

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Milk Specialties Company		05/02/2006	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Mezzanine Opportunities LLC
Street Address:	191 West Nationwide
Internal Address:	Suite 600
City:	Columbus
State/Country:	OHIO
Postal Code:	43215
Entity Type:	LIMITED LIABILITY COMPANY: OHIO

PROPERTY NUMBERS Total: 36

Property Type	Number	Word Mark
Registration Number:	2127315	ADVANCE
Registration Number:	1526500	ASAP
Registration Number:	1036561	CALF MEDIC
Registration Number:	2945384	CALORIE PAK
Registration Number:	562159	CALVITA
Registration Number:	2701061	CAPSTONE NUTRITION, INC.
Registration Number:	1484492	ENERGY BOOSTER 100
Registration Number:	2289081	EXCELERATE
Registration Number:	1549664	FAT PAK
Registration Number:	2355962	KWIX MIX
Registration Number:	2636632	LEADERS IN FEEDING CANINE ATHLETES
Registration Number:	2311958	LIQUI-WEAN
Registration Number:	2871860	MEGATTRACT

CH \$915.00 2127315

Registration Number:	2101200	MS BIOSCIENCE
Registration Number:	1560065	NATIONAL
Registration Number:	1690414	NATIONAL
Registration Number:	2945910	NUTRASTART
Serial Number:	78300832	PERFORMANCE PAK
Registration Number:	2974386	POWER FRESHEN
Registration Number:	2373407	PREEMPT
Registration Number:	2527796	PREEMPT
Registration Number:	1377862	PRO-LYTE
Registration Number:	2934801	PROVANCE
Registration Number:	1378777	PVF
Registration Number:	1058909	START TO FINISH
Registration Number:	1837694	START TO FINISH MARE & FOAL PELLETS
Registration Number:	1837675	START TO FINISH PERFORMANCE PELLETS
Serial Number:	78432004	PEPPERMINT SNACKS
Registration Number:	2618715	GROGEL
Registration Number:	1046477	BERLINER & MARX
Registration Number:	914078	FARMBELT BRAND MEAT PRODUCTS FARMBELT
Registration Number:	936169	PLUME DE VEAU
Serial Number:	78624679	COOL OMEGA 40
Registration Number:	2934802	POWER BISCUITS
Registration Number:	1046478	FARMBELT
Registration Number:	794886	PLUME DE VEAU

CORRESPONDENCE DATA

Fax Number: (614)221-0479
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 6142293293
Email: todd.samples@baileycavalieri.com
Correspondent Name: Todd J. Samples
Address Line 1: 10 West Broad St
Address Line 2: Suite 2100
Address Line 4: Columbus, OHIO 43215

ATTORNEY DOCKET NUMBER:	10742-02178
NAME OF SUBMITTER:	Todd J. Samples
Signature:	/Todd J. Samples/

TRADEMARK

REEL: 003301 FRAME: 0602

Date:

05/03/2006

Total Attachments: 25

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THIS AGREEMENT IS SUBJECT TO THE TERMS OF A SUBORDINATION AND INTERCREDITOR AGREEMENT DATED AS OF MAY 2, 2006, BETWEEN LASALLE BANK NATIONAL ASSOCIATION, A NATIONAL BANKING ASSOCIATION, AND MEZZANINE OPPORTUNITIES LLC, AN OHIO LIMITED LIABILITY COMPANY, AS AGENT FOR ITSELF AND THE OTHER PURCHASERS UNDER THE PURCHASE AGREEMENT (AS DEFINED BELOW), AS ACKNOWLEDGED BY THE LOAN PARTIES (AS DEFINED BELOW).

**SECURITY AGREEMENT
RE: PATENTS, TRADEMARKS AND COPYRIGHTS**

THIS SECURITY AGREEMENT RE: PATENTS, TRADEMARKS AND COPYRIGHTS (the "Agreement") is made and entered into as of May 2, 2006 by and between MILK SPECIALTIES COMPANY, a Delaware corporation, with a mailing address at P.O. Box 278, Illinois & Water Streets, Dundee, Illinois 60118 (the "Debtor"), and MEZZANINE OPPORTUNITIES LLC, an Ohio limited liability company, in its capacity as administrative and collateral agent for the benefit of Purchasers (defined in the Purchase Agreement referred to below) and their respective successors and assigns, with a mailing address at c/o Stonehenge Partners, Inc., 191 West Nationwide, Suite 600, Columbus, OH 43215 (the "Agent").

Background

The following is a mutual statement by the parties of certain factual matters which form the basis of this Agreement.

A. Purchase Agreement. Pursuant to that certain Senior Subordinated Note Purchase Agreement (as the same may be amended, restated, substituted, supplemented or otherwise modified from time to time, the "Purchase Agreement") dated as of the date hereof among Milk Specialties Holding Company, a Delaware corporation, and its subsidiaries named therein (individually, a "Loan Party" and collectively, the "Loan Parties"), Agent and the Purchasers party thereto, the Purchasers have purchased the Notes (as defined in the Purchase Agreement) from the Loan Parties and the Loan Parties have incurred certain obligations to the Purchasers and Agent. Certain capitalized terms used in this Agreement and not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

B. Security Interest. The Purchasers are willing to purchase the Notes and enter into the Purchase Documents upon the condition that the Debtor grant to and create in favor of Agent, for the benefit of the Purchasers, security interests in certain property of the Debtor as security for the payment of the following (collectively, the "Secured Obligations"): (i) all obligations of the Loan Parties under any note, letter of credit, any other agreement, document or instrument with or in favor of Agent or any of the Purchasers that was executed and delivered in connection with the Purchase Agreement; (ii) all obligations of the Debtor hereunder; (iii) all obligations of the Loan Parties under the Purchase Agreement including, without limitation, the Notes and the Security Documents, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due; and (iv) all other obligations of the Loan Parties to Agent or any of the Purchasers, their successors and

assigns, in connection with the Purchase Agreement, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due. The Debtor has determined that the execution and delivery of this Agreement is in furtherance of its corporate purposes and in its best interest and that it will derive substantial benefit, whether directly or indirectly, from the execution of this Agreement, having regard for all relevant facts and circumstances.

Statement of Agreement

For and in consideration of the purchase of the Notes by the Purchasers and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

Section 1. Grant of Security Interest in the Collateral; Obligations Secured. (a) The Debtor hereby:

(1) mortgages, pledges and grants to Agent, for the benefit of the Purchasers, a security interest in, and acknowledges and agrees that Agent has and shall continue to have a continuing security interest in, any and all right, title and interest of the Debtor, whether now existing or hereafter acquired or arising, in and to the following:

(i) **Patents.** Patents, whether now owned or hereafter acquired, or in which Debtor now has or hereafter acquires any rights (the term "Patent" means and includes (A) all letters patent of the United States of America or any other country or any political subdivision thereof, now existing or hereafter acquired, all registrations and recordings thereof, and all applications for letters patent of the United States of America or any other country or any political subdivision thereof, now existing or hereafter acquired, including without limitation registrations, recordings and applications therefor in the United States Patent and Trademark Office or any other country or any political subdivision thereof and (B) all reissues, continuations, continuations-in-part or extensions thereof), including without limitation each Patent listed on Schedule A-1 hereto, and all of the inventions now or hereafter described and claimed in the Debtor's Patents;

(ii) **Patent Licenses.** Patent Licenses, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term "Patent Licenses" means and includes any written agreement granting to any person any right to exploit, use or practice any invention on which a Patent is owned by another person), including without limitation each Patent License listed on Schedule A-2 hereto, and all royalties and other sums due or to become due under or in respect of the Debtor's Patent Licenses, together with the right to sue for and collect all such royalties and other sums;

(iii) **Trademarks.** Trademarks, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term "Trademarks" means and includes (A) all trademarks, trade names, trade styles, service marks and logos, all prints and labels on which said trademarks,

trade names, trade styles, service marks and logos have appeared or appear and all designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including without limitation registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any state thereof or any other country or any political subdivision thereof and (B) all renewals thereof), including without limitation each Trademark application and registration listed on Schedule B-1 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark;

(iv) **Trademark Licenses.** Trademark Licenses, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term “Trademark Licenses” means and includes any written agreement granting to any person any right to use or exploit any Trademark or Trademark registration of another person), including without limitation the agreements described in Schedule B-2 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark licensed and all royalties and other sums due or to become due under or in respect of the Debtor’s Trademark Licenses, together with the right to sue for and collect all such royalties and other sums;

(v) **Copyrights.** Copyrights and Copyright registrations, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term “Copyrights” means and includes (A) all original works of authorship fixed in any tangible medium of expression, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including without limitation registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States of America, any state thereof or any other country or any political subdivision thereof and (B) all renewals thereof), including without limitation each Copyright registration listed on Schedule C-1 hereto;

(vi) **Copyright Licenses.** Copyright Licenses, whether now owned or hereafter acquired, or in which the Debtor now has or hereafter acquires any rights (the term “Copyright Licenses” means and includes any written agreement granting to any person any right to use or exploit any Copyright or Copyright registration of another person), including without limitation the agreements described in Schedule C-2 hereto, and all royalties and other sums due or to become due under or in respect of the Debtor’s Copyright Licenses, together with the right to sue for and collect all such royalties and other sums; and

(vii) **Proceeds and Products.** All proceeds and products of the foregoing and all insurance of the foregoing and proceeds thereof, whether now existing or hereafter arising, including without limitation (A) any claim of the Debtor against third parties for damages by reason of past, present or future

infringement of any Patent or any Patent licensed under any Patent License, (B) any claims by the Debtor against third parties for damages by reason of past, present or future infringement or dilution of any Trademark or of any Trademark licensed under any Trademark License, or for injury to the goodwill of the business connected with the use of, or symbolized by, any Trademark or of any Trademark licensed under any Trademark License, (C) any claim of the Debtor against third parties for damages by reason of past, present or future infringement of any Copyright or any Copyright licensed under any Copyright License, and (D) any claim of the Debtor against third parties for damages by reason of past, present or future infringement of any Copyright or any Copyright licensed under any Copyright License, and (E) any claim by the Debtor against third parties for damages by reason of past, present or future misappropriation or wrongful use or disclosure of any trade secret or other property or right described above or of any such trade secret or other property or right licensed under any license or agreement described above, and together with the right to sue for and collect the damages described in the immediately preceding clauses (A), (B), (C) and (D);

all of the foregoing being herein sometimes referred to as the "Collateral"; provided, however, that the Collateral described above shall not include any interest of the Debtor in any contract, license, permit or similar general intangible if the granting of a security interest therein is prohibited by the terms of the written agreement creating or evidencing such contract, license, permit or similar intangible, provided, further, that, notwithstanding anything set forth in the proviso set forth above to the contrary, to the extent not prohibited by law, Agent shall at all times have a security interest in all rights of the Debtor to payments of money due or to become due under any such contract, license, permit or similar general intangible, and all proceeds thereof, and, if and when the prohibition which prevents the granting of a security interest in any such property is removed, terminated or otherwise becomes unenforceable as a matter of law, Agent will be deemed to have, and at all times to have had, a security interest in such property and the Collateral will be deemed to include, and at all times to have included, such property; and

(2) in furtherance of granting such security interest, grants, bargains, sells, transfers, conveys and assigns as security to Agent the Patents, the Patent Licenses, the Copyrights and the Copyright Licenses. Notwithstanding anything herein to the contrary, this Agreement shall not operate as a sale, transfer, conveyance or other assignment to Agent of any applications by the Debtor for a Trademark based on an intent to use the same if and so long as such application is pending and not matured into a registered Trademark (such pending applications which are based on intent to use being hereinafter referred to collectively as "Intent-To-Use Applications"), but rather, if and so long as the Debtor Intent-To-Use Application is pending this Agreement shall operate only to create a security interest for collateral purposes in favor of Agent on such Intent-To-Use Application as collateral security for the Secured Obligations.

(b) This Agreement, including the security interest granted hereunder, is made and given to secure, and shall secure, the prompt payment or performance in full when due, whether by lapse of time, acceleration or otherwise, of the Secured Obligations.

Section 2. Continuing Agreement; Termination and Release. This Agreement is made for collateral purposes only. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Secured Obligations shall have been fully paid and satisfied and all of the Purchasers' obligations to provide credit under the Purchase Agreement shall have terminated. Upon such termination of this Agreement, Agent shall, upon the request and at the expense of the Debtor, forthwith release, assign and transfer, without recourse, and, to the extent applicable, deliver, against receipt and without recourse to Agent, such of the Collateral as may then be in the possession of Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof to or on the order of the Debtor. Said release, assignment, transfer and delivery shall include an instrument in form recordable in the United States Patent and Trademark Office and the United States Copyright Office by which Agent shall terminate, release and, without representation, recourse or warranty, reassign to the Debtor all rights in each Patent, Patent License, Trademark, Trademark License, Copyright and Copyright License, including each registration thereof and application therefor, conveyed and transferred to Agent pursuant to this Agreement.

Section 3. No Release. Nothing set forth in this Agreement shall relieve the Debtor from the performance of any term, covenant, condition or agreement on the Debtor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any party under or in respect of any of the Collateral or impose any obligation on Agent to perform or observe any such term, covenant, condition or agreement on the Debtor's part to be so performed or observed or impose any liability on Agent for any act or omission on the part of the Debtor relative thereto or for any breach of any representation or warranty on the part of the Debtor contained in this Agreement or under or in respect of the Collateral or made in connection herewith or therewith.

Section 4. Use of Collateral. Notwithstanding anything to the contrary contained herein, until an Event of Default has occurred and is continuing and until otherwise notified thereof by Agent, the Debtor may continue to exploit, license, use, enjoy and protect the Collateral throughout the world and Agent shall from time to time execute and deliver, upon written request of the Debtor, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the reasonable judgment of the Debtor to enable the Debtor to continue to exploit, license, use, enjoy and protect the Collateral throughout the world. In furtherance of the foregoing but subject to Sections 9 and 10 hereof, Agent grants to the Debtor an exclusive, perpetual, world-wide, royalty-free right and license, with the right to exploit, license, use, enjoy and protect the Patents, the Patent Licenses, the Copyrights and the Copyright Licenses for any and all purposes.

Section 5. Representations and Warranties of the Debtor. The Debtor hereby represents and warrants to Agent as follows:

(a) The Debtor is, and, as to the Collateral acquired by it from time to time after the date hereof, the Debtor will be, the owner or, as applicable, licensee of all the Collateral. The Debtor's rights in the Collateral are and shall remain free and clear of any lien, pledge, security interest, encumbrance, assignment, collateral assignment or charge of any kind, including without limitation any filing of, or agreement to file, a financing statement as debtor under the Uniform Commercial Code or any similar statute, except for the lien and security interest created by this Agreement and Permitted Liens. The Debtor has made no previous assignment, conveyance, transfer or agreement in conflict with the liens granted hereby, other than in favor of the Senior Lender. The Debtor further represents and warrants to Agent that Schedules A-1, A-2, B-1, B-2, C-1 and C-2 hereto, respectively, are true and correct lists of all Patents, Patent Licenses, Trademarks, Trademark Licenses, Copyrights and Copyright Licenses owned or used by the Debtor as of the date hereof and that Schedules A-1, A-2, B-1, B-2, C-1 and C-2 are true and correct in all material respects with respect to the matters set forth therein as of the date hereof.

(b) The Debtor has made all necessary filings and recordations to protect its interests in the Collateral in each case to the extent a failure to do so could reasonably be expected to have a Material Adverse Effect.

(c) The Debtor owns directly or has rights to use all the Collateral and all rights with respect to any of the foregoing used in or necessary for the business of the Debtor in the ordinary course as presently conducted, except where the failure to own or have such rights would not have a Material Adverse Effect. The use of the Collateral and all rights with respect to the foregoing by the Debtor does not, to the actual knowledge of the Debtor, infringe, in any material respect, on the rights of any party, nor, to Debtor's knowledge, has any claim of such infringement been made.

(d) Upon appropriate filings and the acceptance thereof in the appropriate offices under the Uniform Commercial Code, in the United States Patent and Trademark Office and the United States Copyright Office, this Agreement will create a valid and duly perfected lien on and security interest in the Collateral located in the United States of America effective against purchasers from and creditors of the Debtor, subject to no prior liens or encumbrances other than Permitted Liens.

Section 6. Covenants and Agreements of the Debtor. The Debtor hereby covenants and agrees with Agent as follows:

(a) On a continuing basis, the Debtor will, at the expense of the Debtor, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places within the United States of America, all such instruments, including without limitation appropriate financing and continuation statements and collateral agreements, and take all such action as may reasonably be deemed necessary or advisable by Agent (i) to carry out the intent and purposes of this Agreement, (ii) to assure and confirm to Agent the grant or

perfection of the security interest in the Collateral intended to be created hereby, subject to no prior Liens or encumbrances other than Permitted Liens, for the benefit of Agent or (iii) to enable Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral.

(b) Without limiting the generality of the foregoing paragraph (a) of this Section 6, the Debtor (i) will not enter into any agreement that would materially impair or conflict with the Debtor's obligations hereunder; (ii) will, promptly following its becoming aware thereof, notify Agent of (x) any final adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office that could reasonably be expected to have a Material Adverse Effect or (y) the institution of any proceeding or any adverse determination in any federal, state, local or foreign court or administrative body regarding the Debtor's claim of ownership in or right to use any of the Collateral, its right to register any such Collateral or its right to keep and maintain such registration, in each case, that could reasonably be expected to have a Material Adverse Effect; (iii) will preserve and maintain all rights in the Collateral, unless no longer used in the ordinary course of the Debtor's business or no longer deemed necessary to the Debtor's business; (iv) will not grant or permit to exist any lien or encumbrance upon or with respect to the Collateral or any portion thereof except Permitted Liens and will not execute any security agreement or financing statement covering any of the Collateral except in favor of Agent or, subject to the provisions of the Subordination Agreement, the Senior Lender; (v) will not permit to lapse or become abandoned (unless no longer used in the ordinary course of the Debtor's business or no longer deemed necessary to the Debtor's business), or settle or compromise any pending or future material litigation or material administrative proceeding with respect to any Collateral that could reasonably be expected to have a Material Adverse Effect without the prior written consent of Agent (which consent shall not be unreasonably withheld, conditioned or delayed), or, except for licenses of Collateral in the ordinary course of business, contract for sale or otherwise sell, convey, assign or dispose of, or grant any option with respect to, the Collateral or any portion thereof; (vi) upon the Debtor obtaining knowledge thereof, will promptly notify Agent in writing of any event that could reasonably be expected to have a Material Adverse Effect on the value of any of the Collateral, the ability of the Debtor or Agent to dispose of any such Collateral or the rights and remedies of Agent in relation thereto, including without limitation a levy or threat of levy or any legal process against any such Collateral that could reasonably be expected to have a Material Adverse Effect; (vii) will diligently keep reasonable records respecting the Collateral; (viii) hereby authorizes Agent, in its sole discretion, to file one or more financing or continuation statements relative to all or any part of the Collateral without the signature of the Debtor where permitted by law (and the Collateral Agent agrees to provide the Debtor notice after any such filing is made pursuant to this clause (viii), provided the failure to give such notice shall not affect the validity or enforceability of the relevant filing); (ix) will furnish to Agent from time to time statements and schedules further identifying and describing the Collateral and such other materials evidencing or reports pertaining to the Collateral as Agent may reasonably request, all in reasonable detail; (x) will pay when due any and all taxes, levies, maintenance fees, charges, assessments, licenses fees and similar taxes or

impositions payable in respect of the Collateral except to the extent being contested in good faith by appropriate proceedings which prevent the enforcement of the matter being contested (and for which the Debtor has established adequate reserves) and do not interfere with the business of the Debtor in the ordinary course or unless no longer necessary to the Debtor's business; and (xi) comply in all respects with all laws, rules and regulations applicable to the Collateral except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect.

(c) If, before the Secured Obligations shall have been paid and satisfied in full, the Debtor shall obtain any rights to or become entitled to the benefit of any new patent, patent application, service mark, trade name, trademark, trademark application, trademark registration, copyright, copyright application, copyright registration, license renewal or extension, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and the same shall automatically constitute Collateral and be and become subject to the assignment, lien and security interest created hereby, as the case may be, without further action by any party, all to the same extent and with the same force and effect as if the same had originally been Collateral hereunder. If the Debtor so obtains or becomes entitled to any of the rights described above which are material, the Debtor shall promptly give written notice thereof to Agent. The Debtor agrees to confirm the attachment of the lien and security interest created hereby to any such rights described above by execution of instruments, including, but not limited to, instruments for recordation with the United States Patent and Trademark Office and the United States Copyright Office, in form and substance acceptable to Agent.

(d) The Debtor shall promptly notify Agent of any future Collateral and, upon receipt of such notice by Agent, Schedules A-1, A-2, B-1, B-2, C-1 and C-2 hereto shall be deemed amended to include reference to any such future Collateral.

(e) The Debtor shall prosecute diligently applications for the Patents, Trademarks and Copyrights now or hereafter pending and make application on unpatented but patentable inventions and registrable but unregistered Trademarks and Copyrights, that, in each case, in the Debtor's reasonable judgment would be materially beneficial to the business of the Debtor in the ordinary course as presently, and as now contemplated will be, conducted, file and prosecute opposition and cancellation proceedings and perform all acts necessary to preserve and maintain all rights in the Collateral, unless as to any Patent, Trademark or Copyright, in the reasonable judgment of the Debtor, such Patent, Trademark or Copyright has become immaterial or obsolete to such business of the Debtor. Any expenses incurred in connection with such actions shall be borne by the Debtor.

(f) The Debtor will, with respect to the Collateral, comply with the provisions regarding insurance contained in Section 7.1(c) of the Purchase Agreement.

(g) The Debtor shall not abandon any right to file any material patent application, trademark application, service mark application, copyright application, patent, trademark or copyright without the prior written consent of Agent, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 7. Supplements; Further Assurances. The Debtor (i) agrees that it will join with Agent in executing and, at its own expense, file and refile, or permit Agent to file and refile, such financing statements, continuation statements and other instruments and documents (including without limitation this Agreement) in such offices (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office) as Agent may reasonably deem necessary or appropriate in order to perfect and preserve the rights and interests granted to Agent hereunder and (ii) hereby authorizes Agent to file and refile such instruments and documents and any other instruments or documents related thereto without the signature of the Debtor where permitted by law and (iii) agrees to do such further acts and things, and to execute and deliver to Agent such additional instruments and documents, as Agent may require to carry into effect the purposes of this Agreement or to better assure and confirm unto Agent its respective rights, powers and remedies hereunder. All of the foregoing are to be at the sole cost of the Debtor. Any reasonable costs of the foregoing incurred by Agent shall be payable by the Debtor within ten (10) Business Days after demand therefor, and shall constitute additional Secured Obligations.

Section 8. Agent May Perform. If the Debtor fails to perform any agreement contained herein after receipt of a written request to do so from Agent, Agent may itself (upon ten (10) days' prior written notice to the Debtor unless Agent in good faith determines that immediate payment or performance is reasonably necessary to protect or preserve the Collateral), but shall not be obligated to, perform, or cause performance of, such agreement, and the reasonable expenses of Agent, including the reasonable fees and expenses of its counsel, so incurred in connection therewith shall be payable by the Debtor.

Section 9. Remedies. Upon the occurrence and during the continuation of any Event of Default, Agent shall have, in addition to all other rights provided herein, in the Purchase Agreement or by law, the rights and remedies of a Agent under the Uniform Commercial Code, and further Agent may, without demand and without advertisement, notice (except as required by law), hearing or process of law, all of which the Debtor hereby waives, at any time or times, sell and deliver any or all of the Collateral at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as Agent deems advisable, in its sole discretion. In addition to all other sums due Agent hereunder, the Debtor shall pay Agent all reasonable costs and expenses incurred by Agent, including reasonable attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of the Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against Agent or the Debtor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations.

Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, Agent may to the full extent permitted by applicable law, with ten (10) days' prior notice to the Debtor, and without advertisement, notice, hearing or

process of law of any kind, all of which the Debtor hereby waives, (i) exercise any and all rights as beneficial and legal owner of the Collateral, including without limitation any and all consensual rights and powers with respect to the Collateral and (ii) sell or assign or grant a license to use, or cause to be sold or assigned or a license granted to use, any or all of the Collateral or any part hereof, in each case free of all rights and claims of the Debtor therein and thereto, but subject to any existing licenses in the Collateral permitted under the terms of this Agreement. In that connection, Agent shall have the right to cause any or all of the Collateral to be transferred of record into the name of Agent or its nominee as well as the right to impose (i) such limitations and restrictions on the sale or assignment of the Collateral as Agent may deem to be necessary or appropriate to comply with any law, rule or regulation, whether federal, state or local, having applicability to the sale or assignment and (ii) requirements for any necessary governmental approvals.

Failure by Agent to exercise any right, remedy or option under this Agreement or any other agreement between the Debtor and Agent or provided by law, or delay by Agent in exercising the same, shall not operate as a waiver; no waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. Neither Agent nor any party acting as attorney for Agent shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. The rights and remedies of Agent under this Agreement shall be cumulative and not exclusive of any other right or remedy which Agent may have.

Section 10. Power of Attorney. The Debtor hereby irrevocably appoints Agent, its nominee, or any other person whom Agent may designate as the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor, Agent or otherwise, upon the occurrence and during the continuation of any Event of Default, or if the Debtor fails to perform any agreement contained herein within ten (10) days after Agent's written request, then to the extent necessary to enable Agent to perform such agreement itself, from time to time in Agent's discretion, to take any action and to execute any instrument which Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation to record an assignment of the Trademarks and Trademark Licenses, if any, to Agent with the United States Patent and Trademark Office, to prosecute diligently any Patent, Trademark or Copyright or any application for Patents, Trademarks or Copyrights pending as of the date of this Agreement or thereafter until the Secured Obligations shall have been paid in full, to make application on unpatented but patentable inventions and registrable but unregistered Trademarks or Copyrights, to file and prosecute opposition and cancellation proceedings, to do all other acts necessary or desirable to preserve all rights in Collateral and otherwise to file any claims or take any action or institute any proceedings which Agent may reasonably deem necessary or desirable to accomplish the purpose of this Agreement. The Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither Agent nor any such attorney will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. The foregoing power of attorney, being coupled with an interest, is irrevocable until the Secured Obligations have been fully paid and satisfied.

Section 11. Application of Proceeds. The proceeds and avails of the Collateral at any time received by Agent upon the occurrence and during the continuation of any Event of Default shall, when received by Agent in cash or its equivalent, be applied by or at the direction of Agent in the following manner:

(a) First, to the payment or reimbursement of all reasonable advances, expenses and disbursements of Agent (including, without limitation, the reasonable fees and disbursements of its counsel and agents) incurred in connection with the administration and enforcement of, or the preservation of any rights under, this Agreement or the Purchase Agreement or in the collection of the obligations of the Loan Parties under the Notes; and

(b) Second, to be applied in any manner desired by Agent to the satisfaction of the Secured Obligations.

Section 12. Miscellaneous. (a) The Debtor hereby indemnifies Agent and the Purchasers for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable costs, reasonable expenses or disbursements (including reasonable attorneys' fees) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against Agent or any Purchaser, in any way relating to or arising out of, directly or indirectly, (i) the manufacture, use or sale or other disposition of products or processes utilizing or embodying any Collateral or (ii) any transactions contemplated hereby or any enforcement of the terms hereof, including, but not limited to, any action of, or failure to act by, Agent in connection with this Agreement; provided, however, that the Debtor shall not be liable for any of the foregoing to the extent they arise from the gross negligence or intentional misconduct of Agent.

(b) All communications hereunder shall be in writing and shall be given to the relevant party, and shall be deemed to have been made when given to the relevant party, in accordance with Section 10.6 of the Purchase Agreement.

(c) In the event that any provision hereof shall be deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall be construed as not containing such provision, but only as to such jurisdictions where such law or interpretation is operative, and the invalidity of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(d) This Agreement shall be deemed to have been made in this State of Ohio and shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to principles of conflicts of law, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of Ohio. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(e) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument.

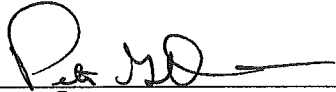
(f) Each of the parties hereto hereby, to the fullest extent permitted by law, waives trial by jury in any action brought under or in connection with this Agreement or any of the other Loan Documents.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement Re. Patents, Trademarks and Copyrights to be duly executed as of the date first above written.

DEBTOR:

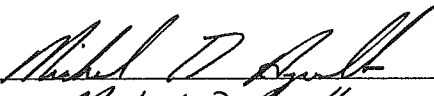
MILK SPECIALTIES COMPANY,
a Delaware corporation

By: 
Name: PETER G. DAVIES
Title: CHAIRMAN

Accepted and agreed to by Agent as of the date first above written.

AGENT:

MEZZANINE OPPORTUNITIES LLC,
an Ohio limited liability company


By: 
Name: Michael P. Agnellis
Title: Vice President

ILLINOIS
STATE OF OHIO)
 COOK) SS
COUNTY OF FRANKLIN)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that PETER G. DAVIES, CHAIRMAN of MILK SPECIALTIES COMPANY, a Delaware corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 2nd day of MAY, 2006.




Notary Public

MARTIN SALZMAN
(Type or Print Name)

My Commission Expires: 03/09/09

ILLINOIS
STATE OF OHIO)
Cook) SS
COUNTY OF FRANKLIN)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that MICHAEL D. ARNONE, VICE PRESIDENT of MEZZANINE OPPORTUNITIES LLC, an Ohio limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act and deed of said limited liability company for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 2nd day of May, 2006.



Martin Salzman
Notary Public

MARTIN SALZMAN
(Type or Print Name)

My Commission Expires: 03/09/09

SCHEDULE A-1

**TO SECURITY AGREEMENT
RE: PATENTS, TRADEMARKS AND COPYRIGHTS**

**U.S. Patent Numbers
And Pending U.S. Patent Application Numbers**

PATENTS			
Patent No.	Reg. Date	Name of Invention	Owner
6,033,689	March 7, 2000	Animal Feed Composition of Soluble Sugar and Dicarboxylic Acid	Milk Specialties Company (misspelled at PTO)
6,033,689	March 7, 2000	Animal feed composition of soluble sugar and dicarboxylic acid	Milk Specialties Company

SCHEDULE A-2

**TO SECURITY AGREEMENT
RE: PATENTS, TRADEMARKS AND COPYRIGHTS**

Patent Licenses

1. Sublicense Agreement, dated July 28, 1995, between Milk Specialties Company, as sublicensor, and Kyoritsu Shoji Company Ltd., as sublicensee
2. License Agreement, dated November 21, 1994, between the Agricultural Research Service (an agency of the United States Department of Agriculture), as licensor, and Milk Specialties Company, as licensee

SCHEDULE B-1

**TO SECURITY AGREEMENT
RE: PATENTS, TRADEMARKS AND COPYRIGHTS**

**Registered U.S. Trademarks
And Trademark Applications**

REGISTERED TRADEMARKS - State					
Mark	Reg. No.	Reg. Date	State of Reg.	Goods/Services	Owner
PEPPERMINT SNACKS	1,179,885	August 10, 2000	Ohio	Food for horses	Milk Specialties Company

REGISTERED TRADEMARKS/TRADEMARK APPLICATIONS – U.S. Federal				
Mark	Reg/App No.	Reg/Filing Date	Goods/Services	Owner
ADVANCE	2,127,315	January 6, 1998	(Int. Cl. 5) Nutritional supplements for livestock (Int. Cl. 31) Animal feeds	Milk Specialties Company
ASAP	1,526,500	February 28, 1989	Fortified non-medicated feed supplements for correcting digestive disturbances in ruminant animals	Milk Specialties Company
CALF MEDIC	1,036,561	March 30, 1976	Medicated milk substitute for calves	Milk Specialties Company
CALORIE PAK	2,945,384	April 26, 2005	Animal feed supplement, namely, equine dry fat supplement	Milk Specialties Company

REGISTERED TRADEMARKS/TRADEMARK APPLICATIONS – U.S. Federal				
Mark	Reg/App No.	Reg/Filing Date	Goods/Services	Owner
CALVITA	562,159	July 29, 1952, renewed October 17, 2002.	Feed supplement for live stock whose principal ingredients are protein, fat, fiber and vitamins	Milk Specialties Company
CAPSTONE NUTRITION, INC.	2,701,061	March 25, 2003	(Int. Cl. 5) Nutritional supplements, namely, vitamins and minerals for pets, livestock and farm animals (Int. Cl. 31) Feed for animals, namely, pets, livestock and farm animals (Int. Cl. 40) Treatment of materials, namely, preparation of feedstuffs for animals	Milk Specialties Company
ENERGY BOOSTER 100	1,484,492	April 12, 1988	Animal feeds which may also be used as an animal feed supplement	Milk Specialties Company
EXCELERATE	2,289,081	October 26, 1999	Milk replacer for dairy cattle	Milk Specialties Company
FAT PAK	1,549,664	July 25, 1989	Animal feeds; fats used as animal feeds and feed supplements	Milk Specialties Company
KWIX MIX & Design	2,355,962	June 6, 2000	Animal feed, namely, milk replacers	Milk Specialties Company
LEADERS IN FEEDING CANINE ATHLETES	2,636,632	October 15, 2002	Dog food	Milk Specialties Company
LIQUI-WEAN	2,311,958	January 25, 2000	Animal feed, namely baby pig milk replacer	Milk Specialties Company
MEGATTRACT	2,871,860	August 10, 2004	Animal feed additive, namely, an animal attractant for feeding	Milk Specialties Company

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REGISTERED TRADEMARKS/TRADEMARK APPLICATIONS – U.S. Federal					
Mark	Reg/App No.	Reg/Filing Date	Goods/Services	Owner	
MS BIOSCIENCE	2,101,200	September 30, 1997	Probiotic preparations used in food production, namely, compositions of bacteria for controlling other bacterial populations in the nature of pathogens in animals and humans, and bacterial populations which attack plants	Milk Specialties Company	
NATIONAL	1,560,065	October 10, 1989	Complete line of animal feeds	Milk Specialties Company	
NATIONAL	1,690,414	June 2, 1992	Animal feeds; namely, mink and fox feed	Milk Specialties Company	
NUTRASTART	2,945,910	May 3, 2005	Animal feed, namely, calf milk replacer	Milk Specialties Company	
PERFORMANCE PAK	78/300,832	September 16, 2003	Animal feed supplement, namely, equine dry fat supplement	Milk Specialties Company	
POWER FRESHEN	2,974,386	July 19, 2005	Animal feed supplement, namely, cow feed supplement	Milk Specialties Company	
PREEMPT	2,373,407	August 1, 2000	Dietary supplements for livestock in the nature of a preparation of pathogen free live bacteria for use in promoting the growth of healthy bacteria in livestock thereby decreasing risks of food borne illnesses in humans	Milk Specialties Company	

REGISTERED TRADEMARKS/TRADEMARK APPLICATIONS – U.S. Federal				
Mark	Reg/App No.	Reg/Filing Date	Goods/Services	Owner
PREEMPT	2,527,796	January 8, 2002	Dietary supplements for livestock in the nature of a preparation of pathogen free live bacteria for use in promoting the growth of healthy bacteria in livestock thereby decreasing risks of food borne illnesses in humans	Milk Specialties Company
PRO-LYTE	1,377,862	January 14, 1986	Animal feed supplement	Milk Specialties Company
PROVANCE	2,934,801	March 22, 2005	Microbial supplement for calves	Milk Specialties Company
PVF & Design	1,378,777	January 21, 1986	Medicated animal feed	Milk Specialties Company
START TO FINISH	1,058,909	February 15, 1977	Vitamin-mineral-protein supplement for animal feed	Milk Specialties Company
START TO FINISH MARE & FOAL PELLETS & Design	1,837,694	May 31, 1994	Nutritional supplements for use as, and for use with, horse feeds	Milk Specialties Company
START TO FINISH PERFORMANCE PELLETS & Design	1,837,675	May 31, 1994	Nutritional supplements for use as, and for use with, feeds for livestock, domestic pets, and a variety of other animals	Milk Specialties Company
PEPPERMINT SNACKS	78/432,004	June 8, 2004	Horse feed	Milk Specialties Company
GROGEL	2,618,715	September 10, 2002	Non-medicated additives for poultry feed	Milk Specialties Company
BERLINER & MARX	1,046,477	August 17, 1976	Fresh & frozen beef, veal, lamb, and port carcasses and all wholesale and portion cuts derived therefrom liver, sweetbreads, hearts, tongue and brains	Milk Specialties Company

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REGISTERED TRADEMARKS/TRADEMARK APPLICATIONS – U.S. Federal				
Mark	Reg/App No.	Reg/Filing Date	Goods/Services	Owner
FARMBELT BRAND MEAT PRODUCTS FARMBELT & Design	914,078	June 8, 1971	Fresh and frozen beef, veal, lamb, and pork carcasses and all wholesale and portion cuts derived therefrom, liver, sweetbreads, hearts, tongue, and brains	Milk Specialties Company
PLUM DE VEAU & Design	936,169	June 20, 1972	Fresh and frozen veal carcasses and all wholesale cuts derived therefrom	Milk Specialties Company
COOL OMEGA 40	78/624,679	May 6, 2005	Horse feed supplement, in Class 31.	Milk Specialties Company
PEPPERMINT SNACKS	78/432,004	June 8, 2004	Horse feed, in Class 31.	Milk Specialties Company
POWER BISCUITS	2,934,802	March 22, 2005	Dog food, in Class 31.	Milk Specialties Company
FARMBELT	1,046,478	August 17, 1976	Fresh and frozen beef, veal, lamb, and pork carcasses and all wholesale and portion cuts derived therefrom, liver, sweetbreads, hearts, tongue, and brains, in Class 29.	Milk Specialties Company
PLUM DE VEAU	794,886	August 24, 1965	Fresh and frozen veal carcasses and all wholesale cuts derived therefrom, in Class 29.	Milk Specialties Company

INTERNATIONAL TRADEMARKS					
Mark	Reg. No.	Filing Date	Country	Goods/Services	Owner
CF3	4157196	June 19, 1998	Japan	Class 5	Milk Specialties Company
CF3	4179232	August 21, 1998	Japan	Class 31	Milk Specialties Company
DEROCHINIJUUKYUU DEROCHINIKYUU			Japan	Class 5	Milk Specialties Company
DEROCHINIJUUKYUU DEROCHINIKYUU			Japan	Class 31	Milk Specialties Company

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INTERNATIONAL TRADEMARKS

GROGEL	4,518,146	November 2, 2001	Japan	Milk Specialties Company
PREEMPT	TMA54421 7	April 27, 2001	Canada	Milk Specialties Company

Dietary supplements for livestock in the nature of a preparation of pathogen free live bacteria for use in promoting the growth of healthy bacteria in livestock thereby decreasing risks of food borne illnesses in humans

SCHEDULE B-2

**TO SECURITY AGREEMENT
RE: PATENTS, TRADEMARKS AND COPYRIGHTS**

Trademark Licenses

1. Sublicense Agreement, dated July 28, 1995, between Milk Specialties Company, as sublicensor, and Kyoritsu Shoju Company Ltd., as sublicense
2. Licensing and Service Agreement, effective August 22, 2005, between Milk Specialties Company, as licensor, and Performance Horse Nutrition, LLC, as licensee

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#476522v1

SCHEDULE C-1

**TO SECURITY AGREEMENT
RE: PATENTS, TRADEMARKS AND COPYRIGHTS**

Registered U.S. Copyrights and Copyright Applications

REGISTERED COPYRIGHTS			
Reg. No.	Reg. Date	Title	Owner
TX-3-237-712	September 26, 1991	Fats in animal feeds: a brief review of fats-kinds, make-up, digestion, absorption and use in rations of both ruminants and non-ruminants	Milk Specialties Company

SCHEDULE C-2

**TO SECURITY AGREEMENT
RE: PATENTS, TRADEMARKS AND COPYRIGHTS**

Copyright Licenses

None.

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