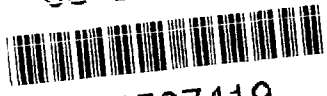


08-27-2003

8-27-03

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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102537419 ▼

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

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

<p>1. Name of conveying party(ies):</p> <p>T.H.K., Inc.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State California <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies)</p> <p>Name: <u>Luberski, Inc.</u> Internal Address: _____ Address: _____</p> <p>Street Address: <u>310 N. Harbor Blvd., #205</u> City: <u>Fullerton</u> State: <u>CA</u> Zip: <u>92832</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State <u>California</u> <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____</p> <p>Execution Date: <u>5-13-03</u></p>	<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) _____</p> <p>B. Trademark Registration No.(s) <u>2089606</u></p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: <u>William H. Coleman, Esq.</u> Internal Address: _____ _____ _____ Street Address: <u>499 W. Shaw Ave. #116</u> _____ City: <u>Fresno</u> State: <u>CA</u> Zip: <u>93704</u></p>	<p>6. Total number of applications and registrations involved: <input type="checkbox"/> 52</p> <p>7. Total fee (37 CFR 3.41).....\$ <u>40.</u></p> <p><input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____</p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>

2003 AUG 25 AM 10:52
OPR/FINANCE

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.

Luberski, Inc., a CA Corporation
by: Timothy E. Luberski, Pres. *Philip K Brunt*
Name of Person Signing _____ Signature _____ Date 8/14, 2003

PHILIP K BRUNT, CEO
Total number of pages including cover sheet, attachments, and document: 11

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

08/26/2003 LMUELLER 00000241 2089606
01 FC:8521 40.00 DP

TRADEMARK
REEL: 002812 FRAME: 0240

SECURITY AGREEMENT

The parties to this Security Agreement are:

SECURED PARTY: Luberski, Inc., a California corporation doing business as Hidden Villa Ranch

Address of Chief Executive Office: 310 N. Harbor Boulevard, Suite 205
Fullerton, California 92832

DEBTOR: T.H.K. INC., a California corporation

Address of Chief Executive Office: 1246 E. Main Street
El Cajon, California 92019

1. Definitions. As used in this Security Agreement:

1.1 "Indebtedness" means Debtor's obligations, obligations representing the purchase price of property other than accounts payable arising in connection with the purchase of inventory on terms customary in the trade, and obligations under leases that would be capitalized in accordance with generally accepted accounting principles.

1.2 "Lien" means any security interest, mortgage, pledge, lien, attachment, claim, charge, encumbrance, agreement retaining title, or lessor's interest covering the collateral.

1.3 "Obligations" means all existing and future indebtedness and liability of Debtor to Secured Party, including but not limited to loans, purchase money obligations (as that term is defined in California Commercial Code section 9103(a)(2)), amounts owed on a trade or merchandise account, and attorney fees and costs incurred by Secured Party in enforcing this Security Agreement or collecting payment under it.

1.4 "Accounts" means all accounts, as that term is defined in section 9102(a)(2) of the California Commercial Code, now owned or hereafter acquired by Debtor, including: (a) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, Documents or Instruments), whether arising out of Goods sold or services rendered by it or from any other transaction (including any such obligations that may be characterized as an account or contract right under the Code); (b) all of Debtor's rights in, to, and under all purchase orders or receipts for Goods or services; (c) all of Debtor's rights to any Goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation, and stoppage in transit, and rights to returned, reclaimed, or repossessed Goods); (d) all money due or to become due Debtor under all purchase orders and contracts for the sale of Goods or the performance of services or both by Debtor or in connection with any other transaction (whether or not yet earned by performance by Debtor), including the right to receive the proceeds of those

purchase orders and contracts; and (e) all collateral security and guaranties of any kind given by any other Debtor with respect to any of the foregoing.

1.5 "California Commercial Code" means the Uniform Commercial Code as may, from time to time, be enacted and in effect in the State of California.

1.6 "Chattel Paper" means any chattel paper, as such term is defined in section 9102(a)(11) of the California Commercial Code, now owned or hereafter acquired by any person, wherever located.

1.7 "Copyright License" means any and all rights now owned or hereafter acquired by Debtor under any written agreement granting any right to use any Copyright or Copyright registration.

1.8 "Copyrights" means all of the following now owned or existing or hereafter adopted or acquired by Debtor: (a) all copyrights and General Intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings, and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory, or any other country or political subdivision of that country; and (b) all reissues, extensions, or renewals of the same.

1.9 "Deposit Account" means any deposit account, as that term is defined in section 9102(a)(29) of the California Commercial Code, now owned or hereafter acquired by Debtor.

1.10 "Documents" means any documents, as that term is defined in section 9102(a)(30) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located.

1.11 "Equipment" means all equipment, as that term is defined in section 9102(a)(33) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including all of Debtor's materials handling equipment, manufacturing equipment, processing equipment, engineering equipment, conveyors, machine tools, data processing and computer equipment with software and peripheral equipment, office machinery, furniture, tools, attachments, accessories, and other equipment of every kind and nature, trade fixtures and other fixtures, together with all additions and accessions, replacements, parts, substitutes for any of the foregoing, fuel, and all manuals, drawings, instructions, warranties, and rights with respect to the foregoing, and all products and proceeds of the foregoing and condemnation awards and insurance proceeds with respect thereto.

1.12 "Fixtures" means all fixtures, as that term is defined in section 9102(a)(41) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located.

1.13 "General Intangibles" means all general intangibles, as that term is defined in section 9102(a)(42) of the California Commercial Code, now owned or hereafter acquired by Debtor, including all right, title, and interest that Debtor may now or hereafter have in or under any Contracts, Licenses, Copyrights, Trademarks, and Patents and all applications therefor and reissues, extensions, or renewals; interests in partnerships, joint ventures, and

other business associations; permits; inventions (whether or not patented or patentable); knowledge, know-how, skill, expertise, or experience; software; databases; data; processes; models, drawings, materials, and records; goodwill (including the goodwill associated with any Trademark or Trademark License); all rights and claims in or under insurance policies (including insurance for fire, damage, loss, and casualty, whether covering personal property, real property, tangible rights, or intangible rights, all liability, life, key man, and business interruption insurance, and all unearned premiums); uncertificated and certificated securities; choses in action; deposit, checking, and other bank accounts; rights to receive tax refunds and other payments; rights to receive dividends, distributions, cash, instruments, and other property in respect of or in exchange for pledged shares or other equity interests; rights of indemnification; all ledgers, correspondence, credit files, invoices, and other papers and records; magnetic tapes, CD-ROMs, zip drives, and other data storage media; and other papers and documents in the possession or under the control of Debtor or any computer bureau or service company from time to time acting for Debtor.

1.14 "Goods" means any goods, as that term is defined in section 9102(a)(44) of the California Commercial Code, now owned or hereafter acquired by Debtor.

1.15 "Instruments" means any instrument, as that term is defined in section 9102(a)(47) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including all certificated securities, all certificates of deposit, and all notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

1.16 "Intellectual Property" means any and all Licenses, Patents, Copyrights, Trademarks, and the goodwill associated with any of the foregoing.

1.17 "Inventory" means any inventory, as that term is defined in section 9102(a)(48) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including inventory, merchandise, Goods, and other personal property that are held by or on behalf of Debtor for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, or materials used or consumed or to be used or consumed in Debtor's business or in the processing, production, packaging, promotion, delivery, or shipping of the same, including other supplies.

1.18 "Investment Property" means all investment property, as that term is defined in section 9102(a)(49) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including (a) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (b) all securities entitlements of Debtor, including the rights of Debtor to any securities account and the financial assets held by a securities intermediary in the securities account and any free credit balance or other money owing by any securities intermediary with respect to such account; (c) all securities accounts of Debtor; (d) all commodity contracts held by Debtor; and (e) all commodity accounts held by Debtor.

1.19 "Licenses" means Copyright Licenses, Patent Licenses, and Trademark Licenses.

1.20 "Patent License" means rights under any written agreement now owned or hereafter acquired by Debtor granting any right with respect to any invention on which a Patent is in existence.

1.21 "Patents" means all of the following in which Debtor now holds or hereafter acquires any interest: (a) all letters patent of the United States or of any other country; all registrations and recordings of the same, and all applications for letters patent of the United States or any other country, including registrations, recordings, and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or Territory thereof, or any other country; and (b) all reissues, continuations, continuations-in-part, or extensions of them.

1.22 "Trademark License" means rights under any written agreement now owned or hereafter acquired by Debtor granting any right to use any Trademark, including but not limited to any and all right, title or interest which Debtor may have by license in that certain New York New York trademark evidenced by Trademark Registration Number 2089606 with the United States Patent and Trademark Office.

1.23 "Trademarks" means all of the following now owned or existing or hereafter adopted or acquired by Debtor: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings of them, and all applications in connection with them, including registrations, recordings, and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory, or any other country or its political subdivision; (b) all reissues, extensions, or renewals; and (c) all goodwill associated with or symbolized by any of the foregoing. Without limiting the foregoing, the term Trademark includes but is not limited to all right, title or interest which Debtor may have by license in that certain trademark evidenced by said Trademark Registration Number 2089606.

Terms defined in the California 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 Interest. To secure the prompt and complete payment, performance, and observance of all of the Obligations, Debtor hereby grants and assigns to Secured Party a Lien on all of its right, title, and interest in, to, and under the following property, whether now owned or owing to, or hereafter acquired by or arising in favor of, Debtor, including under any trade names, styles, or derivations of Debtor, and whether owned by or consigned by or to, or leased from or to, Debtor, and regardless of where located (all of which being hereinafter collectively referred to as the "Collateral"):

- 2.1 All Accounts;
- 2.2 All Chattel Paper;
- 2.3 All Contracts;
- 2.4 All Equipment;

- 2.5 All General Intangibles;
- 2.6 All Goods;
- 2.7 All Instruments and letters of credit;
- 2.8 All Inventory;
- 2.9 All Investment Property;
- 2.10 All Deposit Accounts;
- 2.11 All money, cash, or cash equivalents; and

2.12 To the extent not otherwise included, all proceeds and products of the foregoing and all accessions to, substitutions and replacements for, and rents and profits of each of the foregoing.

3. Debtor's Covenants. Debtor promises:

3.1 To pay the Obligations to Secured Party when they are due.

3.2 To pay all expenses, including attorney fees, incurred by Secured Party in the perfection, preservation, realization, enforcement, and exercise of Secured Party's rights under this Agreement.

3.3 To indemnify Secured Party against loss of any kind, including reasonable attorney fees, caused to Secured Party by reason of its interest in the Collateral.

3.4 To conduct Debtor's business efficiently and without voluntary interruption.

3.5 To preserve all rights, privileges, and franchises held by Debtor's business.

3.6 To keep Debtor's business property in good repair.

3.7 To pay all taxes when due.

3.8 To give Secured Party notice of any litigation that may have a material adverse effect on the Debtor's business.

3.9 Not to change the name or place of Debtor's business, or to use a fictitious business name, without first notifying Secured Party in writing.

3.10 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.

3.11 Not to permit liens on the Collateral, except existing liens, current tax liens, and purchase money liens.

3.12 To maintain fire and extended coverage insurance on the Collateral in the amounts and under policies acceptable to Secured Party, naming Secured Party under a lender's loss-payable clause, and to provide Secured Party with the original policies and certificates at Secured Party's request.

3.13 Not to use the Collateral for any unlawful purpose or in any way that would void any effective insurance.

3.14 To permit Secured Party, its representatives, and its agents to inspect the Collateral at any time, and to make copies of records pertaining to it, at reasonable times at Secured Party's request.

3.15 To perform all acts necessary to maintain, preserve, and protect the Collateral.

3.16 To notify Secured Party promptly in writing of any default, potential default, or any development that might have a material adverse effect on the Collateral.

3.17 To execute and deliver to Secured Party all financing statements and other documents that Secured Party requests, in order to maintain a first perfected security interest in the Collateral.

3.18 To furnish Secured Party the reports relating to the Collateral at Secured Party's request.

4. Debtor to Collect Proceeds. Debtor promises:

4.1 To receive and use reasonable diligence in collecting the proceeds, and to deliver the proceeds required to be delivered by this Agreement promptly to Secured Party.

4.2 Not to commingle the proceeds with other property or proceeds.

4.3 To keep complete and accurate records of the proceeds, in accordance with generally accepted accounting principles.

4.4 To provide any service and perform any other acts necessary to keep the proceeds free and clear of defenses, rights of setoff, and counterclaims.

5. Power of Attorney. Debtor hereby appoints Secured Party as Debtor's attorney in fact, with the following powers:

5.1 To perform any of Debtor's obligations under the agreement in Debtor's name or otherwise.

5.2 To prepare and file financing statements, continuation statements, statements of assignment, termination statements, and the like, as necessary to perfect, protect, preserve, or release Secured Party's interest in the collateral.

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

6.1 Debtor is a corporation duly organized, validly existing, and in good standing under the laws of the State of California, and has all necessary authority to conduct its business wherever it is conducted.

6.2 Debtor has been authorized to execute and deliver this Security Agreement. The Security Agreement is a valid and binding obligation of Debtor. The agreement creates a perfected security interest enforceable against the Collateral in which Debtor now has rights, and will create a perfected security interest enforceable against the Collateral in which Debtor later acquires rights, when Debtor acquires those rights, subject only to the prior and existing security interests in the financing statements specified on Exhibit "A" to this Security Agreement.

6.3 Neither the execution and delivery of this Security Agreement, nor the taking of any action in compliance with it, will (i) violate or breach any law, regulation, rule, order, or judicial action binding on Debtor, any agreement to which Debtor is a party, Debtor's articles of incorporation or bylaws; or (ii) result in the creation of a lien against the Collateral except that created by this Security Agreement.

6.4 No default or potential default exists.

7. Termination. This Security Agreement will continue in effect even though from time to time there may be no outstanding obligations or commitments to Secured Party under this agreement or any related agreements. The agreement will terminate when (a) Debtor completes performance of all Obligations to 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; and (c) Debtor has notified Secured Party in writing of the termination.

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

8.1 Debtor fails to pay any Obligations, or any portion thereof, to Secured Party when due, at stated maturity, on accelerated maturity, or otherwise.

8.2 Debtor fails to make any remittances required by this agreement.

8.3 Debtor commits any breach of this agreement, or any present or future rider or supplement to this agreement, or any other agreement between Debtor and Secured Party evidencing the obligation or securing it.

8.4 Any warranty, representation, or statement, made by or on behalf of Debtor in or with respect to the agreement, is false.

8.5 The Collateral is lost, stolen, or damaged.

8.6 There is a seizure or attachment of, or a levy on, the Collateral.

8.7 Debtor ceases operations, is dissolved, terminates its existence, does or fails to do anything that allows obligations to become due before their stated maturity, or becomes insolvent or unable to meet its debts as they mature.

8.8 Secured Party for any reason deems itself insecure.

8.9 Debtor: (i) applies for or consents to the appointment of a receiver, trustee, liquidator, or custodian of itself or of a substantial part of its property; (ii) is unable, or admits in writing its inability, to pay its debts generally as they mature; (iii) makes a general assignment for the benefit of its creditors or any of them; (iv) is dissolved or liquidated in full or in part; (v) commences a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or consents to any relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it; or (vi) takes any action for the purpose of effecting any of the foregoing.

8.10 Proceedings for the appointment of a receiver, trustee, liquidator, or custodian of the Debtor or of all or a substantial part of its property, or an involuntary case or other proceedings seeking liquidation, reorganization, or other relief with respect to the Debtor or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect are commenced and an order for relief is entered or such a proceeding is not dismissed or discharged within 60 days of commencement.

9. Remedies. When an event of default occurs:

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

9.2 Secured Party's notice of the time and place of public sale of the Collateral, or the time on or after which a private sale or other disposition of the Collateral will be made, is reasonable if sent to Debtor in the manner for giving notice at least 5 days before the public or private sale.

9.3 Debtor must:

9.3.1 Assemble the Collateral and make it and all records relating to it available to Secured Party as Secured Party directs.

9.3.2 Allow Secured Party, its representatives, and its agents to enter the premises where all or any part of the Collateral, the records, or both may be, and remove any or all of it.

10. Attorney Fees and Costs. Debtor will pay all costs and expenses of the Secured Party enforcing its rights under this agreement, including reasonable attorney fees.

11. Waiver By Secured Party. No waiver by 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.

12. Survival. Debtor's representations and warranties made in this Security Agreement will survive its execution, delivery, and termination.

13. 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.

14. Governing Law. This Security Agreement will be governed by the law of California.

15. Entire Agreement. This Security Agreement is the entire agreement and supersedes any prior agreement or understandings between Secured Party and Debtor relating to the Collateral.

16. Notice. Notices under this Security Agreement are considered to be served (a) three days after they are deposited in the United States mail, with prepaid first-class postage, addressed as follows; or (b) on receipt if served by facsimile:

To Debtor: T.H.K. INC.
1246 E. Main Street
El Cajon, CA 92019

Attention: Thamin Kalasho, President

To Secured Party: Luberski, Inc., dba Hidden Villa Ranch
310 N. Harbor Boulevard, Suite 205
Fullerton, CA 92832

Attention: Nick Jioras [Facsimile: (714) 960-3080]

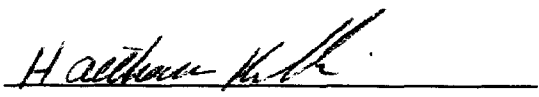
Either party may change its address for service of notice, by notice to the other.

"DEBTOR"
T.H.K. INC., a California corporation

Dated: 5-13, 2003.

By: 
THAMIN KALASHO
Title: President

Dated: 5-13, 2003.

By: 
Title: Secretary

"SECURED PARTY"
LUBERSKI, INC., a California corporation
d/b/a Hidden Villa Ranch

Dated: 5/13, 2003.

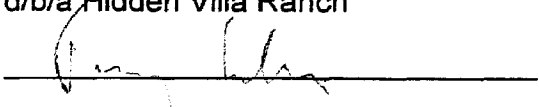
By: 
Title: CEO

EXHIBIT "A"

None

COLEMAN & HOROWITT, LLP

ATTORNEYS AT LAW

WILLIAM H. COLEMAN*

499 WEST SHAW, SUITE 116
FRESNO, CALIFORNIA 93704

WRITER'S E-MAIL
WCOLEMAN@CH-LAW.COM

TELEPHONE: (559) 248-4820
FACSIMILE: (559) 248-4830
WEB: WWW.CH-LAW.COM

*CERTIFIED SPECIALIST: ESTATE
PLANNING TRUST AND PROBATE LAW

August 20, 2003

Mail Stop Assignment Recordation Services
Director, U.S. Patent and Trademark Office
Crystal Gateway #4, Third Floor
P.O. Box 1450
Alexandria, Virginia 22313-1450

Re: Registration Number 2089606

Dear Sir or Madam:

Enclosed are the original and two copies of Form PTO-1594, Recordation Form Cover Sheet Trademarks Only, for which the conveying party is T.H.K., Inc., and the receiving party is Luberski, Inc.

Also enclosed is my firm's check made payable to Commissioner of Patent & Trademarks in the amount of \$40.00, to cover the recording fee.

When recorded, please return a copy of the Form PTO-1594, showing the recording information, to this office. A self-addressed, stamped envelope is enclosed for this purpose. Thank you.

Very truly yours,

COLEMAN & HOROWITT, LLP


WILLIAM H. COLEMAN

WHC\de

Encls.

cc: Nick Jioras

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

Tab settings ⇨ ⇨ ⇨ ▼ ▼ ▼ ▼ ▼ ▼ ▼

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

1. Name of conveying party(ies):

T.H.K., Inc.

- Individual(s)
- General Partnership
- Corporation-State California
- 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: 5-13-03

2. Name and address of receiving party(ies)

Name: Luberski, Inc.

Internal

Address: _____

Street Address: 310 N. Harbor Blvd., #205

City: Fullerton State: CA Zip: 92832

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)

B. Trademark Registration No.(s)

2089606

Additional number(s) attached Yes No

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

Name: William H. Coleman, Esq.

Internal Address: _____

Street Address: 499 W. Shaw Ave. #116

City: Fresno State: CA Zip: 93704

6. Total number of applications and registrations involved: _____

7. Total fee (37 CFR 3.41).....\$ 40.

Enclosed

Authorized to be charged to deposit account

8. Deposit account number: _____

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

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.

Luberski, Inc., a CA Corporation

by: Timothy E. Luberski, Pres.

Name of Person Signing

PHILIP K BRUNT, CEO

Signature

Date

8/14, 2003

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

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

TRADEMARK

REEL: 002812 FRAME: 0252

SECURITY AGREEMENT

The parties to this Security Agreement are:

SECURED PARTY: Luberski, Inc., a California corporation doing business as Hidden Villa Ranch

Address of Chief Executive Office: 310 N. Harbor Boulevard, Suite 205
Fullerton, California 92832

DEBTOR: T.H.K. INC., a California corporation

Address of Chief Executive Office: 1246 E. Main Street
El Cajon, California 92019

1. Definitions. As used in this Security Agreement:

1.1 "Indebtedness" means Debtor's obligations, obligations representing the purchase price of property other than accounts payable arising in connection with the purchase of inventory on terms customary in the trade, and obligations under leases that would be capitalized in accordance with generally accepted accounting principles.

1.2 "Lien" means any security interest, mortgage, pledge, lien, attachment, claim, charge, encumbrance, agreement retaining title, or lessor's interest covering the collateral.

1.3 "Obligations" means all existing and future indebtedness and liability of Debtor to Secured Party, including but not limited to loans, purchase money obligations (as that term is defined in California Commercial Code section 9103(a)(2)), amounts owed on a trade or merchandise account, and attorney fees and costs incurred by Secured Party in enforcing this Security Agreement or collecting payment under it.

1.4 "Accounts" means all accounts, as that term is defined in section 9102(a)(2) of the California Commercial Code, now owned or hereafter acquired by Debtor, including: (a) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, Documents or Instruments), whether arising out of Goods sold or services rendered by it or from any other transaction (including any such obligations that may be characterized as an account or contract right under the Code); (b) all of Debtor's rights in, to, and under all purchase orders or receipts for Goods or services; (c) all of Debtor's rights to any Goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation, and stoppage in transit, and rights to returned, reclaimed, or repossessed Goods); (d) all money due or to become due Debtor under all purchase orders and contracts for the sale of Goods or the performance of services or both by Debtor or in connection with any other transaction (whether or not yet earned by performance by Debtor), including the right to receive the proceeds of those

purchase orders and contracts; and (e) all collateral security and guaranties of any kind given by any other Debtor with respect to any of the foregoing.

1.5 "California Commercial Code" means the Uniform Commercial Code as may, from time to time, be enacted and in effect in the State of California.

1.6 "Chattel Paper" means any chattel paper, as such term is defined in section 9102(a)(11) of the California Commercial Code, now owned or hereafter acquired by any person, wherever located.

1.7 "Copyright License" means any and all rights now owned or hereafter acquired by Debtor under any written agreement granting any right to use any Copyright or Copyright registration.

1.8 "Copyrights" means all of the following now owned or existing or hereafter adopted or acquired by Debtor: (a) all copyrights and General Intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings, and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory, or any other country or political subdivision of that country; and (b) all reissues, extensions, or renewals of the same.

1.9 "Deposit Account" means any deposit account, as that term is defined in section 9102(a)(29) of the California Commercial Code, now owned or hereafter acquired by Debtor.

1.10 "Documents" means any documents, as that term is defined in section 9102(a)(30) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located.

1.11 "Equipment" means all equipment, as that term is defined in section 9102(a)(33) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including all of Debtor's materials handling equipment, manufacturing equipment, processing equipment, engineering equipment, conveyors, machine tools, data processing and computer equipment with software and peripheral equipment, office machinery, furniture, tools, attachments, accessories, and other equipment of every kind and nature, trade fixtures and other fixtures, together with all additions and accessions, replacements, parts, substitutes for any of the foregoing, fuel, and all manuals, drawings, instructions, warranties, and rights with respect to the foregoing, and all products and proceeds of the foregoing and condemnation awards and insurance proceeds with respect thereto.

1.12 "Fixtures" means all fixtures, as that term is defined in section 9102(a)(41) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located.

1.13 "General Intangibles" means all general intangibles, as that term is defined in section 9102(a)(42) of the California Commercial Code, now owned or hereafter acquired by Debtor, including all right, title, and interest that Debtor may now or hereafter have in or under any Contracts, Licenses, Copyrights, Trademarks, and Patents and all applications therefor and reissues, extensions, or renewals; interests in partnerships, joint ventures, and

other business associations; permits; inventions (whether or not patented or patentable); knowledge, know-how, skill, expertise, or experience; software; databases; data; processes; models, drawings, materials, and records; goodwill (including the goodwill associated with any Trademark or Trademark License); all rights and claims in or under insurance policies (including insurance for fire, damage, loss, and casualty, whether covering personal property, real property, tangible rights, or intangible rights, all liability, life, key man, and business interruption insurance, and all unearned premiums); uncertificated and certificated securities; choses in action; deposit, checking, and other bank accounts; rights to receive tax refunds and other payments; rights to receive dividends, distributions, cash, instruments, and other property in respect of or in exchange for pledged shares or other equity interests; rights of indemnification; all ledgers, correspondence, credit files, invoices, and other papers and records; magnetic tapes, CD-ROMs, zip drives, and other data storage media; and other papers and documents in the possession or under the control of Debtor or any computer bureau or service company from time to time acting for Debtor.

1.14 "Goods" means any goods, as that term is defined in section 9102(a)(44) of the California Commercial Code, now owned or hereafter acquired by Debtor.

1.15 "Instruments" means any instrument, as that term is defined in section 9102(a)(47) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including all certificated securities, all certificates of deposit, and all notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

1.16 "Intellectual Property" means any and all Licenses, Patents, Copyrights, Trademarks, and the goodwill associated with any of the foregoing.

1.17 "Inventory" means any inventory, as that term is defined in section 9102(a)(48) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including inventory, merchandise, Goods, and other personal property that are held by or on behalf of Debtor for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, or materials used or consumed or to be used or consumed in Debtor's business or in the processing, production, packaging, promotion, delivery, or shipping of the same, including other supplies.

1.18 "Investment Property" means all investment property, as that term is defined in section 9102(a)(49) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including (a) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (b) all securities entitlements of Debtor, including the rights of Debtor to any securities account and the financial assets held by a securities intermediary in the securities account and any free credit balance or other money owing by any securities intermediary with respect to such account; (c) all securities accounts of Debtor; (d) all commodity contracts held by Debtor; and (e) all commodity accounts held by Debtor.

1.19 "Licenses" means Copyright Licenses, Patent Licenses, and Trademark Licenses.

1.20 "Patent License" means rights under any written agreement now owned or hereafter acquired by Debtor granting any right with respect to any invention on which a Patent is in existence.

1.21 "Patents" means all of the following in which Debtor now holds or hereafter acquires any interest: (a) all letters patent of the United States or of any other country; all registrations and recordings of the same, and all applications for letters patent of the United States or any other country, including registrations, recordings, and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or Territory thereof, or any other country; and (b) all reissues, continuations, continuations-in-part, or extensions of them.

1.22 "Trademark License" means rights under any written agreement now owned or hereafter acquired by Debtor granting any right to use any Trademark, including but not limited to any and all right, title or interest which Debtor may have by license in that certain New York New York trademark evidenced by Trademark Registration Number 2089606 with the United States Patent and Trademark Office.

1.23 "Trademarks" means all of the following now owned or existing or hereafter adopted or acquired by Debtor: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings of them, and all applications in connection with them, including registrations, recordings, and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory, or any other country or its political subdivision; (b) all reissues, extensions, or renewals; and (c) all goodwill associated with or symbolized by any of the foregoing. Without limiting the foregoing, the term Trademark includes but is not limited to all right, title or interest which Debtor may have by license in that certain trademark evidenced by said Trademark Registration Number 2089606.

Terms defined in the California 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 Interest. To secure the prompt and complete payment, performance, and observance of all of the Obligations, Debtor hereby grants and assigns to Secured Party a Lien on all of its right, title, and interest in, to, and under the following property, whether now owned or owing to, or hereafter acquired by or arising in favor of, Debtor, including under any trade names, styles, or derivations of Debtor, and whether owned by or consigned by or to, or leased from or to, Debtor, and regardless of where located (all of which being hereinafter collectively referred to as the "Collateral"):

- 2.1 All Accounts;
- 2.2 All Chattel Paper;
- 2.3 All Contracts;
- 2.4 All Equipment;

- 2.5 All General Intangibles;
- 2.6 All Goods;
- 2.7 All Instruments and letters of credit;
- 2.8 All Inventory;
- 2.9 All Investment Property;
- 2.10 All Deposit Accounts;
- 2.11 All money, cash, or cash equivalents; and

2.12 To the extent not otherwise included, all proceeds and products of the foregoing and all accessions to, substitutions and replacements for, and rents and profits of each of the foregoing.

3. Debtor's Covenants. Debtor promises:

3.1 To pay the Obligations to Secured Party when they are due.

3.2 To pay all expenses, including attorney fees, incurred by Secured Party in the perfection, preservation, realization, enforcement, and exercise of Secured Party's rights under this Agreement.

3.3 To indemnify Secured Party against loss of any kind, including reasonable attorney fees, caused to Secured Party by reason of its interest in the Collateral.

3.4 To conduct Debtor's business efficiently and without voluntary interruption.

3.5 To preserve all rights, privileges, and franchises held by Debtor's business.

3.6 To keep Debtor's business property in good repair.

3.7 To pay all taxes when due.

3.8 To give Secured Party notice of any litigation that may have a material adverse effect on the Debtor's business.

3.9 Not to change the name or place of Debtor's business, or to use a fictitious business name, without first notifying Secured Party in writing.

3.10 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.

3.11 Not to permit liens on the Collateral, except existing liens, current tax liens, and purchase money liens.

3.12 To maintain fire and extended coverage insurance on the Collateral in the amounts and under policies acceptable to Secured Party, naming Secured Party under a lender's loss-payable clause, and to provide Secured Party with the original policies and certificates at Secured Party's request.

3.13 Not to use the Collateral for any unlawful purpose or in any way that would void any effective insurance.

3.14 To permit Secured Party, its representatives, and its agents to inspect the Collateral at any time, and to make copies of records pertaining to it, at reasonable times at Secured Party's request.

3.15 To perform all acts necessary to maintain, preserve, and protect the Collateral.

3.16 To notify Secured Party promptly in writing of any default, potential default, or any development that might have a material adverse effect on the Collateral.

3.17 To execute and deliver to Secured Party all financing statements and other documents that Secured Party requests, in order to maintain a first perfected security interest in the Collateral.

3.18 To furnish Secured Party the reports relating to the Collateral at Secured Party's request.

4. Debtor to Collect Proceeds. Debtor promises:

4.1 To receive and use reasonable diligence in collecting the proceeds, and to deliver the proceeds required to be delivered by this Agreement promptly to Secured Party.

4.2 Not to commingle the proceeds with other property or proceeds.

4.3 To keep complete and accurate records of the proceeds, in accordance with generally accepted accounting principles.

4.4 To provide any service and perform any other acts necessary to keep the proceeds free and clear of defenses, rights of setoff, and counterclaims.

5. Power of Attorney. Debtor hereby appoints Secured Party as Debtor's attorney in fact, with the following powers:

5.1 To perform any of Debtor's obligations under the agreement in Debtor's name or otherwise.

5.2 To prepare and file financing statements, continuation statements, statements of assignment, termination statements, and the like, as necessary to perfect, protect, preserve, or release Secured Party's interest in the collateral.

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

6.1 Debtor is a corporation duly organized, validly existing, and in good standing under the laws of the State of California, and has all necessary authority to conduct its business wherever it is conducted.

6.2 Debtor has been authorized to execute and deliver this Security Agreement. The Security Agreement is a valid and binding obligation of Debtor. The agreement creates a perfected security interest enforceable against the Collateral in which Debtor now has rights, and will create a perfected security interest enforceable against the Collateral in which Debtor later acquires rights, when Debtor acquires those rights, subject only to the prior and existing security interests in the financing statements specified on Exhibit "A" to this Security Agreement.

6.3 Neither the execution and delivery of this Security Agreement, nor the taking of any action in compliance with it, will (i) violate or breach any law, regulation, rule, order, or judicial action binding on Debtor, any agreement to which Debtor is a party, Debtor's articles of incorporation or bylaws; or (ii) result in the creation of a lien against the Collateral except that created by this Security Agreement.

6.4 No default or potential default exists.

7. Termination. This Security Agreement will continue in effect even though from time to time there may be no outstanding obligations or commitments to Secured Party under this agreement or any related agreements. The agreement will terminate when (a) Debtor completes performance of all Obligations to 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; and (c) Debtor has notified Secured Party in writing of the termination.

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

8.1 Debtor fails to pay any Obligations, or any portion thereof, to Secured Party when due, at stated maturity, on accelerated maturity, or otherwise.

8.2 Debtor fails to make any remittances required by this agreement.

8.3 Debtor commits any breach of this agreement, or any present or future rider or supplement to this agreement, or any other agreement between Debtor and Secured Party evidencing the obligation or securing it.

8.4 Any warranty, representation, or statement, made by or on behalf of Debtor in or with respect to the agreement, is false.

8.5 The Collateral is lost, stolen, or damaged.

8.6 There is a seizure or attachment of, or a levy on, the Collateral.

8.7 Debtor ceases operations, is dissolved, terminates its existence, does or fails to do anything that allows obligations to become due before their stated maturity, or becomes insolvent or unable to meet its debts as they mature.

8.8 Secured Party for any reason deems itself insecure.

8.9 Debtor: (i) applies for or consents to the appointment of a receiver, trustee, liquidator, or custodian of itself or of a substantial part of its property; (ii) is unable, or admits in writing its inability, to pay its debts generally as they mature; (iii) makes a general assignment for the benefit of its creditors or any of them; (iv) is dissolved or liquidated in full or in part; (v) commences a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or consents to any relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it; or (vi) takes any action for the purpose of effecting any of the foregoing.

8.10 Proceedings for the appointment of a receiver, trustee, liquidator, or custodian of the Debtor or of all or a substantial part of its property, or an involuntary case or other proceedings seeking liquidation, reorganization, or other relief with respect to the Debtor or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect are commenced and an order for relief is entered or such a proceeding is not dismissed or discharged within 60 days of commencement.

9. Remedies. When an event of default occurs:

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

9.2 Secured Party's notice of the time and place of public sale of the Collateral, or the time on or after which a private sale or other disposition of the Collateral will be made, is reasonable if sent to Debtor in the manner for giving notice at least 5 days before the public or private sale.

9.3 Debtor must:

9.3.1 Assemble the Collateral and make it and all records relating to it available to Secured Party as Secured Party directs.

9.3.2 Allow Secured Party, its representatives, and its agents to enter the premises where all or any part of the Collateral, the records, or both may be, and remove any or all of it.

10. Attorney Fees and Costs. Debtor will pay all costs and expenses of the Secured Party enforcing its rights under this agreement, including reasonable attorney fees.

11. Waiver By Secured Party. No waiver by 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.

12. Survival. Debtor's representations and warranties made in this Security Agreement will survive its execution, delivery, and termination.

13. 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.

14. Governing Law. This Security Agreement will be governed by the law of California.

15. Entire Agreement. This Security Agreement is the entire agreement and supersedes any prior agreement or understandings between Secured Party and Debtor relating to the Collateral.

16. Notice. Notices under this Security Agreement are considered to be served (a) three days after they are deposited in the United States mail, with prepaid first-class postage, addressed as follows; or (b) on receipt if served by facsimile:

To Debtor: T.H.K. INC.
1246 E. Main Street
El Cajon, CA 92019

Attention: Thamin Kalasho, President

To Secured Party: Luberski, Inc., dba Hidden Villa Ranch
310 N. Harbor Boulevard, Suite 205
Fullerton, CA 92832

Attention: Nick Jioras [Facsimile: (714) 960-3080]

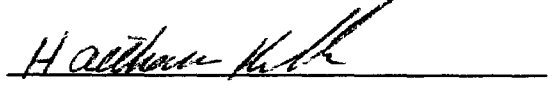
Either party may change its address for service of notice, by notice to the other.

"DEBTOR"
T.H.K. INC., a California corporation

Dated: 5-13, 2003.

By: 
THAMIN KALASHO
Title: President

Dated: 5-13, 2003.

By: 
Title: Secretary

"SECURED PARTY"
LUBERSKI, INC., a California corporation
d/b/a Hidden Villa Ranch

Dated: 5/13, 2003.

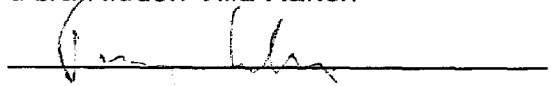
By: 
Title: CEO

EXHIBIT "A"

None