

1-31-92

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

Patent and Trademark Office
Attorney Docket No: CAIB522365

To the Director - U.S. Patent and Trademark Office: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
CAI Brands, Inc.

Individuals Association
 General Partnership Limited Partnership
 Corporation-State of California
 Other _____

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

2. Name and address of receiving party(ies):
Name: Production Finance International, LLC
Address: 905 West Riverside, Suite 607

City: Spokane State: WA ZIP: 99201

Individual(s) citizenship _____
 Association State of _____
 General Partnership State of _____
 Limited Partnership State of _____
 Corporation-State State _____
 Other Limited Liability Company of Washington

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution date: June 5, 2003

4. Application number(s) or registration number(s):
 A. Trademark Application No(s).
 Additional numbers attached? Yes No

B. Trademark Registration No(s). 2,433,314
 Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed.
 James R. Uhlir, Esq.
 CHRISTENSEN O'CONNOR
 JOHNSON KINDNESS^{PLLC}
 1420 Fifth Avenue
 Suite 2800
 Seattle, WA 98101-2347
 206.682.8100

6. Total number of applications and registrations involved: 1
 7. Total fee (37 CFR 3.41):..... \$ 40.00
 8. The Director is authorized to charge any fees that may be required or credit any overpayment to Deposit Account Number 03-1740.

DO NOT USE THIS SPACE

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

James R. Uhlir 2-25-04
 Name of Attorney or Agent Signature Date
 Registration No. 25,096
 Direct Dial 206.695.1703

Total number of pages including cover sheet, attachments and document: 5

OMB No. 0651-0011 (exp. 4/94)

CERTIFICATE OF TRANSMISSION

I hereby certify that this paper for U.S. Trademark Registration No. 2,433,314 is being facsimile transmitted to: Commissioner for Trademarks, U.S. Patent and Trademark Office, Facsimile No. 703-306 5995, on February 25, 2004.

Kelli Jo Bannister
(Signature)
700068583

Kelli Jo Bannister
(Typed name of person signing the certificate)

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REEL: 002801 FRAME: 0667

CH \$40.00 031740 2433314

SECURITY AGREEMENT

THIS AGREEMENT is entered into this 5 day of June, 2003, by and between Production Finance International LLC (hereinafter "PFI"), of Spokane, Washington 99201, a Washington limited liability company, and CAI Brands, Inc., (hereinafter "CAI") a California corporation.

1. RECITALS

1.1. Pursuant to the Sale of Assets Agreement of May 16, 2002, attached as Exhibit 1, between PFI and CAI, CAI is the owner of rights in the Trademarks and the registrations and applications therefore, listed in Schedule A (hereinafter "Trademarks"), attached as Schedule A.

1.2. CAI has guaranteed payment of the monies owed to PFI for the purchase of the right in the Trademarks (hereinafter "PFI Debt").

Now therefore, in return for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

2. GRANT AND SECURITY INTEREST

2.1. CAI hereby grants to PFI a security interest in all of its rights in the Trademarks and the goodwill associated therewith in the Trademarks.

3. DEFAULT

3.1. Breach of any term of this Security Agreement shall constitute default.

3.2. CAI's non-payment of any or all of the monies owed to PFI for the purchase of the right in the Trademarks, when due pursuant to the Sale of Assets Agreement executed by CAI and PFI on May 16, 2002, shall constitute default.

4. RIGHTS UPON DEFAULT

4.1. This security interest is to secure CAI's performance under its guaranty to pay the PFI Debt. Should CAI default as defined above, PFI shall have the right to demand a public auction and sale to the highest bidder of the Trademarks and the goodwill associated therewith. If PFI is the successful bidder at such auction and sale, it shall have the right to set off CAI's obligation to pay the PFI Debt against its successful bid. If PFI is not the successful bidder, CAI agrees to satisfy its obligation to pay the PFI Debt to PFI out of the proceeds received from said sale.

5. TERMINATION

5.1. Upon full payment of all the PFI Debt, including any and all sublicense payments due to PFI by CAI, PFI will release all of its security interests in the Trademarks and goodwill associated therewith. In such event, PFI agrees to execute all documents and take all other action requested by CAI to release PFI's security interest in the Trademarks and goodwill associated therewith.

6. SUCCESSORS AND ASSIGNS

6.1. This agreement shall be binding on the parties, their successors and assigns.

7. GOVERNING LAW

7.1. This agreement shall be governed by the laws of the State of Washington.

7.2. In the event that either party brings any legal proceeding to enforce or interpret any provision herein, the party that substantially prevails in such legal proceeding shall be entitled to have its reasonable attorneys' fees and costs, including fees and costs of appeal, paid by the other party. In recognition of the costs and delays associated therewith, the parties agree to waive their respective rights to a jury trial in all cases related to enforcement of the Agreement.

Executed this 5, day of June, 2003.

ASSIGNEE: (Secured Party)
Production Finance International, LLC

ASSIGNOR: (Obligor)
CAI Brands, Inc.

By [Signature]
Its president

By [Signature]
Its EFO

Schedule A

Mark Being Assigned to CAI Brands, Inc.

Mark	Country	Application No./ Registration No.	Application Date/ Issue Date
TWIST	United States	Reg. No. 2,433,314	Issued March 6, 2001

LAW OFFICES OF
CHRISTENSEN O'CONNOR JOHNSON KINDNESSTM
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RECORDED: 02/25/2004

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