

04-03-2002



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4/3/02

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New 4-3-02
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger Effective Date
Month Day Year
12312001
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership
- Corporation Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

- Citizenship/State of Incorporation/Organization

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FOR OFFICE USE ONLY

01 FC:461 40.00 OP
02 FC:462 150.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002473 FRAME: 0881

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

1960006 1960005 1369357
1181356 1181355 1943901
1424186

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Betty G. Smith

4/2/2002

Name of Person Signing

Signature

Date Signed

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement") is entered into as of this 31st day of December, 2001 by FLAV-O-RICH DAIRIES, LLC, a Delaware limited liability company (the "Grantor"), in favor of FIRST UNION NATIONAL BANK, as Collateral Agent (the "Collateral Agent") under the Credit Agreement (as defined below).

STATEMENT OF PURPOSE

WHEREAS, the Grantor owns certain trademarks and service marks, including those trademark registrations and trademark applications listed on Schedule 1 annexed hereto, and is a party to the trademark licenses listed on Schedule 2 annexed hereto; and

WHEREAS, pursuant to the terms of the Collateral Agreement dated September 25, 2001 (as supplemented by the Collateral Agreement Supplement, dated as of December 31, 2001, and as may be further amended, restated, supplemented or otherwise modified from time to time, the "Collateral Agreement"), between the Grantor and the Collateral Agent, the Grantor has granted to the Collateral Agent a security interest in certain assets of the Grantor, including all right, title and interest of the Grantor in, to and under all Trademark Collateral (as hereinafter defined) to secure the payment of all Obligations owing by National Dairy Holdings, LP, as Borrower (the "Borrower") under the Credit Agreement, dated September 25, 2001 (as amended by the First Amendment to Credit Agreement and Consent, dated as of December 21, 2001, and as may be further amended, restated, supplemented or otherwise modified, the "Credit Agreement"), by and among the Borrower, the Lenders party thereto and the Collateral Agent, and the other Loan Documents. All capitalized terms defined in the Credit Agreement or the Collateral Agreement and not otherwise defined herein have the respective meanings provided for in the Credit Agreement or the Collateral Agreement, as applicable.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. **Grant of Security Interest.** Grantor does hereby grant to the Collateral Agent a continuing security interest in all of Grantor's right, title and interest in, to and under all of the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether now existing or hereafter created or acquired, in order to secure the Obligations referred to herein:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing appear or have appeared and designs owned by the Grantor (each of the foregoing items in this clause a "Trademark," and collectively, the "Trademarks,"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, together with all registrations

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and recordings thereof and all applications filed in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in any office or agent of the United States of America (including the United States Patent and Trademark Office) or any foreign country, and including, without limitation, those referred to in Schedule 1 annexed hereto and all reissues, extensions, continuations or renewals thereof;

(b) all Trademark licenses and other agreements providing the Grantor with the right to use, or pursuant to which the Grantor provides the right to use, any of the items described in Section 1(a) (together, the "Trademark Licenses), including each Trademark license referred to in Schedule 2 annexed hereto;

(c) all of the goodwill of the business connected with the use of, and symbolized by, each item described in Sections 1(a) or 1(b);

(d) the right to sue third parties for past, present or future infringements of any Trademark Collateral described in Section 1(a) and, to the extent applicable, Section 1(b); and

(e) all products and proceeds of, and the rights associated with, the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or Trademark registration including, without limitation, the Trademarks and Trademark registrations referred to in Schedule 1 annexed hereto, the Trademark registrations issued with respect to the Trademark applications referred to in Schedule 1 and the trademarks licensed under any Trademark License, (ii) injury to the goodwill associated with the use of any such Trademark, Trademark registration or trademark licensed under any Trademark License, or (iii) breach or enforcement of any Trademark license.

2. **Other Security Interests.** This security interest is granted in conjunction with the security interests granted to the Collateral Agent pursuant to the Collateral Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the security interest granted herein are without prejudice to, and are in addition to, those set forth in the Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provisions of this Agreement are deemed to conflict with the Collateral Agreement, the provisions of the Collateral Agreement shall govern.

3. **Restrictions on Future Agreements.** The Grantor agrees that until all Obligations shall have been satisfied in full and the Credit Agreement shall have been terminated, the Grantor will not, without the Collateral Agent's prior written consent, enter into any agreement including, without limitation, any license agreement, which is inconsistent with the Grantor's obligations under this Agreement if such action would reasonably be expected to materially adversely affect the fair market value of the Trademark Collateral or the benefits of this Agreement to the Collateral Agent, and the Grantor further agrees that it will not take any action, or permit any

action to be taken by others subject to its control, including licensees, or fail to take any action, which would materially adversely affect the validity or enforcement of the rights transferred to the Collateral Agent under this Agreement.

4. **New Trademarks.** The Grantor represents and warrants to the Collateral Agent that the Trademarks listed on Schedule 1 annexed hereto and the license agreements listed on Schedule 2 annexed hereto constitute all of the Trademarks now owned by or licensed to the Grantor for which registrations have been issued or applied for in the United States Patent and Trademark Office. If, before the Obligations have been satisfied in full and the Credit Agreement terminated, the Grantor shall (i) obtain rights to any new trademarks, trademark registrations or applications or tradenames used in the United States or in any foreign country or (ii) become entitled to the benefit of any trademark application, trademark, trademark registration or tradename used in the United States or in any foreign country, the provisions of Section 1 above shall automatically apply thereto and the Grantor shall give to the Collateral Agent prompt written notice thereof. The Grantor hereby authorizes the Collateral Agent to modify this Agreement upon such written notice by amending Schedule 1 and Schedule 2 annexed hereto to include any future trademarks, trademark registrations, trademark applications, tradenames and license agreements which are Trademarks, as applicable, under Section 1 above or under this Section 4.

5. **Lenders Not Liable.** Neither the Collateral Agent nor any Lender by virtue of this Agreement assumes any obligations whatsoever in respect of the Trademark Collateral including, without limitations, any obligation to renew registrations of or defend the validity, enforceability or distinctiveness of the Trademark Collateral.

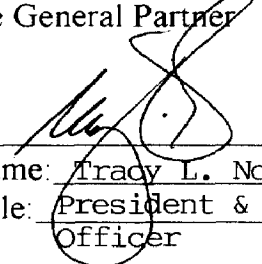
[Signature Pages Follow]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer thereunto, all as of the date first set forth above.

FLAV-O-RICH DAIRIES, LLC, as Grantor

By: National Dairy Holdings, LP,
its sole Manager

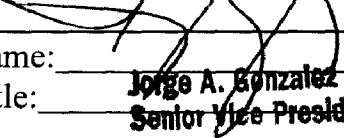
By: Dairy Management LLC
its sole General Partner

By: 
Name: Tracy L. Noll
Title: President & Chief Operating Officer

[Signature Pages Continue]

Agreed and Accepted as of the
31st day of December, 2001.

FIRST UNION NATIONAL BANK,
as Collateral Agent

By: 
Name: _____
Title: **Jorge A. Gonzalez**
Senior Vice President

[Acknowledgment Follows]

[Trademark Security Agreement - Flav-O-Rich Dairies, LLC]

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ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF DALLAS

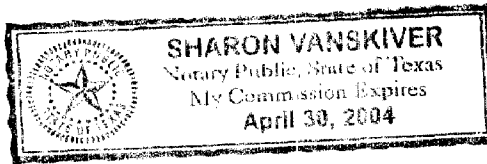
The foregoing instrument was acknowledged before me this 4th day of January, 2002, by TRACY L. NOLL, as President and Chief Operating Officer of Dairy Management LLC, a Delaware limited liability company and sole general partner of National Dairy Holdings, LP, a Delaware limited partnership and manager of FLAV-O-RICH DAIRIES, LLC, a Delaware limited liability company, on behalf of the company, the limited partnership and the company.



Print or Stamp Name: _____

Notary Public, State of Texas

My Commission Expires: _____



Schedule 1
to Trademark
Security Agreement

Registrations

<u>Trademark</u>	<u>Registration Nos.</u>
FLAV-O-RICH & Design	1,960,006
FLAV-O-RICH	1,960,005
FLAV-O-RICH & Design	1,369,357
FLAV-O-RICH & Design	1,181,356
FLAV-O-RICH & Design	1,181,355
DAIRY CHARM	1,943,901
FLAV-O-RICH & Design	1,424,186

Trademark Applications

None

Common Law Trademarks

None

Schedule 2
to Trademark
Security Agreement

Trademark Licenses

Licensing Agreement between Dean Foods Company (“Dean”), Land-o-Sun Dairies, LLC (“LOS”), Purity Dairies, Inc. (“Purity”), and National Dairy Holdings, LP (“NDH”) with an effective date of December 21, 2001. The companies acquired by NDH are licensed to use certain of the following trademarks on products each currently produces for a period of one (1) year (from the effective date) to facilitate the transition of the acquired businesses from Dean to NDH. NDH grants LOS a one year, non-transferable license to use the FLAV-O-RICH and DAIRY CHARM trademarks.

Mark Licensed to Use: BILTMORE

PET

(NDH and acquired companies may only use the PET trademark on products sold to existing customers of Flav-O-Rich Dairies’ Bristol, VA and London, KY plants.)