

Form PTO-1594 (Rev. 01-09)
OMB Collection 0651-0027 (exp. 0

08-14-2009

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



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6/25/09

To the Director of the U. S. Pat

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ed documents or the new address(es) below.

1. Name of conveying party(ies):

Ahava Food Corp.

- Individual(s)
- General Partnership
- Corporation- State: New York
- 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): 03/7/2008

- Assignment
- Security Agreement
- Other: court order
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Signature Bank

Internal

Address: _____

Street Address: 565 Fifth Avenue

City: New York

State: NY

Country: USA Zip: 10017

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other: Bank (NY, USA)

Citizenship _____
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)

Two applications listed on attached sheet

B. Trademark Registration No.(s)

Twenty-three registrations listed on attached sheet

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Jonathan M. Holda

Internal Address: Ober Kaler

Street Address: 120 E. Baltimore Street

City: Baltimore

State: MD Zip: 21202

Phone Number: 410-347-7380

Fax Number: 443-263-7580

Email Address: jmholda@ober.com

6. Total number of applications and registrations involved:

25

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

\$ 640.00

TO BE DETERMINED

- Authorized to be charged to deposit account
- Enclosed

Charge to

8. Payment Information:

Deposit Account Number 503391

Authorized User Name J. Holda

9. Signature:

/Jonathan M. Holda/

Signature

July 14, 2009

Date

Jonathan M. Holda

Name of Person Signing

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

24

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

**ADDITIONAL SHEET ATTACHED TO TRADEMARK RECORDATION COVER
SHEET -- MARKS PREVIOUSLY OWNED BY AHAVA FOOD CORP.**

<u>Mark</u>	<u>Trademark Application Serial Number</u>
MY BABY	Ser. No. 77217658
FRUIT O LICIOUS	Ser. No. 76514364

<u>Mark</u>	<u>Trademark Registration Number</u>
DEEP CHOCOLATE SWIRL	Reg. No. 3490673
BERRIES SCREAM BANANA	Reg. No. 3447075
CHOKLOMOCA	Reg. No. 3447074
ORANGES MEET GUAVA	Reg. No. 3447068
VEGICHECKED	Reg. No. 3233384
VEGICHECKED	Reg. No. 3233383
SOY-YOG	Reg. No. 3473628
FRUIT YOG LICIOUS	Reg. No. 3349275
KAHAL	Reg. No. 3169410
AHAVA	Reg. No. 3038963
GIDEON	Reg. No. 2721299
OF GOLAN	Reg. No. 2960129
PRIMO SAPORE	Reg. No. 2924793
LAGVINA	Reg. No. 2815316
HOD GOLAN	Reg. No. 2629824
THE HEIGHT OF GOOD TASTE	Reg. No. 2404337
BEST MOOO	Reg. No. 2795127
SLIM U	Reg. No. 2716873
ACHUZA	Reg. No. 2283410
EMEK	Reg. No. 2890623
YOU CAN'T CHOOSE A BETTER MILK	Reg. No. 2159177
NEW SQUARE	Reg. No. 1925643
MORNING SELECT	Reg. No. 1820739

SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY

PRESENT: HELEN E. FREEDMAN
Justice

PART 39

Signature Bank, N.A.

Plaintiff,

- v -

Ahava Food Corp. et al.

Defendants

INDEX NO. 604256 / 07

MOTION DATE _____

MOTION SEQ. NO. 001

MOTION CAL. NO. _____

The following papers, numbered 1 to _____ were read on this motion to/for _____

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...

Answering Affidavits — Exhibits _____

Replying Affidavits _____

PAPERS NUMBERED

FILED

MAR 11 2008

NEW YORK
COUNTY CLERK'S OFFICE

Cross-Motion: Yes No

Motion under CPLR 3213 for an order granting plaintiff Signature Bank, N.A.

("Signature") summary judgment in lieu of complaint, with respect to defendants' payment obligations under four promissory notes and three guaranties of payment (the "Instruments"), is granted for the reasons set forth below.

Signature has made out a *prima facie* case that defendants are liable by submitting copies of the Instruments, and the affidavit of a bank officer with personal knowledge who states that defendants defaulted on their payment obligations. See *Seaman-Andall Corp. v. Wright Mach. Corp.*, 31 A.D.2d 136, 136 (1st Dept. 1968), *aff'd*, 29 N.Y.2d 617 (1971).

In opposition, defendants contend that Signature's "own interference in the management and operation of defendants' business is the sole reason for defendants' inability to pay the debt in question." The gist of defendants' allegations is that, between November 2005 and January

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

2007, certain third-parties obtained three judgments against defendants which constituted an "event of default" under the credit facility agreement and other contracts that governed the Signature loans (the "Transaction Documents"). As a result, in March 2007 Signature declared a default on the promissory notes and demanded repayment. After negotiations, Signature and certain defendants entered into a Forbearance Agreement in June 2007 (as further amended, the "Forbearance Agreement"). Defendants allege that, as a condition to Signature's forbearance, the bank required defendants to hire a business consultant, non-party Getzler Henrich, to manage and operate defendants' business. According to defendants, Getzler's "poor management and operational decisions" nearly bankrupted the business, and "were the sole reason for [the business'] failure to pay on the promissory notes."

Defendants' "lender liability" defense fails to defeat summary judgment. They allege that Signature's actions excuse their default on their payment obligations under the Instruments, but "invocation of defenses based on facts extrinsic to an instrument for the payment of money only do not preclude CPLR 3213 consideration." *Alard v. Weiss*, 1 A.D.3d 131, 131 (1st Dept. 2003) (quoting *Judari, L.L.C. v. Cycletech, Inc.* 246 A.D.2d 736, 737 (3d Dept. [2003])).

In any event, defendants waived the right to assert their "lender liability" defense. In the Forbearance Agreement, defendants acknowledged and warranted that

. . . there are no claims, defenses, counterclaims or offsets against [Signature] in connection with any of the Transaction Documents any [sic] nature whatsoever whether in law in equity and [defendants] hereby waive any such claims or defenses that any of the [defendants] may raise against [Signature] as a result of [Signature] agreeing to enter this Forbearance Agreement

Forbearance Agreement § 9(a). Defendants' claim that Signature agreed to enter the Forbearance Agreement on the condition that defendants hire Getzler squarely falls within the waiver provision set forth above.

Accordingly, it is

ORDERED that the plaintiff's motion for summary judgment in lieu of complaint is granted, and the Clerk of the Court is directed to enter judgment (1) in favor of plaintiff and against defendants Ahava Food Corp., Lewis County Dairy Corp., St. Lawrence Food Corp., Yoni Realty, LLC, Moise Banayan, and Schwartz and Sons, Inc. in the amount of \$ 9,338,103.90, and (2) in favor of plaintiff and against defendant Ana Banayan in the amount of \$ 1,781,621.53, together with interest from the date of entry of judgment at the statutory rate, together with costs and disbursements to be taxed by the Clerk upon submission of an appropriate bill of costs.

Dated: March 7, 2008



Helen E. Freedman, J.S.C.

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION
 Check if appropriate: DO NOT POST

FILED
 MAR 11 2008
 NEW YORK
 COUNTY CLERK'S OFFICE

FORBEARANCE AGREEMENT

This FORBEARANCE AGREEMENT dated as of June 11, 2007 (this "Forbearance Agreement"), is entered into by and between AHAVA FOOD CORP., a New York corporation ("Ahava"), LEWIS COUNTY DAIRY CORP., a New York corporation ("LCD"); together with Ahava, the "Borrowers" and each individually a "Borrower"), ST. LAWRENCE FOOD CORP., a New York corporation ("SLF"), YONI REALTY, LLC, a New York limited liability company ("Yoni"), MOISE BANAYAN, an individual residing at 51 Park Boulevard, Monsey, New York 10952 ("MB"), ANA BANAYAN, an individual residing at 51 Park Boulevard, Monsey, New York 10952 ("AB"); together with SLF, Yoni and MB, collectively, the "Guarantors" and each individually a "Guarantor"; the Guarantors together with the Borrowers, collectively, the "Obligors" and each individually an "Obligor"), and SIGNATURE BANK, N.A. (the "Lender").

WITNESSETH:

WHEREAS, the applicable Obligors and the Lender have entered into the agreements set forth on Schedule 1 attached hereto (collectively, the "Loan Documents"); and

WHEREAS, certain events of default described on Schedule 2 attached hereto (the "Existing Defaults") have occurred under the Loan Documents; and

WHEREAS, the Obligors have requested, and the Lender has agreed, notwithstanding the occurrence of the Existing Defaults, to forbear from exercising its rights and remedies under the Loan Documents, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and agreements hereinafter contained and in reliance on representations and warranties made by the Obligors, the parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined in this Forbearance Agreement (including, without limitation, Schedule 1 attached hereto) shall have the meanings as provided in the Master Credit Agreement (as defined in Schedule 1 attached hereto). As used herein the following terms shall have the following meanings:

"Corporate Obligors" means Ahava, LCD, SLF and Yoni.

"Forbearance Documents" means this Forbearance Agreement and all other agreement, document, instrument and certificate executed by or on behalf of any Obligor in connection with delivered in connection with this Forbearance Agreement.

"Forbearance Termination Event" has the meaning set forth in Section 11 hereof.

"Termination Date" means September 11, 2007.

"Transaction Documents" means, collectively, the Forbearance Documents and the Loan Documents.

"Transaction Obligations" means, collectively, (i) the Obligations (as defined in Section 3(a) hereof) and (ii) any and all obligations, liabilities and indebtedness of the Obligors to the Lender under the Forbearance Documents, of whatever nature, character or description, howsoever arising and whether currently existing or arising hereafter.

HF 3598643 v.18 #06406/0023

Exhibit A-397

TRADEMARK
REEL: 004049 FRAME: 0645

2. Reaffirmation of Loan Documents. Except as expressly provided otherwise in this Forbearance Agreement, all terms and conditions of each of the Loan Documents do and shall remain in full force and effect, and each Loan Document is and remains enforceable against each Obligor party thereto in accordance with its respective terms, and each Obligor shall fully, timely, and faithfully perform each of its obligations under the Loan Documents.

3. Acknowledgement of Events of Default and Outstanding Balance; Effectiveness of Forbearance Agreement.

(a) The Obligors acknowledge that the Existing Defaults have occurred. The Obligors acknowledge that the Lender has the absolute and unconditional right (i) to declare all loans (collectively, the "Loans") made to the applicable Borrowers pursuant to the applicable Loan Documents and all obligations, indebtedness and liabilities of the Obligors under the Loan Documents (collectively, the "Obligations") in each case immediately due and payable in full and (ii) to demand payment in full of the Obligations. The Obligors further acknowledge that as a result of the Existing Defaults, the Lender is entitled to exercise any of its rights and remedies immediately as provided in the Loan Documents, without further notice or opportunity to cure.

(b) The Obligors acknowledge that as of the date hereof there is due and owing by the Obligors to the Lender under the Loan Documents, without setoff, counterclaim, adjustment, defense or right of reduction of any kind, the amounts set forth on Schedule 3 attached hereto.

(c) The parties hereto agree that the execution and delivery of this Forbearance Agreement and any other Forbearance Documents shall not prejudice any right or rights which the Lender now has or may have in the future under any of the Loan Documents in the event of any other breach or violation of any term, condition, agreement or covenant set forth in this Forbearance Agreement or any of the other Transaction Documents.

4. Loans; Payments; Change of Interest Rate.

(a) The Obligors acknowledge that the Lender has no obligation to make any further Facility B Loans to Ahava under the Master Credit Agreement; provided, however, that the Lender in its sole and absolute discretion and notwithstanding the existence of the Existing Defaults may make one or more additional Facility B Loans to Ahava under the Master Credit Agreement during the term of this Forbearance Agreement provided that Ahava and the other Obligors comply with the terms and conditions of the Master Credit Agreement and the other Loan Documents (as defined therein) in all respects. The Obligors further acknowledge that the Lender's making of any Facility B Loans to Ahava under the Master Credit Agreement shall not be deemed a waiver by Lender of any Existing Default, and the failure of Lender to make a Facility B Loan to Ahava shall not give any Obligor any rights whatsoever against the Lender.

(b) The Obligors acknowledge that the Lender has no obligation to make any further loans to LCD under the LCD 2007 Note; provided, however, that the Lender in its sole and absolute discretion and notwithstanding the existence of the Existing Defaults may make one or more additional loans to LCD under the LCD 2007 Note during the term of this Forbearance Agreement provided that LCD complies with the terms and

conditions of the LCD 2007 Note in all respects. The Obligors further acknowledge that the Lender's making of any loans to LCD under the LCD 2007 Note shall not be deemed a waiver by Lender of any Existing Default, and the failure of Lender to make a loan to LCD shall not give any Obligor any rights whatsoever against the Lender.

(c) Provided that (i) the Obligors comply with all of the terms, conditions and covenants set forth in the Loan Documents and this Forbearance Agreement, and (ii) no Forbearance Termination Event occurs, the Obligors shall repay to the Lender the outstanding principal amount of the Facility A Loans in the following amounts on the following dates: (A) \$33,333.33 on July 2, 2007; (B) \$53,333.33 on August 2, 2007; and (C) the then remaining outstanding principal amount of the Facility A Loans on the Termination Date.

(d) With respect to loans made under the Master Credit Agreement bearing (or to bear) interest at a rate determined by reference to the "Prime Rate" (as defined in the Master Credit Agreement), such interest rate shall be increased so that the unpaid principal amount of such loans shall bear interest at the rate per annum equal to the Prime Rate plus 1.0%.

(e) With respect to loans made under the Master Credit Agreement bearing (or to bear) interest at a rate determined by reference to the "Adjusted LIBO Rate" (as defined in the Master Credit Agreement), such interest rate shall be increased so that the unpaid principal amount of such loans shall bear interest at the rate per annum equal to the Adjusted LIBO Rate plus 3.0% (it is understood and agreed that such increase in the interest rate does not constitute the implementation of the default interest rate).

(f) With respect to loans made under the LCD 2007 Note bearing (or to bear) interest at a rate determined by reference to the "Prime Rate" (as defined in the LCD 2007 Note), such interest rate shall be increased so that the unpaid principal amount of such loans shall bear interest at the rate per annum equal to the Prime Rate plus 1.0% (it is understood and agreed that such increase in the interest rate does not constitute the implementation of the default interest rate).

(g) With respect to loans made under the LCD 2007 Note bearing (or to bear) interest at a rate determined by reference to "LIBOR" (as defined in the LCD 2007 Note), such interest rate shall be increased so that the unpaid principal amount of such loans shall bear interest at the rate per annum equal to LIBOR plus 3.0% (it is understood and agreed that such increase in the interest rate does not constitute the implementation of the default interest rate).

(h) Provided that (i) the Obligors comply with all of the terms, conditions and covenants set forth in the Loan Documents, this Forbearance Agreement and the other Forbearance Documents, and (ii) no Forbearance Termination Event occurs, then the aggregate principal amount of all principal, interest, fees and other amounts payable under the Loan Documents (including, without limitation, the LCD 2007 Note) and this Forbearance Agreement shall be due and payable by the Obligors to Lender in full on the Termination Date.

(i) Each payment (other than the payments with respect to the LCD 2007 Note) made pursuant to this Forbearance Agreement shall be applied against Costs and Expenses (as hereinafter defined), interest, principal and other amounts due hereunder

and the Loan Documents in such order as the Lender shall determine, in its sole and absolute discretion.

5. Forbearance by Lender. Provided that all of the terms and conditions precedent as set forth in this Forbearance Agreement have been and continue to be satisfied, and provided that the Obligors comply with each and every term and condition of the Loan Documents, except the Existing Defaults, and this Forbearance Agreement and the other Forbearance Documents, the Lender agrees not to exercise any remedies under the Loan Documents until the occurrence of the Termination Date. The Obligors acknowledge that the Lender's agreement to forbear as described in this Forbearance Agreement is and constitutes good and valuable consideration in exchange for the Obligors' agreement to, and performance of, each of the terms and conditions of this Forbearance Agreement and the other Forbearance Documents.

6. Costs and Expenses; Fees

(a) Notwithstanding any other provision to the contrary, the Obligors agree to pay (i) all costs and expenses referred to in the Loan Documents and (ii) costs and expenses incurred by the Lender and its Affiliates in connection with the preparation, execution, delivery, amendment, proposed amendment, and enforcement of this Forbearance Agreement, any other Transaction Documents and the other instruments and documents to be delivered hereunder or otherwise in connection with the transactions contemplated hereby or thereby, the reasonable fees and out-of-pocket expenses of counsel for the Lender incurred by the Lender in connection with the preparation, negotiation, execution and delivery and review of this Forbearance Agreement and the other Forbearance Documents and with respect to advising the Lender as to its rights and responsibilities hereunder and under any of the other Transaction Documents and all recording, filing and registration fees, all appraisal (including appraisals of equipment located at the locations set forth in Section 10(b) hereof), survey, title, insurance, environmental assessment, tax service, engineering, inspections and search fees, and other due diligence fees, and, if any of the Transaction Obligations or any portion thereof are not paid in full as and when due, all costs and expenses of the Lender incurred in attempting to enforce payment of the Transaction Obligations and in attempting to realize on any security or incurred in connection with the sale or disposition (or preparation for sale or disposition) of any security (collectively, the "Costs and Expenses"). The Obligors agree to pay all brokerage, finder or similar fees or commissions payable in connection with the transactions contemplated hereby and shall indemnify and hold the Lender harmless against all claims, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses and court costs) arising out of or relating to any claim by any broker, finder or similar person. The Obligors agree that their obligation to pay Costs and Expenses shall survive the termination of this Forbearance Agreement and the other Transaction Documents and the repayment of the Transaction Obligations and the failure to do so constitutes a default under this Forbearance Agreement.

(b) The Obligors hereby authorize the Lender, without notice to the Obligors, to charge any account of the Obligors maintained by the Lender or its Affiliates in payment of the amounts due under this Section 6.

(c) The Lender shall have the right, in its sole and absolute discretion, to apply any and all payments received by it from any Obligor first to Costs and Expenses.

(d) The Obligors hereby jointly and severally agree to pay to the Lender a fee (the "Forbearance Fee") in an amount equal to \$25,000, which fee shall be deemed earned by the Lender as of the Effective Date, and shall be due and payable by the Obligors to the Lender in immediately available funds upon the earliest of (i) the Termination Date, (ii) the date on which all the Obligations and all obligations and indebtedness of the Obligors to the Lender under the Forbearance Documents have been paid in full in cash, and (iii) the date on which (A) MB sells any portion of his equity interest in any of the Corporate Obligors or (B) any Corporate Obligor sells a substantial portion of its respective business and/or assets, in each case with respect to clauses (A) and (B) immediately above, to any person or entity that is not an Obligor or an affiliate of any Obligor.

7. Conditions Precedent. This Forbearance Agreement shall become effective and be binding on and against the Lender as of the date (the "Effective Date"), when each of the following conditions (collectively, the "Conditions Precedent") shall have been satisfied, provided that such Conditions Precedent are satisfied on or before the date hereof:

(a) the Lender shall have received counterparts of this Forbearance Agreement duly executed and delivered by each Obligor;

(b) the Lender shall have received evidence, in form and substance reasonably satisfactory to the Lender, that the Obligors have engaged a consultant satisfactory to the Lender (the "Projections Consultant") to prepare rolling cash flow projections for Ahava, LCD, SLF and Yosi (on a combined basis) covering the period extending thirteen weeks from the Effective Date (the "Combined Projections");

(c) the Obligors shall have reimbursed the Lender from their own funds for all of Lender's Costs and Expenses, including, without limitation, all attorneys' fees incurred by the Lender in connection with the terminated restructuring of the Ahava and LCD obligations and in connection with the preparation, negotiation, and execution of this Forbearance Agreement; and

(d) no Forbearance Termination Event shall have occurred or exists.

8. [Intentionally Omitted.]

9. Representations and Warranties. The Obligors certify, represent, warrant and acknowledge that:

(a) there are no claims, defenses, counterclaims or offsets against the Lender in connection with any of the Transaction Documents any nature whatsoever whether in law or in equity and Obligors hereby waive any such claims or defenses that any of the Obligors may raise against the Lender as a result of the Lender's agreeing to enter into this Forbearance Agreement;

(b) the execution and delivery of this Forbearance Agreement and the other Forbearance Documents has been authorized by all necessary action on the part of Obligors, each Forbearance Document has been duly executed and delivered by the Obligors party thereto; and the Transaction Documents constitute the legal, valid and binding obligations of the Obligors enforceable against them in accordance with their

respective terms subject to applicable bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, moratorium laws from time to time in effect and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(c) neither the execution and delivery of the Forbearance Documents, nor the consummation by the Obligors of the transactions herein or therein contemplated, nor compliance with the terms, conditions and provisions hereof or thereof will conflict with or result in a breach of any of the terms, conditions or provisions of: (i) any other agreement or instrument to which the Obligors are now a party or by which they or their property is, or may be, bound or constitute a default thereunder, or result thereunder in the creation or imposition of any security interest, mortgage, lien, charge or encumbrance of any nature whatsoever upon any of Obligors' properties or assets; or (ii) any judgment or order, writ, injunction or decree of any court to which Obligors are subject;

(d) no action of, or filing with, any governmental or public body or authority is required to authorize, or is otherwise required in connection with the execution, delivery and performance of any of the Forbearance Documents;

(e) the representations and warranties set forth in each of the Transaction Documents are true and correct as of the date hereof in all material respects (except such representations and warranties that are rendered untrue as a result of the existence of the Existing Defaults); and

(f) no Forbearance Termination Event has occurred or exists.

10. Certain Covenants of the Obligors.

(a) Combined Projections. The Obligors agree to deliver or cause to be delivered to the Lender the Combined Projections, in form and substance reasonably satisfactory to the Lender, promptly after the completion thereof by a consultant reasonably satisfactory to the Lender.

(b) Appraisals. The Obligors acknowledge that the Lender shall cause to be obtained after the Effective Date appraisals of all equipment owned by any of the Obligors located at the following locations: (i) 30 Main Street, Ogdenburg, New York 13669; (ii) 7705 State Route 812, Lowville, New York 13367; (iii) 110 Beard Street, Brooklyn, New York 11231; and (iv) such other locations as determined by the Lender. The Obligors agree that the costs and expenses incurred in connection with such appraisals shall be borne by the Obligors, and the Obligors jointly and severally agree to pay all such costs and expenses. The Obligors further agree to permit (or shall cause the owner of such properties to permit) the Lender, any of its representatives and any appraiser visit such locations so that such appraisals may be performed.

(c) Post Closing Items. The Obligors agree to deliver to the Lender the following documents by no later than July 30, 2007, each in form and substance satisfactory to the Lender:

(i) the tax return of Ahava for the fiscal year 2006, together with an officer's certificate signed by a senior officer of Ahava certifying that such tax return is a true and correct copy.

(ii) the tax return of Yoni for 2006, together with an officer's certificate signed by a senior officer of Yoni certifying that such tax return is a true and correct copy;

(iii) the tax return of LCD for 2006, together with an officer's certificate signed by a senior officer of LCD certifying that such tax return is a true and correct copy;

(iv) the tax return of SLF for 2006, together with an officer's certificate signed by a senior officer of SLF certifying that such tax return is a true and correct copy;

(v) the personal tax returns of MB for 2006, together with a certificate signed by MB certifying that such tax returns are true and correct copies;

(vi) the personal tax returns of AB for 2006, together with a certificate signed by AB certifying that such tax returns are true and correct copies; and

(vii) the reviewed financial statements of Yoni for the fiscal year ending December 31, 2006, together with an officer's certificate signed by a senior officer of Yoni certifying that such financial statements are true and correct copies.

In addition, the Obligors agree to deliver to the Lender by no later than June 30, 2007, in form and substance satisfactory to the Lender, the reviewed financial statements of Ahava for the fiscal year ending December 31, 2006, together with an officer's certificate signed by a senior officer of Ahava certifying that such financial statements are true and correct copies.

11. Termination of Forbearance. If there shall occur any of the following (each a "Forbearance Termination Event"):

(a) any breach by any Obligor of any of the terms and conditions of this Forbearance Agreement or any of the other Forbearance Documents; or

(b) any default or event of default under any of the Transaction Documents, except the Existing Defaults; or

(c) any representation or warranty made by any Obligor herein or in any other Forbearance Documents (or any of its officers) in connection with this Forbearance Agreement and the other Forbearance Documents (including any and all schedules and/or exhibits hereto and thereto) shall prove to have been incorrect or misleading in any material respect when made; or

(d) Morgan Stanley Mortgage Capital Inc. or any successor or assigns thereof ("Morgan Stanley") shall have declared a default or an event of default or otherwise accelerated the obligations of Yoni under the loan documentation (as amended,

modified or supplemented from time to time) evidencing the \$9,100,000 financing extended to Yoni by Morgan Stanley in October 2006; or

(c) the Projections Consultant ceases to be engaged by any of the Obligors prior to the completion of the Combined Projections,

then the Lender's agreement to forbear from the exercise of its rights and remedies shall immediately terminate without further notice or opportunity to cure, and the Lender may inter alia, immediately and without further notice, commence suit, seek the appointment of a receiver and fiscal agent of the Obligors' businesses and exercise any of its rights against any collateral securing the Transaction Obligations and/or pursuant to the Transaction Documents and applicable law.

12. Release. Each Obligor hereby forever releases the Lender and each of its past, present and future Affiliates, and the respective directors, officers, employees, agents, representatives, agents and advisors of the Lender and such Affiliates, from any and all claims, demands, defenses, counterclaims and causes of action, contingent or non-contingent, known or unknown, on account of any and all matters of any kind, nature or thing arising from or with respect to the Obligations, the Loan Documents and/or any action or inaction of the Lender in connection with any of the foregoing, from the beginning of the world through the date hereof. Notwithstanding the foregoing, Obligors may pursue any and all rights of any of them to enforce the terms of this Forbearance Agreement.

13. Successors and Assigns.

(a) All covenants, agreements, representations and warranties made herein, in any other Forbearance Document or in certificates delivered in connection herewith or therewith by or on behalf of any Obligor shall survive the execution and delivery of this Forbearance Agreement and shall continue in full force and effect so long as the Transaction Obligations are outstanding and unpaid or any amounts due to the Lender under this Forbearance Agreement or the other Transaction Documents have not been paid, and shall bind and inure to the benefit of the successors and permitted assigns of the Obligors, whether so expressed or not, and all such covenants, agreements, representations and warranties shall inure to the benefit of the Lender's successors and assigns. No right or privilege is extended to any third party by the provisions thereof.

(b) The Obligors may not assign their rights or delegate their obligations hereunder or any of the other Forbearance Documents without the prior written consent of the Lender, which consent may be granted or withheld in the Lender's sole and absolute discretion.

14. Amendment and Waiver. No provision of this Forbearance Agreement or the other Transaction Documents may be changed or modified orally but only by an agreement in writing signed by the Obligors against whom such agreement is sought to be enforced and by the Lender. No provision of this Forbearance Agreement or the other Transaction Documents may be waived, or the discharge thereof acknowledged orally, but only by an agreement in writing signed by the party against whom the enforcement of any waiver or discharge is sought and then such waiver or discharge shall be effective only in the specific instance and for the specific purpose for which it was given. Except as expressly set forth in this Forbearance Agreement, nothing contained in this Forbearance Agreement shall be deemed as a waiver by the Lender of its rights and remedies against the Obligors. The Lender expressly reserves its rights and remedies, at law or equity, as against Obligors, with a waiver of none.

15. Execution in Counterparts. This Forbearance Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Forbearance Agreement by telecopy or facsimile shall be effective as delivery of a manually executed counterpart of this Forbearance Agreement.

16. Voluntary Agreement. The Obligors represent and warrant that they are represented by legal counsel of their choice, or, if they are not represented by counsel, that the decision not to be represented by counsel is a decision that the Obligors have freely made, that they are fully aware of the terms contained in this Forbearance Agreement and the other Forbearance Documents, and have voluntarily and without coercion or duress of any kind, entered into this Forbearance Agreement and the other Forbearance Documents.

17. Merger and Integration. This Forbearance Agreement supersedes any negotiations, discussions, writings or other agreements between the parties concerning the forbearance, all of which hereby merged into this Forbearance Agreement, except that the Loan Documents and all obligations due thereunder shall remain in full force and effect.

18. Negation of Partnership. The relationship between the Obligors on the one hand, and the Lender on the other, is that of debtor and creditor. Nothing contained in this Forbearance Agreement or any of the other Forbearance Documents will be deemed to create a partnership or joint venture, or to cause the Lender to be liable or responsible in any way for the actions, liabilities, debts or obligations of any of the Obligors or other party.

19. Headings. The paragraph, section and other headings contained in this Forbearance Agreement are for reference purposes only and shall not control or affect the construction of this Forbearance Agreement or the interpretation hereof in any respect.

20. Severability. Any provision of this Forbearance Agreement, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition and unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

21. Law Governing. THIS FORBEARANCE AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

22. Consent to Jurisdiction.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Forbearance Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each of the Obligors hereto consents to the service of copies of any and all process which may be served in any such action or proceeding by the mailing of copies of such process to such Obligors at its address specified herein. Each

of the Obligors agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Forbearance Agreement or any other Transaction Document shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Forbearance Agreement or any other Transaction Document in the courts of any other jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Forbearance Agreement or any other Transaction Document in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

23. Waiver of Jury Trial. EACH OF THE OBLIGORS HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS FORBEARANCE AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, THE TRANSACTION OBLIGATIONS OR THE ACTIONS OF THE LENDER OR ANY OF ITS AFFILIATES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF.

24. Construction of Agreement. The parties hereto agree that the terms and language of this Forbearance Agreement and the other Forbearance Documents were the result of negotiations between the parties and, as a result, there shall be no presumption that ambiguities, if any, in this Forbearance Agreement shall be resolved against either party. Any controversy over the construction of this Forbearance Agreement shall be decided neutrally, in light of its conciliatory purposes, and without regard to events of authorship or negotiation.

25. Further Assurances. The Obligors shall perform such further acts and things and execute and deliver to the Lender such additional assignments, agreements, powers and instruments, as the Lender may reasonably require or reasonably deem advisable to carry into effect the purposes of this Forbearance Agreement and the other Transaction Documents or to better assure and confirm unto the Lender its rights, powers and remedies hereunder and thereunder.

26. Notices. Except as expressly provided to the contrary in this Forbearance Agreement, any notice, request, demand, statement, authorization, approval or consent made hereunder shall be in writing and shall be hand delivered or sent by Federal Express, or other reputable courier service, or by postage pre-paid registered or certified mail, return receipt requested, or by telecopier, to the applicable address as set forth in Schedule 4, and shall be deemed given (i) when received at such address if hand delivered, sent by Federal Express or other reputable courier service, or telecopied, and (ii) five Business Days after being postmarked and addressed as follows if sent by registered or certified mail, return receipt requested.

27. Inducement. In order to induce the Lender to enter into this Forbearance Agreement:

(a) The Obligors confirm the validity and effectiveness of any guaranties made by the Obligors in favor of the Lender and hereby reaffirm all of their respective obligations under such guaranties and the other Loan Documents to which they are a party.

(b) The Obligors confirm the validity and effectiveness of any security agreements made by the Obligors in favor of the Lender and confirm that such security agreements secure payment of the Obligations.

(c) The Obligors hereby reaffirm all of their respective duties, obligations and liabilities under the Loan Documents, all as amended (to the extent amended hereby) by this Forbearance Agreement.

(d) Each Obligor hereby represents and warrants to the Lender that as of the date hereof none of the Obligors has any defense, claim, counterclaim, right of setoff, or cause of action of any kind whatsoever against the Lender or any of its past, present or future agents, employees and Affiliates. Each Obligor hereby forever releases the Lender and each of its past, present and future agents, employees and Affiliates from any and all claims, demands, defenses, counterclaims and causes of action, contingent or non-contingent, known or unknown, on account of any and all matters of any kind, nature or thing arising from or with respect to the Loans, this Forbearance Agreement, the Loan Documents as amended hereby (to the extent amended hereby) and/or any action or inaction of the Lender in connection with any of the foregoing, from the beginning of the world through the date hereof.

(e) Each Obligor hereby further represents and warrants to the Lender that the Lender has provided all notices of default required under the Loan Documents and would be fully entitled to exercise remedies on account of the Existing Defaults, but the Lender has, in its sole discretion, elected not to do so at the present time. Such election, however, is without any waiver of the Existing Defaults and is subject to the conditions set forth in this Forbearance Agreement; and, absent such election, there would exist no impediment to the commencement of the exercise of remedies under the Loan Documents and the law.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed this Forbearance Agreement as of the day and year first above written or have caused these presents to be signed as of the day and year first above written.

AHAVA FOOD CORP.

By: Moise Banayan
Name:
Title:

LEWIS COUNTY DAIRY CORP.

By: Moise Banayan
Name:
Title:

ST. LAWRENCE FOOD CORP.

By: Moise Banayan
Name:
Title:

YONI REALTY, LLC

By: Moise Banayan
Name:
Title:

Moise Banayan
MOISE BANAYAN, as an individual

Ana Banayan
ANA BANAYAN, as an individual

[Signature Page to Forbearance Agreement]

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Exhibit A-408

SIGNATURE BANK, N.A.

By: 

Name: *Thomas A. Burch*

Title: *SVP.*

(Signature Page to Forbearance Agreement)

ICF 339864 JV. 18 #064060023

Exhibit A-409

SCHEDULE 1**LOAN DOCUMENTS**

1. Master Credit Facility Agreement, dated as of August 22, 2005, by and among Ahava, SLF, LCD, Yoni, MB and the Lender (as amended to but not including the date hereof, the "Master Credit Agreement");
2. Facility A Note, dated as of August 22, 2005, made by Ahava and payable to the order of the Lender in the principal amount of \$2.0 million (as amended to but not including the date hereof, the "Facility A Note");
3. Facility B Note, dated as of August 22, 2005, made by Ahava and payable to the order of the Lender in the principal amount of \$5.5 million (as amended to but not including the date hereof, the "Facility B Note");
4. Joint and Several Guaranty of Payment, dated August 22, 2005, made by SLF, LCD, Yoni and MB in favor of the Lender (as amended or otherwise reaffirmed to but not including the date hereof, the "Original Guaranty");
5. Security Agreement, dated as of August 22, 2005, by and among Ahava, SLF, LCD, Yoni and the Lender (as amended or otherwise reaffirmed to but not including the date hereof, the "Original Security Agreement");
6. Subordination Agreement, dated as of August 22, 2005, between MB and the Lender (as amended or otherwise reaffirmed to but not including the date hereof, the "Subordination Agreement");
7. Continuing Guaranty, dated as of October 7, 2005, made by LCD in favor of the Lender, (as amended or otherwise reaffirmed to but not including the date hereof, the "LCD 2005 Guaranty");
8. Continuing General Security Agreement, dated as of October 7, 2005, by and between LCD and the Lender (as amended or otherwise reaffirmed to but not including the date hereof, the "LCD 2005 Security Agreement");
9. Continuing Guaranty, dated April 5, 2006, made by Ahava in favor of the Lender, (as amended or otherwise reaffirmed to but not including the date hereof, the "Ahava 2006 Guaranty");
10. Continuing Guaranty, dated March 29, 2006, made by SLF in favor of the Lender, (as amended or otherwise reaffirmed to but not including the date hereof, the "SLF 2006 Guaranty");
11. Continuing Guaranty, dated March 29, 2006, made by Yoni in favor of the Lender, (as amended or otherwise reaffirmed to but not including the date hereof, the "Yoni 2006 Guaranty");
12. Reaffirmation of Guaranty, dated as of February 7, 2007, made by Ahava, SLF, Yoni, MB and AB, individually, in favor of the Lender, (collectively, the "Reaffirmed Guaranty");
13. Continuing General Security Agreement, dated as of March 28, 2006, by and between LCD and the Lender (as amended or otherwise reaffirmed to but not including the date hereof, the "LCD 2006 Security Agreement");

14. Continuing General Security Agreement, dated as of March 28, 2006, by and between Ahava and the Lender (as amended or otherwise reaffirmed to but not including the date hereof, the "Ahava 2006 Security Agreement");

15. Continuing General Security Agreement, dated as of March 28, 2006, by and between SLF and the Lender (as amended or otherwise reaffirmed to but not including the date hereof, the "SLF 2006 Security Agreement");

16. Promissory Note, dated as of January 24, 2007, made by LCD and payable to the order of the Lender in the original principal amount of \$750,000 (as amended to but not including the date hereof, the "LCD 2007 Note"); and

17. Continuing Guaranty, dated January 15, 2007, made by AB in favor of the Lender as amended or otherwise reaffirmed to but not including the date hereof, the "AB 2007 Guaranty").

SCHEDULE 2**EXISTING DEFAULTS**

1. Each of the following judgments constitutes an "Event of Default" (as defined in the Master Credit Agreement) under Section 7.01(i) of the Master Credit Agreement.

(a) the judgment entered against Ahava, LCD and MB in favor of M&I First National Leasing Corp. on January 12, 2007 in an amount in excess of \$700,000 (the "First Judgment");

(b) the judgment entered against Ahava, LCD and MB in favor of M&I First National Leasing Corp. on April 23, 2007 in an amount in excess of \$60,000 (the "Second Judgment");

(c) the judgment entered against LCD in favor of the Commissioner of Labor of the State of New York on or about November 2005 in an amount in excess of \$62,000 (the "Third Judgment"); and

(d) the judgment entered against LCD, Ahava and SLF in favor of Cape Vincent Milk Producers Cooperative, Inc., Marble City Bulk Milk Cooperative, Inc., Seaway Milk Producers Cooperative, Inc. and Northern New York Bulk Milk Producers Cooperative, Inc. on or about July 2006 in an amount in excess of \$100,000 (the "Fourth Judgment"), and together with the First Judgment, the Second Judgment and the Third Judgment, the "Judgments").

2. Each of Ahava, LCD, SLF and MB failed to notify the Lender of the First Judgment for over six weeks, constituting an "Event of Default" (as defined in the Master Credit Agreement) under Section 5.06 of the Master Credit Agreement.

3. The Judgments and failure to notify Lender of the First Judgment constitute an "Event of Default" (as defined in the LCD 2007 Note) under Section 8(b)(iii) of the LCD 2007 Note.

4. As a result of the Second Judgment, liens securing the Second Judgment (collectively, the "Second Judgment Liens") were incurred on the accounts described on Annex I attached to this Schedule 2. The Second Judgment Liens constitute an "Event of Default" under Section 7.01(e) of the Master Credit Agreement, as they violate a covenant set forth in Section 6.01 of the Master Credit Agreement.

5. The Judgments and the Second Judgment Liens constitute an "Event of Default" under Section 8(a) of the Original Security Agreement.

6. The Second Judgment Liens constitute an "Event of Default" under Section 8(g) of the Original Security Agreement.

7. The Second Judgment Liens constitute an "Event of Default" under Section 9 of the LCD 2005 Security Agreement.

8. The Second Judgment Liens constitute an "Event of Default" under Section 10 of the LCD 2006 Security Agreement.

9. The Second Judgment Liens constitute an "Event of Default" under Section 9 of the Ahava 2006 Security Agreement.

10. LCD failed to pay on the Maturity Date (as defined in the LCD 2007 Note) the outstanding principal amount under the LDC 2007, together with all accrued interest thereon.

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Exhibit

Annex I to Schedule 2

List of Accounts

1. Bank Name: Sovereign Bank, 9512 Third Avenue, Brooklyn, NY 11209
 ABA Number: 231372691
 Account Holder: Moise Banyan
 Account number: 3573060242
 In the Amount of: \$64,360.83

2. Bank Name: Sovereign Bank, 9512 Third Avenue, Brooklyn, NY 11209
 ABA Number: 231372691
 Account Holder: Ahava Food Corp.
 Account number: 3690002858
 In the Amount of: \$31,433.25 which represented payments from the following:

Jerusalem J2 Pizza:	\$18,202.04
Aviv Gourmet Food:	\$8,000.00
Kosher Discount:	\$5,231.21

SCHEDULE 3**AMOUNTS DUE AND OWING TO LENDER**

The Obligors acknowledge that as of June 11, 2007 there is due and owing by the Obligors to the Lender, without setoff, counterclaim, adjustment, defense or right of reduction of any kind, on account of:

1. the Facility A Loan under the Master Credit Agreement, the principal amount of \$5,489,054.48 and interest in the amount of \$55,395.25 for a total of \$5,544,449.73;
2. the Facility B Loan under the Master Credit Agreement, the principal amount of \$1,300,000.07 and interest in the amount \$2,733.61 for a total of \$1,302,733.68; and
3. the LCD 2007 Note, the principal amount of \$750,000.00 and interest in the amount of \$1,718.75 for a total of \$751,718.75.

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Exhibit A-414

TRADEMARK
REEL: 004049 FRAME: 0662

SCHEDULE 4**NOTICES****If to the Obligors at:**

c/o Ahava Food Corp.
110 Beard Street
Brooklyn, New York 11231
Telecopier No.: (718) 243-0700
Attention: Moise Banayan

With a copy to:

Stein Riso Mintal, LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Telecopier No.: (212) 559-6155
Attention: Dennis L. Stein, Esq.

If to the Bank:

Signature Bank
565 Fifth Avenue
New York, New York 10017
Telecopier No.: (646) 822-1833
Attention: Robert Bloch

With a copy to:

Herrick, Feinstein LLP
Two Park Avenue
New York, New York 10016
Telecopier No.: (212) 592-1500
Attention: Stephen D. Brodie, Esq.

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Exhibit A-415