

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
HILMAR CHEESE COMPANY, INC., a California corporation	08/09/2006
HILMAR WHEY PROTEIN, INC., a California corporation	08/09/2006
HCC PROPERTIES LTD., a California limited partnership	08/09/2006

RECEIVING PARTY DATA

Name:	BANK OF THE WEST
Street Address:	California Plaza
Internal Address:	300 South Grand Avenue, CP6-3
City:	Los Angeles
State/Country:	CALIFORNIA
Postal Code:	90071

PROPERTY NUMBERS Total: 4

Property Type	Number
Patent Number:	6613377
Patent Number:	6312755
Application Number:	10806053
Application Number:	09883648

CORRESPONDENCE DATA

Fax Number: (415)268-7522

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 415-268-6324

Email: aradke@mofo.com

Correspondent Name: Andreas Radke

Address Line 1: Morrison & Foerster LLP

Address Line 2: 425 Market Street

Address Line 4: San Francisco, CALIFORNIA 94105-2482

PATENT

REEL: 018171 FRAME: 0729

500143973

CH \$160.00 6613377

ATTORNEY DOCKET NUMBER:

074270000868

NAME OF SUBMITTER:

Andreas Radke

Total Attachments: 8

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SECURITY AGREEMENT (PATENTS)

THIS SECURITY AGREEMENT (PATENTS) (the "Security Agreement") is made and dated this 9th day of August by and between SEE ASTERISK *, a SEE ASTERISK *, ("Debtor"), and Bank of the West ("Agent").

*Hilmar Cheese Company, Inc., a California corporation, Hilmar Whey Protein, Inc., a California corporation, and HCC Properties Ltd., a California limited partnership

1. Grant of Security Interest. As collateral security for Obligations that Debtor may, from time to time, have under, and as defined in, the Credit Agreement dated as of August 9, 2006 with Debtor, Bank of America, as Agent, the Swing Line Lender, LC Issuer and the Lenders and other parties thereto, Debtor hereby grants a security interest to Agent in all of Debtor's right, title and interest in the following (the "Collateral"), whether now owned or hereafter acquired: (a) the patents and patent applications described on Schedule 1 to this Security Agreement and all other patents and patent applications; (b) all rights to license and to use the Collateral; (c) all right (but not the obligation) to register with respect to the Collateral claims under any state, federal or foreign patent law or regulation; (d) all rights, claims and interests under licensing or other contracts pertaining to the Collateral; (e) all rights (but not the obligation) to maintain claims for past, present and future infringements of the Collateral and the right to enforce the same; (f) all divisions of and modifications and supplements to the Collateral; and (g) all products and proceeds of any of the foregoing.

2. No Present Assignment. Neither this Security Agreement, nor any other document, instrument or agreement creates or is intended to create a present assignment of the Collateral. Subject to the rights and security interest of Agent, it is the intention of the parties hereto that Debtor continue to own the Collateral.

3. Representations and Warranties. Debtor hereby represents and warrants to Agent that: (a) Debtor has good and marketable title to the Collateral, and has granted to Agent a first priority perfected security interest therein and (b) Debtor's mailing address is indicated below its signature hereto.

4. Covenants. Debtor hereby agrees, at no cost or expense to Agent: (a) to do all acts (other than acts which are required to be done by Agent) that may be necessary to maintain, preserve and protect the Collateral and the first priority perfected security interest of Agent therein; (b) not to use or permit any Collateral to be used unlawfully or in violation of any provision of this Security Agreement or any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on Debtor or affecting any of the Collateral or any contractual obligation affecting any of the Collateral; (c) to pay promptly when due all taxes, assessments, charges, encumbrances and liens now or hereafter imposed upon or affecting any Collateral; (d) to appear in and defend any action or proceeding which may affect its title to or Agent's interest in the Collateral; (e) except for licenses in effect on the date of this Security Agreement, not sell or license any Collateral without the prior written consent of Agent; (f) to keep separate, accurate and complete records of the Collateral and to provide Agent with such records and such other reports and information relating to the Collateral as Agent may reasonably request from time to time; (g) promptly upon acquisition of rights in patents and patent applications, to notify Agent and cause to be executed, delivered and recorded supplements to this Security Agreement, and/or such other documents and agreements as Agent may reasonably require to establish and to maintain a first priority perfected security interest in the Collateral; (h) unless it shall reasonably and in good faith determine that such Collateral is of negligible economic value to Debtor, prosecute and defend and make such filings and take all other actions reasonably necessary to maintain the patents and the patent applications; (i) notify Agent immediately if it knows, or has reason to know, that any application or registration relating to any material item of the Collateral may become invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any foreign counterpart thereof or any court) regarding Debtor's ownership of any of the Collateral, its right to register the same or to keep and maintain

and enforce the same; (j) not file, or suffer to be filed, an application for the registration of any patent with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, unless it promptly informs Agent, and upon request of Agent, executes and delivers any and all agreements, instruments, documents and papers as Agent may reasonably request to evidence Agent's security interest in such Collateral; and (k) Agent may file or record this Security Agreement with the United States Patent and Trademark Office and also may file financing statements in all locations deemed appropriate by Agent from time to time, and in connection with the filing of such financing statements, Debtor acknowledges and agrees that Agent may utilize a general description of the Collateral.

5. Collection of Collateral Payments. Upon the request of Agent made at any time, Debtor will (a) notify and direct any licensee or other party who is obligated to make payments ("Payment Collateral") on the Collateral, to make payment thereof to such accounts as Agent may direct in writing and/or (b) forthwith upon receipt, transmit and deliver to Agent, in the form received, all cash, checks, drafts and other instruments for the payment of money (properly endorsed where required so that such items may be collected by Agent) which may be received by Debtor at any time on account of any Collateral Payment and, until delivered to Agent, such items will be held in trust for Agent and will not be commingled by Debtor with any of its other funds or property. Thereafter, Agent is hereby authorized and empowered to endorse the name of Debtor on any check, draft or other instrument for the payment of money received by Agent on account of any Collateral Payment if Agent believes such endorsement is necessary or desirable for purposes of collection. Debtor will indemnify and save harmless Agent from and against all reasonable liabilities and expenses on account of any adverse claim asserted against Agent relating to any moneys received by Agent on account of any Collateral Payment and such obligation of Debtor shall continue in effect after and notwithstanding the discharge of the Obligations and the release of the security interest granted in this Security Agreement.

6. Remedies.

(a) If Debtor shall default in any of its Obligations to Agent, unless Agent has otherwise agreed to forbear in the exercise of remedies, Agent may, without notice to or demand on Debtor and in addition to all rights and remedies available to Agent with respect to the Obligations, at law, in equity or otherwise, do any one or more of the following: (i) foreclose or otherwise enforce Agent's security interest in any manner permitted by law or provided for in this Security Agreement; (ii) sell, lease, license or otherwise dispose of any Collateral at one or more public or private sales at Agent's place of business or any other place or places, including, without limitation, any broker's board or securities exchange, whether or not such Collateral is present at the place of sale, for cash or credit or future delivery, on such terms and in such manner as Agent may determine; (iii) recover from Debtor all costs and expenses, including, without limitation, reasonable attorneys' fees (including the allocated cost of internal counsel), incurred or paid by Agent in exercising any right, power or remedy provided by this Security Agreement; (iv) require Debtor to assemble the Collateral and make it available to Agent at a place to be designated by Agent; (v) enter onto property where any Collateral is located and take possession thereof with or without judicial process; (vi) prior to the disposition of the Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner, but in no event shall Agent be obligated to do so, and to the extent Agent deems appropriate and in connection with such preparation and disposition, without charge, use any trademark, tradename, copyright, patent or technical process used by Debtor; and (iv) in connection with the disposition of any Collateral, disclaim any warranty relating to title, possession or quiet enjoyment.

(b) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Debtor shall be given five (5) Business Days' prior notice of the time and place of any public sale or of the time after which any private sale or other intended disposition of Collateral is to be made pursuant to this Security Agreement, which notice Debtor hereby agrees shall be deemed reasonable notice thereof.

(c) Upon any sale or other disposition pursuant to this Security Agreement, Agent shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral or portion thereof so sold or disposed of. Each purchaser at any such sale or other disposition (including Agent) shall hold the Collateral free from any claim or right of whatever kind, including any equity or right of redemption of Debtor, and Debtor specifically waives (to the extent permitted by law) all rights of redemption, stay or appraisal which it has or may have under any rule of law or statute now existing or hereafter adopted.

(d) Any deficiency with respect to the Obligations exists after the disposition or liquidation of the Collateral shall be a continuing liability of Debtor to Agent and shall be immediately paid by Debtor to Agent.

(e) If any non-cash proceeds are received in connection with any sale or disposition of any Collateral, Agent shall not apply such non-cash proceeds to the Obligations unless and until such proceeds are converted to cash; provided, however, that if such non-cash proceeds are not expected on the date of receipt thereof to be converted to cash within one year after such date, Agent shall use commercially reasonable efforts to convert such non-cash proceeds to cash within such one year period.

(f) Debtor expressly waives to the extent permitted under applicable law any constitutional or other right to a judicial hearing prior to the time Agent takes possession or disposes of the Collateral.

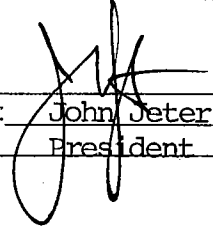
(g) Debtor agrees that Agent may exercise its rights of setoff with respect to the Obligations in the same manner as if the Obligations were unsecured.

7. Miscellaneous. The rights, powers and remedies of Agent under this Security Agreement shall be in addition to all rights, powers and remedies given to Agent by virtue of any statute or rule of law or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing Agent's security interest in the Collateral. Any delay or failure by Agent to exercise any right, power or remedy shall not constitute a waiver thereof by Agent, and no single or partial exercise by Agent of any right, power or remedy shall preclude other or further exercise thereof or any exercise of any other rights, powers or remedies. This Security Agreement and the other documents and agreements evidencing the Obligations (the "Documents") embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof and thereof. All representations, warranties, covenants and agreements contained herein and in the other Documents of Debtor shall survive the termination of this Agreement and shall be effective until the Obligations are paid and performed in full or longer as expressly provided herein. This Security Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to its choice of law rules. This Security Agreement may be executed in any number of counterparts, all of which together shall constitute one agreement. The illegality or unenforceability of any provision of this Security Agreement or any instrument or agreement required hereunder or thereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions hereof or thereof.

IN WITNESS WHEREOF, the parties to this Security Agreement have caused it to be executed the date and year first above written.

Hilmar Cheese Company, Inc., Hilmar Whey Protein, Inc.
and HCC Properties Ltd.

_____ as Debtor

By: 
Name: John Jeter
Title: President

Address:

9001 North Lander Avenue
P.O. Box 910
Hilmar, CA 95324
Attention: John Jeter, President

STATE OF California

COUNTY OF Stanislaus

On August 9 2006 before me, Gaile Humes
personally

(insert name and title of the officer),

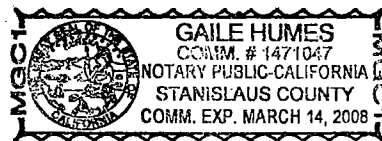
appeared John Jeter, President

X, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Gaile Humes
Signature of Notary

(Seal)



BANK OF THE WEST, as Agent

By: Edmund C.
Name: Edmund CNE
Title: Asst

Address:

Bank of the West
Syndications
California Plaza
300 South Grand Avenue, CP6-3
Los Angeles, CA 90071
Attention: Ted Dunn

STATE OF California

COUNTY OF Los Angeles

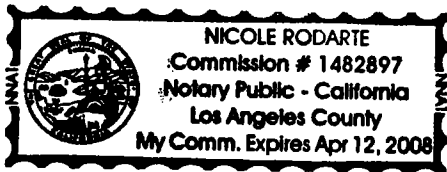
On August 10, 2004 before me, Nicole Rodarte, Notary Public
personally

(insert name and title of the officer),

appeared Edmund Ong, AVP

____, personally known to me (or proved to me on the basis of satisfactory evidence) to be
the person(s) whose name(s) (is) are subscribed to the within instrument and acknowledged
to me that (he) she/they executed the same in (his) her/their authorized capacity(ies), and
that by (his) her/their signature(s) on the instrument the person(s), or the entity upon behalf
of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Nicole Rodarte

Signature of Notary

(Seal)

SCHEDULE 1 TO SECURITY AGREEMENT (PATENTS)

Patent Number 6,613,377 recorded with the U.S. Patent & Trademark Office on _____ and held in the name of _____.

Patent Number 6,312,755 recorded with the U.S. Patent & Trademark Office on _____ and held in the name of _____.

Application Number 10/806,053 filed with the U.S. Patent & Trademark Office on _____ and held in the name of _____.

Application Number 09/883,648 files with the U.S. Patent & Trademark Office on _____ and held in the name of _____.