

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Select Milk Producers, Inc.	06/19/2006
RECEIVING PARTY DATA	
Name:	Wachovia Bank, National Association
Street Address:	5001 LBJ Freeway
Internal Address:	Suite 1050
City:	Dallas
State/Country:	TEXAS
Postal Code:	75244
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	10229462
CORRESPONDENCE DATA	
Fax Number:	(404)685-5231
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	(404) 815-2231
Email:	heatherskinner@paulhastings.com
Correspondent Name:	Heather Skinner
Address Line 1:	600 Peachtree Street, N.E.
Address Line 2:	Suite 2400
Address Line 4:	Atlanta, GEORGIA 30308-2222
ATTORNEY DOCKET NUMBER:	33426.00026
NAME OF SUBMITTER:	Chris D. Molen, Esq.

CH \$40.00 10229462

Total Attachments: 5  
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## PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this 19th day of June, 2006, between SELECT MILK PRODUCERS, INC., a New Mexico agricultural cooperative ("Borrower"), and WACHOVIA BANK, NATIONAL ASSOCIATION (together with its successors and assigns, "Bank").

### WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement as of even date herewith (including all annexes, exhibits or schedules thereto, as amended, restated, supplemented or otherwise modified from time to time, the "Loan and Security Agreement") between Borrower and Bank, Bank is willing to make certain financial accommodations available to the Borrower pursuant to the terms and conditions thereof; and

WHEREAS, pursuant to the Loan and Security Agreement, Borrower are required to execute and deliver to Bank, for its benefit, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings ascribed thereto in the Loan and Security Agreement. In addition to those terms defined elsewhere in this Patent Security Agreement, as used in this Patent Security Agreement, the following terms shall have the following meanings:

(a) "Intellectual Property" means any and all Intellectual Property Licenses, Patents, copyrights, trademarks, the goodwill associated with such trademarks, trade secrets and customer lists.

(b) "Intellectual Property Licenses" means rights under or interest in any Patent, trademark, copyright or other intellectual property, including software license agreements with any other party, whether Borrower is a licensee or licensor under such license agreement, and the right to use the foregoing in connection with the enforcement of Bank's rights under the Loan Documents, including, without limitation, the right to prepare for sale and sell any and all Inventory and Equipment now or hereafter owned by Borrower and now or hereafter covered by such licenses.

(c) "Patents" means patents and patent applications, including, without limitation, the patents and patent applications listed on Schedule I attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect hereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of Borrower's rights corresponding thereto throughout the world.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Borrower hereby grants to Bank a continuing first priority security interest in all of Borrower's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):

(a) all of its Patents and Patent Intellectual Property Licenses to which it is a party including those referred to on Schedule I attached hereto;

(b) all reissues, continuations or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including, without limitation, any claim by Borrower against third parties for past, present or future infringement or dilution of any Patent or any Patent licensed under any Intellectual Property License.

3. LOAN AND SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Bank pursuant to the Loan and Security Agreement. Borrower hereby acknowledges and affirms that the rights and remedies of Bank with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Loan and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

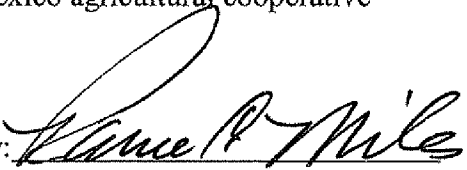
4. AUTHORIZATION TO SUPPLEMENT. If Borrower shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Patent Security Agreement shall automatically apply thereto. Borrower shall give prompt notice in writing to Bank with respect to any such new patent rights. Without limiting Borrower's obligations under this Section 4, Borrower hereby authorizes Bank unilaterally to modify this Agreement by amending Schedule I attached hereto to include any such new patent rights of Borrower. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I attached hereto shall in any way affect, invalidate or detract from Bank's continuing security interest in all Collateral, whether or not listed on Schedule I attached hereto.

5. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Patent Security Agreement or any other Loan Document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or by other electronic transmission shall be deemed an original signature hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Borrower has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

**SELECT MILK PRODUCERS, INC.**, a New Mexico agricultural cooperative

By: 

Name: RANCE C. MILES

Title: CFO

**ACCEPTED AND ACKNOWLEDGED BY:**

**WACHOVIA BANK, NATIONAL ASSOCIATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

IN WITNESS WHEREOF, Borrower has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

**SELECT MILK PRODUCERS, INC.**, a New Mexico agricultural cooperative

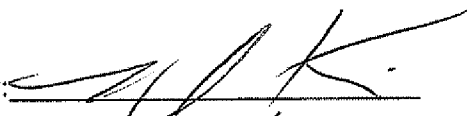
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACCEPTED AND ACKNOWLEDGED BY:**

**WACHOVIA BANK, NATIONAL ASSOCIATION**

By:  \_\_\_\_\_

Name: Howard King

Title: Managing Director

**Schedule I to Patent Security Agreement**

**Patents**

<u>Patent</u>	<u>Application Number</u>	<u>Application Date</u>
Dairy compositions and method of making	20040040448	March 4, 2004