

03-24-2003



T U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Sonoma Foods, Inc.

3-17-03

- Individual(s)
- General Partnership
- Corporation-State
- Other _____
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: 2/25/2003

2. Name and address of receiving party(ies)

Name: Rumiano Cheese Co.

Internal

Address: _____

Street Address: PO Box 863

City: Willows State: CA Zip: 95988

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State California
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

See attached

B. Trademark Registration No.(s)

See attached

Additional number(s) attached Yes No

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

Name: John Rumiano

Internal Address: Rumiano Cheese Co.

Street Address: PO Box 863

03/21/2003 TBIAZ1 00000072 1254118

01 FC:0521 40.00 OP
02 FC:0522 75.00 OP

City: Willows State: CA Zip: 95988

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41).....\$ 160.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

OFFICE OF PUBLIC RECORDS
703 MAR 17 AM 7:4
FINANCE SECTION

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

John F. Rumiano

Name of Person Signing

Signature

03-04-03
Total
Date

Total number of pages including cover sheet, attachments, and document: 7

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002695 FRAME: 0400

Defund Ref: 0002/02/2003

CHECK REFUND

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

Serial #733118544

Serial #73113247

Serial #73113245

Serial #73113215

B. Trademark Registration NO.(s)

Registration #1254118

Registration #1093836

Registration #1099709

Registration #1099707

SECURITY AGREEMENT BETWEEN RUMIANO CHEESE CO.

AND

**SONOMA FOODS, INC.,
aka SONOMA FOOD COMPANY**

Sonoma Foods, Inc., aka Sonoma Food Company, hereinafter referred to as "Debtor" and Rumiano Cheese Co., hereinafter referred to as "Secured Party", agree as follows:

1. Definitions: Terms defined in the California Uniform Commercial Code not otherwise defined in this security agreement are used in this security agreement as defined in that Code on the date of this agreement.

2. Grant of Security: Debtor grants Secured Party a security interest in the property described in Exhibit A to secure payment of the obligations under the agreement between Debtor and Secured Party wherein Debtor agreed to purchase and pay for cheese products and Secured Party agreed to manufacture and supply cheese products to Debtor.

3. Debtor's Covenants: Debtor promises:

- a. To pay the obligations to Secured Party when they are due;
- b. To pay all expenses, including attorney's fees, incurred by secured party in the perfection, preservation, realization, enforcement, and exercise of its rights under this agreement;
- c. To indemnify Secured Party against loss of any kind, including reasonable attorneys' fees, caused to secured party by reason of its interest in the collateral;

- d. To pay all taxes when due;
- e. Not to sell, lease, transfer, or otherwise dispose of the collateral except, before the occurrence of a default, for sales of inventory in the ordinary course of business;
- f. Not to permit liens on the collateral, except existing liens and current tax liens;
- g. To perform all acts necessary to maintain, preserve, and protect the collateral;
- h. To notify Secured Party promptly in writing of any default or potential default; and
- i. To give secured party notice of any litigation that may have a material adverse effect on the business.

4. Debtor's Warranties: Debtor covenants, warrants and represents as follows:

a. This security agreement creates a perfected, first priority security interest enforceable against the collateral listed on Exhibit A to this agreement.

5. Termination: This agreement will continue in effect even though from time to time there may be no outstanding obligations or commitments under this agreement. The agreement will terminate when (a) Debtor completes performance of all obligations to the Secured Party, including without limitation the repayment of all indebtedness by Debtor to Secured Party; (b) Secured Party has no commitment that could give rise to an obligation, (c) Debtor has notified Secured Party in writing of the termination, (d) Debtor receives the proceeds of a pending insurance claim in an amount to satisfy Secured party, (e) Secured

party agrees that the business climate has improved to the point that debtor's balance sheet is in a condition to warrant termination of this agreement.

6. Default: Debtor will be in default under this agreement if:

a. Debtor fails to pay any installment when due, or its entire indebtedness to Secured Party when due, at stated maturity, on accelerated maturity, or otherwise;

b. Debtor commits any breach of this agreement, or any other agreement between Debtor and Secured Party evidencing the obligation or securing it;

c. The collateral is lost, stolen, or damaged;

d. Debtor ceases operations, the business is dissolved, or terminates its existence, or debtor becomes insolvent or unable to meet their debts as they mature.

7. Remedies: When an event of default occurs, the Secured Party may declare the obligations immediately due and payable without demand, presentment, protest, or notice to debtor, all of which debtor expressly waives. Secured Party may terminate any obligation to make or market product for the benefit of Debtor.

In addition, Secured Creditor may exercise all rights and remedies available to a Secured Party after default, including but not limited to the rights and remedies of secured creditors under the California Uniform Commercial Code.

8. Attorneys' fees: Debtor will pay all costs and expenses of collection, including reasonable attorneys' fees.

9. Assignment: This security agreement will bind and benefit the successors and assignees of the parties, but Debtor may not assign its rights under the agreement without Secured Party's prior written consent.

10. Waiver by Secured Party: No waiver by a Secured Party of any breach or default will be a waiver of any breach or default occurring later. A waiver will be valid only if it is in writing and signed by Secured Party.

11. Notices: Notices under this agreement are considered to be served three days after they are deposited in the U.S. Mail, with prepaid first-class postage, addressed as follows:

Debtor
Sonoma Foods, Inc.
aka Sonoma Food Company
2 Spain St.
Sonoma, CA 95476

Secured Party:
Rumiano Cheese Co.
P.O. Box 863
Willows, CA 95988

12. Entire Agreement: This security agreement is the entire agreement, and supersedes any prior agreement or understanding, between Secured Party and Debtor relating to the collateral.

Dated: 02-25-03

Dated: 02-25-03

David Viviani Pres
DAVID VIVIANI
Sonoma Foods, Inc.
aka Sonoma Food Company

John F. Rumiano
JOHN F. RUMIANO, Vice-President
Rumiano Cheese Co.

**EXHIBIT A TO SECURITY AGREEMENT
RUMLANO CHEESE CO., SECURED PARTY
SONOMA FOODS, INC.
aka SONOMA FOOD COMPANY, DEBTOR**

1. Trademark for SONOMA DRY JACK, Serial No. 73318544, Registration #1254118
2. Trademark for SONOMA JACK, Serial No. 73113247, Registration #1093836
3. Trademark for Design, plus (3) words letters, and/or numbers SONOMA JACK, Serial No. 73113245, Registration Number 1099709
4. Trademark for (5) words, letters, and/or numbers in stylized form (Arched "SONOMA JACK"). Serial # 73113215, Registration # 1099707

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- b. To pay all expenses, including attorney's fees, incurred by secured party in the perfection, preservation, realization, enforcement, and exercise of its rights under this agreement;
- c. To indemnify Secured Party against loss of any kind, including reasonable attorneys' fees, caused to secured party by reason of its interest in the collateral;

- d. To pay all taxes when due;
- e. Not to sell, lease, transfer, or otherwise dispose of the collateral except, before the occurrence of a default, for sales of inventory in the ordinary course of business;
- f. Not to permit liens on the collateral, except existing liens and current tax liens;
- g. To perform all acts necessary to maintain, preserve, and protect the collateral;
- h. To notify Secured Party promptly in writing of any default or potential default; and
- i. To give secured party notice of any litigation that may have a material adverse effect on the business.

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<u>Debtor:</u> Sonoma Foods, Inc. aka Sonoma Food Company 2 Spain St Sonoma, CA 95476	<u>Secured Party:</u> Rumiano Cheese Co. P.O. Box 863 Willows, CA 95988
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 Sonoma Foods, Inc.
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 JOHN F. RUMIANO, Vice-President
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4. Trademark for (S) words, letters, and/or numbers in stylized form (Arched "SONOMA JACK"), Serial # 73113215, Registration # 1099707