiscal period, interest expense (whether cash or non-cash) of such Person determined in accordance with GAAP for the relevant period ended on such date, including, in any event, interest expense with respect to any Funded Debt of such Person.

"Interest Payment Date" means, as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and, as to any Base Rate Loan, the last Business Day of each month and each date such Loan is converted into another Type of Loan; provided, however, that if any Interest Period for an Offshore Rate Loan exceeds three months, the date that falls three months after the beginning of such Interest Period and after each Interest Payment Date thereafter is also an Interest Payment Date; provided, further that if any Interest Period for a Quoted Rate Loan exceeds one month, the date that falls one month after the beginning of such Interest Period and after each Interest Payment Date thereafter is also an Interest Payment Date.

"Interest Period" means, as to any Offshore Rate Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as an Offshore Rate Loan, and ending on the date one, two, three or six months thereafter as selected by the applicable Borrower in its Notice of Borrowing or Notice of Conversion/Continuation; provided, that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless, in the case of an Offshore Rate Loan, the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period pertaining to an Offshore Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period for any Revolving Loan shall extend beyond the Revolving Termination Date.

"IRS" means the Internal Revenue Service, and any Governmental Authority succeeding to any of its principal functions under the Code.

"LC Obligations" means, at any time, an amount equal to the sum of (a) the aggregate Stated Amount of the outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to subsection 2.12(c).

"Lending Office" means the office or offices of the Bank specified as its "Lending Office" or "Domestic Lending Office" or "Offshore Lending Office", as the case may be, on Schedule 9.2, or such other office or offices as the Bank may from time to time notify Middleby.

"Letter of Credit" means any letter of credit issued hereunder.

"Letter of Credit Cash Collateral Account" has the meaning specified in Section 8.2.

"Letter of Credit Commitment Sublimit" means \$10,000,000.

"Letter of Credit Payment" means all payments made by the Bank pursuant to either a draft or demand for payment under a Letter of Credit.

"Letter of Credit Request" has the meaning specified in subsection 2.12(b).

"Lien" means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the Uniform Commercial Code or any comparable law) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease.

"Loan" means an extension of credit by the Bank to a Borrower under Article II, and may be a Base Rate Loan, an Offshore Rate Loan or a Quoted Rate Loan (each, a "Type" of Loan).

"Loan Documents" means this Agreement, the Notes, the Guaranty and all other documents delivered to the Bank in connection herewith.

"Margin Stock" means "margin stock" as such term is defined in Regulation G, T, U or X of the FRB.

"Material Adverse Effect" means, with respect to any Person, (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of such Person or such Person and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Borrower to perform under any Loan Document and to avoid any Event of Default; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Loan Document. As used in this Agreement, Material Adverse Effect shall mean Material Adverse Effect with respect to Middleby and its Subsidiaries taken as a whole.

"Middleby" has the meaning specified in the introductory clause hereto.

"Middleby Worldwide" means Middleby Worldwide, Inc. (formerly known as Asbury Associates, Inc.), a Florida corporation.

"Minimum Tranche" means, in respect of Loans comprising part of the same Borrowing, or to be converted or continued under Section 2.4, (a) in the case of Base Rate Loans, \$50,000 or any multiple of \$50,000 in excess thereof, and (b) in the case of Offshore Rate Loans, the Dollar Equivalent amount of \$250,000 or any Dollar Equivalent multiple of \$50,000 in excess thereof.

"Multiemployer Plan" means a "multiemployer plan", within the meaning of Section 4001(a)(3) of ERISA, to which Middleby or any ERISA Affiliate makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions.

"Net Income" for any period means the gross revenues from any source of Middleby and its Subsidiaries on a consolidated basis for such period less all expenses and other proper charges, determined in accordance with GAAP, but excluding in any event: (i) any gains or losses on the sale or other disposition or loss to or destruction of investments or fixed or capital assets, and any taxes on such excluded gains and any tax deductions or credits on account of any such excluded losses; (ii) earnings resulting from

15

any reappraisal, revaluation or write-up of assets, other than revaluations of foreign currency; and (iii) any gain resulting from the acquisition of any equity securities of Middleby or any Subsidiary.

"Note" means a promissory note executed by a Borrower in favor of the Bank pursuant to subsection 2.2(b), in substantially the form of Exhibit D.

"Notice of Borrowing" means a notice in substantially the form of Exhibit A.

"Notice of Conversion/Continuation" means a notice in substantially the form of Exhibit B.

"Obligations" means all advances, debts, liabilities, obligations, covenants and duties arising under any Loan Document owing by the Borrowers to the Bank or any Indemnified Person, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising.

"Offshore Currency" means, subject to availability pursuant to Section 2.5 and to the extent freely transferable and convertible into Dollars, (i) at any time English pounds sterling, Canadian dollars, French francs, German Deutsche Marks, Japanese yen, (ii) with respect to any Foreign Borrower, the local currency of the jurisdiction in which such Borrower is organized and resident, and (iii) any Agreed Alternative Currency, and such other freely transferable and convertible foreign currencies as requested by Middleby and acceptable to the Bank, in its reasonable discretion.

"Offshore Currency Loan" means any Offshore Rate Loan denominated in an Offshore Currency.

"Offshore Rate" means, for any Interest Period, with respect to Offshore Rate Loans comprising part of the same Borrowing, the rate of interest per annum (rounded upward to the next 1/16th of 1%) determined by the Bank as follows:

Offshore Rate = IBOR or LIBOR, as the case may be

1.00 - Eurodollar Reserve Percentage

Where,

"Eurodollar Reserve Percentage" means for any day for any Interest Period the maximum reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day (whether or not applicable to the Bank) under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"); and

"IBOR" means the rate of interest per annum determined by the Bank as the rate at which deposits in the Applicable Currency in the approximate amount of the Bank's Offshore Rate Loan denominated in an Offshore Currency for such Interest Period would be offered by the Bank's Nassau Branch, Nassau, Bahamas (or such other office as may be designated for such purpose by the Bank), to major banks in the offshore currency interbank market at their request at approximately 11:00 a.m. (New York City time) two Business Days prior to the commencement of such Interest Period. A Loan denominated in an Offshore Currency shall bear interest based on IBOR.

"LIBOR" means the rate of interest per annum determined by the Bank to be the arithmetic mean (rounded upward to the nearest 1/16th of 1%) of the rates of interest per annum notified by the Bank as the rate of interest at which dollar deposits in the approximate amount of the amount of the Loan to be made or continued as, or converted into, an Offshore Rate Loan denominated in Dollars by the Bank and having a maturity comparable to such Interest Period would be offered to major banks in the London interbank market at their request at or about 11:00 a.m. (London time) on the second Business Day prior to the commencement of such Interest Period. A Loan denominated in Dollars shall bear interest based on LIBOR.

The Offshore Rate shall be adjusted automatically as to all Offshore Rate Loans then outstanding as of the effective date of any change in the Eurodollar Reserve Percentage.

"Offshore Rate Loan" means a Loan that bears interest based on the Offshore Rate, and may be an Offshore Currency Loan or a Loan denominated in Dollars.

"Organization Documents" means, for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation.

"Other Taxes" means any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, this Agreement or any other Loan Documents.

"Parent Corporation" means The Middleby Corporation, a Delaware corporation.

"Participant" has the meaning specified in subsection 9.8(b).

"Payment Office" means (a) in respect of payments in Dollars, the

address for payments set forth on Schedule 9.2 or such other address as the Bank may from time to time specify in accordance with Section 9.2, and (b) in the case of payments in any Offshore Currency, the address for payments set forth in Schedule 9.2 or such other address as the Bank may from time to time specify in accordance with Section 9.2.

"PBGC" means the Pension Benefit Guaranty Corporation, or any Governmental Authority succeeding to any of its principal functions under ERISA.

"Pension Plan" means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which Middleby sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years.

"Permitted Liens" has the meaning specified in Section 7.1.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority.

18

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) which Middleby sponsors or maintains or to which Middleby makes, is making, or is obligated to make contributions and includes any Pension Plan.

"Quoted Rate" means the rate of interest quoted by the Bank to the applicable Borrower pursuant to Section 2.3(e) applicable to a Quoted Rate Loan.

"Quoted Rate Interest Period" means the period which shall begin on (and include) the date on which such Quoted Rate Loan is made and, unless the final maturity of such Quoted Rate Loan is accelerated, shall end on (but exclude) the subsequent day or the day one through sixty days thereafter, as the applicable Borrower may select in its relevant notice pursuant to Section 2.3; provided, however, that:

(a) absent such selection (or a selection to treat such Loan as an Offshore Rate Loan, if available), such Borrower shall be deemed to have selected such Loan to be a Base Rate Loan;

(b) any such Quoted Rate Interest Period which would otherwise end on a day which is not a Business Day shall end on the next following Business Day; and

(c) there shall not be more than eight (8) Quoted Rate Interest Periods and Interest Periods, in aggregate, in effect at any one time.

"Quoted Rate Loan" means any Loan which bears interest at a rate determined by reference to the Quoted Rate.

"Reference Rate" means, for any day, the rate of interest in effect for such day as publicly announced from time to time by the Bank in San Francisco, California as its "reference rate." The "reference rate" is a rate set by the Bank based upon various factors including the Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the reference rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"Requirement of Law" means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

"Responsible Officer" means the chief financial officer or treasurer of Middleby or the Parent Corporation, or any other officer having substantially the same authority and responsibility.

"Revolving Loan" has the meaning specified in Section 2.1.

"Revolving Termination Date" means the earlier to occur of:

(a) the Current Commitment Termination Date; and

(b) the date (other than the Current Commitment Termination Date) on which the Commitment shall terminate and/or the Obligations shall become due and payable in accordance with the provisions of this Agreement (other than Section 2.13 hereof)

"Same Day Funds" means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Offshore Currency, same day or other funds as may be determined by the Bank to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Offshore Currency.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Spot Rate" for a currency means the rate quoted by the Bank as the spot rate for the purchase by the Bank of such currency with another currency through its FX Trading Office at approximately 10:30 a.m. (Chicago time) on the date two Banking Days prior to the date as of which the foreign exchange computation is made.

"Standby Letter of Credit" means any Letter of Credit other than a Trade Letter of Credit.

"Stated Amount" means the stated or face amount of a Letter of Credit to the extent available at the time for drawing (subject to presentment of all requested documents), as the same may be increased or decreased from time to time in accordance with the terms of such Letter of Credit.

"Subsidiary" of a Person means any corporation, association, partnership, limited liability Borrower, joint venture or other business entity of which more than 50% of the voting stock, membership interests or other equity interests (in the case of Persons other than corporations), is owned or controlled directly or indirectly by the Person, or one or more of the Subsidiaries of the Person, or a combination thereof. Unless the context otherwise clearly requires, references herein to a "Subsidiary" refer to a Subsidiary of Middleby.

"Subsidiary Borrower" means each Borrower other than Middleby.

"Surety Instruments" means all letters of credit (including standby and commercial), banker's acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments.

"Tangible Net Worth" means the excess of total assets of Middleby and its Subsidiaries on a consolidated basis over total liabilities and reserves of Middleby and its Subsidiaries on a consolidated basis, total assets and total liabilities and reserves each to be determined in accordance with GAAP excluding, however, from the determination of total assets, all assets which would be classified as intangible assets under GAAP including, without limitation, goodwill, patents, trademarks, trade names, copyrights, franchises and deferred charges (including, without limitation, unamortized debt discount and expense, organization costs and deferred research and development expenses) and excluding the write-up of assets above cost and also excluding the effect of gains or losses of the type described in clause (i) of the definition of the term "Net Income".

"Taxes" means any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of the Bank, taxes imposed on or measured by the Bank's net income by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank is organized or maintains a lending office.

21

"Trade Letter of Credit" means a trade or commercial Letter of Credit issued by the Bank pursuant to Section 2.12.

"Type" has the meaning specified in the definition of "Loan."

"Unfunded Pension Liability" means the excess of a Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"United States" and "U.S." each means the United States of America.

"Voting Stock" means securities of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or Persons performing similar functions).

"Wholly-Owned Subsidiary" means, as to any Person, any Subsidiary in which (other than directors' qualifying shares required by law) 100% of the capital stock of each class having ordinary voting power, and 100% of the capital stock of every other class, in each case, at the time as of which any determination is being made, is owned, beneficially and of record, by such Person, or by one or more of the other Wholly-Owned Subsidiaries of such Person, or both.

Section 1.2 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by

the terms of any Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and

22

regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(d) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

Section 1.3 Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied.

(b) References herein to "fiscal year" and "fiscal quarter" refer, unless otherwise specified, to such fiscal periods of Middleby.

Section 1.4 Currency Equivalents Generally. For all purposes of this Agreement (but not for purposes of the preparation of any financial statements delivered pursuant hereto), the equivalent in any Offshore Currency or other currency of an amount in Dollars, and the equivalent in Dollars of an amount in any Offshore Currency or other currency, shall be determined at the Spot Rate.

ARTICLE II

THE CREDITS

Section 2.1 Amounts and Terms of Commitments. The Bank agrees, on the terms and conditions set forth herein, to make loans to any Borrower (each such loan, a "Revolving Loan") from time to time on any Business Day during the period from the date hereof to the Revolving Termination Date, in an aggregate principal Dollar Equivalent amount not to exceed (a) \$20,000,000 at any time outstanding for all Borrowers (such amount as the same may be reduced pursuant to Section 2.6 or as a result of one or more assignments pursuant to Section 9.8, the Bank's "Commitment"), (b) the Aggregate Commitment Sublimit at any time outstanding for the Foreign Borrowers, or (c) with respect to any Foreign Borrower, the Individual Commitment Sublimit applicable thereto; provided, however, that, after giving effect to any Borrowing of Revolving Loans or issuance of a Letter of Credit, the aggregate principal Dollar Equivalent amount of

23

all outstanding Revolving Loans plus the aggregate Dollar Equivalent amount of outstanding LC Obligations shall not exceed (a) the Commitment, (b) with respect to the Foreign Borrowers, the Aggregate Commitment Sublimit, (c) with respect to any Foreign Borrower, the Individual Commitment Sublimit applicable thereto. Anything herein to the contrary notwithstanding, the aggregate outstanding Dollar Equivalent amount at any one time of all Loans plus the aggregate amount of outstanding LC Obligations at such time shall not exceed the amount equal to the Commitment less the outstanding obligations of Middleby (the "BA Leasing Obligations") at such time under the BA Leasing Documents. Middleby agrees that the BA Leasing Obligations shall be paid in full on or prior to December 31, 2000. Within the limits of the Bank's Commitment, and subject to the other terms and conditions hereof, each Borrower may borrow under this Section 2.1, prepay pursuant to Section 2.6 and reborrow pursuant to this Section 2.1.

Section 2.2 Loan Accounts.

(a) The Loans made by the Bank to each Borrower shall be evidenced by one

or more loan accounts or records maintained with respect to such Borrower by the Bank in the ordinary course of business. The loan accounts or records maintained by the Bank shall be presumptive evidence of the amount of the Loans made by the Bank to such Borrower and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of any Borrower hereunder to pay any amount owing with respect to the Loans to such Borrower.

(b) The Loans made by the Bank to each Borrower shall also be evidenced by one or more Notes of such Borrower as provided herein. The Bank shall endorse on the schedules annexed to the Note(s) of each Borrower the date, amount and maturity of each Loan made by the Bank thereunder and the amount and Applicable Currency of each payment of principal made by such Borrower with respect thereto. The Bank is irrevocably authorized by each Borrower to endorse its Note(s), and the Bank's record with respect to each Borrower shall be conclusive absent manifest error; provided, however, that the failure of the Bank to make, or an error in making, a notation on the Note(s) of any Borrower with respect to any Loan to such Borrower shall not limit or otherwise affect the obligations of such Borrower hereunder or under any such Note to the Bank.

24

Section 2.3 Procedure for Borrowing.

(a) Each Borrowing by a Borrower shall be made upon such Borrower's irrevocable written notice in substantially the form attached hereto as Exhibit A (or telephonic notice promptly confirmed in writing) delivered to the Bank in the form of a Notice of Borrowing (which notice must be received by the Bank prior to 10:30 a.m. (Chicago time) (i) three (3) Business Days prior to the requested Borrowing Date, in the case of Offshore Currency Loans; (ii) two (2) Business Days prior to the requested Borrowing Date, in the case of Offshore Rate Loans denominated in Dollars; and (iii) on the requested Borrowing Date, in the case of Base Rate Loans), specifying:

(A) the name of such Borrower;

(B) the amount of the Borrowing, which shall be in an aggregate amount not less than the Minimum Tranche;

(C) the requested Borrowing Date, which shall be a Business Day;

(D) the Type of Loans comprising the Borrowing;

(E) the duration of the Interest Period applicable to such Loans included in such notice. If the Notice of Borrowing fails to specify the duration of the Interest Period for any Borrowing comprised of Offshore Rate Loans, such Interest Period shall be one month; and

(F) in the case of a Borrowing comprised of Offshore Currency Loans, the Applicable Currency.

(b) The Dollar Equivalent amount of any Borrowing in an Offshore Currency will be determined by the Bank for such Borrowing on the Computation Date therefor in accordance with subsection 2.5(a).

(c) The proceeds of all Loans will be made available to the applicable Borrower by the Bank by crediting the account of such Borrower on the books of the Bank or by wire transfer in accordance with written instructions provided to the Bank by such Borrower in Same Day Funds.

25

(d) After giving effect to any Borrowing and Quoted Rate Interest Periods, in aggregate, there may not be more than eight (8) different Interest Periods in

effect at any one time.

(e) Quoted Rate Loans.

(i) Not later than 10:30 a.m., Chicago time, on any Business Day after the initial Closing Date, a Borrower may submit a Notice of Borrowing to the Bank requesting a Quoted Rate Loan. Each such Notice of Borrowing shall specify the date on which the Quoted Rate Loan is requested, the amount of such Loan (such amount being at least \$250,000 and being an integral multiple of \$50,000) and the Quoted Rate Interest Period applicable thereto. All Quoted Rate Loans must be denominated in Dollars.

(ii) The Bank shall telephonically notify the Borrower requesting a Quoted Rate Loan pursuant to paragraph (i) above of the terms of the Quoted Rate Loan pricing submitted by the Bank, and such Borrower (subject to Section 2.3 hereof) shall either accept or reject the Quoted Rate Loan upon receipt of such notice.

Section 2.4 Conversion and Continuation Elections.

(a) A Borrower may, upon irrevocable written notice to the Bank in accordance with subsection 2.4(b):

(i) elect, as of any Business Day, in the case of Base Rate Loans, or as of the last day of the applicable Interest Period, in the case of any other Type of Loans denominated in Dollars, to convert any such Loans to such Borrower (or any part thereof in an amount not less than the Minimum Tranche) into Loans in Dollars of any other Type; or

(ii) elect, as of the last day of the applicable Interest Period, to continue any Loans to such Borrower having Interest Periods expiring on such day (or any part thereof in an amount not less than the Minimum Tranche); provided, that if at any time the aggregate amount of Offshore Rate Loans of any Borrower denominated in Dollars in respect of any Borrowing is reduced, by payment, prepayment, or conversion of part thereof to be less than \$250,000, such Offshore Rate Loans denominated in Dollars shall automatically convert into Base Rate Loans, and on and after such date the right of such Borrower to continue such Loans as, and convert such Loans into Offshore Rate Loans shall terminate.

26

(b) A Borrower shall deliver a Notice of Conversion/Continuation to be received by the Bank not later than 10:30 a.m. (Chicago time) (i) at least two (2) Business Days in advance of the Conversion/Continuation Date, if Loans to such Borrower are to be converted into or continued as Offshore Rate Loans denominated in Dollars; (ii) at least three (3) Business Days in advance of the continuation date, if Loans are to be continued as Offshore Currency Loans; and (iii) on the Conversion/Continuation Date, if Loans are to be converted into Base Rate Loans, specifying:

(A) the name of such Borrower;

(B) the proposed Conversion/Continuation Date;

(C) the aggregate amount of Loans to be converted or continued;

(D) the Type of Loans resulting from the proposed conversion or continuation;

(E) other than in the case of conversions into Base Rate Loans, the duration of the requested Interest Period; and

(F) in the case of conversions into Offshore Currency Loans, the Applicable Currency.

(c) If upon the expiration of any Interest Period applicable to Offshore Rate Loans in Dollars, a Borrower has failed to select timely a new Interest Period to be applicable to such Offshore Rate Loans, or if any Default or Event of Default then exists, such Borrower shall be deemed to have elected to convert such Offshore Rate Loans into Base Rate Loans effective as of the expiration date of such Interest Period. If a Borrower has failed to select a new Interest Period to be applicable to Offshore Currency Loans prior to the fourth Business Day in advance of the expiration date of the current Interest Period applicable thereto as provided in subsection 2.4(b), or if any Default or Event of Default shall then exist, subject to the provisions of subsection 2.5(d), such Borrower shall be deemed to have elected to continue such Offshore Currency Loans on the basis of a one month Interest Period. The Bank shall give the applicable Borrower(s) prompt written notice of any such conversion or continuation.

27

(d) During the existence of a Default or Event of Default, no Borrower may elect to have a Loan in Dollars converted into or continued as an Offshore Rate Loan in Dollars or an Offshore Currency Loan continued on the basis of an Interest Period exceeding one month.

(e) After giving effect to any conversion or continuation of Loans, there may not be more than eight (8) different Interest Periods in effect.

Section 2.5 Utilization of Offshore Currencies.

(a) The Bank will determine the Dollar Equivalent amount with respect to any (i) Borrowing comprised of Offshore Currency Loans as of the requested Borrowing Date, (ii) any Letter of Credit denominated in an Offshore Currency as of the requested issuance date, (iii) outstanding Offshore Currency Loans and Letters of Credit denominated in an Offshore Currency as of the last Banking Day of each month, and (iv) outstanding Offshore Currency Loans as of any redenomination date pursuant to this Section 2.5 or Section 3.5 (each such date under clauses (i) through (iii) a "Computation Date").

(b) In the case of a proposed Borrowing by a Borrower comprised of Offshore Currency Loans or a proposed issuance of a Letter of Credit denominated in an Offshore Currency, the Bank shall be under no obligation to make Offshore Currency Loans in the requested Offshore Currency as part of such Borrowing or issue such Letter of Credit if the Bank cannot provide Loans or issue Letters of Credit denominated in the requested Offshore Currency, in which event the Bank will give notice to such Borrower no later than 10:30 a.m. (Chicago time) on the third Business Day prior to the date of such Borrowing or issuance that the Borrowing or issuance in the requested Offshore Currency is not then available. If the Bank shall have so notified such Borrower that any such Borrowing or issuance in a requested Offshore Currency is not then available, such Borrower may, by notice to the Bank not later than 5:00 p.m. (Chicago time) three (3) Business Days prior to the requested date of such Borrowing or issuance, withdraw the Notice of Borrowing relating to such requested Borrowing or such Letter of Credit Request relating to such proposed issuance. If such Borrower does so withdraw such Notice of Borrowing or Letter of Credit Request, the Borrowing or issuance requested therein shall not occur. If such Borrower does not so withdraw such Notice of Borrowing or Letter of Credit Request, the Notice of Borrowing shall be deemed to be a Notice of Borrowing that requests a Borrowing comprised of Base Rate Loans in an aggregate amount equal to the amount of the originally requested Borrowing as expressed in Dollars in the Notice of Borrowing

28

and the Letter of Credit Request shall be deemed to be a Letter of Credit Request for a Letter of Credit denominated in Dollars in an equivalent aggregate amount.

(c) In the case of a proposed continuation of Offshore Currency Loans by a Borrower for an additional Interest Period pursuant to Section 2.4, the Bank shall be under no obligation to continue such Offshore Currency Loans if the Bank cannot continue to provide Loans in the relevant Offshore Currency, in which event the Bank will give notice to such Borrower not later than 10:30 a.m. (Chicago time) on the third Business Day prior to the requested date of such continuation that the continuation of such Offshore Currency Loans in the relevant Offshore Currency is not then available. If the Bank shall have so notified such Borrower that any such continuation of Offshore Currency Loans is not then available, any Notice of Continuation/Conversion with respect thereto shall be deemed withdrawn and such Offshore Currency Loans shall be redenominated into Base Rate Loans in Dollars with effect from the last day of the Interest Period with respect to any such Offshore Currency Loans. The Bank will promptly notify such Borrower of such redenomination.

(d) Notwithstanding anything herein to the contrary, during the existence of a Default or an Event of Default, at the Bank's sole discretion, all or any part of any outstanding Offshore Currency Loans shall be redenominated and converted into Base Rate Loans in Dollars with effect from the last day of the Interest Period with respect to any such Offshore Currency Loans. The Bank will promptly notify the applicable Borrower(s) of any such redenomination and conversion.

(e) A Borrower shall be entitled to request that Revolving Loans and Letters of Credit hereunder also be permitted to be made in any other lawful currency constituting a eurocurrency (other than Dollars), in addition to the eurocurrencies specified in the definition of "Offshore Currency" herein, that in the opinion of the Bank is at such time freely traded in the offshore interbank foreign exchange markets and is freely transferable and freely convertible into Dollars (an "Agreed Alternative Currency"). Any such Borrower shall deliver to the Bank any request for designation of an Agreed Alternative Currency in accordance with Section 9.2, to be received by the Bank not later than 10:30 a.m. (Chicago time) at least ten (10) Business Days in advance of the date of any Borrowing or Letter of Credit issuance hereunder proposed to be made in such Agreed Alternative Currency. Upon receipt of any such request the Bank will use its best efforts to respond to such request within two Business Days of receipt thereof. The Bank may grant or accept such request in its sole discretion and will promptly notify such Borrower of the acceptance or rejection of any such request.

Section 2.6 Voluntary Termination or Reduction of Commitment; Optional Prepayments.

(a) Middleby may, upon not less than five (5) Business Days' prior notice to the Bank, terminate the Commitment, or permanently reduce the Commitment by a minimum Dollar Equivalent amount of \$1,000,000 or any Dollar Equivalent multiple of \$500,000 in excess thereof; unless, after giving effect thereto and to any prepayments of Loans made on the effective date thereof, the then-outstanding principal Dollar Equivalent amount of the Loans would exceed the amount of the Commitment then in effect. Once reduced in accordance with this Section, the Commitment may not be increased. Upon any reduction of the Commitment to an amount less than \$15,000,000, the Aggregate Commitment Sublimit and the Individual Commitment Sublimit applicable to each Foreign Borrower shall each be reduced to the product (rounded downward to the nearest multiple of \$50,000) obtained by multiplying (i) the amount of the Aggregate Commitment Sublimit and each Individual Commitment Sublimit then in effect by (ii) a fraction of the numerator of which is the amount of the Commitment after giving effect to such reduction and the denominator of which is the amount of the Commitment before giving effect to such reduction (but after giving effect to all prior reductions). All accrued commitment fees to, but not including the effective date of any reduction or termination of the Commitment, shall be paid on the effective date of such reduction or termination.

(b) Subject to Section 3.4, any Borrower may, at any time or from time to time, prepay Loans to such Borrower in whole or in part, in minimum Dollar Equivalent amounts of \$50,000 or any multiple of 50,000 units of the Applicable Currency in excess thereof. Any such Borrower shall deliver a notice of prepayment in accordance with Section 11.2 to be received by the Bank not later than 10:30 a.m. (Chicago time) (i) at least four Business Days in advance of the prepayment date if the Loans to be prepaid are Offshore Currency Loans or at least two Business Days in advance of the prepayment date if the Loans to be prepaid are Offshore Rate Loans in Dollars, and (iii) on the prepayment date if the Loans to be prepaid are Base Rate Loans. Such notice of prepayment shall specify the date and amount of such prepayment, the Borrower and whether such prepayment is of Base Rate Loans or Offshore Rate Loans, or any combination thereof, and the Applicable Currency. Such notice shall not thereafter be revocable. If such notice is given by a Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to each such date on the amount prepaid and any amounts required pursuant to Section 3.4.

Section 2.7 Currency Exchange Fluctuations. Subject to Section 3.4, if on any Computation Date the Bank shall have determined that the aggregate Dollar Equivalent principal amount of all

30

Loans then outstanding plus the aggregate amount of outstanding LC Obligations exceeds the Commitment of the Bank, due to a change in applicable rates of exchange between Dollars and Offshore Currencies, then the Bank shall give notice to Middleby that a prepayment is required under this Section, and Middleby agrees thereupon to make prepayments of Loans made to it such that, after giving effect to such prepayment, the aggregate Dollar Equivalent amount of all Loans plus the aggregate amount of outstanding LC Obligations does not exceed the Commitment.

Section 2.8 Repayment. Each Borrower agrees to repay to the Bank on the Revolving Termination Date the aggregate principal amount of Revolving Loans to such Borrower and all other unpaid Obligations of such Borrower then due and outstanding on such date.

Section 2.9 Interest and Commitment Fees.

(a) Each Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the Offshore Rate plus the Applicable Margin or the Base Rate plus the Applicable Margin, as the case may be (and subject to each Borrower's right to convert to other Types of Loans under Section 2.4).

(b) Each Borrower shall pay interest on each Loan made to it in arrears on each Interest Payment Date. Interest shall also be paid by each Borrower on the date of any prepayment of Loans made to such Borrower under Section 2.6 or 2.7 for the portion of the Loans so prepaid and upon payment (including prepayment) in full thereof and, during the existence of any Event of Default, interest shall be paid by the Borrowers on demand of the Bank.

(c) Notwithstanding subsection (a) of this Section, while any Event of Default exists or after acceleration, each Borrower shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all outstanding Obligations owing by such Borrower, at a rate per annum which is determined by adding 2% per annum to the sum of the rate then in effect for such Loans plus the Applicable Margin and, in the case of Obligations not subject to an Applicable Margin, at a rate per annum equal to the Base Rate plus 2%; provided, however, that, on and after the expiration of any Interest Period applicable to any Offshore Rate Loan outstanding on the date of occurrence of such Event of Default or acceleration, the principal amount of such Loan shall, during the continuation of such Event of Default or after acceleration, bear interest at a rate per annum equal to the Base Rate plus 2%.

(d) Anything herein to the contrary notwithstanding, the obligations of each Borrower to the Bank hereunder shall be subject to the limitation that payments of interest by such Borrower shall not be required for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by the Bank would be contrary to the provisions of any law applicable to the Bank limiting the highest rate of interest that may be lawfully contracted for, charged or received by the Bank, and in such event such Borrower shall pay the Bank interest at the highest rate permitted by applicable law.

(e) Middleby shall pay to the Bank a commitment fee accruing at the rate per annum then applicable in the determination of the amount payable hereunder in accordance with the definition of the term, Applicable Margin with respect to Commitment Fee, on the average daily amount for each quarter by which the Commitment exceeds the sum of (i) the aggregate outstanding principal balance of the Loans and (ii) the aggregate outstanding LC Obligations for such quarter, such commitment fee being payable quarterly, in arrears, on the last Business Day of each fiscal quarter occurring after the date hereof and on the Revolving Termination Date; provided that, in connection with any reduction or termination of the Commitment under Section 2.6, the accrued commitment fee calculated for the period ending on such date shall also be paid on the date of such reduction or termination, with the following quarterly payment being calculated on the basis of the period from such reduction or termination date to such quarterly payment date.

Section 2.10 Computation of Fees and Interest.

(a) All computations of interest for Base Rate Loans shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year). Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof.

(b) For purposes of determining utilization of the Bank's Commitment in order to calculate the commitment fee due under Section 2.9(e), the amount of any outstanding Offshore Currency Loan on any date shall be determined based upon the Dollar Equivalent amount as of the most recent Computation Date with respect to such Offshore Currency Loan.

(c) Each determination of an interest rate or a Dollar Equivalent amount by the Bank shall be conclusive and binding on each Borrower in the absence of manifest error. The Bank will, at the request of any Borrower, deliver to such Borrower a statement showing the quotations used by the Bank in determining any interest rate or Dollar Equivalent amount.

Section 2.11 Payments by the Borrowers.

(a) All payments to be made by any Borrower shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by each Borrower shall be made to the Bank at the Payment Office, and, with respect to principal of, interest on, and any other amounts relating to, any Offshore Currency Loan or Letter of Credit denominated in an Offshore Currency, shall be made in the Offshore Currency in which such Loan or Letter of Credit is denominated or payable, and, with respect to all other amounts payable hereunder, shall be made in Dollars. Such payments shall be made in Same Day Funds, and (i) in the case of Offshore Currency payments, no later than such time on the dates specified herein as may be determined by the Bank to be

necessary for such payment to be credited on such date in accordance with normal banking procedures in the place of payment, and (ii) in the case of any Dollar payments, no later than 12:00 noon (Chicago time) on the date specified herein. Any payment which is received by the Bank later than 12:00 noon (Chicago time), or later than the time specified by the Bank as provided in clause (i) above (in the case of Offshore Currency payments), shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue.

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

Section 2.12 Amount and Terms of Letters of Credit.

(a) Letter of Credit Commitments; Terms of Letters of Credit.

(i) Subject to and upon the terms and conditions herein set forth, at any time and from time to time on or after the date hereof and to but not including the Revolving Termination Date, the Bank agrees to issue, in its own name or through an Affiliate, one or more Letters of Credit for the account of any Borrower in an aggregate Stated Amount in Dollars or

33

any Offshore Currency at any one time that, the Dollar Equivalent of which together with the aggregate Dollar Equivalent of the Stated Amount of all other Letters of Credit issued pursuant hereto, does not exceed the Letter of Credit Commitment Sublimit; provided, however, that the Bank shall not issue or extend the expiration of any Letter of Credit if, immediately after giving effect to such issuance or extension, (A) the Dollar Equivalent of the aggregate LC Obligations in respect of Letters of Credit at such time would exceed the Letter of Credit Commitment Sublimit, (B) the Commitment of the Bank would be exceeded or (C) the aggregate Stated Amount of outstanding Standby Letters of Credit, with a term extending more than one year, would exceed \$1,000,000.

(ii) The Bank has issued the Existing Letters of Credit for the account of the Borrowers, and after the Closing Date the Existing Letters of Credit shall be deemed to be Letters of Credit issued under and subject to the provisions of this Agreement with the effect that the Commitment and the Letter of Credit Commitment Sublimit shall each be reduced by the aggregate amount available thereunder and in the event that any provisions of the letter of credit applications for the Existing Letters of Credit are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall govern.

(iii) No Standby Letter of Credit or renewal thereof shall be stated to expire later than the day fifteen (15) days prior to the Revolving Termination Date and no Trade Letter of Credit or renewal thereof shall be stated to expire later than the day thirty (30) days prior to the Revolving Termination Date.

(b) Procedure for Issuance of Letters of Credit. Whenever a Borrower desires the issuance of a Letter of Credit hereunder, it shall give the Bank at least five (5) Business Days' prior written notice specifying the requested day of issuance thereof (which day shall be a Business Day), such notice to be given prior to 10:00 a.m. (Chicago time) on the date specified for the giving of such notice. Each such notice (each, a "Letter of Credit Request") shall be in the form of letter of credit application customarily used by the Bank or such other form as shall be reasonably acceptable to the Bank. No Letter of Credit shall contain any provision for payment thereunder at any time earlier than 2:00 p.m. (Chicago time) on the first Business Day after the presentation of all drafts, demands for payment and all other documents, if any, required to be presented pursuant to such Letter of Credit. Unless otherwise specified, all Letters of Credit will be governed by the Uniform Customs and Practice for Documentary

Credits of the International Chamber of Commerce as in effect on the date of issuance of such Letter of Credit. On the Business Day specified by such Borrower and upon fulfillment or waiver of the

34

applicable conditions set forth in Article IV, the Bank will issue the requested Letter of Credit for the account of such Borrower to the applicable beneficiary.

(c) Draws upon Letters of Credit; Reimbursement Obligations. In the event of any request for drawing under any Letter of Credit by the beneficiary thereof, the Bank shall give telephonic notice to the Borrower for whose account the Letter of Credit was issued (x) confirming receipt of such request and (y) of the date on or before which the Bank intends to honor such drawing, and such Borrower shall reimburse the Bank on the day on which such drawing is honored in an amount in Dollars in same day funds equal to the Dollar Equivalent amount of such drawing; provided, however, that, anything contained in this Agreement to the contrary notwithstanding, prior to the termination of the Commitment, (i) unless a Borrower shall have notified the Bank prior to 10:00 a.m. (Chicago time) on the Business Day of such drawing that such Borrower intends to reimburse the Bank for the Dollar Equivalent amount of such drawing with funds other than the proceeds of Loans, such Borrower shall be deemed to have timely given a Notice of Borrowing to the Bank to make a Loan to such Borrower on the date on which such drawing is honored in an amount equal to the Dollar Equivalent amount of such drawing and (ii) subject to satisfaction or waiver of the conditions specified in Section 4.2, the Bank shall, on the date of such drawing, make Base Rate Loans to such Borrower in the Dollar Equivalent amount of such drawing, the proceeds of which shall be applied to reimburse the Bank for the amount of such drawing.

(d) Interest and Fees for Letters of Credit. Each Borrower agrees to pay the following amount to the Bank with respect to Letters of Credit issued for the account of such Borrower:

(A) with respect to drawings made under any Letter of Credit, interest, payable on demand, on the amount paid by the Bank in respect of each such drawing from the date of the drawing through the date such amount is reimbursed by such Borrower (including any such reimbursement out of the proceeds of Loans pursuant to subsection 2.12(c) not made on the date of such drawing) at a rate which is at all times equal to 2% per annum in excess of the Base Rate;

(B) with respect to the issuance of each Standby Letter of Credit, a fee equal to the Applicable Letter of Credit Fee in effect from time to time of the stated amount thereof, payable at the time of such issuance and upon each anniversary thereof; and

35

(C) such other issuance, documentary and processing charges as are customarily charged by the Bank at the time of such issuance, amendment, transfer or drawing, as the case may be.

(e) LC Obligations Unconditional. Subject to the last paragraph of subsection 2.12(f), the obligation of each Borrower to reimburse the Bank for drawings made under any Letter of Credit issued for the account of such Borrower shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(i) any lack of validity or enforceability of this Agreement or such Letter of Credit;

(ii) the existence of any claim, setoff, defense or other right which such Borrower or any of its Affiliates may have at any time against a beneficiary or any transferee of such Letter of Credit (or any Persons for which any such beneficiary or transferee may be acting), the Bank or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between such Borrower or one of its Subsidiaries and the beneficiary of such Letter of Credit);

(iii) any draft, demand, certificate or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect (in the absence of gross negligence or willful misconduct in connection therewith, as determined by the final judgment of a court of competent jurisdiction, on the part of the Bank); or

(iv) the fact that an Event of Default or a Default shall have occurred and be continuing.

(f) Indemnification. In addition to amounts payable as elsewhere provided in this Agreement, Middleby and each Borrower, jointly and severally, hereby agree to indemnify and hold harmless the Bank from and against any and all actions, suits, proceedings, liabilities, damages, or other claims of any kind or nature whatsoever which may be made by or asserted against the Bank as a result of (i) the issuance of any Letter of Credit for the account of such Borrower, other than as a result of the gross negligence or willful misconduct of the Bank or (ii)

the failure of the Bank to honor a drawing under any such Letter of Credit as a result of any act or omissions, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority (all such acts or omissions herein called "Government Acts"). As between each Borrower and the Bank, each Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued by the Bank for such Borrower's account by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, the Bank shall not be responsible (in the absence of gross negligence or willful misconduct in connection therewith, as determined by the final judgment of a court of competent jurisdiction, on the part of the Bank): (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of or any drawing under such Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of any such Letter of Credit to comply duly with conditions required in order to draw upon such Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher, (v) for errors in interpretation of technical terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) for the misapplication by the beneficiary of any such Letter of Credit or the proceeds of any drawing under such Letter of Credit; and (viii) for any consequences arising from causes beyond the control of the Bank (including any Government Acts). None of the above shall affect, impair, or prevent the vesting of any of the Bank's rights or powers hereunder.

In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by the Bank under or in connection with the Letters of Credit issued by it or the related certificates shall not put the Bank under any resulting liability to any Borrower. Notwithstanding anything to the contrary contained in this Agreement,

no Borrower shall have any obligation to indemnify the Bank in respect of any liability incurred by the Bank arising solely out of the gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, of the Bank. The right of indemnification in the first paragraph of this subsection 2.12(f) shall not prejudice any rights that any Borrower may otherwise have against the Bank with respect to a Letter of Credit issued hereunder.

37

(g) Stated Amount. The Stated Amount of each Letter of Credit shall be such amount as the applicable Borrower and the Bank have agreed to. For purposes of calculating the Stated Amount of any Letter of Credit at any time:

(i) any increase in the Stated Amount of any Letter of Credit by reason of any amendment to any Letter of Credit shall be deemed effective under this Agreement as of the date the Bank actually issues an amendment purporting to increase the Stated Amount of such Letter of Credit in accordance with the terms hereof, whether or not the Bank receives the consent of the Letter of Credit beneficiary or beneficiaries to the amendment, provided that any amendment which increases or renews such Letter of Credit shall be subject to the requirements of subsection 2.12(b) as if it were a new issuance; and

(ii) any reduction in the Stated Amount of any Letter of Credit by reason of any amendment to any Letter of Credit shall be deemed effective under this Agreement as of the later of (x) the date the Bank actually issues an amendment purporting to reduce the Stated Amount of such Letter of Credit, whether or not the amendment provides that the reduction be given effect as of an earlier date, or (y) the date the Bank receives the written consent (including by facsimile transmission) of the Letter of Credit beneficiary or beneficiaries to such reduction, which written consent must be dated on or after the date of the amendment issued by the Bank purporting to effect such reduction.

Section 2.13 Extension of the Commitment.

(a) "Current Commitment Termination Date" shall initially be December 31, 2003. On any Business Day that is not less than 30 days nor more than 60 days prior to two (2) years prior to the Current Commitment Termination Date then in effect, Middleby may, by written notice (an "Extension Request") given to the Bank, request that the Current Commitment Termination Date be extended. Each such Extension Request shall contemplate an extension of the Current Commitment Termination Date to a date that is one year after the Current Commitment Termination Date then in effect (the "Extended Termination Date").

(b) The Bank may, in its sole discretion, consent to a requested extension by giving written notice thereof to Middleby by not later than the Business Day that is 31 days after the

38

date of the Extension Request. Failure on the part of the Bank to respond to the Extension Request by such date shall be deemed to be a denial of such request by the Bank.

(c) The Current Commitment Termination Date, in the event that the Bank shall not consent to such Extension Request, shall continue to be the existing Current Commitment Termination Date (the "Earlier Termination Date"). The Current Commitment Termination Date, in the event that the Bank shall consent to such Extension Request, shall continue to be the Earlier Termination Date until the end of the day immediately preceding the Current Commitment Termination Date then in effect, at which time the Current Commitment Termination Date shall become the Extended Termination Date referenced in the Extension Request.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.1 Taxes.

(a) Any and all payments by the Borrowers to the Bank under this Agreement or any other Loan Document shall be made free and clear of, and without deduction or withholding for any Taxes. In addition, each Borrower shall pay all Other Taxes applicable to such Borrower.

(b) If any Borrower shall be required by law to deduct or withhold any Taxes, Other Taxes or Further Taxes from or in respect of any sum payable hereunder to the Bank, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) the Bank receives and retains an amount equal to the sum it would have received and retained had no such deductions or withholdings been made;

(ii) such Borrower shall make such deductions and withholdings;

(iii) such Borrower shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

39

(iv) such Borrower shall also pay to the Bank, at the time interest is paid, all additional amounts which the Bank specifies are necessary to preserve the after-tax yield the Bank would have received if such Taxes or Other Taxes had not been imposed.

(c) Each Borrower agrees to indemnify and hold harmless the Bank for the full amount of Taxes, Other Taxes, and Further Taxes applicable to such Borrower in the amount that the Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such Taxes, Other Taxes or Further Taxes had not been imposed, and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes, Other Taxes or Further Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date the Bank makes written demand therefor.

(d) If any Borrower is required to pay any amount to the Bank pursuant to subsection (b) or (c) of this Section, then the Bank shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office so as to eliminate any such additional payment by such Borrower which may thereafter accrue, if such change in the judgment of the Bank is not otherwise disadvantageous to the Bank.

Section 3.2 Illegality.

(a) If the Bank determines that the introduction of any Requirement of Law, or any change in any Requirement of Law, or in the interpretation or administration of any Requirement of Law, has made it unlawful, or that any central bank or other Governmental Authority has asserted that it is unlawful, for the Bank or its applicable Lending Office to make Offshore Rate Loans or issue Letters of Credit (including Offshore Rate Loans or Letters of Credit in any Applicable Currency), then, on notice thereof by the Bank to Middleby, any obligation of the Bank to make Offshore Rate Loans or issue Letters of Credit shall be suspended until the Bank notifies Middleby that the circumstances giving rise to such determination no longer exist.

(b) If the Bank determines that it is unlawful to maintain any Offshore Rate Loan, each Borrower shall, upon receipt of notice of such fact and demand from the Bank, prepay in full such Offshore Rate Loans to such Borrower then outstanding, together with interest accrued thereon and amounts required under Section 3.4, either on the last day of the Interest Period thereof, if the Bank may lawfully continue to maintain such Offshore Rate Loans to such day, or immediately, if the Bank may not lawfully continue to maintain such Offshore Rate Loan. If any

40

Borrower is required to so prepay any Offshore Rate Loan, then concurrently with such prepayment, such Borrower shall borrow from the Bank, in the amount of such repayment, a Base Rate Loan.

(c) If the obligation of the Bank to make or maintain Offshore Rate Loans has been so terminated or suspended, any Borrower may elect, by giving notice to the Bank that all Loans which would otherwise be made by the Bank to such Borrower as Offshore Rate Loans shall be instead Base Rate Loans.

(d) Before giving any notice under this Section, the Bank shall designate a different Lending Office with respect to its Offshore Rate Loans or the issuance of Letters of Credit if such designation will avoid the need for giving such notice or making such demand and will not, in the judgment of the Bank, be illegal or otherwise disadvantageous to the Bank.

Section 3.3 Increased Costs and Reduction of Return.

(a) If the Bank determines that, due to either (i) the introduction of or any change (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the Offshore Rate or in respect of the assessment rate payable by the Bank to the FDIC for insuring U.S. deposits) in or in the interpretation of any law or regulation or (ii) the compliance by the Bank with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to the Bank of agreeing to make or making, funding or maintaining any Offshore Rate Loans to any Borrower or issuing or maintaining any Letter of Credit, then for the account of any Borrower such Borrower shall be liable for, and shall from time to time, upon demand, pay to the Bank, additional amounts as are sufficient to compensate the Bank for such increased costs.

(b) If the Bank shall have determined that (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or (iv) compliance by the Bank (or its Lending Office) or any corporation controlling the Bank with any Capital Adequacy Regulation, affects or would affect the amount of capital required or expected to be maintained by the Bank or any corporation controlling the Bank and (taking into consideration the Bank's or such corporation's policies with respect to capital adequacy and the Bank's desired return on capital) determines that the amount of such capital is increased as a

41

consequence of its Commitment, loans, Letters of Credit, credits or obligations under this Agreement, then, upon demand of the Bank to Middleby, Middleby shall pay to the Bank, from time to time as specified by the Bank, additional amounts sufficient to compensate the Bank for such increase.

Section 3.4 Funding Losses. Each Borrower shall reimburse the Bank and hold the Bank harmless from any loss or expense which the Bank may sustain or incur as a consequence of:

(a) the failure of such Borrower to make on a timely basis any payment of principal of any Offshore Rate Loan or any Quoted Rate Loan made to such Borrower;

(b) the failure of such Borrower to borrow, continue or convert a Loan after such Borrower has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/ Continuation;

(c) the failure of such Borrower to make any prepayment in accordance with any notice delivered under Section 2.6;

(d) the prepayment by such Borrower (including pursuant to Section 2.6 or 2.7) or other payment (including after acceleration thereof) of an Offshore Rate Loan or a Quoted Rate Loan on a day that is not the last day of the relevant Interest Period or Quoted Rate Interest Period, respectively; or

(e) the automatic conversion under Section 2.4 of any Offshore Rate Loan made to such Borrower to a Base Rate Loan on a day that is not the last day of the relevant Interest Period; including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its Offshore Rate Loans to such Borrower or from fees payable to terminate the deposits from which such funds were obtained or from charges relating to any such Offshore Currency Loans. For purposes of calculating amounts payable by any Borrower to the Bank under this Section and under Subsection 3.3(a), each Offshore Rate Loan made by the Bank to such Borrower (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the IBOR used in determining the Offshore Rate for such Offshore Rate Loan by a matching deposit or other borrowing in the interbank offshore market for a comparable amount and for a comparable period, whether or not such Offshore Rate Loan is in fact so funded.

Section 3.5 Inability to Determine Rates. If the Bank determines that for any reason adequate and reasonable means do not exist for determining the Offshore Rate for any requested Interest Period with respect to a proposed Offshore Rate Loan, or that the Offshore Rate applicable for any requested Interest Period with respect to a proposed Offshore Rate Loan does not adequately and fairly reflect the cost to the Bank of funding such Loan, the Bank will promptly so notify Middleby and the applicable Borrower(s). Thereafter, the obligation of the Bank to make or maintain Offshore Rate Loans, as the case may be, hereunder shall be suspended until the Bank revokes such notice in writing. Upon receipt of such notice, the applicable Borrower(s) may revoke any Notice of Borrowing or Notice of Conversion/Continuation then submitted by it (or them). If any such Borrower does not revoke such Notice, the Bank shall make, convert or continue the Loans, as proposed by such Borrower, in the amount specified in the applicable notice submitted by such Borrower, but such Loans shall be made, converted or continued as Base Rate Loans instead of Offshore Rate Loans. In the case of any Offshore Currency Loans, the Borrowing or continuation shall be in an aggregate amount equal to the Dollar Equivalent amount of the originally requested Borrowing or continuation in the Offshore Currency, and to that end any outstanding Offshore Currency Loans which are the subject of any continuation shall be redenominated and converted into Base Rate Loans in Dollars with effect from the last day of the Interest Period with respect to any such Offshore Currency Loans.

Section 3.6 Certificates of Bank. The Bank, if claiming reimbursement or compensation under this Article III, shall deliver to any Borrower a certificate setting forth in reasonable detail the amount payable to the Bank hereunder and such certificate shall be conclusive and binding on such Borrower in the absence of manifest error.

Section 3.7 Survival. The agreements and obligations of the Borrowers in this Article III shall survive the payment of all other Obligations.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1 Conditions of Initial Loans and Letters of Credit. The obligation of the Bank to make its initial Loan or issue its initial Letter of Credit hereunder is, in addition to satisfaction of the conditions precedent set forth in Section 4.2 and Section 4.3, subject to the condition that the Bank shall have received all of the following, in form and substance satisfactory to the Bank:

43

(a) Loan Documents.

(i) this Agreement, executed and delivered by a duly authorized officer of each Borrower;

(ii) the Note of each Guarantor conforming to the requirements hereof and executed by a duly authorized officer of such Guarantor;

(iii) the Guaranty executed and delivered by duly authorized officers of the Guarantors.

(b) Resolutions; Incumbency.

(i) a copy of the resolutions of the board of directors of each Guarantor authorizing the execution, delivery and performance by it of this Agreement and the other Loan Documents to which it is a party, certified as of the initial Closing Date by the Secretary or an Assistant Secretary of such Guarantor; and

(ii) a certificate of the Secretary or Assistant Secretary of each Guarantor, dated the initial Closing Date, certifying the names and true signatures of the officers of such Guarantor authorized to execute, deliver and perform this Agreement, and the other Loan Documents to which it is a party.

(c) Organization Documents; Good Standing. Each of the following documents:

(i) the articles or certificate of incorporation and the bylaws of each Guarantor as in effect on the initial Closing Date, certified by the Secretary or Assistant Secretary of such Guarantor as of the initial Closing Date; and

(ii) good standing certificates for each Guarantor from the Secretary of State of the relevant state(s).

(d) Payment of Fees. Evidence of payment by Middleby of all accrued and unpaid fees, including a non-refundable closing fee in an amount of \$20,000 to the Bank, costs and expenses to the extent then due and payable on the initial Closing Date, together with Attorney Costs of the Bank to the extent invoiced prior to or on the initial Closing Date, plus such

44

additional amounts of Attorney Costs as shall constitute the Bank's reasonable estimate of Attorney Costs incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude final settling of accounts between Middleby and the Bank), including any such costs, fees and expenses arising under or referenced in Section 9.4.

(e) Legal Opinion. An opinion of counsel to the Guarantors addressed to the

Bank in form and substance acceptable to the Bank and its counsel.

(f) Other Documents. Such other approvals, opinions, documents or materials as the Bank may request.

Section 4.2 Additional Conditions of Initial Loans and Letters of Credit. The obligation of the Bank to make its initial Loan to any Borrower other than the Guarantors or issue its initial Letter of Credit for the account of any Borrower other than the Guarantors, is subject to the condition that the Bank shall have received all of the following with respect to such Borrower, in form and substance satisfactory to the Bank:

(a) Loan Documents. The Note of such Borrower conforming to the requirements hereof and executed by a duly authorized officer of such Borrower.

(b) Resolutions; Incumbency.

(i) a copy of the resolutions of the board of directors of such Borrower authorizing the execution, delivery and performance by it of this Agreement and the Loan Documents to which it is a party, certified as of the initial Closing Date for such Loan or Letter of Credit with respect to such Borrower by the Secretary or an Assistant Secretary of such Borrower; and

(ii) a certificate of the Secretary or Assistant Secretary of such Borrower, dated the initial Closing Date for such Loan or Letter of Credit with respect to such Borrower, certifying the names and true signatures of the officers of such Borrower authorized to execute, deliver and perform this Agreement and the other Loan Documents to which it is a party.

(c) Organization Documents. The articles or certificate of incorporation and the bylaws of such Borrower as in effect on the initial Closing Date for such Loan or Letter of

45

Credit, certified by the Secretary or Assistant Secretary of such Borrower, as of such Closing Date.

(d) Other Documents. Such other approvals, opinions, documents or materials as the Bank may request.

Section 4.3 Conditions to All Borrowings and Letter of Credit Issuances. The obligation of the Bank to make any Loan (including its initial Loan) and to issue a Letter of Credit is subject to the satisfaction of the following conditions precedent on the relevant Borrowing Date or date of issuance of such Letter of Credit:

(a) Notice of Borrowing or Issuance. The Bank shall have received a Notice of Borrowing or in the case of any Letter of Credit issuance, a Letter of Credit Request;

(b) Continuation of Representations and Warranties. The representations and warranties in Article V shall be true and correct on and as of such Borrowing Date with the same effect as if made on and as of such Borrowing Date or date of issuance of such Letter of Credit (except to the extent such representations and warranties expressly refer to an earlier date, in which case they shall be true and correct as of such earlier date); and

(c) No Existing Default. No Default or Event of Default shall exist or shall result from such Borrowing or issuance of such Letter of Credit.

Each Notice of Borrowing and Letter of Credit Request submitted by a Borrower hereunder shall constitute a representation and warranty by such Borrower and the other Borrowers hereunder, as of the date of each such notice and as of each Borrowing Date or date of issuance, as the case may be, that the conditions in Section 4.2 are satisfied.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Middleby and, to the extent related thereto, each other Borrower represents and warrants to the Bank that, after giving effect to the Closing Transactions:

Section 5.1 Corporate Existence and Power. Middleby and each of its Subsidiaries:

46

(a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

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

(c) is duly qualified as a foreign corporation and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect; and

(d) is in compliance with all Requirements of Law; except, in each case referred to in clause (c) or clause (d), to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 5.2 Corporate Authorization; No Contravention. The execution, delivery and performance by each Borrower of this Agreement and each other Loan Document to which such Borrower is party, have been duly authorized by all necessary corporate action, and do not and will not:

(a) contravene the terms of any of such Borrower's or its Subsidiaries' Organization Documents;

(b) conflict with or result in any breach or contravention of, or the creation of any Lien under, any document evidencing any Contractual Obligation, including, without limitation, the Note Agreement, to which such Borrower or any of its Subsidiaries is a party or any order, injunction, writ or decree of any Governmental Authority to which such Borrower or its Subsidiaries or their property is subject; or

(c) violate any Requirement of Law.

Section 5.3 Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any

47

Borrower or any of its Subsidiaries of this Agreement or any other Loan Document to which it is a party.

Section 5.4 Binding Effect. This Agreement and each other Loan Document to which each Borrower is a party constitute the legal, valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

Section 5.5 Litigation. Subject to Schedule 5.5, there are no actions, suits, proceedings, claims or disputes pending, or to the best knowledge of any Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, against such Borrower, or its Subsidiaries or any of their respective properties which:

(a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby; or

(b) if determined adversely to such Borrower or its Subsidiaries could reasonably be expected to have a Material Adverse Effect. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided.

Section 5.6 No Default. No Default or Event of Default exists or would result from the incurring of any Obligations by any Borrower. As of the date hereof and as of the initial Closing Date and after giving effect to the Closing Transactions, neither any Borrower nor any Subsidiary of any Borrower is or will be in default under or with respect to any Contractual Obligation in any respect which, individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect, or that would, if such default had occurred after the initial Closing Date, create an Event of Default under subsection 8.1(e).

Section 5.7 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law. Each Plan which is intended to qualify under

48

Section 401(a) of the Code has received a favorable determination letter from the IRS and, to the best knowledge of Middleby, nothing has occurred which would cause the loss of such qualification. Each of Middleby and each ERISA Affiliate has made all required contributions to any Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan.

(b) There are no pending or, to the best knowledge of Middleby, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has any Unfunded Pension Liability; (iii) neither Middleby nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) neither Middleby nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) neither Middleby nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

Section 5.8 Use of Proceeds; Margin Regulations. The proceeds of the Loans are to be used solely for the purposes set forth in and permitted by Section 6.12

and Section 7.7. Neither any Borrower nor any Subsidiary of any Borrower is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

Section 5.9 Title to Properties. The Parent Corporation, each Borrower and each Subsidiary of such Borrower have good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of their respective businesses, except for such defects in title as could not, individually or in the aggregate, have a Material Adverse Effect. As of the initial Closing Date, the property of Middleby and its Subsidiaries will be subject to no Liens, other than Permitted Liens.

49

Section 5.10 Taxes. All tax returns required to be filed by each Borrower or any of its Subsidiaries in any jurisdiction have, in fact, been filed, and all taxes, assessments, fees and other governmental charges upon each Borrower or any its Subsidiaries or upon any of their respective properties, income or franchises, which are shown to be due and payable in such returns have been paid. For all taxable years ending on or before December 31, 1997, the federal income tax liability of Middleby and its Subsidiaries has been satisfied and either the period of limitations on assessment of additional federal income tax has expired or Middleby and its Subsidiaries have entered into an agreement with the IRS closing conclusively the total tax liability for the taxable year. Middleby does not know of any proposed additional tax assessment against it for which adequate provision has not been made on its accounts, and no material controversy in respect of additional federal or state income taxes due since said date is pending or to the knowledge of Middleby threatened. The provisions for taxes on the books of Middleby and its Subsidiaries are adequate for all open years, and for its current fiscal period.

Section 5.11 Financial Condition.

(a) The consolidated balance sheets of the Parent Corporation and its consolidated Subsidiaries as of the last day of each of the fiscal years of 1999, 1998, and 1997 and the statements of earnings and cash flows and changes in shareholders' equity for the fiscal years ended on said dates, each accompanied by a report thereon containing an opinion unqualified as to scope limitations imposed by the Parent Corporation or Middleby and otherwise without qualification except as therein noted, by Arthur Andersen & Co., have been prepared in accordance with GAAP consistently applied except as therein noted, are correct and complete and present fairly the financial position of the Parent Corporation and its consolidated Subsidiaries as of such dates and the results of their operations and changes in their cash flows for such periods. The unaudited consolidated balance sheets of the Parent Corporation and its consolidated Subsidiaries as of September 30, 2000, and the unaudited statements of earnings and cash flows for the nine month period ended on said date prepared by the Parent Corporation have been prepared in accordance with GAAP consistently applied, are correct and complete and present fairly the financial position of the Parent Corporation and its consolidated Subsidiaries as of said date and the results of their operations and changes in their financial position or cash flows for such period.

(b) Subject to Schedule 5.11, since the last day of the fiscal year of 1999, there has been no change in the condition, financial or otherwise, of the Parent Corporation and its consolidated Subsidiaries as shown on the consolidated balance sheet as of such date except

50

changes in the ordinary course of business, none of which individually or in the aggregate has been materially adverse.

Section 5.12 Environmental Matters. Middleby conducts in the ordinary course of

business a review of the effect of existing Environmental Laws and existing Environmental Claims on the business, operations and properties of Middleby and its Subsidiaries, and as a result thereof Middleby has reasonably concluded that such Environmental Laws and Environmental Claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.13 Regulated Entities. No Borrower, any Person controlling any Borrower, or any Subsidiary, is an "Investment Company" within the meaning of the Investment Company Act of 1940. No Borrower is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness.

Section 5.14 No Burdensome Restrictions. Neither any Borrower nor any Subsidiary of any Borrower is a party to or bound by any Contractual Obligation, or subject to any restriction in any Organization Document, or any Requirement of Law, which could reasonably be expected to have a Material Adverse Effect.

Section 5.15 Copyrights, Patents, Trademarks and Licenses, etc. Subject to Section 5.5, each Borrower and its Subsidiaries own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of each Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by such Borrower or any Subsidiary of such Borrower infringes upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or threatened, and no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code is pending or, to the knowledge of any Borrower, proposed, which, in either case, could reasonably be expected to have a Material Adverse Effect.

Section 5.16 Subsidiaries. As of the date hereof, Middleby has no Subsidiaries other than those specifically disclosed in part (a) of Schedule 5.16 hereto and has no equity investments in

any other corporation or entity other than those specifically disclosed in part (b) of Schedule 5.16. Schedule 5.16 hereto states the name of each of Middleby's Subsidiaries, its jurisdiction of incorporation and the percentage of its Voting Stock owned by Middleby and/or its Subsidiaries. Middleby and each Subsidiary has good and marketable title to all of the shares it purports to own of the stock of each Subsidiary, free and clear in each case of any Lien, except as set forth in Schedule 5.16. All such shares have been duly issued and are fully paid and non-assessable.

Section 5.17 Insurance. The properties of each Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of such Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where such Borrower or such Subsidiary operates.

Section 5.18 Full Disclosure. None of the representations or warranties made by any Borrower in the Loan Documents to which it is a party as of the date such representations and warranties are made or deemed made, and none of the statements contained in any exhibit, report, statement or certificate furnished by or on behalf of any Borrower or any Subsidiary of such Borrower in connection with the Loan Documents, contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered.

Section 5.19 Indebtedness. Schedule 7.5 attached hereto correctly describes all

Indebtedness, capitalized leases and operating leases of the Parent Corporation, Middleby and their Subsidiaries outstanding on the date hereof.

Section 5.20 Capital Stock. The authorized and outstanding capital stock of each Borrower is set forth in Schedule 5.16 attached hereto. Neither any Borrower nor any of its Subsidiaries has outstanding any warrants, options, convertible securities or preemptive or other rights for the purchase of capital stock of such Borrower or any of its Subsidiaries.

Section 5.21 Foreign Assets Control Regulations, etc. Neither any Borrower nor any Affiliate of any Borrower is, by reason of being a "national" of a "designated foreign country" or a "specially designated national" within the meaning of the Regulations of the Office of Foreign Assets Control, United States Treasury Department (31 C.F.R., Subtitle B, Chapter V), or for any other reason, subject to any restriction or prohibition under, or is in violation of, any federal

52

statute or Presidential Executive Order, or any rules or regulations of any department, agency or administrative body promulgated under any such statute or order, concerning trade or other relations with any foreign country or any citizen or national thereof or the ownership or operation of any property.

ARTICLE VI

AFFIRMATIVE COVENANTS

So long as the Commitment hereunder shall remain in effect, any Letter of Credit shall remain outstanding or any Loan or other Obligation shall remain unpaid or unsatisfied:

Section 6.1 Financial Statements. Middleby shall deliver, or shall cause the Parent Corporation to deliver, to the Bank:

(a) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of the audited consolidated balance sheet of the Parent Corporation and its Subsidiaries as at the end of such year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous fiscal year, and accompanied by the opinion of Arthur Anderson or another nationally-recognized independent public accounting firm ("Independent Auditor") which report shall state that such consolidated financial statements present fairly the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years. Such opinion shall not be qualified or limited in any respect, including any reason relating to a restricted or limited examination by the Independent Auditor of any material portion of the Parent Corporation's or any Subsidiary's records and shall be delivered to the Bank pursuant to a reliance agreement between the Bank and such Independent Auditor in form and substance satisfactory to the Bank;

(b) as soon as available, but not later than 30 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of the unaudited consolidated balance sheet of the Parent Corporation and its Subsidiaries as of the end of such quarter and the related consolidated statements of income, shareholders' equity and cash flows for the period commencing on the first day and ending on the last day of such quarter, and certified by a Responsible Officer as fairly presenting, in accordance with GAAP (subject to ordinary, good faith year-end audit

53

adjustments), the financial position and the results of operations of the Parent Corporation and the Subsidiaries;

(c) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of an unaudited consolidating balance sheet of the Parent Corporation and its Subsidiaries as at the end of such year and the related consolidating statement of income, shareholders' equity and cash flows for such year, certified by a Responsible Officer as having been developed and used in connection with the preparation of the financial statements referred to in subsection 6.1(a);

(d) as soon as available, but not later than 30 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of the unaudited consolidating balance sheets of the Parent Corporation and its Subsidiaries, and the related consolidating statements of income, shareholders' equity and cash flows for such quarter, all certified by a Responsible Officer as having been developed and used in connection with the preparation of the financial statements referred to in subsection 6.1(b); and

(e) promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports which the Parent Corporation sends to its shareholders, and copies of all other regular periodic and special reports and all registration statements, including, without limitation, Form 10-K Report and Form 10-Q Report, which the Parent Corporation files with the SEC or any successor thereto, or with any national securities exchange.

Section 6.2 Certificates; Other Information. Middleby shall furnish to the Bank:

(a) concurrently with the delivery of the financial statements referred to in subsections 6.1(a) and (b), a Compliance Certificate executed by a Responsible Officer stating that no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) as soon as available, but not later than 120 days after the end of each fiscal year, a copy of its annual business plan, in form and substance satisfactory to the Bank;

(c) promptly, such additional information regarding the business, financial or corporate affairs of Middleby or any Subsidiary as the Bank may from time to time request.

54

Section 6.3 Notices. Middleby shall promptly notify the Bank:

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

(b) of any matter that has resulted or may result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of Middleby or any Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between Middleby or any Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting Middleby or any Subsidiary, including pursuant to any applicable Environmental Laws;

(c) of the occurrence of any of the following events affecting Middleby or any ERISA Affiliate (but in no event more than 10 days after such event), and deliver to the Bank a copy of any notice with respect to such event that is filed with a Governmental Authority and any notice delivered by a Governmental Authority to Middleby or any ERISA Affiliate with respect to such event:

(i) an ERISA Event;

(ii) a material increase in the Unfunded Pension Liability of any

Pension Plan;

(iii) the adoption of, or the commencement of contributions to, any Plan subject to Section 412 of the Code by Middleby or any ERISA Affiliate; or

(iv) the adoption of any amendment to a Plan subject to Section 412 of the Code, if such amendment results in a material increase in contributions or Unfunded Pension Liability;

(d) the occurrence of a "Default" as defined in the Note Agreement, whether or not such Default has been waived or cured; and

(e) of any material change in accounting policies or financial reporting practices by Middleby or any of its consolidated Subsidiaries.

55

Each notice under this Section shall be accompanied by a written statement by a Responsible Officer setting forth details of the occurrence referred to therein, and stating what action Middleby or any affected Subsidiary proposes to take with respect thereto and at what time. Each notice under subsection 6.3(a) shall describe with particularity any and all clauses or provisions of this Agreement or other Loan Document that have been (or foreseeably will be) breached or violated.

Section 6.4 Preservation of Corporate Existence, Etc. Middleby shall, and shall cause each of its Subsidiaries and the Parent Corporation to:

(a) preserve and maintain in full force and effect its corporate existence and good standing under the laws of its state or jurisdiction of incorporation;

(b) preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary or desirable in the normal conduct of its business except in connection with transactions permitted by Section 7.3 and sales of assets permitted by Section 7.2;

(c) use reasonable efforts, in the ordinary course of business, to preserve its business organization and goodwill; and

(d) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

Section 6.5 Maintenance of Property. Middleby shall maintain, and shall cause each of its Subsidiaries to maintain, and preserve all its equipment and facilities which is used or useful in its business in good working order and condition, ordinary wear and tear excepted, and make all necessary repairs thereto and renewals and replacements thereof except where, in either case, the failure to do so could not reasonably be expected to have a Material Adverse Effect, except as permitted by Section 7.2. Middleby and each Subsidiary shall use the standard of care typical in the industry in the operation and maintenance of its facilities.

Section 6.6 Insurance. Middleby shall maintain, and shall cause each of its Subsidiaries to maintain, with financially sound and reputable independent insurers, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by

56

Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other

Persons.

Section 6.7 Payment of Obligations. Middleby shall, and shall cause each of its Subsidiaries and the Parent Corporation to, pay and discharge as the same shall become due and payable, all their respective obligations and liabilities, including:

(a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with GAAP;

(b) all lawful claims which, if unpaid, would by law become a Lien upon its property; provided, however, that Middleby or any Subsidiary shall have the right to contest such claims in good faith and by appropriate proceedings; and

(c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

Section 6.8 Compliance with Laws. Middleby shall comply, and shall cause each of its Subsidiaries and the Parent Corporation to comply, in all material respects with all Requirements of Law of any Governmental Authority having jurisdiction over it or its business (including the Federal Fair Labor Standards Act), except such as may be contested in good faith or as to which a bona fide dispute may exist.

Section 6.9 Compliance with ERISA. Middleby shall, and shall cause each of its ERISA Affiliates to: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law; (b) cause each Plan which is qualified under Section 401(a) of the Code to maintain such qualification; and (c) make all required contributions to any Plan subject to Section 412 of the Code.

Section 6.10 Inspection of Property and Books and Records. Middleby shall, and shall cause each of its Subsidiaries and the Parent Corporation to, maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of Middleby and such Subsidiary. Middleby shall, and shall cause each of its Subsidiaries to permit, representatives and independent contractors of the Bank to visit and inspect any of their

57

respective properties, to examine their respective corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective directors, officers, and independent public accountants, all at the expense of Middleby and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Middleby; provided, however, when an Event of Default exists the Bank may do any of the foregoing at the expense of Middleby at any time during normal business hours and without advance notice.

Section 6.11 Environmental Laws. Middleby shall, and shall cause each of its Subsidiaries to, conduct its operations and keep and maintain its property in compliance with all Environmental Laws.

Section 6.12 Use of Proceeds. Each Borrower shall use the proceeds of the Loans made to such Borrower for working capital and other general corporate purposes, including funding for acquisitions, not in contravention of any Requirement of Law or of any Loan Document. In addition, Middleby may use the proceeds of the Loans made to it for redemption of the common stock of the Parent Corporation not exceeding \$12,000,000 in the aggregate (the "Parent Stock Redemption") and refinancing of existing indebtedness of Middleby evidenced by the BA Leasing Documents.

Section 6.13 Subsidiaries. Middleby shall, and shall cause Middleby Worldwide to, continue to own not less than the percentage of Voting Stock of each of its Subsidiaries set forth in Schedule 5.16, free and clear in each case of any Lien, except as set forth in Schedule 5.16.

ARTICLE VII

NEGATIVE COVENANTS

So long as the Commitment shall remain in effect hereunder, any Letter of Credit shall remain outstanding or any Loan or other Obligation shall remain unpaid or unsatisfied:

Section 7.1 Limitation on Liens. On and after the initial Closing Date, Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, directly or indirectly, make, create, incur, assume or suffer to exist any Lien upon or with respect to any part of its property, whether now owned or hereafter acquired, other than the following ("Permitted Liens"):

58

(a) any Lien existing on property of Middleby or any Subsidiary on the initial Closing Date and set forth in Schedule 7.1 securing Indebtedness outstanding on such date;

(b) Liens for taxes, fees, assessments or other governmental charges which are not delinquent or remain payable without penalty, or to the extent that non-payment thereof is permitted by Section 6.7, provided that no notice of lien has been filed or recorded under the Code;

(c) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(d) Liens (other than any Lien imposed by ERISA) consisting of pledges or deposits required in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;

(e) Liens on the property of Middleby or any Subsidiary securing (i) the non-delinquent performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, (ii) contingent obligations on surety and appeal bonds, and (iii) other non-delinquent obligations of a like nature; in each case, incurred in the ordinary course of business, provided all such Liens in the aggregate would not (even if enforced) cause a Material Adverse Effect;

(f) Liens consisting of judgment or judicial attachment liens, provided that the enforcement of such Liens is effectively stayed and all such liens in the aggregate at any time outstanding for Middleby and its Subsidiaries do not exceed \$1,000,000;

(g) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the businesses of Middleby and its Subsidiaries;

59

(h) Liens on assets of corporations which become Subsidiaries after the date of this Agreement, provided, however, that such Liens existed at the time the respective corporations became Subsidiaries and were not created in

anticipation thereof.

(i) purchase money security interests on equipment or real property acquired or held by Middleby or its Subsidiaries in the ordinary course of business, securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such property; provided, that (i) any such Lien attaches to such property concurrently with or within 20 days after the acquisition thereof, (ii) such Lien attaches solely to the property so acquired in such transaction, and (iii) the principal amount of the debt secured thereby does not exceed 100% of the cost of such property;

(j) Liens securing obligations in respect of capital leases on assets subject to such leases, provided that such capital leases are otherwise permitted hereunder; and

(k) the Lien granted pursuant to Section 4 of the Guaranty.

Section 7.2 Disposition of Assets. Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, directly or indirectly, sell, assign, lease, convey, transfer or otherwise dispose of (whether in one or a series of transactions) any property (including accounts and notes receivable, with or without recourse) or enter into any agreement to do any of the foregoing, with any Person including any of its Subsidiaries, except:

(a) dispositions of inventory, or used, worn-out or surplus equipment, all in the ordinary course of business; and

(b) dispositions not otherwise permitted hereunder which are made for fair market value; provided, that (i) at the time of any disposition, no Event of Default shall exist or shall result from such disposition, and (ii) the aggregate value of all assets so sold by Middleby and its Subsidiaries, together, shall not exceed in any fiscal year more than 5% of the Middleby's consolidated total assets determined as of the last day of the immediately preceding fiscal year.

Section 7.3 Mergers, Subsidiaries, Etc. Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to:

60

(a) be a party to any merger or consolidation except (i) a Subsidiary may merge with Middleby, provided that Middleby shall be the continuing or surviving corporation, or with any one or more Subsidiaries, provided that if any transaction shall be between a Subsidiary and a Wholly-Owned Subsidiary, the Wholly-Owned Subsidiary shall be the continuing or surviving corporation and (ii) any Subsidiary may sell all or substantially all of its assets (upon voluntary liquidation or otherwise), to Middleby or another Subsidiary that is a Wholly-Owned Subsidiary;

(b) purchase or otherwise acquire any assets or capital stock of any Person without the prior written consent of the Bank except where (i) the aggregate value of all assets so acquired by Middleby and its Subsidiaries, together, is not greater than \$15,000,000 in any fiscal year (including the value of any stock issued, assets exchanged or transaction expenses incurred to consummate such Acquisition), (ii) the assets so acquired shall be useful and are intended to be used in the substantially similar line of business of Middleby and its Subsidiaries on the initial Closing Date, (iii) it is not an unfriendly Acquisition, and (iv) there is no Event of Default or Default after giving effect to such Acquisition.

Section 7.4 Loans and Investments. Middleby shall not purchase or acquire, or suffer or permit any of its Subsidiaries and the Parent Corporation to purchase or acquire, or make any commitment therefor, any capital stock, equity interest, or any obligations or other securities of, or any interest in, any Person, or make or commit to make any Acquisitions, or make or commit to make any advance,

loan, extension of credit or capital contribution to or any other investment in, any Person including any Affiliate, the Parent Corporation or any Subsidiary of Middleby (together, "Investments"), except for:

(a) Investments held by Middleby or any Subsidiary in the form of cash equivalents or short term marketable securities;

(b) extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services in the ordinary course of business;

(c) extensions of credit by Middleby to its Subsidiaries existing on the date hereof and set forth on Schedule 7.5;

(d) the obligations of the Guarantors under the Guaranty;

61

(e) other extensions of credit by Middleby to its Subsidiaries which shall not exceed at any one time outstanding, or by any one of its Subsidiaries to other Subsidiaries which shall not exceed, in each case at any one time outstanding \$3,000,000 for each fiscal year;

(f) investments incurred in order to consummate Acquisitions; provided, that (i) the entity acquired shall be in the same line of business as that carried on by Middleby and its Subsidiaries as of the date hereof, (ii) such Acquisition is undertaken in accordance with all applicable Requirements of Law; (iii) the prior, effective written consent or approval to such Acquisition of the board of directors or equivalent governing body of the acquiree is obtained; and (iv) on a pro forma basis after giving effect to such Acquisition (including any Indebtedness to be incurred in connection therewith), no Default or Event of Default will exist;

(g) subject to Section 7.7, Investments in publicly traded equity securities; and

(h) additional investments by Middleby in its Subsidiaries, either by way of the purchase of the capital stock of, or equity contributions to, such Subsidiaries, not to exceed \$2,500,000 in the aggregate.

Section 7.5 Limitation on Indebtedness. Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, create, incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) Indebtedness incurred pursuant to this Agreement or otherwise owing to the Bank and its Affiliates;

(b) Indebtedness consisting of Contingent Obligations permitted pursuant to Section 7.8;

(c) Indebtedness existing on the date hereof and set forth in Schedule 7.5;

(d) Indebtedness incurred in connection with capital leases;

(e) Indebtedness incurred in connection with Liens permitted under Section 7.1;

62

(f) Indebtedness incurred in connection with the Acquisitions permitted under Section 7.3(b) only to the extent that such Indebtedness is unsecured financing by a seller of product lines to Middleby and the payment of principal

amount of which is subordinated to the payment of the Obligations;

(g) Indebtedness permitted under Section 7.4(e); and

(h) Other Indebtedness in an aggregate principal amount at any one time outstanding not to exceed \$1,000,000.

Section 7.6 Transactions with Affiliates. Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, enter into any transaction with any Affiliate of Middleby or any Subsidiary except (a) the Parent Stock Redemption or (b) upon fair and reasonable terms no less favorable to Middleby or such Subsidiary than would obtain in a comparable arm's-length transaction with a Person not an Affiliate of Middleby or such Subsidiary.

Section 7.7 Use of Proceeds. Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, use any portion of the Loan proceeds, directly or indirectly, (a) to purchase or carry Margin Stock, (b) to repay or otherwise refinance indebtedness of Middleby or others incurred to purchase or carry Margin Stock, (c) to extend credit for the purpose of purchasing or carrying any Margin Stock, (d) to acquire any security in any transaction that is subject to Section 13 or 14 of the Exchange Act, or (e) to make any unfriendly Acquisition.

Section 7.8 Contingent Obligations. Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, create, incur, assume or suffer to exist any Contingent Obligations except:

(a) endorsements for collection or deposit in the ordinary course of business;

(b) Contingent Obligations of Middleby and its Subsidiaries existing as of the initial Closing Date (after giving effect to the Closing Transactions) and listed in Schedule 7.8;

(c) Contingent Obligations in respect of Indebtedness owed to the Bank and its Affiliates; and

63

(d) Contingent Obligations incurred in the ordinary course of business and not exceeding at any time \$1,000,000 in the aggregate in respect of Middleby and its Subsidiaries together.

Section 7.9 Restricted Payments. Middleby shall not, and shall not suffer or permit any of its Subsidiaries to, declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any shares of any class of its capital stock, or purchase, redeem or otherwise acquire for value any shares of its capital stock or any warrants, rights or options to acquire such shares, now or hereafter outstanding, except:

(a) in the case of Middleby, dividends to pay Corporate Overhead Expense in an amount not to exceed \$1,000,000 in any fiscal year, unless before or after giving effect thereto (on a pro forma basis) a Default or Event of Default has occurred and is continuing;

(b) in the case of Middleby, dividends in an amount not to exceed an amount equal to the lesser of (i) 50% of Net Income earned during the four (4) most recently completed fiscal quarters determined in accordance with GAAP and (ii) \$1,500,000 per annum, unless before or after giving effect thereto (on a proforma basis) a Default or Event of Default has occurred and is continuing; for purposes of calculating dividends, permitted under this paragraph (b), dividends permitted under paragraph (a) above shall not be included;

(c) Middleby may purchase, redeem or otherwise acquire or retire any class of its stock, if before and after giving effect thereto (on a proforma basis) no

Default or Event of Default has occurred or is continuing;

(d) the Parent Stock Redemption; and

(e) in the case of the Subsidiaries of Middleby, any such payment, distribution, purchase, redemption or other acquisition, if before and after giving effect thereto (on a pro forma basis) no Default or Event of Default has occurred and is continuing.

Section 7.10 ERISA. Middleby shall not, and shall not suffer or permit any of its ERISA Affiliates to: (a) engage in a prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably be expected to result in liability of such Person in an aggregate amount in excess of \$500,000; or (b) engage in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

64

Section 7.11 Change in Business.

(a) Middleby shall not, and shall not suffer or permit any of its Subsidiaries to, engage in any general line of business substantially different from those lines of business carried on by Middleby and its Subsidiaries on the initial Closing Date.

(b) Except set forth in Schedule 5.16, Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, create any Subsidiary or become a partner or joint venturer with any third party.

(c) Middleby shall not permit the Parent Corporation to change its business substantially different from the business carried on by the Parent Corporation on the initial Closing Date.

Section 7.12 Accounting Changes. Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change the fiscal year of Middleby or of any Subsidiary.

Section 7.13 Financial Covenants.

(a) Minimum Tangible Net Worth. Middleby and its Subsidiaries on a consolidated basis shall maintain at all times Tangible Net Worth equal to or greater than the sum of (i) an amount equal to 90% of Tangible Net Worth as of September 30, 2000, minus (ii) the dollar value of capital stock of the Parent Corporation redeemed between September 30, 2000 and December 31, 2000, which shall not exceed \$12,000,000 in the aggregate, minus (iii) shareholder dividends or distributions paid by Middleby at any time during or after its fiscal year of 2000, plus (iv) an amount equal to 50% of Net Income earned during each of its fiscal quarters beginning with its fiscal quarter commencing October 1, 2000 (without reduction for net losses, if any). The amount of minimum Tangible Net Worth so determined (i) shall be adjusted as necessary to avoid a double addition or double subtraction on account of a single item or transaction and (ii) shall not deduct any dividend payments to pay Corporate Overhead Expenses under subsection 7.9(a) above.

(b) Ratio of Indebtedness to EBITDA. Middleby and its Subsidiaries on a consolidated basis shall maintain a ratio of (a) Indebtedness to (b) EBITDA, measured at the end

65

of each fiscal quarter for the four (4) immediately preceding fiscal quarters then ended, of not more than 2.75:1.0.

For purposes of testing compliance with this covenant, the term (i) "Indebtedness" shall include the present value of all capital lease obligations of Middleby and the Subsidiaries, determined as of any date the ratio is to be determined, and (ii) in the event that Middleby or any of its Subsidiaries shall have made an Acquisition involving any Person during any such fiscal quarter, the term "EBITDA" shall include the allocable earnings before interest, taxes, depreciation and amortization for the four (4) most recently completed fiscal quarters of such Person determined in accordance with GAAP, and, if GAAP is not applicable, determined in a manner agreed to in writing by the Bank and Middleby.

(c) Capital Expenditures. Middleby shall not, and not permit its Subsidiaries to, make (or commit to make) capital expenditures if, after giving effect thereto, the aggregate amount of all such capital expenditures (excluding Acquisitions permitted under Section 7.3(b)) made by Middleby and its Subsidiaries on a consolidated basis would exceed in any one fiscal year the sum of (i) \$3,000,000, plus (ii) 200% of depreciation expense of the immediately preceding fiscal year. In the event that Middleby or any of its Subsidiaries shall have made an Acquisition during such immediately preceding fiscal year, then for purposes of computing depreciation expense under clause (ii) of the immediately preceding sentence, Middleby and its Subsidiaries may include a full year's depreciation with respect to the assets acquired in such Acquisition.

(d) Maximum Indebtedness. Middleby and its Subsidiaries shall not permit Indebtedness of Middleby and its Subsidiaries (excluding any Indebtedness arising from the BA Leasing Documents), at any time to exceed the sum of (i) eighty percent (80%) of their total accounts receivable derived from operations in the United States, plus (ii) fifty-five percent (55%) of their total inventory located in the United States, plus (iii) forty percent (40%) of their net fixed assets located in the United States, provided, that the Bank, in its sole discretion, may change any of the above percentages by providing notice of such change to Middleby based on the results of any field examination of the Borrowers' accounting records and operations.

(e) Minimum Interest Coverage Ratio. Middleby and its Subsidiaries on a consolidated basis shall not permit a ratio of (a) EBIT to (b) Interest Expense, measured at the end of each fiscal quarter for the four (4) immediately preceding fiscal quarters then ended, to be less than 3.5:1.0.

66

Section 7.14 Negative Pledge. Middleby shall not, and shall not suffer or permit any of its Subsidiaries and the Parent Corporation to, directly or indirectly, enter into any agreement with any Person that prohibits or restricts or limits the ability of Middleby or its Subsidiaries to create, incur, pledge, or suffer to exist any Lien upon any assets of Middleby or its Subsidiaries.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1 Event of Default. Any of the following shall constitute an "Event of Default":

(a) Non-Payment. Any Borrower fails to pay, (i) when and as required to be paid herein, any amount of principal of any Loan made to such Borrower, or (ii) within five (5) Business Days after the same becomes due, any interest, fee or any other amount payable by such Borrower hereunder or under any other Loan Document to which it is a party; or

(b) Representation or Warranty. Any representation or warranty by any Borrower or any Subsidiary made or deemed made herein, in any other Loan Document, or which is contained in any certificate, document or financial or other statement by any Borrower, any Subsidiary, or any Responsible Officer, furnished at any time under this Agreement, or in or under any other Loan

Document, is incorrect in any material respect on or as of the date made or deemed made; or

(c) Specific Defaults. Middleby or any Subsidiary fails to perform or observe any term, covenant or agreement contained in any of Section 6.1, 6.2, 6.3, 6.4, or 6.9 or in Article VII; or

(d) Other Defaults. Any Borrower fails to perform or observe any other term or covenant contained in this Agreement or any other Loan Document to which it is a party, and such default shall continue unremedied for a period of 30 days after the date upon which written notice thereof is given to Middleby and such Borrower by the Bank; or

(e) Cross-Default. Middleby or any Subsidiary (i) fails to make any payment in respect of any Indebtedness or Contingent Obligation having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$500,000 when

67

due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure; (ii) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Indebtedness or Contingent Obligation, and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness to be declared to be due and payable prior to its stated maturity, or such Contingent Obligation to become payable or cash collateral in respect thereof to be demanded; or (iii) defaults in the payment when due, whether by acceleration or otherwise, or in the performance or observance (subject to any applicable grace period) of any obligation or agreement to or with the Bank or any Affiliate (other than any obligation or agreement of any Borrower hereunder or under its Note); or

(f) Insolvency; Voluntary Proceedings. Middleby or any Subsidiary (i) ceases or fails to be solvent, or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) voluntarily ceases to conduct its business in the ordinary course; (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing; or

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

(h) ERISA. (i) An ERISA Event shall occur with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result

in liability of

68

Middleby or any ERISA affiliate under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$1,000,000; (ii) the aggregate amount of Unfunded Pension Liability among all Pension Plans at any time exceeds \$5,000,000; or (iii) Middleby or any ERISA Affiliate shall fail to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of \$1,000,000; or

(i) Monetary Judgments. One or more non-interlocutory judgments, non-interlocutory orders, decrees or arbitration awards is entered against Middleby or any Subsidiary involving in the aggregate a liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) as to any single or related series of transactions, incidents or conditions, of \$1,000,000 or more or in excess of \$5,000,000 in the aggregate, and the same shall remain unsatisfied, unvacated and unstayed pending appeal for a period of the lesser of 30 days or the applicable statutory appeal period after the entry thereof; or

(j) Non-Monetary Judgments. Any non-monetary judgment, order or decree is entered against Middleby or any Subsidiary which does or would reasonably be expected to have a Material Adverse Effect, and there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(k) Change of Control. There occurs any Change of Control; or

(l) Guarantor Defaults. Either Guarantor shall fail in any material respect to perform or observe any term, covenant or agreement in the Guaranty; or the Guaranty shall for any reason be partially (including with respect to future advances) or wholly revoked or invalidated, or otherwise cease to be in full force and effect, or either Guarantor or any other Person shall contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder; or

(m) Leasing Documents. Any "Event of Default" under any of the BA Leasing Documents.

Section 8.2 Remedies. If any Event of Default occurs, the Bank may

69

(a) declare its commitment to make Loans to be terminated, whereupon such commitment shall be terminated;

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

(c) exercise all rights and remedies available to it under the Loan Documents or applicable law;

provided, however, that upon the occurrence of any event specified in subsection (f) or (g) of Section 8.1 (in the case of clause (i) of subsection (g) upon the expiration of the 60-day period mentioned therein), the obligation of the Bank to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Bank.

In addition to the foregoing, following the occurrence and during the continuance of an Event of Default, so long as any Letter of Credit has not been fully drawn and has not been canceled or expired by its terms, upon demand by the Bank, Middleby and each applicable Borrower, jointly and severally, agree to deposit in Dollars in an account (the "Letter of Credit Cash Collateral Account") maintained with the Bank in the name of Middleby, cash in an amount equal to the Dollar Equivalent of the aggregate undrawn Stated Amount of all outstanding Letters of Credit issued for the account of such Borrower, any other outstanding LC Obligations of such Borrower and all fees and other amounts due or which may become due with respect thereto. Neither Middleby nor any such Borrower shall have any control over funds in the Letter of Credit Cash Collateral Account, which funds shall be invested by the Bank from time to time in certificates of deposit of the Bank having a maturity not exceeding thirty days or in other short term funds as the Bank may in its sole judgment determine. Such funds shall be promptly applied by the Bank to reimburse it for drafts drawn from time to time under such Letters of Credit. Such funds, if any, remaining in the Letter of Credit Cash Collateral Account following the payment of all LC Obligations of such Borrower in full or the earlier termination of all Events of Default shall, unless the Bank is otherwise directed by a court of competent jurisdiction, be promptly paid over to Middleby.

70

Section 8.3 Rights Not Exclusive. The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by any Borrower therefrom, shall be effective unless the same shall be in writing and signed by the Bank and the Borrowers, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 9.2 Notices.

(a) All notices, requests and other communications shall be in writing (including, unless the context expressly otherwise provides, by facsimile transmission, provided that any matter transmitted by a Borrower by facsimile (i) shall be immediately confirmed by a telephone call to the recipient at the number specified on Schedule 9.2, and (ii) shall be followed promptly by delivery of a hard copy original thereof) and mailed, faxed or delivered, to the address or facsimile number specified for notices on Schedule 9.2; or, to such other address as shall be designated by such party in a written notice to the other party.

(b) All such notices, requests and communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next-day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the U.S. mail, or if delivered, upon delivery; except that notices pursuant to Article II or IX shall not be effective until actually received by the Bank.

(c) Any agreement of the Bank herein to receive certain notices by telephone or facsimile is solely for the convenience and at the request of the Borrowers. The Bank shall be entitled to rely on the authority of any Person purporting to be a Person authorized by a Borrower to give such notice and the Bank shall not have any liability to any Borrower or any other Person on account of any action taken or not taken by the Bank in reliance upon such

telephonic or facsimile notice. The obligation of each Borrower to repay the Loans made to it and the other Obligations of such Borrower shall not be affected in any way or to any extent by any failure by the Bank to receive written confirmation of any telephonic or facsimile notice or the receipt by the Bank of a confirmation which is at variance with the terms understood by the Bank to be contained in the telephonic or facsimile notice.

Section 9.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Bank, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 9.4 Costs and Expenses. Middleby shall:

(a) whether or not the transactions contemplated hereby are consummated, pay or reimburse the Bank within ten Business Days after demand (subject to subsection 4.1(e)) for all costs and expenses incurred by the Bank in connection with the development, preparation, delivery, administration and execution of, and any amendment, supplement, waiver or modification to (in each case, whether or not consummated), this Agreement, any Loan Document and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including reasonable Attorney Costs incurred by the Bank with respect thereto; and

(b) pay or reimburse the Bank within five Business Days after demand (subject to subsection 4.1(e)) for all costs and expenses (including Attorney Costs) incurred by the Bank in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Loan Document during the existence of an Event of Default or after acceleration of the Loans (including in connection with any "workout" or restructuring regarding the Loans, and including in any Insolvency Proceeding or appellate proceeding).

Section 9.5 Borrowers' Indemnification. Whether or not the transactions contemplated hereby are consummated, each Borrower, joint and severally, shall indemnify, defend and hold the Bank-Related Persons, the Bank and each of its officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges,

expenses and disbursements (including Attorney Costs) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Loans or replacement of the Bank) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any document contemplated by or referred to herein, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any Insolvency Proceeding or appellate proceeding) related to or arising out of this Agreement or the Loans or the use of the proceeds thereof, or related to any Offshore Currency transactions entered into in connection herewith, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that no Borrower shall have any obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities resulting solely from the gross negligence or willful misconduct of such Indemnified Person. The agreements in this Section shall survive payment of all other Obligations.

Section 9.6 Payments Set Aside. To the extent that any Borrower makes a payment to the Bank, or the Bank exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred.

Section 9.7 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Bank.

Section 9.8 Assignments, Participations, etc.

(a) The Bank may, with the written consent of Middleby at all times other than during the existence of an Event of Default, which consent shall not be unreasonably withheld, at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of Middleby shall be required in connection with any assignment and delegation by the Bank to an Eligible Assignee that is an Affiliate of the Bank) (each an "Assignee") all, or any ratable part

73

of all, of the Loans, the LC Obligations, the Commitment and the other rights and obligations of the Bank hereunder; provided, however, that the Borrowers may continue to deal solely and directly with the Bank in connection with the interest so assigned to an Assignee until written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrowers by the Bank.

(b) The Bank may at any time sell to one or more commercial banks or other Persons not Affiliates of any Borrower (a "Participant") participating interests in any Loans, the Commitment of the Bank and the other interests of the Bank (the "originating Bank") hereunder and under the other Loan Documents; provided, however, that (i) the originating Bank's obligations under this Agreement shall remain unchanged, (ii) the originating Bank shall remain solely responsible for the performance of such obligations, and (iii) the Borrowers shall continue to deal solely and directly with the originating Bank in connection with the originating Bank's rights and obligations under this Agreement and the other Loan Documents. In the case of any such participation, the Participant shall be entitled to the benefit of Sections 3.1, 3.3 and 9.5 as though it were also the Bank hereunder, and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Agreement.

(c) Notwithstanding any other provision in this Agreement, the Bank may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement and the Notes held by it in favor of any Federal Reserve Bank in accordance with Regulation A of the FRB or U.S. Treasury Regulation 31 CFR ss.203.14, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law.

Section 9.9 Set-off. In addition to any rights and remedies of the Bank provided by law, if an Event of Default exists or the Loans have been accelerated, the Bank is authorized at any time and from time to time, without prior notice to any Borrower, any such notice being waived by each Borrower to the fullest

extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, the Bank to or for the credit or the account of the Borrowers against any and all Obligations owing to the Bank, now or hereafter existing, irrespective of whether or not the Bank shall have made demand under this Agreement or any Loan Document

74

and although such Obligations may be contingent or unmatured. The Bank agrees promptly to notify Middleby after any such set-off and application made by the Bank; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

Section 9.10 Automatic Debits of Fees. With respect to any fee or other cost or expense due and payable by any Borrower to the Bank under the Loan Documents, each Borrower hereby irrevocably authorizes the Bank to debit any deposit account of such Borrower with the Bank in an amount such that the aggregate amount debited from all such deposit accounts does not exceed such fee or other cost or expense. If there are insufficient funds in such deposit accounts to cover the amount of the fee or other cost or expense then due, such debits will be reversed (in whole or in part, in the Bank's sole discretion) and such amount not debited shall be deemed to be unpaid. No such debit under this Section shall be deemed a set-off.

Section 9.11 Termination of Support Agreement. In the event that the Bank receives evidence satisfactory to it that the Notes as defined in and issued under the Note Agreement have been paid in full, together with all other amounts owing by Middleby under the Note Agreement, the Bank agrees to review the financial condition and prospects of Borrower and its Subsidiaries, and based upon such review, but in its sole discretion, the Bank may agree to the termination of the Support Agreement.

Section 9.12 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

Section 9.13 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

Section 9.14 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Borrowers, the Bank and the Bank-Related Persons, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents.

Section 9.15 Governing Law and Jurisdiction.

75

(a) THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS (WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS THEREOF); PROVIDED THAT THE BANK SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWERS AND THE BANK EACH CONSENT, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE

COURTS. EACH OF THE BORROWERS AND THE BANK IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE BORROWERS AND THE BANK EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY ILLINOIS LAW.

Section 9.16 Waiver of Jury Trial. THE BORROWERS AND THE BANK EACH WAIVE ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY BANK-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE BORROWERS AND THE BANK EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS,

76

RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

Section 9.17 Judgment. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Bank could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of any Borrower in respect of any sum due from it to the Bank hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Bank of any sum adjudged to be so due in the Judgment Currency, the Bank may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Bank in the Agreement Currency, each Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Bank or the Person to whom such obligation was owing against such loss. If the amount of the Agreement currency so purchased is greater than the sum originally due to the Bank in such currency, the Bank agrees to return the amount of any excess to the applicable Borrower (or to any other Person who may be entitled thereto under applicable law).

Section 9.18 Entire Agreement. This Agreement, together with the other Loan Documents, embodies the entire agreement and understanding between the Borrowers and the Bank, and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

[signature page to follow]

77

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered in Chicago, Illinois by its proper and duly authorized officers as of the day and year first above written.

MIDDLEBY MARSHALL INC., as Borrower
and Guarantor

By: /s/ David B. Baker

Name: David B. Baker
Title: Vice President, Chief Financial
Officer and Secretary

MIDDLEBY PHILIPPINES CORPORATION,
as Borrower

By: /s/ David B. Baker

Name: David B. Baker
Title: Vice President, Chief Financial
Officer and Secretary

MIDDLEBY JAPAN CORPORATION, as Borrower

By: : /s/ David B. Baker

Name: David B. Baker
Title: Vice President, Chief Financial
Officer and Secretary

MIDDLEBY TAIWAN CORPORATION
(f/k/a Asbury Worldwide (Taiwan) Co., Ltd.),
as Borrower

By: : /s/ David B. Baker

Name: David B. Baker
Title: Vice President, Chief Financial
Officer and Secretary

78

MIDDLEBY WORLDWIDE, INC. (f/k/a Asbury
Associates, Inc.), as Borrower and Guarantor

By: : /s/ David B. Baker

Name: David B. Baker
Title: Vice President, Chief Financial
Officer and Secretary

79

MIDDLEBY KOREA CORPORATION (f/k/a Asbury
Worldwide Korea Co., Ltd.), as Borrower

By: : /s/ David B. Baker

Name: David B. Baker
Title: Vice President, Chief Financial
Officer and Secretary

MIDDLEBY MEXICO, S.A. DE C.V. (f/k/a Asbury
Mexico, S.A. DE C.V.), as Borrower

By: : /s/ David B. Baker

Name: David B. Baker
Title: Vice President, Chief Financial
Officer and Secretary

MIDDLEBY WORLDWIDE SPAIN, S.L. (f/k/a Asbury,
S.L.), as Borrower

By: /s/ David B. Baker

Name: David B. Baker
Title: Vice President, Chief Financial
Officer and Secretary

BANK OF AMERICA, N.A. (successor to Bank
of America National Trust and Savings
Association), as Bank

By: /s/ William S. Richards

Name: William S. Richards, Jr.
Title: Vice President

Ex-10
Sequence 2
Description: Ex-10(A)

CONFIDENTIAL

THE MIDDLEBY CORPORATION
EMPLOYMENT AGREEMENT

The Middleby Corporation ("Middleby") and Selim A. Bassoul ("Employee") enter into this employment agreement on this 1st day of June 2000. In recognition of the Employee's past and continued service to The Middleby Corporation, Middleby agrees to provide the Employee with one year of base salary severance and one year of normal employer provided health insurance in the event of the Employee's involuntary termination of employment from Middleby for any reason other than Cause. Cause shall mean personal dishonesty, gross negligence, willful misconduct, breach of fiduciary duty involving personal profit, substance abuse, or commission of a felony.

This one-year base salary severance and health insurance guarantee to the Employee will also be in effect in the event of a Change in Control of Middleby and shall be considered a liability of the successor owner of Middleby. In the event of a Change in Control of Middleby, Employee shall have the right at any time within the six-month period immediately following the Change in Control to terminate his employment by providing written notice to Middleby or its Successor. Upon providing such notice of termination Employee shall be entitled to receive one-year base salary severance and one year of normal employer provided health insurance. For purposes of this agreement a Change in Control shall mean any twenty-five percent increase in the proportionate share of the total outstanding securities of Middleby held by any person or group which agree to act together for the purpose of acquiring, holding, voting, or disposing of the voting securities.

This agreement expires two years from the above date.

Agreed: /s/ Selim A. Bassoul Selim A. Bassoul, Chief Operating Officer

For Middleby: /s/ David P. Riley David P. Riley, President and CEO

Ex-10
Sequence 3
Description: Ex-10(B)

CONFIDENTIAL

THE MIDDLEBY CORPORATION
EMPLOYMENT AGREEMENT

The Middleby Corporation ("Middleby") and David B. Baker ("Employee") enter into this employment agreement on this 1st day of June 2000. In recognition of the Employee's past and continued service to The Middleby Corporation, Middleby agrees to provide the Employee with one year of base salary severance and one year of normal employer provided health insurance in the event of the Employee's involuntary termination of employment from Middleby for any reason other than

Cause. Cause shall mean personal dishonesty, gross negligence, willful misconduct, breach of fiduciary duty involving personal profit, substance abuse, or commission of a felony.

This one-year base salary severance and health insurance guarantee to the Employee will also be in effect in the event of a Change in Control of Middleby and shall be considered a liability of the successor owner of Middleby. In the event of a Change in Control of Middleby, Employee shall have the right at any time within the six-month period immediately following the Change in Control to terminate his employment by providing written notice to Middleby or its Successor. Upon providing such notice of termination Employee shall be entitled to receive one-year base salary severance and one year of normal employer provided health insurance. For purposes of this agreement a Change in Control shall mean any twenty-five percent increase in the proportionate share of the total outstanding securities of Middleby held by any person or group which agree to act together for the purpose of acquiring, holding, voting, or disposing of the voting securities.

This agreement expires two years from the above date.

Agreed: /s/ David B. Baker David B. Baker, VP and Chief Financial Officer

For Middleby: /s/ David P. Riley David P. Riley, President and CEO

Ex-10
Sequence 4
Description: Ex-10(C)

12/01/00

AMENDMENT NO. 2 TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT
OF DAVID P. RILEY

This Amendment No. 2 is made and entered into as of this 4th day of December, 2000 by and among THE MIDDLEBY CORPORATION, a Delaware corporation ("TMC"), MIDDLEBY MARSHALL INC., a Delaware corporation ("MMI"), (TMC and MMI collectively, the "Employer") and DAVID P. RILEY ("Riley").

R E C I T A L

Employer and Riley are parties to that certain Amended and Restated Employment Agreement dated as of January 1, 1995 (the "1995 Agreement") as amended by Amendment No. 1 dated as of January 1, 1998 ("Amendment No. 1"). The 1995 Agreement as amended by Amendment No. 1 is sometimes referred to hereinbelow as the "Employment Agreement". The parties now wish to amend the Employment Agreement to provide for Riley's retirement as provided hereinbelow.

A G R E E M E N T

NOW THEREFORE the parties agree as follows:

1. Section 2 of Amendment No. 1 is hereby deleted, and the last sentence of Section 4(a) of the 1995 Agreement is hereby amended to read as follows:

The Expiration Date means December 31, 2000.

2. The following Sections of the 1995 Agreement are hereby deleted effective January 1, 2001:

2, 3, 4(b), 4(c), 4(d), 4(f), 4(g)

3. Subsection 6(a) of the 1995 Agreement is hereby amended to read as follows:

6. Retirement

(a) Annual Benefit Employer shall pay to Riley an annual retirement benefit of \$177,908 payable in equal monthly installments on or before the last business day of each and every month. The first such installment shall be

due and payable on or before the last business day of January 2001. In addition, in January of 2002 and of each year thereafter Employer shall adjust upward or downward the amount of the annual retirement benefit payable during such year by a percentage equal to the percentage change in the Consumer Price Index For All Urban Consumers for the twelve-month period ended the previous November. However, in no event shall any adjustment reduce the annual benefit to an amount less than the annual benefit for 2001. The annual retirement benefit shall be paid to Riley for his life, provided however that in the event of his death prior to age 75, such annual retirement benefit, reduced by 50%, shall be paid to Riley's spouse until the first to occur of (i) her death, or (ii) the date on which Riley would have attained age 75. The annual retirement benefit shall be prorated on a daily basis for partial years.

4. The first sentence of Subsection 6(b) of the 1995 Agreement is hereby amended to read as follows:

(b) Health and Medical Benefits. In addition to the benefits referred to in Subsection 6(a) hereof, commencing January 1, 2001 Employer shall maintain in full force and effect for the continued benefit of Riley and his spouse all health and medical plan and programs which Employer maintains for its senior executives and their families, provided that such participation is permitted under the general provisions of such plans and programs, and provided further that the benefits under such plans and programs shall be secondary to any governmentally provided benefits.

5. In addition to all other compensation payable to Riley for the year 2000, including but not limited to the compensation payable under Section 3 of the 1995 Agreement as amended by Amendment No. 1, Employer shall pay Riley (a) a supplemental bonus of \$200,000 on or before December 31, 2000, and (b) the sum of \$177,908 payable in equal monthly installments of \$14,826 during calendar year 2001.

6. Section 5 of Amendment No. 1 is hereby deleted, and Subsection 10(g) of the 1995 Agreement is hereby amended to read as follows:

(g) Notices. All notices, requests, demands and other communications made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when received, or if sooner,

(a) two business days after date of mailing by registered or certified mail, or (b) one business day after the date of delivery to a recognized overnight courier, in either case addressed to the respective parties as follows:

If to Employer: The Middleby Corporation
 1400 Toastmaster Drive
 Elgin, Illinois 60120
 Attn: Mr. William F. Whitman, Jr.
 Chairman of the Board

If to Riley: David P. Riley
 2 South Cove Drive
 South Barrington, IL 60010

7. The provisions of Section 7 of the 1995 Agreement shall apply to Riley, and Riley shall comply with the provisions of Section 7 of the 1995 Agreement, as if Riley had voluntarily terminated his employment on December 30, 2000 (i.e., prior to the Expiration Date) and such termination were not under the circumstances described in Subsection 4(c) or 4(d) of the 1995 Agreement.

8. (a) Riley shall perform consulting services reasonably requested by Employer (the "Services"). The Services shall include, but shall not be limited to, consultation necessary or desirable for the smooth transition of duties to the new Chief Executive Officer of Employer, including, without limitation, consultation concerning (a) relations between Employer and its customers, employees and suppliers, and (b) other matters specified by Employer. In performing the Services, Riley shall report to the Chairman of the Board and the Chief Executive Officer of Employer.

(b) Employer shall pay or reimburse Riley for (a) Riley's dues for calendar year 2001 for Medinah Country Club and Collegon River Plantation, (b) Riley's AYCO fees for calendar year 2001 up to \$5,000, and (c) if Riley is admitted to the 2001 World Presidents Organization Prague University, all expenses incurred by Riley in connection therewith up to \$30,000 less any amounts paid therefor by Employer in calendar year 2000.

(c) Riley shall not take any action against the best interests of Employer, and Riley shall abide by all laws, rules and regulations that apply to the performance of the Services.

(d) The parties agree that after December 30, 2000 Riley shall be an independent contractor and not an employee of Employer. Riley shall bear and be legally responsible to pay 100% of all employment taxes with respect to the compensation payable under this Agreement after December 30, 2000. After December 30, 2000 Riley shall not have the power or right to legally bind Employer, and Employer shall not have the power or right to direct the manner in which Riley performs the Services. If and when Employer requests in writing, Riley shall provide Employer with necessary documentation to support Riley's independent contractor status under all applicable laws.

9. The Employment Agreement as amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this instrument as of the day and year first above written.

DAVID P. RILEY

and

MIDDLEBY MARSHALL INC.

By: /s/ William F. Whitman

William F. Whitman, Jr.
Chairman of the Board

4

Ex-10
Sequence 5
Description Ex-10(D)

Amendment No. 2 to
Amended and Restated Employment Agreement
of William F. Whitman, Jr.

This Amendment No. 2 is made as of January 1, 2001 by and among THE MIDDLEBY CORPORATION, a Delaware corporation, MIDDLEBY MARSHALL INC., a Delaware corporation (collectively the "Employer") and WILLIAM F. WHITMAN, JR. ("Whitman").

RECITAL

Employer and Whitman are parties to that certain Amended and Restated Employment Agreement dated as of January 1, 1995 (the "1995 Agreement") as amended by Amendment No. 1 dated January 1, 1998 (as so amended, the "Employment Agreement") and wish to amend and extend the Employment Agreement as provided hereinbelow.

AGREEMENT

NOW THEREFORE the parties agree as follows:

1. Section 2 of the 1995 Agreement, as amended by Amendment No. 1, is hereby further amended by deleting the date "December 31, 2003" and substituting therefor the date "December 31, 2005".
2. Section 4(a) of the 1995 Agreement, as amended by Amendment No. 1, is hereby amended by adding immediately after the second sentence (added by Amendment No. 1) the following sentence:

Commencing December 1, 2000 Whitman's base salary shall be at a rate not less than \$514,815 per annum.
3. Except as above amended and extended, the Employment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this instrument as of the day and year first above stated.

THE MIDDLEBY CORPORATION
and
MIDDLEBY MARSHALL INC.

By: /s/ Selim A. Bassoul

President and Chief
Executive Officer

/s/ William F. Whitman, Jr.

WILLIAM F. WHITMAN, JR.

Ex - 4
Sequence 6
Description: Ex-4(E)

Interoffice Memo

Date: 02/21/00
To: Selim Bassoul
CC: WFW
From: David P. Riley

Selim,

Below outlines the content of the special executive compensation program that is offered to you.

1. The term of this program is 3 years. Expiring with the end of fiscal year 2002.
2. The company will purchase for you, at the current market prices, 100,000 shares of TMC common stock.
3. The company will loan you the funds necessary to make the above purchase, secured by the stock and personally payable by you to the company subject to the provisions outlined below.
4. This stock will be owned by you, but held by the company.
5. This stock will be unrestricted, however sale of the stock is subject to rule 144 as you are an officer of the company and considered an insider.
6. Interest on your loan will be calculated at the higher of, the rates paid to those employees participating in the deferred compensation plan, or, the minimum IRS rate allowed by law.
7. Any sale of the stock will be for your account and subject to taxes paid which will be your responsibility.
8. The amount of your loan, plus interest, will be retired by the company (special bonus) if your performance meets or exceeds the Performa " Earnings before taxes" listed below:

A: For fiscal year 2000, Earnings Before Taxes, for the corporation, must equal or exceed \$.88 per share.

B: For fiscal year 2001, Earnings Before Taxes, for the corporation, must equal or exceed \$ 1.20 per share.

C: For fiscal year 2002, Earnings Before Taxes, for the corporation, must equal or exceed \$ 1.50 per share

9. Your "special bonus" will be calculated and paid as follows:

a. If you meet or exceed your performance goals in a given year, the company will retire, 1/3 of the remaining balance of the principal and interest of your loan in year one, 50% of the remaining balance of your loan in year two, and the remaining balance of your loan in year three.

b. If you did not meet your objective, but your cumulative actual performance equaled or exceeded the cumulative objective, the company will retire the remaining balance of the principal and interest of your loan according to the schedule in "a" above. If you fail to meet either of these objectives, no payment will be made.

10. If you leave the company, voluntarily, for any reason, the balance of the loan becomes due and immediately payable.

11. If you leave the company due to termination (except for cause), the balance of the loan must be repaid in 24 months.

12. If during the term of the loan, William F. Whitman sells 20% or more of his personal stock holdings in the company, your loan will be forgiven.

Example:

Performance objective:

Actual performance:

Year 2000 -- EBT= \$ 1.00/share

Actual performance = \$ 1.10/share

Year 2001 -- EBT= \$ 1.25/share

Actual Performance = \$ 1.20/share

Year 2002 - EBT= \$ 1.50/share

Actual Performance = \$ 1.50/share

Confidential

Stock price at purchase \$ 4.50/share ----- Loan value = \$ 450,000.00

Interest rate 5%

January 2001 Loan balance = \$ 450,000+ interest (\$ 22,500) = Total \$ 472,500

As Actual performance exceeded objective, bonus payment = \$ 157,500

January 2002 Loan balance = \$ 315,000 + interest (\$ 15,750)= Total \$ 330,750

Actual performance did not meet objectives, however cumulative actual equaled cumulative objective, bonus payment = \$ 165,375

January 2003 Loan balance = \$ 165,375+ interest (\$ 8,268)= Total Actual exceeded objective, bonus payment = \$ 173,643

Agreed /s/ Selim Bassoul Dated 2/21/00

Selim Bassoul

For the Company /s/ David P. Riley Dated 2/21/00

David P. Riley - President/CEO