

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Second Lien Security Interest

CONVEYING PARTY DATA

Name	Execution Date
Schuler Chocolates, Incorporated	11/06/2007
Farley's & Sathers Candy Company, Inc.	11/06/2007

RECEIVING PARTY DATA

Name:	General Electric Capital Corporation
Street Address:	500 Monroe Street
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60661

PROPERTY NUMBERS Total: 15

Property Type	Number
Patent Number:	D385432
Patent Number:	D385433
Patent Number:	D420837
Patent Number:	D393554
Patent Number:	D422165
Patent Number:	6528102
Patent Number:	D413211
Patent Number:	D470339
Patent Number:	D398461
Patent Number:	6488182
Patent Number:	D406957
Patent Number:	D410157
Patent Number:	5730333
Patent Number:	D394577

PATENT

500398461

REEL: 020105 FRAME: 0908

CH \$600.00 D385432

Patent Number:

D398462

CORRESPONDENCE DATA

Fax Number: (404)572-5134

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 404-572-4691

Email: jhannon@kslaw.com

Correspondent Name: James M. Hannon

Address Line 1: 1180 Peachtree Street

Address Line 2: King & Spalding LLP - 34th Floor

Address Line 4: Atlanta, GEORGIA 30309

ATTORNEY DOCKET NUMBER:

09631.009093

NAME OF SUBMITTER:

James M. Hannon

Total Attachments: 7

source=Farleys 2nd Lien Patent Security Agt#page1.tif

source=Farleys 2nd Lien Patent Security Agt#page2.tif

source=Farleys 2nd Lien Patent Security Agt#page3.tif

source=Farleys 2nd Lien Patent Security Agt#page4.tif

source=Farleys 2nd Lien Patent Security Agt#page5.tif

source=Farleys 2nd Lien Patent Security Agt#page6.tif

source=Farleys 2nd Lien Patent Security Agt#page7.tif

PATENT SECURITY AGREEMENT
(Second Lien)

THIS PATENT SECURITY AGREEMENT, dated as of November 14, 2007, is made by each of the entities listed on the signature pages hereof (each a "Grantor" and, collectively, the "Grantors"), in favor of General Electric Capital Corporation ("GE Capital"), as administrative agent and collateral agent (in such capacity, together with its successors and permitted assigns, the "Administrative Agent") for the Lenders (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, pursuant to the Second Lien Credit Agreement, dated as of March 24, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Farley's & Sathers Candy Company, Inc. (the "Borrower"), F&S Holdings 1, Inc., the Lenders from time to time party thereto and GE Capital, as Administrative Agent for the Lenders, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, each Grantor (other than the Borrower) has agreed, pursuant to a Guaranty and Security Agreement dated March 24, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Guaranty and Security Agreement") in favor of the Administrative Agent, to guarantee the Obligations (as defined in the Credit Agreement) of the Borrower;

WHEREAS, Schuler Chocolates, Incorporated, a Minnesota corporation, has become a Guarantor and a Grantor under the Guaranty and Security Agreement through execution of the Joinder Agreement entered into on even date herewith; and

WHEREAS, all of the Grantors are party to the Guaranty and Security Agreement pursuant to which the Grantors are required to execute and deliver this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders and the Administrative Agent to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent as follows:

Section 1. Defined Terms. Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

Section 2. Grant of Security Interest in Patent Collateral. Each Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of such Grantor, hereby mortgages, pledges and hypothecates to the Administrative Agent for the benefit of the Secured Parties, and grants to the Administrative Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the "Patent Collateral"):

(a) all of its Patents and all IP Licenses providing for the grant by or to such Grantor of any right under any Patent, including, without limitation, those referred to on Schedule 1 hereto;

(b) all reissues, reexaminations, continuations, continuations-in-part, divisionals, renewals and extensions of the foregoing; and

(c) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.

Section 3. Guaranty and Security Agreement. The security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interest granted to the Administrative Agent pursuant to the Guaranty and Security Agreement and each Grantor hereby acknowledges and agrees that the rights and remedies of the Administrative Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Section 4. Grantor Remains Liable. Each Grantor hereby agrees that, anything herein to the contrary notwithstanding, such Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with their Patents and IP Licenses subject to a security interest hereunder.

Section 5. Counterparts. This Patent Security Agreement may be executed in any number of counterparts and by different parties in separate 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. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart.

Section 6. Governing Law. This Patent Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SCHULER CHOCOLATES,
INCORPORATED
as Grantor

By: Mark Berwick

Name: Mark Berwick

Title: Vice President

FARLEY'S & SATHERS CANDY
COMPANY, INC.
as Grantor

By: Donald C. Stanners

Name: Donald C. Stanners

Title: Secretary

ACCEPTED AND AGREED
as of the date first above written:

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent

By: _____
Name:
Title:

Signature Page to Patent Security Agreement (Second Lien)

ACKNOWLEDGMENT OF GRANTOR

STATE OF California
COUNTY OF San Francisco

ss.

On this 16 day of November, 2007 before me personally appeared Mark Berwick, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of SCHULER CHOCOLATES, INCORPORATED, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Erica Shankle

Notary Public



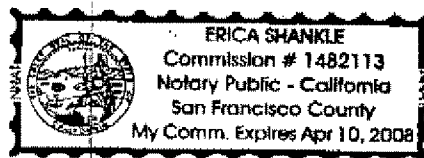
ACKNOWLEDGMENT OF GRANTOR

STATE OF California)
COUNTY OF San Francisco) ss.

On this 6 day of November, 2007 before me personally appeared Donald Stanners, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of FARLEY'S & SATHERS CANDY COMPANY, INC., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Erica Shankle

Notary Public



IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SCHULER CHOCOLATES,
INCORPORATED
as Grantor


By: _____
Name: Mark Berwick
Title: Vice President

FARLEY'S & SATHERS CANDY
COMPANY, INC.
as Grantor

By: _____
Name: Donald C. Stanners
Title: Secretary

ACCEPTED AND AGREED
as of the date first above written:

GENERAL ELECTRIC CAPITAL CORPORATION
as Administrative Agent

By: 
Name: Aditi Sirur Arora
Title: Duly Authorized Signatory

SCHEDULE I
TO
PATENT SECURITY AGREEMENT

A. ISSUED PATENTS

Title	Filing Date	Patent No.	Date of Issue
Bulk Food Dispenser	3/11/96	D385,432	10/28/97
Bulk Food Display	3/11/96	D385,433	10/28/97
Compact Candy Display	3/2/99	D420,837	2/22/00
Double-Sided Three-Tier Bulk Food Display Stand	4/6/96	D393,554	4/21/98
Fruit Snacks with Varied Center Filling	9/1/99	6,528,102	3/4/03
Long Candy Display	3/2/99	D422,165	4/4/00
Modular Candy Counter with Detachable Cover	5/9/97	D413,211	8/31/99
Modular Candy Display	8/7/01	D470,339	2/18/03
One-Sided Three-Tier Bulk Food Display Stand	11/27/96	D398,461	9/22/98
Portion Control Vertical Bin	3/13/01	6,488,182	12/3/02
Pre-Assembled Pallet-Based Bulk Food Display with Divider	12/29/97	D406,957	3/23/99
Pre-Assembled Pallet-Based Bulk Food Display with Divider and Packages	10/15/98	D410,157	5/25/99
Retail Bulk Product Dispenser	3/29/96	5,730,333	3/24/98
Stackable In-line Bulk Food Display	5/23/97	D394,577	5/26/98
Three-Tier Bulk Food Display Stand	12/3/96	D398,462	9/22/98

B. PATENT APPLICATIONS

None

C. IP LICENSES

None