

Form PTO-1594 (Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Wisconsin Cheese Group, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State Wisconsin Other

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 12/04/2002

2. Name and address of receiving party(ies)

Name: National City Bank of Pennsylvania

Internal Address: National City Center

Street Address: 20 Stanwix Street, 19th Floor

City: Pittsburgh State: PA Zip: 15222

- Individual(s) citizenship Association National Banking Association General Partnership Limited Partnership Corporation-State Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No Designations must be a separate document from assignment Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 76/410547, 76/410543, 76/410546, 76/410545, 76/410544, 76/106437

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Sean M. Girdwood, Esq.

Internal Address:

Street Address: Thorp Reed & Armstrong, LLP One Oxford Centre, 301 Grant Street, 14th Fl.

City: Pittsburgh State: PA Zip: 15219-1425

6. Total number of applications and registrations involved:

6

7. Total fee (37 CFR 3.41): \$ 165.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

20-0888

DO NOT USE THIS SPACE

9. Signature.

Jenifer S. Tarasi, Esq. Name of Person Signing

Jenifer S. Tarasi Signature

12/09/2002 Date

Total number of pages including cover sheet, attachments, and document: 13

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

Patent, Trademark and Copyright Security Agreement, dated the 4th day of December, 2002, made by Wisconsin Cheese Group, Inc., a Wisconsin corporation (the "Borrower"), for the benefit of National City Bank of Pennsylvania, a national banking association (the "Bank") ("Security Agreement").

WITNESSETH:

WHEREAS, pursuant to a certain Loan Agreement, dated of even date herewith, by and between the Borrower and the Bank (as the same may hereafter be amended, supplemented, amended and restated, renewed or otherwise modified from time to time, the "Loan Agreement"), (i) the Bank has agreed to extend credit to the Borrower and (ii) the Borrower has agreed, among other things, to grant to the Bank a security interest in certain of the Borrower's assets, including, without limitation, its patents, patent applications, service marks, service mark applications, service names, trademarks, trademark applications, trade names, goodwill and copyrights, copyright applications and copyright registrations pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Borrower agrees as follows:

1. Incorporation of the Loan Agreement. The Loan Agreement is hereby incorporated herein in its entirety by this reference thereto. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement.

2. Security Interest in Patents. To secure the complete and timely satisfaction of all of the Debt, the Borrower hereby grants and conveys to the Bank a lien and security interest in all of the Borrower's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Schedule A, attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a) - (d), are hereinafter individually and/or collectively referred to as the "Patents"); and

(ii) license agreements with any other party, whether the Borrower is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Schedule D attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Security Agreement, dated of even date

herewith, made by the Borrower to the Bank) now or hereafter owned by the Borrower and now or hereafter covered by such licenses (all of the foregoing is hereinafter collectively referred to as the "Licenses").

3. Security Interest in Trademarks and Goodwill. To secure the complete and timely satisfaction of all of the Debt, the Borrower hereby grants and conveys to the Bank a lien and security interest in all of the Borrower's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

(i) trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications, including, without limitation, the trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications listed on Schedule B, attached hereto and made a part thereof, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, service marks, trademark and service mark registrations, trade names, service names and applications, together with the items described in clauses (a) - (d), are hereinafter individually and/or collectively referred to as the "Trademarks"); and

(ii) the goodwill of the Borrower's business including but not by way of limitation such goodwill connected with and symbolized by the Trademarks.

4. Security Interest in Copyrights. To secure the complete and timely satisfaction of all of the Debt, the Borrower hereby grants and conveys to the Bank a lien and security interest in all of the Borrower's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

(i) copyrights, original works of authorship fixed in any tangible medium of expression and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Copyright Office, listed on Schedule C, attached hereto and made a part hereof, and (a) all extensions and renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect to, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, together with the items described in (a) - (d) are hereinafter individually and/or collectively referred to as the "Copyrights").

5. Restrictions on Future Security Interests. The Borrower agrees that until the Debt shall have been satisfied in full and the Loan Agreement and all Loan Documents shall have been terminated, the Borrower will not, without the Bank's prior written consent, enter into any agreement relating to the Patents, Licenses, Trademarks or Copyrights and the Borrower 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 affect the validity or enforcement of the rights granted to the Bank under this Security Agreement.

6. New Patents, Licenses, Trademarks and Copyrights. The Borrower represents and warrants that the Patents, Licenses, Trademarks and Copyrights listed on Schedules A, B, C and D respectively, constitute all of the Patents, Licenses, Trademarks and Copyrights now owned by the Borrower necessary to own and operate its property and to carry on its business as presently conducted and as presently planned to be conducted without conflict with the rights of others. The Borrower hereby authorizes the Bank as attorney in fact to modify this Security Agreement by amending Schedules A, B, C and/or D, as applicable, to include any future Patents, Licenses, Trademarks and Copyrights, as applicable, under Paragraphs 2, 3 and 4 above or under this Paragraph 6, and to file or refile this Security Agreement with the United States Patent and Trademark Office and/or Copyright Office, as the case may be.

7. Representations and Warranties. The Borrower represents and warrants to and agrees with the Bank that:

(i) The Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(ii) Each of the Patents, Trademarks and Copyrights is valid and enforceable;

(iii) The Borrower is the owner of the Patents, Trademarks and Copyrights and has the power and authority to make, and will continue to have authority to perform, this Security Agreement according to its terms;

(iv) This Security Agreement does not violate any other agreement to which the Borrower is a party or any judgment or decree by which the Borrower is bound and does not require any consent under any other agreement to which the Borrower is a party or by which the Borrower is bound. The Borrower hereby authorizes the Patent and Trademark Office and the Copyright Office to issue any and all Patents on said inventions and any and all certificates of registration on all Trademarks and Copyrights to the Bank as bank of the Borrower's entire interest;

(v) There has been no prior sale, pledge, encumbrance, assignment or other transfer or disposition of any of the Patents, Licenses, Trademarks or Copyrights or any part thereof and the same are free from all Liens of any kind, including but not limited to copyrights, shop rights and covenants not to sue third persons, except as may be otherwise set forth in the Loan Documents; and

(vi) The Licenses are valid and binding agreements enforceable according to their terms. Each of the Licenses is in full force and effect and has not been amended or abrogated and there is no default under any of the Licenses.

8. Royalties; Terms. The Borrower hereby agrees that the use by the Bank of all Patents, Licenses, Trademarks and Copyrights as described above shall be worldwide and without any liability for royalties or other related charges from the Bank to the Borrower. The security interest granted herein and the rights associated therewith shall extend until the earlier of

(i) the expiration of each of the respective Patents, Licenses, Trademarks and Copyrights assigned hereunder or (ii) the Debt has been satisfied in full and the Loan Agreement and all other Loan Documents have been terminated.

9. Grant of License to the Borrower. Unless and until an Event of Default shall have occurred, the Borrower shall have the right to use the Trademarks and the Copyrights, to exercise all rights of the Borrower under the Licenses, and to make, have made, use and sell the inventions disclosed and claimed in the Patents for the Borrower's own benefit and account and for none other. The Borrower agrees not to sell or assign its interests in, or grant any sublicense under, the rights granted to the Borrower in this Paragraph 9, without the prior written consent of the Bank. From and after the occurrence of an Event of Default, the Borrower's rights with respect to Patents, Licenses, Trademarks and Copyrights as set forth in this Paragraph 9 shall terminate forthwith, and the Bank shall have, in addition to all other rights and remedies granted to it by this Security Agreement, those allowed by Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Licenses, Trademarks or Copyrights may be located including, but not limited to, the location of the Bank's headquarters.

10. Assignment to the Borrower. Upon satisfaction in full of the Debt and termination of the Loan Agreement and the other Loan Documents, the Bank shall execute and deliver to the Borrower all assignments and other instruments as may be necessary or proper to re-vest in the Borrower full rights and title to the Patents, Licenses, Trademarks and Copyrights, subject to any disposition thereof, if any, which may have been made by the Bank pursuant hereto or pursuant to the Loan Agreement and the other Loan Documents.

11. Duties of the Borrower. Subject to the last sentence of this paragraph, the Borrower shall have the duty to (i) prosecute diligently any patent application of the Patents made by it and any trademark or service mark application or copyright application made by it pending as of the date hereof or thereafter until the Debt shall have been satisfied in full and the Loan Agreement shall have terminated, (ii) make application on unpatented but patentable inventions, on trademarks and service marks and on copyrights, as appropriate, (iii) preserve and maintain all of its rights in patent applications and patents of the Patents; trademark applications, trademarks, trademark registrations, service mark applications, service marks, and service mark registrations of the Trademarks; and copyright applications and copyright registrations of the Copyrights, and (iv) to take all reasonable steps necessary to ensure that the Copyrights do not become abandoned or dedicated to the public, or the remedies available against potential infringers weakened. Any expenses incurred in connection with the duties set forth in this Paragraph 11 shall be borne by the Borrower. The Borrower shall not abandon any right to file a patent application, trademark application or copyright application, or any pending patent application, trademark application, copyright application, Patent, Trademark, nor Copyright without the consent of the Bank. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, the Borrower need not prosecute, make application for, or preserve, and may abandon, any Patent, Trademark, Copyright or servicemark or any patent, trademark, servicemark or copyright application or registration which, in the good faith reasonable judgment of the Borrower is not material to the conduct of the business of the Borrower.

12. Financing Statements; Documents. At the request of the Bank, the Borrower will join with the Bank in executing one or more financing statements pursuant to the UCC in form satisfactory to the Bank and will pay the costs of filing and/or recording this Security Agreement and all financing, continuation and termination statements in all public offices where filing or recording is deemed necessary or desirable by the Bank. The Borrower will execute and deliver to the Bank from time to time such supplemental Security Agreements or other instruments, including, but not by way of limitation, additional Security Agreements to be filed with the United States Patent and Trademark Office or Copyright Office, as the Bank may require for the purpose of confirming the Bank's security interest in the Patents, Trademarks and Copyrights.

13. Right of the Borrower and/or the Bank to Sue. The Borrower may enforce its rights in the Patents, Licenses, Trademarks and Copyrights with or without the Bank's participation. If requested by the Borrower, the Bank shall participate in suits to enforce such rights as a nominal plaintiff for jurisdictional purposes. The Bank shall have the same rights, if any, as the Borrower has, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Licenses, Trademarks and Copyrights, and any licenses thereunder, and, if the Bank shall commence any such suit, the Borrower shall, at the request of the Bank, do any and all lawful acts and execute any and all proper documents required by the Bank in aid of such enforcement and the Borrower shall promptly, upon demand and as part of the Debt, reimburse and indemnify the Bank for all costs and expenses incurred by the Bank in the exercise of its rights under this Paragraph 13.

14. Waivers. No course of dealing between the Borrower and the Bank nor any failure to exercise nor any delay in exercising, on the part of the Bank, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

16. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Paragraph 6 hereof or by a writing signed by the parties hereto.

17. Cumulative Remedies; Effect on other Loan Documents. All of the Bank's rights and remedies with respect to the Patents, Licenses, Trademarks and Copyrights, whether established hereby, by the Loan Agreement or any other Loan Document, or by any other agreements or by Law shall be cumulative and may be exercised singularly or concurrently. The Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of the Bank under the Loan Agreement or the other Loan Documents but rather is intended to facilitate the exercise of such rights and remedies.

18. Binding Effect; Benefits. This Security Agreement shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Bank, its successors and assigns.

19. Governing Law. This Security Agreement has been delivered and accepted in Pittsburgh, Pennsylvania and shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to the conflict of law provisions thereof.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, and intending to be legally bound, the Borrower has executed and delivered this Security Agreement on the day and year written above.

Attest/Witness:

Wisconsin Cheese Group, Inc., a Wisconsin corporation

By *Carroll M. Rab*

By: *Franz Hofmeister*

Name: *Carroll M. Rab*

Name: *Franz Hofmeister*

Title: _____

Title: *President*

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA)
)
) SS:
COUNTY OF ALLEGHENY)

On this, the 4th day of December, 2002, before me, a Notary Public, the undersigned officer, personally appeared FRANZ Hofmeister who acknowledged himself/herself to be the President of Wisconsin Cheese Group, Inc., a Wisconsin corporation (the "Company"), and that he/she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Company as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Margaret A. Leroio
Notary Public

My Commission Expires:



Schedule A

PATENTS

None.

Schedule B**TRADEMARKS****Registered Trademarks**

None.

Pending Trademark Registrations

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
Honey Creek	76/410543	5/21/02
Queso Caribe	76/410547	5/21/02
BAER KAESE	76/410546	5/21/02
Wisconsin Farms	76/410545	5/21/02
Wunderbar	76/410544	5/21/02
Quesaria Caribe	76/106437	8/10/00

Schedule C

Copyrights

one.

Schedule D**License Agreements**

1. Agreement dated September 19, 2001 between Miguel Leal and Martina Leal and Wisconsin Cheese Group, Inc. – Borrower retains exclusive rights to the Chalco label east of the Mississippi River (except for Illinois, Indiana, Michigan and Wisconsin).
2. Distribution, Price and Royalty Agreement dated September 1, 2001 among El Viajwo Company, Inc., ELV, Inc. Amy Sanna McNeely and David McNeely and Wisconsin Cheese Group, Inc. – Borrower has the right to use the El Viajwo trademark.
3. Agreement dated July 31, 2002 between Specialty Cheese Company, Inc. and Paul Scharfman and Wisconsin Cheese Group, Inc. – Borrower has the right to use the intellectual property and patents of Specialty Cheese Company, Inc. in the manufacture and distribution of Queso Blanco con Frutas.

Facsimile



ATTORNEYS AT LAW SINCE 1898

To: Commissioner of Patent and Trademarks **Fax Number:** 703 306 5995

Company: **Phone Number:**

From: Brendan J. O'Malley **Pages:** 14

Date: December 10, 2002 **Client/Matter No.:** 012346-081735

I.D. No.: 2166

Messages:

CONFIDENTIAL: ATTORNEY-CLIENT COMMUNICATION WORK PRODUCT

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Philadelphia

Princeton

Wheeling

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TRADEMARK