

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM544644

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
S. MARTINELLI & COMPANY		11/09/2017	Corporation: CALIFORNIA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	WELLS FARGO BANK, NATIONAL ASSOCIATION		
<b>Street Address:</b>	299 S. Main Street, 6th Floor		
<b>City:</b>	Salt Lake City		
<b>State/Country:</b>	UTAH		
<b>Postal Code:</b>	84111		
<b>Entity Type:</b>	National Banking Association: UNITED STATES		
<b>PROPERTY NUMBERS Total: 27</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	3452859		
<b>Registration Number:</b>	2627302		
<b>Registration Number:</b>	2945841		
<b>Registration Number:</b>	4018101	"DRINK YOUR APPLE A DAY" MARTINELLI'S SI	
<b>Registration Number:</b>	2608735	100% SPARKLING APPLE JUICE	
<b>Registration Number:</b>	5633677	1868	
<b>Registration Number:</b>	2945840		
<b>Registration Number:</b>	2603697	APPLE VALLEY	
<b>Registration Number:</b>	0808605	APPLE VALLEY	
<b>Registration Number:</b>	2563193	DRINK YOUR APPLE A DAY	
<b>Registration Number:</b>	0805305	DRINK YOUR APPLE A DAY	
<b>Registration Number:</b>	4495095	FRUIT HARMONY	
<b>Registration Number:</b>	4067701	GET UP & GOJI TROPICAL	
<b>Registration Number:</b>	2603699	GOLDEN APPLE	
<b>Registration Number:</b>	0815543	GOLDEN APPLE	
<b>Registration Number:</b>	2600246	M	
<b>Registration Number:</b>	2563192	M	
<b>Registration Number:</b>	2509346	M	
<b>Registration Number:</b>	2172415	MARTINELLI'S	

OP \$690.00 3452859

Property Type	Number	Word Mark
Registration Number:	3851097	MARTINELLI'S
Registration Number:	2623122	MARTINELLI'S
Registration Number:	2475737	MARTINELLI'S GOLD MEDAL
Registration Number:	2760632	MARTINELLI'S GOLD MEDAL
Registration Number:	0804807	MARTINELLI'S GOLD MEDAL
Registration Number:	4001250	MARTINELLI'S GOLD MEDAL SINCE 1868
Registration Number:	2608736	MARTINELLI'S
Registration Number:	2294894	

**CORRESPONDENCE DATA**

**Fax Number:**

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.*

**Email:** jlandweber@mcguirewoods.com

**Correspondent Name:** Joseph Landweber

**Address Line 1:** Two Embarcadero Center, Suite 1300

**Address Line 2:** McGuireWoods LLP

**Address Line 4:** San Francisco, CALIFORNIA 94111

<b>NAME OF SUBMITTER:</b>	Joseph Landweber
<b>SIGNATURE:</b>	/JOSEPH LANDWEBER/
<b>DATE SIGNED:</b>	10/10/2019

**Total Attachments: 16**

- source=Martinelli Trademark Filing Packet#page1.tif
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### 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):**

S. MARTINELLI & COMPANY

- Individual(s)
- Partnership
- Corporation- State: California
- Other \_\_\_\_\_
- Association
- Limited Partnership

Citizenship (see guidelines) \_\_\_\_\_

Additional names of conveying parties attached?  Yes  No

**3. Nature of conveyance/Execution Date(s) :**

Execution Date(s) November 9, 2017

- Assignment
- Security Agreement
- Other \_\_\_\_\_
- Merger
- Change of Name

**2. Name and address of receiving party(ies)**

Additional names, addresses, or citizenship attached?  Yes  No

Name: WELLS FARGO BANK, NATIONAL ASSOCIATION

Street Address: 299 S. Main Street, 6th Floor

City: Salt Lake City

State: Utah

Country: United States of America Zip: 84111

- Individual(s) Citizenship \_\_\_\_\_
- Association Citizenship \_\_\_\_\_
- Partnership Citizenship \_\_\_\_\_
- Limited Partnership Citizenship \_\_\_\_\_
- Corporation Citizenship \_\_\_\_\_
- Other Ntl Bnk Asoc Citizenship United States

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)

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

A. Trademark Application No.(s) \_\_\_\_\_ Text

B. Trademark Registration No.(s) \_\_\_\_\_

See Exhibit A attached hereto.

See Exhibit A attached 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 Exhibit A attached hereto.

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

Name: Joseph Landweber

Internal Address: McGuireWoods LLP

Street Address: Two Embarcadero Center, Suite 1300

City: San Francisco

State: California Zip: 94111

Phone Number: (415) 490-0853

Docket Number: \_\_\_\_\_

Email Address: jlandweber@mcguirewoods.com

**6. Total number of applications and registrations involved:**

27

**7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$690.00**

- Authorized to be charged to deposit account
- Enclosed

**8. Payment Information:**

Deposit Account Number \_\_\_\_\_

Authorized User Name \_\_\_\_\_

**9. Signature:**



Signature

October 10, 2019

Date

Joseph Landweber

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 16

Documents to be recorded (Including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Branch, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

**EXHIBIT A  
TO  
TRADEMARK COVER SHEET**

**TRADEMARKS**

	<b>Trademark</b>	<b>Country / U.S. State</b>	<b>Registration Number</b>	<b>Filing Date</b>
1.	Product Configuration (10 oz. Plastic bottle)	United States	3452859	6/24/2008
2.	Product Configuration (10 oz. glass bottle)	United States	2627302	10/1/2002
3.	Product Configuration (1.5 liter glass bottle)	United States	2945841	5/3/2005
4.	Product Configuration (750 ml glass bottle)	United States	2945840	5/3/2005
5.	"DRINK YOUR APPLE A DAY" MARTINELLI'S SINCE 1868 GOLD MEDAL SPARKLING APPLE JUICE 100% U.S. GROWN FRESH APPLES Stylized	United States	4018101	8/30/2011
6.	100% SPARKLING APPLE JUICE & Design	United States	2608735	8/20/2002
7.	1868	United States	5633677	12/18/2018
8.	APPLE VALLEY	United States	2603697	8/6/2002
9.	APPLE VALLEY	United States	0808605	5/17/1996
10.	DRINK YOUR APPLE A DAY	United States	2563193	4/23/2002
11.	DRINK YOUR APPLE A DAY	United States	0805305	5/8/1966
12.	FRUIT HARMONY	United States	4495095	3/11/2014
13.	GET UP & GOJI TROPICAL Stylized	United States	4067701	12/6/2011
14.	GOLDEN APPLE	United States	2603699	8/6/2002
15.	GOLDEN APPLE	United States	0815543	9/20/1966
16.	M & Design (in an Apple Design)	United States	2600246	7/30/2002
17.	M & Design (in an Apple in a Glass Design)	United States	2563192	4/23/2002
18.	M (Stylized)	United States	2509346	11/20/2001

	<b>Trademark</b>	<b>Country / U.S. State</b>	<b>Registration Number</b>	<b>Filing Date</b>
19.	MARTINELLI'S	United States	2172415	7/14/1998
20.	MARTINELLI'S	United States	3851097	9/21/2010
21.	MARTINELLI'S (Stylized)	United States	2623122	9/24/2002
22.	MARTINELLI'S GOLD MEDAL (Stylized)	United States	2475737	8/7/2001
23.	MARTINELLI'S GOLD MEDAL (Stylized)	United States	2760632	9/9/2003
24.	MARTINELLI'S GOLD MEDAL (Stylized)	United States	0804807	3/1/1966
25.	MARTINELLI'S SINCE 1868 GOLD MEDAL Stylized	United States	4001250	7/26/2011
26.	MARTINELLI'S	United States	2608736	8/20/2002
27.	Product Configuration (10 oz. glass bottle)	United States	2294894	11/30/1999

NOTICE  
OF  
GRANT OF SECURITY INTEREST  
IN  
TRADEMARKS

Dated as of September 19, 2019

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security Agreement: Business Assets dated as of November 9, 2017, executed by S. MARTINELLI & COMPANY, a California corporation ("Debtor"), in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank") (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), the undersigned Debtor has granted a security interest in and lien upon the trademarks and trademark applications identified on Schedule A to Bank for the ratable benefit of Bank.

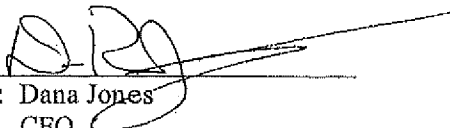
The Debtor and Bank, on behalf of Bank, each hereby acknowledge and agree that the security interest in such trademarks and trademark applications (a) may only be terminated in accordance with the terms of the Agreement and (b) is not to be construed as an assignment of any trademark or trademark application.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**DEBTOR:**  
227 East Beach Street  
Watsonville, CA 95076.

Very truly yours,

**S. MARTINELLI & COMPANY**

By:   
Name: Dana Jones  
Title: CFO

JURISDICTION OF FORMATION OF  
DEBTOR: California

S. Martinelli & Company  
Notice of Grant of Security Interest in Trademarks  
Signature Page

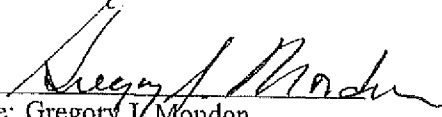
**TRADEMARK**  
**REEL: 006768 FRAME: 0781**

Acknowledged and accepted:

**BANK:**

Wells Fargo Bank, National Association  
299 S. Main Street, 6<sup>th</sup> Floor  
Salt Lake City, Utah 84111

**WELLS FARGO BANK,  
NATIONAL ASSOCIATION**

By:   
Name: Gregory J. Mondon  
Title: Senior Vice President

S. Martinelli & Company  
Notice of Grant of Security Interest in Trademarks  
Signature Page

**TRADEMARK**  
**REEL: 006768 FRAME: 0782**



**SCHEDULE A  
TO  
NOTICE  
OF  
GRANT OF SECURITY INTEREST  
IN  
TRADEMARKS**

**TRADEMARKS**

<b>Trademark</b>	<b>Country / U.S. State</b>	<b>Registration Number</b>	<b>Filing Date</b>
Product Configuration (10 oz. Plastic bottle)	United States	3452859	6/24/2008
Product Configuration (10 oz. glass bottle)	United States	2627302	10/1/2002
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Product Configuration (750 ml glass bottle)	United States	2945840	5/3/2005
"DRINK YOUR APPLE A DAY" MARTINELLI'S SINCE 1868 GOLD MEDAL SPARKLING APPLE JUICE 100% U.S. GROWN FRESH APPLES Stylized	United States	4018101	8/30/2011
100% SPARKLING APPLE JUICE & Design	United States	2608735	8/20/2002
1868	United States	5633677	12/18/2018
APPLE VALLEY	United States	2603697	8/6/2002
APPLE VALLEY	United States	0808605	5/17/1996
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DRINK YOUR APPLE A DAY	United States	0805305	5/8/1966
FRUIT HARMONY	United States	4495095	3/11/2014
GET UP & GOJI TROPICAL Stylized	United States	4067701	12/6/2011
GOLDEN APPLE	United States	2603699	8/6/2002
GOLDEN APPLE	United States	0815543	9/20/1966
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MARTINELLI'S	United States	2172415	7/14/1998
MARTINELLI'S	United States	3851097	9/21/2010
MARTINELLI'S (Stylized)	United States	2623122	9/24/2002
MARTINELLI'S GOLD MEDAL (Stylized)	United States	2475737	8/7/2001
MARTINELLI'S GOLD MEDAL (Stylized)	United States	2760632	9/9/2003
MARTINELLI'S GOLD MEDAL (Stylized)	United States	0804807	3/1/1966
MARTINELLI'S SINCE 1868 GOLD MEDAL Stylized	United States	4001250	7/26/2011
MARTINELLI'S	United States	2608736	8/20/2002
Product Configuration (10 oz. glass bottle)	United States	2294894	11/30/1999

SECURITY AGREEMENT: BUSINESS ASSETS

Dated as of November 9, 2017

1. GRANT OF SECURITY INTEREST. As collateral security for the Indebtedness (as defined below), the undersigned S. MARTINELLI & COMPANY, a California corporation ("Debtor"), hereby grants and transfers to WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank") a security interest in all of the property of Debtor described as follows (collectively called "Collateral"):

All rights to Accounts and other rights to payment (including without limitation such payment rights under Chattel Paper (whether electronic or tangible), Instruments, Promissory Notes, Documents, licenses, General Intangibles, Payment Intangibles and Letter-of-Credit Rights), Deposit Accounts, Chattel Paper, (whether electronic or tangible), Instruments, Promissory Notes, Documents, licenses, General Intangibles, Payment Intangibles, Letter-of-Credit Rights, Software, Inventory and Equipment now existing or at any time hereafter arising and whether they arise from the sale, lease or other disposition of Inventory or from performance of contracts for service, manufacture, construction, repair or otherwise or from any other source whatsoever; and to the extent not otherwise included above, all Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing provided, as of any date of determination, the term "Collateral" shall not include (i) any lease, license or other agreement or contract or any property subject to a purchase money security interest, lien securing a capital lease obligation or similar arrangement, in each case permitted to be incurred under the Credit Agreement, to the extent that a grant of a security interest therein would require a consent not obtained or violate or invalidate such lease, license or agreement or contract or purchase money arrangement, capital lease obligation or similar arrangement or create a right of termination in favor of any other party thereto (other than Borrower), in each case after giving effect to the applicable anti-assignment provisions of the UCC and other applicable law and other than Proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable law notwithstanding such prohibition, (ii) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant, attachment or enforcement of a security interest therein would, under applicable federal law, impair the registrability of such applications or the validity or enforceability of registrations issuing from such applications, (iii) motor vehicles and other assets subject to certificates of title (other than to the extent a lien thereon can be perfected by the filing of a financing statement under the UCC) and (iv) any asset or property to the extent that the grant of a security interest is prohibited by applicable law, rule or regulation or requires a consent not obtained of any governmental authority pursuant to such applicable law, rule or regulation, in each case after giving effect to the applicable anti-assignment provisions of the UCC and other applicable law and other than Proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable law notwithstanding such prohibition.

In this Agreement, each of the following terms shall have the meaning assigned thereto in the Uniform Commercial Code ("UCC") as in effect from time to time in the State of California (including any successor provisions under any subsequent version or amendment to any Article of the UCC); provided, in the event that, by reason of mandatory provisions of law, any or all of the perfection or priority of, or remedies with respect to, any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of California, the term "UCC" means the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions hereof relating to such perfection, priority or remedies: "Account"; "Chattel Paper"; "Document"; "Deposit Account"; "Equipment";

"General Intangibles"; "Instrument"; "Inventory"; "Letter-of-Credit Rights"; "Payment Intangible"; "Proceeds"; "Promissory Note"; and "Software".

2. OBLIGATIONS SECURED. The obligations secured hereby are the payment and performance of: (a) all present and future obligations of Debtor to Bank under that certain Credit Agreement, dated as of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between Debtor and Bank and the other Loan Documents (as defined in the Credit Agreement); (b) all obligations of Debtor and rights of Bank under this Agreement; and (c) all present and future obligations of Debtor to Bank under any swap, derivative, foreign exchange, hedge, deposit, treasury management or other similar transaction or arrangement (collectively, "Indebtedness").

3. TERMINATION. This Agreement will terminate upon the payment of all Indebtedness of Debtor to Bank, and the termination of all commitments of Bank to extend credit to Debtor, existing at the time Bank receives written notice from Debtor of the termination of this Agreement.

4. OBLIGATIONS OF BANK. Any money received by Bank in respect of the Collateral following the occurrence and during the continuance of an Event of Default may be deposited, at Bank's option, into a non-interest bearing account over which Debtor shall have no control, and the same shall, for all purposes, be deemed Collateral hereunder.

5. REPRESENTATIONS AND WARRANTIES. Debtor represents and warrants to Bank that: (a) Debtor's legal name is exactly as set forth on the first page of this Agreement, and all of Debtor's organizational documents or agreements delivered to Bank on the date hereof are complete and accurate in every respect on and as of the date hereof; (b) Debtor owns the Collateral purported to be owned by it or otherwise has the rights it purports to have in each item of Collateral, in each case free and clear of any liens, adverse claims, setoffs, default, prepayment, defenses and conditions precedent of any kind or character, except the lien created hereby, the other liens permitted under the Loan Documents or as otherwise agreed to by Bank, or as heretofore disclosed by Debtor to Bank, in writing; (c) Debtor has the exclusive right to grant a security interest in the Collateral; (d) [Reserved]; (e) all statements contained herein and, where applicable, in the Collateral are true and complete in all material respects; (f) no financing statement covering any of the Collateral, and naming any secured party other than Bank, is on file in any public office (other than financing statements (x) that have been terminated and (y) that have been filed in connection with the other liens permitted under the Loan Documents or as otherwise agreed to by Bank, or as heretofore disclosed by Debtor to Bank, in writing); (g) where Collateral consists of rights to payment, all persons appearing to be obligated on the Collateral have authority and capacity to contract and are bound as they appear to be, and all such Collateral comply with all applicable laws concerning form, content and manner of preparation and execution, including where applicable Federal Reserve Regulation Z and any State consumer credit laws; and (h) where the Collateral consists of equipment, fixtures, or specific goods, Debtor is not in the business of selling goods of the kind included within such Collateral, and Debtor acknowledges that no sale or other disposition of any such Collateral, including without limitation, any such Collateral which Debtor may deem to be surplus, has been consented to or acquiesced in by Bank, except as specifically set forth in writing by Bank.

## 6. COVENANTS OF DEBTOR.

(a) Debtor agrees in general: (i) to pay Indebtedness secured hereby when due; (ii) to indemnify Bank against all losses, claims, demands, liabilities and expenses of every kind caused by property subject hereto; provided, such indemnity shall not, as to Bank, be available to the extent that such losses, claims, demands, liabilities or expenses have resulted from the gross negligence or willful misconduct of Bank; (iii) to permit Bank to exercise its powers in accordance with this Agreement and the other Loan Documents; (iv) to execute and deliver such documents as Bank deems reasonably necessary to create, perfect and continue the security interests contemplated hereby; (v) not to change its name, and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered without giving Bank prior written notice thereof; (vi) not to change the addresses where Debtor keeps any Collateral (other than Collateral that is in transit and locations holding on annual average value of less than \$3,000,000 or Debtor's records concerning the Collateral without giving Bank prior written notice of the address to which Debtor is moving same; and (vii) to cooperate with Bank in perfecting all security interests granted herein and in obtaining such agreements from third parties as Bank deems necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of its rights hereunder.

(b) Debtor agrees with regard to the Collateral, unless Bank agrees otherwise in writing: (i) that Bank is authorized to file financing statements in the name of Debtor to perfect Bank's security interest in Collateral; (ii) where applicable, to operate the Collateral in accordance with all applicable statutes, rules and regulations relating to the use and control thereof, and not to use any Collateral for any unlawful purpose or in any way that would void any insurance required to be carried in connection therewith; (iii) not to remove the Collateral from Debtor's premises except in the ordinary course of Debtor's business; (iv) to pay when due all license fees, registration fees and other charges in connection with any Collateral; (v) not to permit any lien on the Collateral, including without limitation, liens arising from repairs to or storage of the Collateral, except with respect to liens permitted under any of the Loan Documents and liens in favor of Bank; (vi) not to sell, hypothecate or dispose of, nor permit the transfer by operation of law of, any of the Collateral or any interest therein to (or in favor of) any third party, except sales of inventory to buyers in the ordinary course of Debtor's business, or such other sales, hypothecation, or transfer that are permitted under the Loan Documents, nor withdraw any funds from any Deposit Account pledged to Bank hereunder other than in the ordinary course of business or for a purpose not expressly prohibited under the Loan Documents; (vii) to permit Bank to inspect the Collateral at any time with prior notice and only during customary business hours at Bank's cost; provided that upon the occurrence and during the continuance of an Event of Default, any such inspection shall be at Borrower's cost; provided, further that upon the occurrence and during the continuance of an Event of Default under any of Section 6.1(a), Section 6.1(e), Section 6.1(f)(v), Section 6.1(g) or Section 6.1(h) of the Credit Agreement, the notice and customary business hours requirements shall not apply; (viii) to keep, in accordance with generally accepted accounting principles, complete and accurate records regarding all Collateral, and to permit Bank to inspect the same and make copies thereof with prior notice and only during customary business hours at Bank's cost; provided that upon the occurrence and during the continuance of an Event of Default, any such inspection shall be at Borrower's cost; provided, further that upon the occurrence and during the continuance of an Event of Default under any of Section 6.1(a), Section 6.1(e), Section 6.1(f)(v), Section 6.1(g) or Section 6.1(h) of the Credit Agreement, the notice and customary business hours requirements shall not apply; (ix) if requested by Bank, to receive and use reasonable diligence to collect Collateral consisting of accounts and other rights to payment and Proceeds, in trust and as the property of Bank, and to immediately endorse as appropriate and deliver

such Collateral to Bank promptly in the exact form in which they are received together with a collection report in form satisfactory to Bank; (x) not to commingle Collateral, or collections thereunder, with other property; (xi) to give only normal allowances and credits and to advise Bank thereof immediately in writing if they affect any rights to payment or Proceeds in any material respect; (xii) from time to time, when requested by Bank, to prepare and deliver a schedule of all Collateral subject to this Agreement and to collaterally assign in writing and deliver to Bank all accounts, contracts, leases and other chattel paper, instruments, documents and other evidences thereof; (xiii) in the event Bank elects to receive payments of rights to payment or Proceeds hereunder, to pay all expenses incurred by Bank in connection therewith, including expenses of accounting, correspondence, collection efforts, reporting to account or contract debtors, filing, recording, record keeping and expenses incidental thereto; and (xiv) to provide any service and do any other acts which may be necessary to maintain, preserve and protect all Collateral and, as appropriate and applicable, to keep all Collateral in good and saleable condition, to deal with the Collateral in accordance with the standards and practices adhered to generally by users and manufacturers of like property, and to keep all Collateral free and clear of all defenses, rights of offset and counterclaims.

7. **POWERS OF BANK.** Debtor appoints Bank its true attorney in fact to perform any of the following powers, which are coupled with an interest, are irrevocable until termination of this Agreement and may be exercised from time to time by Bank's officers and employees, or any of them: (a) upon the occurrence and during the continuance of an Event of Default, to perform any obligation of Debtor hereunder in Debtor's name or otherwise; (b) upon the occurrence and during the continuance of an Event of Default, to give notice to account debtors or others of Bank's rights in the Collateral, to enforce or forebear from enforcing the same and make extension and modification agreements with respect thereto; (c) upon the occurrence and during the continuance of an Event of Default, to release persons liable on Collateral and to give receipts and acquittances and compromise disputes in connection therewith; (d) to release or substitute security; (e) upon the occurrence and during the continuance of an Event of Default, to resort to security in any order; (f) to prepare, execute, file, record or deliver notes, assignments, schedules, designation statements, financing statements, continuation statements, termination statements, statements of assignment, applications for registration or like papers to perfect, preserve or release Bank's interest in the Collateral; (g) upon the occurrence and during the continuance of an Event of Default, to receive, open and read mail addressed to Debtor; (h) to take cash, instruments for the payment of money and other property to which Bank is entitled; (i) to verify facts concerning the Collateral by inquiry of obligors thereon, or otherwise, in its own name or a fictitious name; (j) to endorse, collect, deliver and receive payment under instruments for the payment of money constituting or relating to Proceeds; (k) to prepare, adjust, execute, deliver and receive payment under insurance claims with respect to any property of Debtor constituting the Collateral, and to collect and receive payment of and endorse any instrument in payment of loss or returned premiums or any other insurance refund or return with respect to any property of Debtor constituting the Collateral, and to apply such amounts received by Bank, at Bank's sole option, toward repayment of the Indebtedness or, where appropriate, replacement of the Collateral; (l) upon the occurrence and during the continuance of an Event of Default, to exercise all rights, powers and remedies which Debtor would have, but for this Agreement, with respect to all Collateral subject hereto; (m) upon the occurrence and during the continuance of an Event of Default, to enter onto Debtor's premises in inspecting the Collateral; (n) upon the occurrence and during the continuance of an Event of Default, to make withdrawals from and to close deposit accounts or other accounts with any financial institution, wherever located, into which Proceeds may have been deposited, and to apply funds so withdrawn to payment of the Indebtedness; (o) upon the occurrence and during the continuance of an Event of Default, to preserve or release the

interest evidenced by Chattel Paper to which Bank is entitled hereunder and to endorse and deliver any evidence of title incidental thereto; and (p) to do all acts and things and execute all documents in the name of Debtor or otherwise, deemed by Bank as necessary, proper and convenient in connection with the preservation, perfection or enforcement of its rights hereunder; provided, that such acts and things and the execution of all such documents as described in this clause (p) with respect to Bank's enforcement of its rights hereunder shall be permitted upon the occurrence and during the continuance of an Event of Default.

8. PAYMENT OF PREMIUMS, TAXES, CHARGES, LIENS AND ASSESSMENTS. Debtor agrees to pay, prior to delinquency, all insurance premiums, taxes, charges, liens and assessments against the Collateral, and upon the failure of Debtor to do so, Bank at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same. Any such payments made by Bank shall be obligations of Debtor to Bank, due and payable promptly upon demand, and at Bank's option and subject to any restrictions under applicable law pertaining to usury, together with interest at a rate determined in accordance with the provisions of this Agreement, and shall be secured by the Collateral, subject to all terms and conditions of this Agreement.

9. EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an "Event of Default" under this Agreement: (a) any default in the payment or performance of any obligation, or any defined event of default which constitutes an Event of Default under the Credit Agreement; (b) any representation or warranty made by Debtor herein shall prove to be incorrect, false or misleading in any material respect when made; (c) Debtor shall fail to observe or perform any obligation or agreement contained herein and with respect to any such default described in this clause (c) that by its nature can be cured, such default shall continue for a period of thirty (30) days from its occurrence; provided that to the extent Debtor is acting diligently to cure such default, it shall have an additional thirty (30) days to cure such default; and (d) any material impairment of the rights of Bank in all or any material portion of the Collateral, or this Agreement ceases to be in full force and effect or Bank shall not have or cease to have a valid and perfected lien in any Collateral purported to be covered by this Agreement.

10. REMEDIES. Upon the occurrence and during the continuance of any Event of Default, Bank shall have the right to declare immediately due and payable all or any Indebtedness secured hereby and to terminate any commitments to make loans or otherwise extend credit to Debtor. Bank shall have all other rights, powers, privileges and remedies granted to a secured party upon default under the UCC or the Business and Commerce Code of the jurisdiction identified in Section 18 below, or otherwise provided by law, including without limitation, the right (a) to contact all persons obligated to Debtor on any Collateral and to instruct such persons to deliver all Collateral and/or Proceeds directly to Bank, and (b) to sell, lease, license or otherwise dispose of any or all Collateral. In addition to any other remedies set forth in this Agreement, Debtor authorizes Bank to engage in "electronic self-help" as defined in and in accordance with applicable law. All rights, powers, privileges and remedies of Bank shall be cumulative. No delay, failure or discontinuance of Bank in exercising any right, power, privilege or remedy hereunder shall affect or operate as a waiver of such right, power, privilege or remedy; nor shall any single or partial exercise of any such right, power, privilege or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. Any waiver, permit, consent or approval of any kind by Bank of any default hereunder, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing. It is agreed that public or private sales or other dispositions, for cash or on credit, to a wholesaler or retailer or investor,

or user of property of the types subject to this Agreement, or public auctions, are all commercially reasonable since differences in the prices generally realized in the different kinds of dispositions are ordinarily offset by the differences in the costs and credit risks of such dispositions. While an Event of Default exists: (a) Debtor will deliver to Bank from time to time, as requested by Bank, current lists of all Collateral; (b) Debtor will not dispose of any Collateral except on terms approved by Bank; (c) at Bank's request, Debtor will assemble and make available all Collateral, and books and records pertaining thereto, to Bank at Borrower's place of business; (d) Bank may, at any time, liquidate any time deposits pledged to Bank hereunder and apply the Proceeds thereof to payment of the Indebtedness, whether or not said time deposits have matured and notwithstanding the fact that such liquidation may give rise to penalties for early withdrawal of funds; and (e) Bank may, without notice to Debtor, enter onto Debtor's premises and take possession of the Collateral. With respect to any sale or other disposition by Bank of any Collateral subject to this Agreement, Debtor hereby expressly grants to Bank the right to sell such Collateral using any or all of Debtor's trademarks, trade names, trade name rights and/or proprietary labels or marks. Debtor further agrees that Bank shall have no obligation to process or prepare any Collateral for sale or other disposition.

11. **DISPOSITION OF COLLATERAL; TRANSFER OF INDEBTEDNESS.** In disposing of Collateral hereunder, Bank may disclaim all warranties of title, possession, quiet enjoyment and the like. Any proceeds of any disposition of any Collateral, or any part thereof, may be applied by Bank to the payment of expenses incurred by Bank in connection with the foregoing, including reasonable attorneys' fees, and the balance of such proceeds may be applied by Bank toward the payment of the Indebtedness in such order of application as Bank may from time to time elect. Upon the transfer of all or any part of the Indebtedness, Bank may transfer all or any part of the Collateral and shall be fully discharged thereafter from all liability and responsibility with respect to any of the foregoing so transferred, and the transferee shall be vested with all rights and powers of Bank hereunder with respect to any of the foregoing so transferred; but with respect to any Collateral not so transferred, Bank shall retain all rights, powers, privileges and remedies herein given.

12. **STATUTE OF LIMITATIONS.** Until all Indebtedness shall have been paid in full and all commitments by Bank to extend credit to Debtor have been terminated, the power of sale or other disposition and all other rights, powers, privileges and remedies granted to Bank hereunder shall, to the extent permitted by law, continue to exist and may be exercised by Bank at any time and from time to time irrespective of the fact that the Indebtedness or any part thereof may have become barred by any statute of limitations, or that the personal liability of Debtor may have ceased, unless such liability shall have ceased due to the payment in full of all Indebtedness secured hereunder.

13. **MISCELLANEOUS.** Debtor hereby waives any right to require Bank to (i) proceed against Debtor or any other person, (ii) marshal assets or proceed against or exhaust any security from Debtor or any other person, (iii) perform any obligation of Debtor with respect to any Collateral, and (iv) make any presentment or demand, or give any notices of any kind, including without limitation, any notice of nonpayment or nonperformance, protest, notice of protest, notice of dishonor, notice of intention to accelerate or notice of acceleration hereunder or in connection with any Collateral. Debtor further waives any right to direct the application of payments or security for any Indebtedness of Debtor or indebtedness of customers of Debtor.

14. **NOTICES.** All notices, requests and demands required under this Agreement must be in writing, addressed to Bank at the address specified in any other loan documents entered into between Debtor and Bank and to Debtor at the address of its chief executive office

(or principal residence, if applicable) specified below or to such other address as any party may designate by written notice to each other party, and shall be deemed to have been given or made as follows: (a) if personally delivered, upon delivery; (b) if sent by mail, upon the earlier of the date of receipt or three (3) business days after deposit in the U.S. mail, first class and postage prepaid; and (c) if sent by telecopy, upon receipt.

15. COSTS, EXPENSES AND ATTORNEYS' FEES. Debtor shall pay to Bank promptly upon demand the full amount of all payments, advances, charges, costs and expenses, including, to the extent permitted by applicable law, reasonable attorneys' fees (to include outside counsel fees and all allocated costs of Bank's in-house counsel to the extent permissible), expended or incurred by Bank in connection with (a) the perfection and preservation of the Collateral or Bank's interest therein in accordance, and (b) the realization, enforcement and exercise of any right, power, privilege or remedy conferred by this Agreement, whether or not suit is brought or foreclosure is commenced, and where suit is brought, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Bank or any other person) relating to Debtor or in any way affecting any of the Collateral or Bank's ability to exercise any of its rights or remedies with respect thereto.

16. SUCCESSORS; ASSIGNS; AMENDMENT. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties, and may be amended or modified only in writing signed by Bank and Debtor.

17. SEVERABILITY OF PROVISIONS. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or any remaining provisions of this Agreement.

18. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of California, but giving effect to federal laws applicable to national banks.

Debtor warrants that, as of the date of this Agreement, its chief executive office (or principal residence, if applicable) is located at the following address: 227 East Beach Street, Watsonville, CA 95076.

Debtor warrants that the Collateral (except goods in transit, for non-US-based locations, and for locations holding on annual average value of less than \$3,000,000) is located or domiciled at the following additional addresses:

- (a) 735 West Beach Street, Watsonville, CA 95076
- (b) 850 West Beach Street, Watsonville, CA 95076
- (c) 227 East Beach Street, Watsonville, CA 95076
- (d) 345 Harvest Drive, Watsonville, CA 95076
- (e) 238 Kearney Street, Watsonville, CA 95076

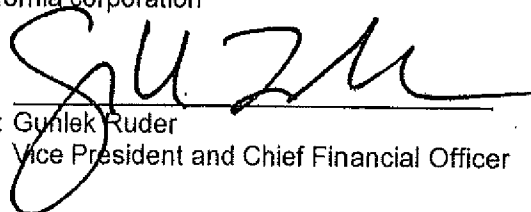


- (f) 257 Kearney Street, Watsonville, CA 95076
- (g) 1660 West Beach Street, Watsonville, CA 95076
- (h) 480 West Beach Street, Watsonville, CA 95076
- (i) 750 West Riverside Drive, Watsonville, CA 95076
- (j) 1311 Schilling Place, Salinas, CA 93901
- (k) 303-A Salinas Road, Watsonville, CA 95076
- (l) 2576 Freedom Boulevard, Watsonville, CA 95076
- (m) 1919 Boeing Way, Stockton, CA 95206
- (n) 1217 East Street Gertrude Place, Santa Ana, CA 92707
- (o) 2482 Freedom Boulevard, Watsonville, CA 95076
- (p) 2838 Freedom Boulevard, Watsonville, CA 95076
- (q) 400 Cascade Way, Watsonville, CA 95076
- (r) 1525 Venture Lane, Turlock, CA 95380
- (s) 1217 Moffat Boulevard, Manteca, CA 95336
- (t) 551 St. James Gate, Bolingbrook, IL 60440
- (u) One North 59th Avenue, Phoenix, AZ 85043
- (v) 9955 All Points Parkway, Avon, IN 46123
- (w) 22408 76th Avenue South, Ken, WA 98032
- (x) 5400 Northwest 32 Court, Miami, FL 33142
- (y) 8901 Forney Road, Dallas, TX 75227
- (z) 1775 Westgate Parkway, Atlanta, GA 30336
- (aa) 200 Liberty Way, Cranbury, NJ 08512

[Signature Page(s) Continue on Next Page]

IN WITNESS WHEREOF, this Agreement has been duly executed by Debtor, intending to be legally bound hereby, as of the date first written above.

S. MARTINELLI & COMPANY,  
a California corporation

By:   
Name: Gunlek Ruder  
Title: Vice President and Chief Financial Officer

[Signature Page to Security Agreement: Business Assets]