

10-15-2002

Form PTO-1594 (Rev. 6-93)

REC



HEET

U.S. DEPARTMENT OF COMMERCE

OMB No. 0651-0011 (exp. 4/94)

Patent and Trademark Office

To the Honorable Commissioner of

102249500

Please record the attached original document or copy thereof

1. Name of conveying party(ies):

Luigino's, Inc.  
525 Lake Avenue S.  
Duluth, MN 55802



- Individual(s)
- General Partnership
- Corporation: State of Minnesota
- Other
- Association
- Limited Partnership

2. Name and address of receiving party(ies):

LaSalle Bank National Association  
50 South Sixth Street, Suite 1400  
Minneapolis, MN 55402

- Individual(s)
- General Partnership
- Corporation: State of Minnesota
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: September 27, 2002

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)

4. Application number(s) or trademark number(s), and identification or description of the mark(s):

A. Trademark Application No(s). and description

75/764,057	76/330,211	76,033,058	76/033,056
<del>75/654,506</del>	76/033,063	76/033,061	76/255,798
76/033,060	75/539,777	76/033,062	78/028,833

B. Trademark Registration No(s). and description

2,226,893	1,987,016	1,690,697	2,256,005
1,970,347	2,036,522	1,712,572	2,006,450
1,871,756	2,005,411	2,625,428	

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

Ann Dunn Wessberg  
FAEGRE & BENSON LLP  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-3901  
612/766-7105

6. Total number of applications and registrations involved: 23

7. Total fee (37 CFR 3.41)..... \$590.00

- Credit Card Authorization Form Enclosed
- Authorized to be charged to deposit account for underpayment

8. Deposit Account number: 06-0029

DO NOT USE THIS SPACE

9. 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.*

Ann Dunn Wessberg  
Name of person signing

Signature

October 4, 2002  
Date

10/15/2002 LMUELLER 00000060 75764057

01 FC:481  
02 FC:482

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

40.00 OP  
550.00 OP

Mail documents to be recorded with required cover sheet information to:  
Director - U.S. Patent and Trademark Office, Box Assignments  
Washington, D.C. 20231



## TRADEMARK SECURITY AGREEMENT

This Agreement, dated as of September 27, 2002, is made by and between LUIGINO'S, INC., a Minnesota corporation (the "Debtor"), and LASALLE BANK NATIONAL ASSOCIATION, a national banking association, in its separate capacity as administrative agent for itself and all other Banks (defined below) (in such capacity, the "Secured Party").

The Secured Party, certain Banks from time to time party thereto, (the "Banks") and the Debtor are parties to a Credit Agreement of even date herewith (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Banks may from time to time make loans and extend other financial accommodations to the Debtor.

As a condition to any extending credit to the Debtor under the Credit Agreement, the Secured Party and the Banks have required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the recitals hereto that are not otherwise defined herein shall have the meanings given to them in the recitals. In addition, the following terms have the meanings set forth below:

"Additional Security Agreement" means the Debtor's Security Agreement of even date herewith in favor of the Secured Party, granting the Secured Party a security interest in the Debtor's personal property, as the same may be amended, supplemented or otherwise modified from time to time.

"Affiliate" or "Affiliates" means any Person controlled by, controlling or under common control with the Debtor, including (without limitation) any Subsidiary of the Debtor. For purposes of this definition, "control" means the power to direct the management and policies of the Debtor or such Person, as applicable, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, however, that the term "Affiliate" shall in no event include the Secured Party or any Bank.

"Lien" means any security interest, mortgage, deed of trust, pledge, lien, charge, or encumbrance of any kind whatsoever, including, but not limited to the interest of the lessor or titleholder under any capitalized lease, title retention contract or similar agreement and the interest of any bondsman under any payment or

performance bond, in, of or on any assets or properties of a person, whether now owned or hereafter acquired and whether arising by agreement or operation of law.

“Obligations” has the meaning specified in the Credit Agreement.

“Permitted Liens” means (i) the Security Interest, and (ii) Liens permitted under Section 6.1 of the Credit Agreement.

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

“Security Interest” has the meaning given in Section 2.

“Subsidiary” of the Debtor means any corporation, partnership or limited liability company of which more than fifty percent (50%) of the outstanding equity or membership interests or shares of capital stock having general voting power under ordinary circumstances to elect a majority of the board of directors (or other governing body) of such entity (irrespective of whether or not at the time stock or membership interests of any other class or classes shall have or might have voting power by reason of the happening of any contingency), is at the time directly or indirectly owned by the Debtor, by the Debtor and one or more Subsidiaries of the Debtor, or by one or more other Subsidiaries of the Debtor.

“Trademarks” means all of the Debtor’s right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit A.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the “Security Interest”), with power of sale to the extent permitted by law, in the Trademarks to secure payment of the Obligations. As set forth in the Additional Security Agreement, the Security Interest is coupled with a security interest in substantially all of the Debtor’s personal property.

3. Representations, Warranties and Agreements. The Debtor represents, warrants and agrees as follows:

(a) ***Existence; Authority***. The Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Debtor.

(b) **Trademarks.** Exhibit A accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit A need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Debtor's or any Affiliate's business(es). If after the date hereof, the Debtor owns or controls any Trademarks not listed on Exhibit A (other than common law marks which are not material to the Debtor's or any Affiliate's business(es)), or if Exhibit A ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit A, which, upon acceptance by the Secured Party shall become part of this Agreement.

(c) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a trademark security agreement substantially in the form of this Agreement.

(d) **Title.** The Debtor has absolute title to each Trademark listed on Exhibit A, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time the Debtor acquires any rights in Trademarks hereafter arising, absolute title to each such Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Trademarks free and clear of all Liens except Permitted Liens.

(e) **No Sale.** Except as permitted in the Credit Agreement, the Debtor will not assign, transfer, encumber or otherwise dispose of the Trademarks, or any interest therein, (except non-exclusive licenses thereof entered into in the ordinary course of the Debtor's business) without the Secured Party's prior written consent.

(f) **Defense.** The Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Trademarks against all claims or demands of all Persons other than with respect to Permitted Liens.

(g) **Maintenance.** The Debtor will at its own expense maintain the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to trademark registrations and applications therefor. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least thirty (30) days, to allow the

Secured Party to timely pay any such maintenance fees or annuities which may become due on any Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) ***Secured Party's Right to Take Action.*** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of thirty (30) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) ***Costs and Expenses.*** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (h) or exercising its rights under Section 5, together with interest thereon from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Obligations.

(j) ***Power of Attorney.*** To facilitate the Secured Party's taking action under subsection (h) and exercising its rights under Section 5, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default (defined below), to enforce or use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement and the payment and performance of all Obligations.

4. Debtor's Use of the Trademarks. The Debtor shall be permitted to control and manage the Trademarks, including the right to exclude others from making, using or selling items covered by the Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured; provided, however, that, any licenses of any Trademarks granted by the Debtor shall be non-exclusive and granted in the ordinary course of the Debtor's business.

5. Remedies. Upon the occurrence of an Event of Default (as defined in the Credit Agreement) and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Trademarks.

(b) The Secured Party may enforce the Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

(c) The Secured Party may exercise or enforce any or all other rights or remedies available to the Secured Party by law or agreement against the Debtor or the Trademarks.

6. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party, and, in the case of an amendment, in a writing signed by the Debtor. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices and other communications hereunder shall be in writing and mailed or delivered (which delivery may be by telecopy) to the party to whom notice is being given at its address set forth next to its signature to this Agreement, or, as to each party, at such other address as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications when delivered, shall be effective upon actual delivery, and when mailed, shall be effective one Business Day (as defined in the Credit Agreement) after the date sent by nationally recognized overnight mail courier or delivery service, addressed as aforesaid. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Trademarks at all or in any particular manner or order, or to apply any cash proceeds of the Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured

Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. This Agreement shall be governed by and construed in accordance with the substantive law (other than conflict laws) of the State of Minnesota. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

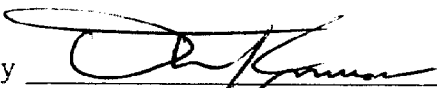
**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Trademark Security Agreement as of the date written above.

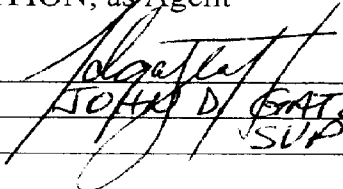
525 Lake Avenue South  
Duluth, Minnesota 55802  
Attn: Thomas W. Knuesel, Chief Financial Officer  
Telecopy No. (218) 723-5434

LUIGINO'S, INC.

By   
Name THOMAS W. KNUESSEL  
Title CFO

50 South Sixth Street  
Suite 1400  
Minneapolis, Minnesota 55402  
Attn: DIVISION MANAGER  
Telecopy No. (612) 752-9881

LASALLE BANK NATIONAL ASSOCIATION, as Agent

By   
Name JOHN D. GATELOFF  
Title SVP

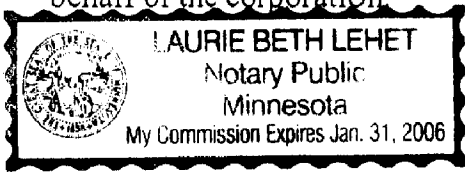
[Signature Page to Borrower Trademark Security Agreement]



STATE OF MN )

COUNTY OF ST. LOUIS )

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of September, 2002, by Thomas W. Krausel, the CFO of Luigino's, Inc., a Minnesota corporation, on behalf of the corporation.



Laurie Beth Lehet  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of September, 2002, by \_\_\_\_\_, a \_\_\_\_\_ of LaSalle Bank National Association, a national banking association, in its capacity as administrative agent for the Banks, on behalf of such national banking association.

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA )  
)  
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this 3rd day of October, 2002, by John D. Gatzlaff, a Senior Vice President of LaSalle Bank National Association, a national banking association, in its capacity as administrative agent for the Banks, on behalf of such national banking association.

Mary R. Shaw Wilson  
Notary Public

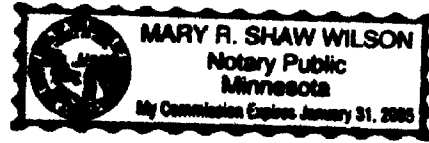


EXHIBIT A  
UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS  
AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Serial Number</u>	<u>Registration Number</u>	<u>Registration Date</u>
Crisp 'N Flaky	75359316	2226893	02/23/1999 (Supplemental)
Everything's Premium But The Price	74448850	1970347	04/23/1996
Howlin' Coyote & Design	74070498	1871756	01/03/1995
Howlin' Coyote (Design Only)	74690704	1987016	07/16/1996
Design only of a box	74690836	2036522	02/11/1997
Krisp 'N Flaky	74692593	2005411	10/01/1996 (Supplemental)
Michelina Luigino Head Mark (Design Only)	74125708	1690697	06/02/1992
Michelina's	74054958	1712572	09/01/1992
Michelina's Pizza Singles	75561819	2625428	09/24/2002
Michelina's Signature	75339584	2256005	06/22/1999
People Pleasers	74287397	2006450	10/08/1996

APPLICATIONS

<u>Mark</u>	<u>Serial Number</u>	<u>Filing Date/</u>
Carlos & Maria's	75764057	07/30/1999
It's Like Having A Restaurant In Your Microwave	75654506	03/08/1999
Michelina's Corn Dawgs	76033060	04/25/2000
Michelina's Lifestyle	76330211	10/26/2001
Michelina's Pizza Pasta	76033063	04/25/2000
Michelina's Pizza Snack Rolls	75539777	08/20/1998
Michelina's Ravin' Ravioli	76033058	04/25/2000
Michelina's Socceroni	76033061	04/25/2000
Michelina's Stir Crazy	76033062	04/25/2000
Michelina's That'za Pizza	76033056	04/25/2000
Pop 'N Chicken	76255798	05/14/2001
Zap 'Ems	78028833	10/03/2000

COLLECTIVE MEMBERSHIP MARKS

None.

UNREGISTERED MARKS

None.

#2698716\1