

Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (ex p. 6/30/2005)

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

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

To the director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Sonora Mills Foods, Inc..

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

Citizenship (see guidelines) Delaware

Execution Date(s) July 31, 2013

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Yes

Additional names, addresses, or citizenship attached?

No

Name: Israel Discount Bank of New York, IDB Factors Division

Internal Address: _____

Street Address: 511 Fifth Avenue

City: New York

State: NY

Country: USA

Zip: 10017

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship

Other Bank Citizenship New York

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)

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Trademark Collateral Assignment and Security Agreement
- Merger
- Change of Name

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) SEE SCHEDULE A ANNEXED HERETO

B. Trademark Registration No.(s) SEE SCHEDULE A ANNEXED HERETO

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown)
SEE SCHEDULE A ANNEXED HERETO

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

Name: CT Lien Solutions

Internal Address: Attn: Susan O'Brien

Street Address: 187 Wolf Road, Suite 101

City: Albany

State: NY

Zip: 12205

Phone Number: 800-342-3676

Fax Number: 800-962-7049

Email Address: cls-udsalbany@wolterskluwer.com

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$90.00

Authorized to be charged by credit card

Authorized to be charged to deposit account

Enclosed

8. Payment information:

a. Credit Card

Last 4 Numbers 1868

Expiration Date 06/15

b. Deposit Account Number _____

Authorized User Name: _____

9. Signature: _____

Signature

Evan A. Pilchik
Name of Person Signing

8/6/13
Date

Total number of pages including cover sheet, attachments, and document. 21

Documents to be recorded (including cover sheet) should be faxed to (703) 306-6998, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

OP \$90.00 85509863

ADDITIONAL NAMES OF CONVEYING PARTIES

Popchips Inc.

Delaware Corporation

Popchips Limited

United Kingdom Limited

SCHEDULE A
TO
RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TRADE NAMES, REGISTERED TRADEMARKS, TRADEMARK APPLICATIONS, REGISTERED
SERVICE MARKS AND SERVICE MARK APPLICATIONS

Trademark	Country	Application No.	Registration No.	Application Date	Registration Date
POPCHIPS	United States of America	78/892,669	3,482,390	05/25/2006	08/05/2008
THINK POPPED	United States of America	77/022,725	3,419,049	10/17/2006	04/29/2008
POPCHIPS Logo	United States of America	85/509,863	Pending	01/05/2012	Pending

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TRADEMARK
REEL: 005086 FRAME: 0191

**TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (as amended, modified, supplemented, extended, renewed, restated or replaced from time to time, this "Agreement") is made this 31st day of July, 2013 among **SONORA MILLS FOODS, INC.** ("Sonora"), **POPCHIPS INC.** ("Popchips US"), and **POPCHIPS LIMITED** ("Popchips UK" and, together with Sonora and Popchips US, collectively, "Debtor"), having their chief executive office at 3064 Maria Street, Rancho Dominguez, California 90221 and **ISRAEL DISCOUNT BANK OF NEW YORK, IDB FACTORS DIVISION** ("IDB"), having a place of business at 511 Fifth Avenue, New York, New York 10017.

WITNESSETH:

WHEREAS, IDB has entered or is about to enter into certain financing arrangements with Debtor pursuant to (a) that certain Factoring and Financing Agreement dated as of the date hereof (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Factoring Agreement"), pursuant to which IDB may purchase accounts and may make loans and advances and provide other financial accommodations to Popchips US and Popchips UK, and (b) the other agreements, notes, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Factoring Agreement, and the Ancillary Documents (as defined in the Factoring Agreement), as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce IDB to enter into the Factoring Agreement and the other Financing Agreements and to purchase accounts and make loans and advances and provide other financial accommodations to Debtor pursuant thereto, Debtor has agreed to grant to IDB certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. DEFINED TERMS

All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Factoring Agreement.

2. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to IDB, for itself and its affiliates, a collateral security interest in and a general lien upon, and a conditional assignment of, all of Debtor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising in the United States, Canada or the United Kingdom (collectively, the "Collateral"): (a) any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications filed in the United States, Canada or the United Kingdom, including (i) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Exhibit A, (ii) all renewals thereof, (iii) all income, royalties, damages and

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payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iv) the right to sue for past, present and future infringements and dilutions thereof, (v) the goodwill of Debtor's business symbolized by the foregoing or connected therewith, and (vi) all of Debtor's rights corresponding thereto throughout the United States, Canada and the United Kingdom (collectively, the "Trademarks"); (b) all Trademark Licenses (as hereinafter defined); (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and (c) all products and proceeds (as that term is defined in the UCC) of the foregoing, including any claim by Debtor against third parties for past, present or future (i) infringement or dilution of any Trademark or any Trademarks exclusively licensed under any Trademark License, including right to receive any damages, (ii) injury to the goodwill associated with any Trademark, or (iii) right to receive license fees, royalties, and other compensation under any Trademark License. Notwithstanding anything contained in this Agreement to the contrary, the term "Collateral" shall not include any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided that upon submission and acceptance by the United States Patent and Trademark Office (the "USPTO") of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall be considered Collateral. For the purposes of this Agreement, "Trademark License" means (a) any licenses or other similar rights provided to Debtor in or with respect to any Trademark owned or controlled by any other Person, and (b) any licenses or other similar rights provided to any other Person in or with respect to any Trademark owned or controlled by Debtor in the United States, Canada or the United Kingdom, in each case, including (i) the license agreements listed on Exhibit B, and (ii) the right to use any of the licenses or other similar rights described in this definition in connection with the enforcement of the IDB's rights under the Financing Agreements.

3. OBLIGATIONS SECURED

The security interest, lien and other interests granted to IDB pursuant to this Agreement shall secure the prompt performance, observance and payment in full of all amounts of any nature whatsoever, direct or indirect, absolute or contingent, due or to become due, arising or incurred heretofore or hereafter, arising under this Agreement or any other agreement or by operation of law, now or hereafter owing by Debtor to IDB or to any affiliate of IDB. Said amounts include, but are not limited to loans, debts and liabilities heretofore or hereafter acquired by purchase or assignment from other present or future Debtors of IDB, or through participation. Without limiting the foregoing, such amounts shall include all advances, loans, interest, commissions, customer late payment charges, cost, fees, expenses, taxes and all receivables charged or chargeable to Debtor's account under the Factoring Agreement, whether arising under this Agreement, the other Financing Agreements or by operation of law and whether incurred by Debtor as principal, surety, endorser, guarantor or otherwise (all hereinafter referred to as "Obligations").

4. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to IDB the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding) the truth and accuracy of which, or compliance therewith, being a continuing condition of the making of loans and advances and other financial accommodations by IDB to Debtor under the Financing Agreements:

- (a) Debtor shall pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full and clear title thereto, and the right and power to grant the security interest and conditional assignment granted hereunder. Debtor shall, at Debtor's sole expense, perform all acts and execute all documents necessary or, in IDB's reasonable discretion, advisable to maintain the existence of the Collateral consisting of registered Trademarks as registered trademarks and to maintain all of the Collateral as valid and subsisting, including the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder; (ii) the licenses permitted under Section 3(e) below; and (iii) the security interest granted to the holders of the Existing Convertible Indebtedness.

(c) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of IDB, except as otherwise permitted herein. Nothing in this Agreement shall be deemed a consent by IDB to any such action, except as such action is expressly permitted hereunder.

(d) Debtor shall, at Debtor's sole expense, promptly perform all acts and execute all documents reasonably requested at any time by IDB to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes IDB to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by IDB or as otherwise determined by IDB. Debtor further authorizes IDB to have this Agreement or any other similar security agreement filed with the USPTO or any other appropriate federal, state or local government office in the United States, Canada or the United Kingdom.

(e) As of the date hereof, Debtor does not have any Trademarks registered, or the subject of pending applications, in the USPTO or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in Canada or the United Kingdom, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to IDB five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to IDB's exercise of the rights and remedies granted to IDB hereunder.

(g) IDB may, in its reasonable discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by IDB to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, reasonable attorneys' fees and legal expenses. Debtor shall be liable to IDB for any such payment, which payment shall be deemed an advance by IDB to Debtor, shall be payable on demand together with interest at the highest rate then applicable to the indebtedness of Debtor to IDB set forth in the Factoring Agreement and shall be part of the Obligations secured hereby.

(h) Debtor shall provide IDB with written notice not more than thirty (30) days after filing any application for the registration of a Trademark with the USPTO or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in Canada or the United Kingdom. If, after the date hereof, Debtor shall (i) obtain any registered Trademark, or apply for any such registration in the USPTO or in any similar office or agency in the United States, any State thereof,

any political subdivision thereof or in Canada or the United Kingdom or (ii) become an owner of any trademark registrations or applications for trademark registration used in the United States, any State thereof, any political subdivision thereof or in Canada or the United Kingdom, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of IDB, Debtor shall promptly execute and deliver to IDB any and all assignments, agreements, instruments, documents and such other papers as may be requested by IDB to evidence the security interests in and conditional assignment of such Trademark in favor of IDB.

(i) Debtor has not abandoned any of the Trademarks and Debtor shall not do any act, nor omit to do any act, whereby the Trademarks may become invalidated, unenforceable, avoided or avoidable. Debtor shall notify IDB immediately if it knows or has reason to know of any reason why any application, registration or recording with respect to the Trademarks may become canceled, invalidated, avoided or avoidable, or why any application may not be granted.

(j) Debtor shall render any assistance, as IDB shall determine is reasonably necessary or advisable, to IDB in any proceeding before the USPTO, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in Canada or the United Kingdom, to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect IDB's interest therein, including the filing of applications for renewal, affidavits of use, affidavits of incontestability, and opposition, interference, and cancellation proceedings.

(k) No infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to IDB, including the validity, priority or perfection of the security interest granted herein or the remedies of IDB hereunder. There has been no judgment holding any Trademark invalid or unenforceable, in whole or part, nor is the validity or enforceability of any Trademark being questioned in any litigation or proceeding. Debtor shall promptly notify IDB if Debtor (or any affiliate thereof) learns of any act by any Person which infringes, or which may be reasonably likely to infringe, upon any Trademark. Debtor has advised IDB that, from time to time, it has and will continue to challenge infringements upon the Trademarks occurring outside of the United States. If requested by IDB, Debtor, at Debtor's sole expense, shall join with IDB in such action as IDB, in IDB's sole and absolute discretion, may deem advisable for the protection of IDB's interest in and to any or all of the Trademarks.

(l) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds IDB harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees and legal expenses) arising out of any alleged defect in any service or product manufactured, promoted, or sold by Debtor (or any affiliate thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale, distribution or advertisement of any such product or service by Debtor (or any affiliate thereof). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Factoring Agreement.

(m) Debtor shall promptly pay IDB for any and all expenditures made by IDB pursuant to the provisions of this Agreement or for the defense, protection, or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the highest rate then applicable to the indebtedness of Debtor to IDB set forth in the Factoring Agreement and shall be part of the Obligations secured hereby.

5. RIGHTS AND REMEDIES

Upon the occurrence of an Event of Default, and at any time thereafter, in addition to all other rights and remedies of IDB, whether provided under this Agreement, the Factoring Agreement, the other Financing Agreements, applicable law or otherwise, IDB shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) IDB may require that neither Debtor nor any affiliate of Debtor make any use of the Trademarks for any purpose whatsoever. IDB may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services in connection with enforcing any other security interest granted to IDB by Debtor or any affiliate of Debtor or for such other reason as IDB may reasonably determine.

(b) IDB may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as IDB in its reasonable discretion shall deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) IDB may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. IDB shall have the power to buy the Collateral or any part thereof, and IDB shall also have the power to execute assurances and perform all other acts which IDB may, in its reasonable discretion, deem appropriate or proper to complete such assignment, sale or disposition.

(d) In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to the terms hereof, IDB may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay IDB on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees and legal expenses. Debtor agrees that IDB has no obligation to preserve rights to the Trademarks against any other parties.

(e) IDB may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by IDB. Thereafter, IDB may apply any remaining proceeds to such of the Obligations as IDB may in its sole and absolute discretion determine. In the event the proceeds of Collateral are insufficient to satisfy all of the Obligations in full, Debtor shall remain liable for any such deficiency and shall pay IDB on demand any such unpaid amount, together with interest at the highest rate then applicable to the indebtedness of Debtor to IDB set forth in the Factoring Agreement.

(f) Debtor shall supply to IDB or to IDB's designee, Debtor's knowledge and expertise relating to the manufacture, sale and distribution of the products and rendition of services to which the Trademarks relate.

(g) Nothing contained herein shall be construed as requiring IDB to take any such action at any time. All of IDB's rights and remedies, whether provided under this Agreement, the Factoring Agreement, the other Financing Agreements, applicable law or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

(h) Notwithstanding anything to the contrary set forth herein or in the other Financing Agreements, IDB shall not enforce any rights or remedies against the Collateral until the earlier to occur of (i) the date that is one hundred twenty (120) days after the occurrence of an Event of Default under the Factoring Agreement or (ii) date of any filing by or against the Debtor of a petition for relief from creditors under the United States Bankruptcy Code.

6. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

(a) This Agreement is made and is to be performed under the laws of the State of New York and shall be governed by and construed and enforced in accordance with said law, excluding any principles of any conflicts of laws or other rule of law that would result in the application of the law of any jurisdiction other than the laws of the State of New York. Debtor and IDB expressly submit and consent to the jurisdiction of the state and federal courts located in the County of New York, State of New York with respect to any controversy arising out of or relating to this Agreement or any alteration, amendment, change, extension, modification, renewal, replacement, substitution, joinder or supplement hereto or to any transactions in connection herewith. Debtor and IDB irrevocably waive all claims, obligations and defenses that Debtor or IDB, as applicable, may have regarding such court's personal or subject matter jurisdiction, venue or inconvenient forum. Nothing herein shall limit the right of IDB to bring proceedings against Debtor in any other court. Each of the parties to this Agreement hereby waives personal service of any summons or complaint or other process or papers to be issued in any action or proceeding involving any such controversy and hereby agrees that service of such summons or complaint or process may be made by registered or certified mail to the other party at the address appearing on the signature page hereto.

(b) IDB AND DEBTOR DO HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND ARISING ON, OUT OF, BY REASON OF, OR RELATING IN WAY TO, THIS AGREEMENT OR THE INTERPRETATION OR ENFORCEMENT THEREOF OR TO ANY TRANSACTIONS HEREUNDER.

(c) The parties prefer that any dispute between them be resolved in litigation subject to a Jury Trial Waiver as set forth in this Agreement or the Financing Agreements, but the California Supreme Court has held that pre-dispute Jury Trial Waivers not authorized by statute are unenforceable. This Reference Provision will be applicable until: (i) the California Supreme Court holds that a pre-dispute Jury Trial Waiver provision similar to that contained in this Agreement and the Financing Agreements is valid or enforceable; or (ii) the California Legislature enacts a statute which becomes law, authorizing pre-dispute Jury Trial Waivers of the type in this Agreement and the Financing Agreements and, as a result, such waivers become enforceable.

(d) Other than (i) nonjudicial foreclosure of security interests in real or personal property, (ii) the appointment of a receiver, interim receiver or receiver and manager or (iii) the exercise of other provisional remedies (any of which may be initiated pursuant to applicable law), any controversy, dispute or claim (each, a "Claim") between the parties arising out of or relating to this Agreement or any Financing Agreement, will be resolved by a reference proceeding in California in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor

sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in this Agreement and the Financing Agreements, venue for the reference proceeding will be in the Superior Court or Federal District Court in the County or District where the real property, if any, is located or in a County or District where venue is otherwise appropriate under applicable law (the "Court").

(e) The referee shall be a retired Judge or Justice selected by mutual written agreement of the parties. If the parties do not agree, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted. The referee shall be appointed to sit with all the powers provided by law. Pending appointment of the referee, the Court has power to issue temporary or provisional remedies.

(f) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (a) set the matter for a status and trial-setting conference within thirty (30) days after the date of selection of the referee, (b) if practicable, try all issues of law or fact within one hundred twenty (120) days after the date of the conference and (c) report a statement of decision within thirty (30) days after the matter has been submitted for decision.

(g) The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based upon good cause shown, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon twenty-one (21) days written notice, and all other discovery shall be responded to within thirty (30) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

(h) Except as expressly set forth in this Agreement, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

(i) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a trial, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision and pursuant to CCP §644 the referee's decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court. The final judgment or order or from any appealable decision or order entered by the referee shall be fully appealable as provided by law. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(j) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or Justice, in accordance with the California Arbitration Act §1280 through §1294.2 of the CCP as amended from time to time. The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

(k) THE PARTIES RECOGNIZE AND AGREE THAT ALL DISPUTES RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY DISPUTE BETWEEN THEM WHICH ARISES OUT OF OR IS RELATED TO THIS AGREEMENT OR THE FINANCING AGREEMENTS.

(l) The paragraphs in this Section 6 which refer to certain sections of the California Civil Code and certain holdings of the California Supreme Court are included in this Agreement solely out of an abundance of caution and shall not be construed to mean that any of the above-referenced provisions of California law are in any way applicable to this Agreement.

(m) Debtor waives presentment and protest of any instruments and all notices thereof, notice of default and all other notices to which it might otherwise be entitled.

(n) IDB shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on IDB that the losses were the result of IDB's acts or omissions constituting gross negligence or willful misconduct.

7. MISCELLANEOUS

(a) Unless otherwise specified herein, all notices pursuant to this Agreement shall be in writing and sent either (a) by hand, (b) by certified mail, return receipt requested, or (c) by recognized overnight courier service, to the other party at the address set forth on the signature page hereto, or to such other addresses as a party may from time to time furnish to the other party by notice. Any notice hereunder shall be deemed to have been given on (i) the day of hand delivery, (ii) the third Business Day after the day it is deposited in the U.S. Mail, if sent as aforesaid, or (iii) the day after it is delivered to a recognized overnight courier service with instructions for next day delivery.

(b) Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or". The words "hereof", "herein", "hereby", "hereunder", and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be

construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights. The word "Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof, and any reference herein to any Person shall be construed to include such Person's successors and permitted assigns.

(c) IDB shall have the right to assign this Agreement; Debtor shall have no right to assign this Agreement; and this Agreement, the other Financing Agreements and any other document referred to herein shall inure to the benefit of and shall bind IDB and Debtor and their respective successors and assigns.

(d) No failure or delay by IDB in exercising any of its powers or rights hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or the exercise of any other right or power. IDB's rights, remedies and benefits hereunder are cumulative and not exclusive of any other rights, remedies or benefits which IDB may have. No waiver by IDB will be effective unless in writing and then only to the extent specifically stated.

(e) If any provision of this Agreement is found to be unenforceable or otherwise invalid under applicable law, such provision shall be ineffective only to the extent of such invalidity and the remaining provisions of this Agreement shall remain in full force and effect.

(f) This Agreement is the result of full and complete negotiation at arm's length by all parties hereto. No prior drafts or memoranda prepared by any party shall be used to construe or interpret any provision hereof, nor shall any one party be construed the "drafter" of this Agreement for the purpose of construing the terms, conditions or obligations set forth herein. This Agreement sets forth the entire understanding of the parties with respect to the matters set forth herein and supersedes in their entirety any and all understandings and agreements, whether Written or oral, of the parties with respect to the foregoing. This Agreement cannot be changed, modified or amended in any respect except by a Writing executed by the party to be charged. Debtor acknowledges that it has been advised by counsel in connection with the execution of this Agreement and the other Financing Agreements and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(g) This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when IDB has received counterparts bearing the signatures of all parties hereto. Delivery of an executed signature page by telecopy or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, Debtor and IDB have executed this Agreement as of the day and year first above written.

SONORA MILLS FOODS, INC.

By: _____
Name: Patrick Turpin
Title: Chief Executive Officer

Address: 3064 Maria Street
Rancho Dominguez, California 90221

POPCHIPS INC.

By: _____
Name: Patrick Turpin
Title: President

Address: 3064 Maria Street
Rancho Dominguez, California 90221

POPCHIPS LIMITED

By: _____
Name: Patrick Turpin
Title: Director

Address: c/o MOFO Notices Limited
CityPoint, One Ropemaker Street
United Kingdom, London EC2Y 9AW

ISRAEL DISCOUNT BANK OF NEW YORK, IDB FACTORS DIVISION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address: 511 Fifth Avenue
New York, New York 10017

Signature page to Trademark Collateral Assignment and Security Agreement

IN WITNESS WHEREOF, Debtor and IDB have executed this Agreement as of the day and year first above written.

SONORA MILLS FOODS, INC.

By: _____

Name: Patrick Turpin
Title: Chief Executive Officer

Address: 3064 Maria Street
Rancho Dominguez, California 90221

POPCHIPS INC.

By: _____

Name: Patrick Turpin
Title: President

Address: 3064 Maria Street
Rancho Dominguez, California 90221


POPCHIPS LIMITED

By: _____


Name: Patrick Turpin
Title: _____

Address: c/o MOFO Notices Limited
CityPoint, One Ropemaker Street
United Kingdom, London EC2Y 9AW

ISRAEL DISCOUNT BANK OF NEW YORK, IDB FACTORS DIVISION

By: 

Name: Vinata Ramnani
Title: Vice President

By: 

Name: Louis G. Barone
Title: Senior Vice President

Address: 511 Fifth Avenue
New York, New York 10017

Signature page to Trademark Collateral Assignment and Security Agreement

STATE OF California)
COUNTY OF Los Angeles) ss.:



On the 17 day of July in the year 2013, before me, the undersigned, personally appeared Patrick Turpin, ~~personally known to me~~ or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

K.D. McRendell
Notary Public

STATE OF California)
COUNTY OF Los Angeles) ss.:

On the 17 day of July in the year 2013, before me, the undersigned, personally appeared Patrick Turpin, ~~personally known to me~~ or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

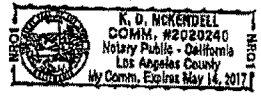


K.D. McRendell
Notary Public

STATE OF California)
COUNTY OF Los Angeles) ss.:

On the 17 day of July in the year 2013, before me, the undersigned, personally appeared Patrick Turpin, ~~personally known to me~~ or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

K.D. McRendell
Notary Public



Signature page to Trademark Collateral Assignment and Security Agreement

STATE OF _____)
) ss.:
COUNTY OF _____)

On the _____ day of July in the year 2013, before me, the undersigned, personally appeared Patrick Turpin, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of July in the year 2013, before me, the undersigned, personally appeared VINITA RAMNANI, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Frances D. Shapiro
Notary Public
FRANCES D. SHAPIRO
Notary Public, State of New York
No. 01SH4995666
Qualified in Queens County
Commission Expires 04/27/2008 14

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of July in the year 2013, before me, the undersigned, personally appeared Louis E. Barone, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Frances D. Shapiro
Notary Public
FRANCES D. SHAPIRO
Notary Public, State of New York
No. 01SH4995666
Qualified in Queens County
Commission Expires 04/27/2008 14

Signature page to Trademark Collateral Assignment and Security Agreement

**EXHIBIT A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

**TRADE NAMES, REGISTERED TRADEMARKS, TRADEMARK APPLICATIONS,
REGISTERED SERVICE MARKS AND SERVICE MARK APPLICATIONS**

Trademark	Country	Application No.	Registration No.	Application Date	Registration Date
POPCHIPS	United States of America	78/892,669	3,482,390	05/25/2006	08/05/2008
POPCHIPS	Canada	1492575	TMA809051	08/17/2010	10/14/2011
POPCHIPS	European Community	006029268	006029268	06/22/2007	04/18/2008
THINK POPPED	United States of America	77/022,725	3,419,049	10/17/2006	04/29/2008
POPCHIPS Logo	United States of America	85/509,863	Pending	01/05/2012	Pending
POPCHIPS Logo	European Community	IR1131561	Pending	06/28/2012	Pending
POPCRISPS	European Community	011493236	Pending	01/16/2013	Pending

**EXHIBIT B
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

TRADEMARK LICENSES

None.

SONORA MILLS FOODS, INC.

By: _____
Name: _____
Title: _____

POPCHIPS INC.

By: _____
Name: _____
Title: _____

POPCHIPS LIMITED

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.:
COUNTY OF _____)

On the 31st day of July in the year 2013, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF _____)
) ss.:
COUNTY OF _____)

On the 31st day of July in the year 2013, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF _____)
) ss.:
COUNTY OF _____)

On the 31st day of July in the year 2013, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public