

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Submission Type

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

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other _____

Effective Date
Month Day Year
03 31 00

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
03 29 00

Name Scot Lad Foods, Inc.

Formerly _____

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

Receiving Party

Mark if additional names of receiving parties attached

Name Bank One, Wisconsin

DBA/AKATA _____

Composed of _____

Address (line 1) 111 East Wisconsin Avenue

Address (line 2) _____

Address (line 3) Milwaukee
City

Wisconsin
State/Country

53202
Zip Code

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

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

FOR OFFICE USE ONLY

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

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

70000691

REEL: 002038 FRAME: 0554

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Expires 06/30/99
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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Domestic Representative Name and Address Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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

Trademark Application Number(s) or Registration Number(s) Mark if additional numbers attached
Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1175416"/>	<input type="text" value="1174870"/>	<input type="text" value="1158633"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="783307"/>	<input type="text" value="842959"/>	<input type="text" value="1204951"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1204950"/>	<input type="text" value="1204949"/>	<input type="text" value="947324"/>

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

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

Marta S. Levine Marta Levine May 2, 2000
Name of Person Signing Signature Date Signed

RECORDATION FORM COVER SHEET CONTINUATION TRADEMARKS ONLY

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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

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

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

1330408	1473393	1836966
1197613	1485845	1491922
1257967		

TRADEMARK

REEL: 002038 FRAME: 0556

**GENERAL INTANGIBLES MORTGAGE
AND SECURITY AGREEMENT**

THIS GENERAL INTANGIBLES MORTGAGE AND SECURITY AGREEMENT (the "Intangibles Mortgage") is entered into as of March 31, 2000 by and between SCOT LAD FOODS, INC., a Wisconsin corporation (the "Mortgagor"), and BANK ONE, WISCONSIN ("Bank One" or the "Agent"), as Agent for itself and the several Lenders from time to time parties to the Credit Agreement (as hereinafter defined) (the Agent and such Lenders being sometimes collectively referred to hereinafter as the "Mortgagees"). All capitalized terms not otherwise defined herein are used as defined in the Credit Agreement.

RECITALS

WHEREAS, Mortgagor's ultimate parent corporation, the Agent, Mortgagees and others are parties to that certain Credit Agreement of even date herewith (as the same may be amended from time to time, the "Credit Agreement"); and

WHEREAS, Mortgagor is a party to that certain Subsidiary Guaranty of even date herewith (as the same may be amended from time to time, the "Guaranty"); and

WHEREAS, it is a condition of the Credit Agreement that, in order to further secure the Secured Obligations, including without limitation the Guaranteed Obligations (as that term is defined in the Guaranty), the Mortgagor and the Agent enter into this Intangibles Mortgage, pursuant to which the Mortgagor grants to the Agent a lien, security interest and mortgage in all of the Mortgagor's now existing and hereafter created or acquired patents, trademarks, trade names, service marks, the entire goodwill of the business of the Mortgagor connected with and symbolized by such trademarks, service marks, trade names and all of the other general intangibles of the Mortgagor.

NOW, THEREFORE, in order to further secure all present and future Secured Obligations to Mortgagees, including the payment and performance of all obligations of the Mortgagor described herein and of the Loan Parties described in the Loan Documents (collectively, the "Obligations"), and for other good and valuable consideration, the sufficiency and receipt of which by the Mortgagor is hereby acknowledged, the Mortgagor and the Agent hereby agree as follows:

1. The Mortgagor hereby mortgages and pledges unto the Agent (for the benefit of the Mortgagees) and creates a security interest in, with full power of sale upon the occurrence and during the continuance of a Default, all of the Mortgagor's right, title and interest throughout the world in and to:

(a) The United States patents and applications for patent of the Mortgagor described in Exhibit A hereto, and all other United States and foreign patents and applications for patent of the Mortgagor now existing or hereafter filed or acquired by Mortgagor;

(b) The inventions disclosed and/or claimed in all of the said United States and foreign patents and applications for patent, and all other proprietary inventions now owned by the Mortgagor or hereafter made, created or acquired by or exclusively for the Mortgagor whether or not any of said inventions are patentable;

(c) All other patents or like protection that have been or may in the future be granted on any of the aforesaid inventions and/or applications to the Mortgagor, or to any assignor of the rights to any such invention to such Mortgagor, whether in the United States or in any other country or place anywhere in the world;

(d) The United States and State registered trademarks, trade names and service marks and applications for registrations of trademarks, trade names and service marks of the Mortgagor described in Exhibit B hereto, and all other trademarks, service marks and trade names and applications to register the same of the Mortgagor, whether registered or unregistered and wherever registered, now existing or hereafter arising, created or acquired by the Mortgagor, whether in the United States or in any other country or place anywhere in the world;

(e) All renewals, reissues, continuations, extensions or the like of any patents, trademarks, services marks, trade names and like protection, including without limitation, those obtained or permissible under past, present and future laws and statutes of the United States, any State or any other country or place anywhere in the world;

(f) All rights of action on account of past, present, and future unauthorized use of any of said inventions, trademarks, service marks, or trade names and for infringement of said patents, trademarks, service marks or trade names and like protection;

(g) The right to file and prosecute applications for patents, and for registration of trademarks, service marks, and trade names on any of said inventions, trademarks, service marks, trade names, or for similar intellectual property in the United States or any other country or place anywhere in the world;

(h) The entire goodwill of the business of the Mortgagor connected with and symbolized by the trademarks, service marks, trade names and the other general intangibles of the Mortgagor;

(i) All of the Mortgagor's customer lists, trade secrets, corporate and other business records, license rights (unless the license agreement conferring such rights would be violated by the provisions of this Intangibles Mortgage), advertising materials, operating manuals, formulae, methods, processes, know-how, sales literature, drawings, specifications, descriptions, inventions, name plates, catalogs, supplier contracts, confidential information (unless disclosure to Mortgagees would violate an agreement with a third party), consulting agreements, engineering contracts, rights to use product names or labels, and all other assets which uniquely reflect the goodwill of the business of the Mortgagor to which said general intangibles relate; and

(j) All of the proceeds of any of the foregoing (the intangible assets enumerated in subparagraphs (a) through (i) being hereinafter collectively referred to as the "General Intangibles").

TO HAVE AND TO HOLD the same unto the Agent (for the benefit of the Mortgagees), its successors and assigns, forever in accordance with the terms and conditions set forth herein; provided, however, that the mortgage, lien and security interest in the General Intangibles granted the Agent hereunder are upon the express condition that if the Credit Agreement is terminated pursuant to its terms and no Obligations, or commitments of the Mortgagees which would give rise to any Obligations, shall be outstanding (including without limitation the indebtedness evidenced by the Credit Agreement) then this Intangibles Mortgage and the mortgage, lien, and security interest hereby granted and made shall cease, terminate and be void, and the entire right and interest in said General Intangibles created by this Intangibles Mortgage shall be released (at the Mortgagor's expense), otherwise this Intangibles Mortgage is to remain in full force and effect.

2. The Mortgagor agrees that, in addition to the rights and remedies given to the Agent under that certain Pledge and Security Agreement of even date herewith, upon the occurrence and during the continuance of any Default, the Agent shall have the rights and remedies of a secured party under the Uniform Commercial Code, including the power to sell, assign and convey the General Intangibles, in whole or in part, for cash or on credit, at public sale or private sale and in whatever way the Agent shall, in its reasonable discretion, deem appropriate. For such purposes and in the event of the Mortgagor's default hereunder or the occurrence and during the continuance of any Default, the Mortgagor hereby authorizes and empowers the Agent to make, constitute and appoint any agent of the Agent as the Agent may select, in its exclusive discretion, as the Mortgagor's true and lawful attorney-in-fact, with the power, exercisable during a Default, to endorse the Mortgagor's name on all applications, documents, papers and instruments as may be necessary for the Agent to have the full benefit of this Intangibles Mortgage, including, but not limited to, the full right to the use of the General Intangibles described herein or to grant or issue any exclusive or non-exclusive license

under such General Intangibles to anyone else, or as may be necessary for the Agent to assign, pledge, convey or otherwise transfer title in and to or otherwise dispose of the General Intangibles. The Mortgagor hereby ratifies all actions that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the latest to occur of the following: (a) the expiration of this Intangibles Mortgage, and (b) the satisfaction in full of all of the Borrowers' liabilities to the Mortgagees, including without limitation, all of the Obligations.

3. The Agent shall have no obligation or responsibility to protect or defend the General Intangibles or the right to use thereof, and the Mortgagor shall, at its own expense, take such actions as may be necessary to protect, defend and maintain the same to the extent advisable for its business. The Mortgagor shall forthwith advise the Agent in writing of material infringements detected by the Mortgagor in the ordinary course of its business. Upon the occurrence and continuation of a Default, or if the Mortgagor fails to comply with the foregoing, the Agent may but shall not be required to do so in the Mortgagor's name to the extent permitted by law, and the Mortgagor hereby agrees to reimburse reasonable attorneys' fees incurred by the Agent in protecting, defending and maintaining the General Intangibles.

4. If, before the Obligations are satisfied in full, the Mortgagor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent or any improvement on any patent, or any other General Intangibles, the provisions of this Intangibles Mortgage shall automatically apply thereto and the Mortgagor shall give to the Agent prompt notice thereof in writing, provided, however, that the Mortgagor shall be required to prosecute applications in respect of any of the foregoing only if it reasonably determines that it is in Mortgagor's best interest to do so. The Mortgagor authorizes the Agent to modify this Intangibles Mortgage by amending the Exhibits hereto to include any future General Intangibles.

5. The Mortgagor further agrees and covenants that it, its successors and assigns, will, at its own expense, execute all papers and perform such other acts as may be reasonably necessary to give the Agent, its successors and assigns, the full benefit of this Intangibles Mortgage.

6. The Mortgagor hereby represents, warrants, covenants and agrees that:

(a) The patents, trademarks, copyrights and applications for patents, trademarks or copyrights set forth in the Exhibits hereto constitute all of the patents and trademarks, and applications for patents and trademarks, owned by the Mortgagor.

(b) Except for the security interest granted the Agent hereby and such security interests specifically permitted

under the Credit Agreement, it is and will continue to be the owner of all of its General Intangibles free from any adverse claims, security interest or encumbrance of, or license to, any person other than the Agent.

(c) It has the full right and power to grant the security interests in its General Intangibles made hereby.

(d) Except as set forth on the attached Exhibits, it has made no currently effective assignment, transfer or agreement in conflict herewith or constituting a present or future assignment or transfer of or encumbrance on any of its General Intangibles.

(e) All information furnished to the Agent concerning the General Intangibles and proceeds thereof or otherwise for the purpose of obtaining credit or an extension of credit is, or will be at the time the same is furnished, accurate and correct in all material respects.

(f) To the best of Mortgagor's knowledge, no infringement or unauthorized use presently is being made of any General Intangible.

7. Throughout the term of this Intangibles Mortgage, the Mortgagor shall diligently prosecute all applications for patent, trademark registration, service mark registration and trade names as are in the Mortgagor's best interest and shall file and prosecute any continuations, continuations-in-part, applications for reissue, applications for certificate of correction, affidavits of use, proofs of use, renewals and like matters, as are in the Mortgagor's best interest, and the Mortgagor shall bear the entire cost of all such filings and proceedings. Mortgagor agrees to retain a licensed patent attorney or an experienced trademark attorney, as appropriate, for the filing and prosecution of all such applications and other proceedings.

8. Mortgagor agrees to pay when due all fees, including license fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of the patents or patent applications, trademark registrations, or trademark applications, service mark registrations and service mark applications, trade names, and know-how within the General Intangibles, unless such General Intangible is abandoned by Mortgagor in compliance with the terms of Section 9 hereof.

9. Mortgagor shall not allow any patent, trademark, trade name, service mark, or any application for patent, trademark, service mark, trade name or like protection included within the General Intangibles to become abandoned, nor any patent, trademark, service mark, trade name or like protection to be forfeited or dedicated to the public, unless with respect to any of the foregoing, the Mortgagor reasonably determines that it is in its best interests to do so. If any pending or hereafter filed patent, trademark or service mark, including renewal applications, has been

finally rejected by the United States Patent and Trademark Office or any foreign patent or trademark office, the Mortgagor may abandon the same.

10. The Agent may, at its option, after the occurrence and during the continuance of a Default, but without obligation to do so, discharge taxes, liens, or security interests or other encumbrances at any time levied or placed upon the General Intangibles, or pay for maintenance or preservation of the General Intangibles, or pay any other fee, attorneys' fee or other expenses necessary to preserve and protect the rights conveyed, mortgaged and secured by the security interests hereby granted.

11. Mortgagor hereby grants to the Agent an irrevocable license, effective upon an acceleration of the Obligations, to use or grant licenses relating to the General Intangibles, in the Agent's sole discretion, for any of the following purposes: operating the Mortgagor's business, completing any work in process of the Mortgagor, using or processing any inventory of the Mortgagor, repairing any goods manufactured by the Mortgagor, selling or marketing any goods of the Mortgagor or any goods manufactured from inventory or work in progress of the Mortgagor, and any other purpose related to any real or personal property of the Mortgagor. As used in this paragraph 11, the phrase "of the Mortgagor" shall refer to all property or interests in property owned or previously owned by the Mortgagor in which the Agent has or has had any lien, security interest, mortgage or other interest. The irrevocable license granted by this paragraph shall be effective from the date hereof until all of the Obligations have been paid in full, provided that the Agent shall exercise rights under the irrevocable license only during such time or times after an acceleration of the Obligations under the Credit Agreement.

12. Any provisions hereof found to be invalid under the laws of the United States of America, the State of Wisconsin, or any other applicable law, shall be invalid only with respect to the offending provision and only with respect to the application of such law, and this Intangibles Mortgage shall otherwise remain in full force and effect. All words used herein shall be construed to be of such gender or number as the circumstances require. This Intangibles Mortgage shall be binding upon the successors and assigns of the parties hereto, but shall inure to the benefit of the successors or assigns of the Agent (for the benefit of the Mortgagees) only. All of the Mortgagor's rights and remedies with respect to the General Intangibles, whether established hereby or by the Credit Agreement, or by any other agreements between the Mortgagor and the Agent, or by law shall be cumulative and may be exercised singularly or concurrently. No course of dealing between the Mortgagor and any Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of the Agent, any right, power or privilege hereunder or under the Credit Agreement shall operate as a waiver thereof. This Intangibles Mortgage may be amended only by a writing signed by the parties. The internal laws of the State of Wisconsin (without giving effect to its conflicts of law

provisions) shall apply to this Intangibles Mortgage and its construction and interpretation.

IN WITNESS WHEREOF, the Mortgagor and the Agent (for the benefit of the Mortgagees) have caused this Intangibles Mortgage to be duly executed as of the day and year first above written.

SCOT LAD FOODS, INC.
Mortgagor

By: Edward G. Kelly
Title: V.P.

BANK ONE, WISCONSIN
(for the benefit of itself and
the Mortgagees), Agent

By: P. Adams
Title: V.P.

STATE OF WISCONSIN)
) SS
COUNTY OF MILWAUKEE)

This 29th of March, 2000, before me personally came the above-named Edward G. Kitz, to me personally known as the Vice President of SCOT LAD FOODS, INC., the individual who executed the foregoing General Intangibles Mortgage and Security Agreement and acknowledged to me that he executed the same of his own free will on behalf of SCOT LAD FOODS, INC. for the purposes therein set forth.

David J. Baum

Notary Public, Milwaukee, Wisconsin
My commission is permanent

STATE OF WISCONSIN)
) SS
COUNTY OF MILWAUKEE)

This 29th day of March, 2000, before me personally came the above-named Patrick C. O'Connor, to me personally known as a Vice President of Bank One, Wisconsin, the individual who executed the foregoing General Intangibles Mortgage and Security Agreement and acknowledged to me that he executed the same of his own free will on behalf of Bank One, Wisconsin for the purposes therein set forth.

David J. Baum

Notary Public, Milwaukee, Wisconsin
My commission is permanent

EXHIBIT A
LIST OF PATENTS AND
PATENT APPLICATIONS

None

EXHIBIT B

LIST OF TRADEMARKS, TRADE NAMES, SERVICE MARKS
AND APPLICATIONS FOR REGISTRATIONS OF TRADEMARKS, TRADE NAMES AND
SERVICE MARKS

<u>NAME</u>	<u>REGISTRATION NO.</u>	<u>REGISTRATION DATE</u>
CHUMMIE	1,175,416	10/27/81
CLIPPER SHIP	1,174,870	10/27/81
E. Z. PICKINS	1,158,633	06/23/81
QUEEN OF SCOT	783,307	01/12/65
SCOT FARMS	842,959	01/23/68
SCOTFARMS A SCOTFARMS QUALITY STORE & Design	1,204,951	08/10/82
SCOT FARMS	1,204,950	08/10/82
SCOTFARMS & Design	1,204,949	08/10/82
SCOT LAD	947,324	11/14/72
SCOT LAD	1,330,408	04/16/85
SCOT LAD	1,473,393	01/19/88
SCOT LAD	1,836,966	05/17/94
SPRING LAKE	1,197,613	06/15/82
SPRING LAKE	1,485,845	04/26/88
SPRING LAKE	1,491,922	06/14/88
T-MART	1,257,967	11/15/83