

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
EFFECTIVE DATE:	09/05/2006

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Mulberry Thai Silks, Inc.		09/05/2006	CORPORATION: CALIFORNIA

RECEIVING PARTY DATA

Name:	The Central Valley Fund, L.P.
Street Address:	1590 Drew Avenue
Internal Address:	Suite 110
City:	Davis
State/Country:	CALIFORNIA
Postal Code:	95616
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Registration Number:	2725018	TIES TO NATURE
Registration Number:	2728174	TIES TO AMERICA
Registration Number:	2681353	ZIGGURAT
Registration Number:	2681354	Z ZIGGURAT

CORRESPONDENCE DATA

Fax Number: (916)444-2100
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 9164441000
 Email: garupo@downeybrand.com
 Correspondent Name: Downey Brand LLP
 Address Line 1: 555 Capitol Mall
 Address Line 2: 10th Floor
 Address Line 4: Sacramento, CALIFORNIA 95814

OP \$115.00 2725018

NAME OF SUBMITTER:	Grace M. Arupo
Signature:	/Grace M. Arupo/
Date:	09/06/2006
Total Attachments: 9 source=CVF-Mulberry Security Agreement#page1.tif source=CVF-Mulberry Security Agreement#page2.tif source=CVF-Mulberry Security Agreement#page3.tif source=CVF-Mulberry Security Agreement#page4.tif source=CVF-Mulberry Security Agreement#page5.tif source=CVF-Mulberry Security Agreement#page6.tif source=CVF-Mulberry Security Agreement#page7.tif source=CVF-Mulberry Security Agreement#page8.tif source=CVF-Mulberry Security Agreement#page9.tif	

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of September 5, 2006, is made by and between MULBERRY THAI SILKS, INC., a California corporation having a business location at the address set forth below next to its signature (the "Borrower"), and THE CENTRAL VALLEY FUND, L.P., a Delaware limited partnership having a business location at the address set forth below next to its signature (the "Secured Party").

Recitals

The Borrower and the Secured Party are parties to a Senior Subordinated Note Purchase Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Purchase Agreement") setting forth the terms on which the Secured Party is purchasing a Senior Subordinate Note in the principal amount of \$2,750,000 (the "Note") from the Borrower.

As a condition to the purchase of the Note, the Secured Party has required the execution and delivery of this Agreement by the Borrower.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Purchase Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Affiliates" shall have the meaning given to such term in the Purchase Agreement, except that, for purposes of this Agreement, the term "Affiliate" shall not include HJ LLC.

"Indebtedness" is used herein in its most comprehensive sense and means any and all advances, debts, obligations and liabilities of the Borrower to the Secured Party, heretofore, now or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, including under any swap, derivative, foreign exchange, hedge, deposit, treasury management or other similar transaction or arrangement at any time entered into by the Borrower with the Secured Party, and whether the Borrower may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter becomes unenforceable.

"Patents" means all of the Borrower's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses

thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

“Security Interest” has the meaning given in Section 2.

“Trademarks” means all of the Borrower’s right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, and (iv) licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. The Borrower hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the “Security Interest”) with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Indebtedness. As set forth in the Purchase Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Borrower. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. The Borrower represents, warrants and agrees as follows:

(a) **Existence; Authority**. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Borrower.

(b) **Patents**. Exhibit A accurately lists all Patents owned or controlled by the Borrower as of the date hereof, or to which the Borrower has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Borrower owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Borrower shall within 60 days provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) **Trademarks**. Exhibit B accurately lists all Trademarks owned or controlled by the Borrower as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications

or registrations) which are not material to the Borrower's or any Affiliate's business(es). If after the date hereof, the Borrower owns or controls any Trademarks not listed on **Exhibit B** (other than common law marks which are not material to the Borrower's or any Affiliate's business(es)), or if **Exhibit B** ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Borrower shall promptly provide written notice to the Secured Party with a replacement **Exhibit B**, which upon acceptance by the Secured Party shall become part of this Agreement.

(d) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Borrower, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Borrower shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Borrower; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** The Borrower has absolute title to each Patent and each Trademark listed on **Exhibits A** and **B**, free and clear of all Liens except Permitted Liens. The Borrower (i) will have, at the time the Borrower acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Purchase Agreement, the Borrower will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party's prior written consent.

(g) **Defense.** The Borrower will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** The Borrower will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Borrower covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least 30 days, to allow the Secured Party to timely pay any such maintenance fees or annuities

which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Secured Party's Right to Take Action.** If the Borrower fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Borrower written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Borrower notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Borrower (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Borrower shall pay the Secured Party on demand the amount of all moneys expended and all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(k) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6, the Borrower hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Borrower, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Borrower under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Purchase Agreement as provided therein and the payment and performance of all Indebtedness.

4. Borrower's Use of the Patents and Trademarks. The Borrower shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Purchase Agreement or the Note, shall occur; or (b) the Borrower shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Purchase Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Borrower shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Borrower under this Agreement shall be given in the manner and with the effect provided in the Purchase Agreement. The Secured Party shall not be obligated to preserve any rights the Borrower may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Borrower and delivered to the Secured Party, and the Borrower waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this

Agreement or of any financing statement signed by the Borrower shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of California without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Indebtedness.

8. Dispute Resolution. The parties agree that any disputes hereunder shall be resolved as set forth in Sections 12.18 and 12.19 of the Purchase Agreement.

9. Intercreditor Agreement. The terms of this Agreement are subject and subordinate to the provisions of the Intercreditor Agreement. To the extent that any provision of this Agreement is inconsistent with the provisions of the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall control in all respects.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

Mulberry Thai Silks, Inc.
880 Harbour Way South
Richmond, Ca 94808

MULBERRY Y THAI SILKS, INC.

By *John Krupper*
Name: John Krupper
Title: CEO

The Central Valley Fund LLC
1590 Drew Avenue, Suite 110
Davis, California 95616

THE CENTRAL VALLEY FUND, L.P.

By *Edmundo F. Hernandez*
Name: Edmundo F. Hernandez
Title: PRINCIPAL

798241.3

EXHIBIT A

UNITED STATES ISSUED PATENTS

	<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
None.			

UNITED STATES PATENT APPLICATIONS

	<u>Title</u>	<u>Serial Number</u>	<u>Filing Date</u>
None.			

FOREIGN ISSUED PATENTS

	<u>Title</u>	<u>Country</u>	<u>Patent Number</u>	<u>Issue Date</u>
None.				

UNITED STATES PATENT APPLICATIONS

	<u>Title</u>	<u>Serial Number</u>	<u>Filing Date</u>
None.			

Exhibit A

EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS
AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
Ties to Nature	2,725,018	06/10/03
Ties to America	2,728,174	06/17/03
Ziggurat	2,681,353	01/28/03
Ziggurat & Design	2,681,354	01/28/03

APPLICATIONS

None.

COLLECTIVE MEMBERSHIP MARKS

None.

UNREGISTERED MARKS

MULBERRY NECKWEAR
MULBERRY THAI SILKS
SALESTRACK
REPORTTRACK
RETAILCENTRIC

Exhibit B

798241.2