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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



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DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(les): Richardson Brands Company n/k/a Joyco USA Confectionary, Inc.

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: April 16, 2004

2. Name and address of receiving party(les)

Name: Bank of America, NA

Internal Address:

Street Address: 9000 Southside Blvd.

City: Jacksonville State: FL Zip: 32256

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

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) Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2533906

Additional number(s) attached Yes No

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

Name: Joseph D. Bolton, Esq.

Internal Address:

Street Address: Shutts & Bowen LLP

201 S. Biscayne Blvd., Suite 1500

City: Miami State: FL Zip: 33131

6. Total number of applications and registrations involved: 10

7. Total fee (37 CFR 3.41): \$ 265.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Joseph Bolton, Esq.

Name of Person Signing

Signature

Date

05/14/04

Total number of pages including cover sheet, attachments, and document: 14

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

05/26/2004 MGETACHE 00000008 2533906

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TRADEMARK REEL: 003088 FRAME: 0891

Exhibit "A" to Security Agreement

**Trademark Registrations of Joyco USA Confectionary, Inc.
f/k/a Richardson Brands Company
f/k/a Conusa Corporation**

Trademark Name	Registration Number(s)
Pop Shots	2286022
Numb Drops	75671568
Moofus	75504792
Tattoo Champ	74502590
Bubble Champ	76198876
Bubble Champ	74036363
Bubble Champ	73727739
Bubble Champ	73698823
Crank Pop	2456425
After Dinner	2533906

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is dated as of April 16, 2004, by and between **CANAJO MANUFACTURING COMPANY**, a Florida corporation, **JOYCO USA COMPANY**, a Florida corporation, **JOYCO USA CONFECTIONERY INC.**, a Florida corporation, **MAINE II, LLC**, a Florida limited liability company, and **1776 IV, LLC**, a Florida limited liability company (collectively, and jointly and severally, the "Borrower" or "Debtor"), whose address (chief executive office) is 6330 Manor Lane South, Suite 200, Miami, Florida 33143, in favor of **BANK OF AMERICA, N.A.** (the "Bank" or "Secured Party"), whose address is 9000 Southside Blvd., Building 100, Third Floor, FL 9-100-03-15, Jacksonville, Florida 32256.

WHEREAS, Debtor has on this date executed and delivered to Bank three promissory notes, as follows: (i) a revolving promissory note in the maximum principal amount of \$2,000,000.00, and (ii) a term promissory note in the principal amount of \$2,000,000.00, and (iii) a term promissory note in the principal amount of \$1,000,000.00 (collectively, and as modified from time to time, the "Notes"); and

WHEREAS, the Bank and Debtor have entered into that certain Credit Facility Agreement of even date herewith (and as modified from time to time, the "Loan Agreement") pertaining to the Notes (all capitalized terms used herein and not otherwise defined shall have the meanings as defined in the Loan Agreement); and

WHEREAS, in order to secure the Obligations (as defined in the Loan Agreement), the Debtor is willing to grant to the Bank a security interest in the Collateral (as defined below); and

WHEREAS, it is a condition precedent to the effectiveness of the Loan Agreement that the Debtor execute and deliver this Agreement.

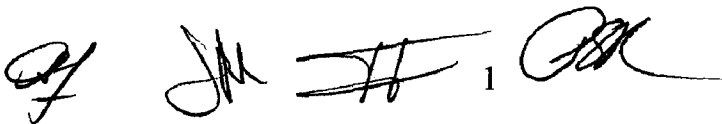
NOW, THEREFORE, in consideration of the premises, in order to induce the Bank to make available the loans evidenced by the Notes and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. Grant of Security Interest. Debtor hereby grants to Secured Party a first and continuing security interest in the Collateral described in paragraph 2 hereof, and the proceeds thereof, to secure the full and prompt payment of the Notes and other Obligations as defined in the Loan Agreement.

2. Collateral. The term "Collateral" shall mean the following, whether now owned or hereafter acquired by the Debtor (all terms in this Section 2 not otherwise defined shall have the meanings as defined in the Florida Uniform Commercial Code):

(a) All accounts and accounts receivable ("Accounts");

(b) Present and future general intangibles and other personal property (including choses or things in action, contracts, goodwill, patents, trade names, trademarks, servicemarks, copyrights, blueprints, drawings, purchase orders, customer lists, monies due or



recoverable from pension funds, route lists, monies due under any royalty or licensing agreements, infringement claims, computer programs, computer discs, computer tapes, literature, reports, catalogs, insurance premium rebates, tax refunds, and tax refund claims) other than goods and Accounts (collectively, "General Intangibles"), including, without limitation, the trademark "After Dinner" as more fully described in Exhibit A attached hereto;

(c) Present and future letters of credit, letter of credit rights, notes, drafts, instruments, certificated and uncertificated securities, certificates of deposit, documents, chattel paper, tangible chattel paper and electronic chattel paper (collectively, "Negotiable Collateral");

(d) All deposit accounts, documents, securities accounts, securities, entitlements, financial assets, and investment property (collectively, "Deposits and Securities");

(e) All equipment, machinery, tools, trucks, automobiles and other motor vehicles, furnishings and fixtures, computer hardware, software, spare parts, office equipment, all parts thereof, all accessions thereto and all replacements thereof, wherever located (collectively, "Equipment");

(f) All inventory in all of its forms, wherever located, including, but not limited to (i) all merchandise in the possession of Debtor, and (ii) all raw materials and work in process therefor, all goods and finished goods thereof, and all materials used or consumed in the production thereof, and (iii) all goods in which Debtor has a joint or other interest or right of any kind (including, without limitation, goods in which Debtor has an interest or right as consignee), and (iv) all goods which are returned to or repossessed by Debtor and all accessions thereto, products thereof and documents therefor (collectively, "Inventory");

(g) All leases and subleases of real or personal property, and rights thereunder, whether as lessor, lessee, sublessor, or sublessee;

(h) All books, records, programs and software relating to any of the foregoing Collateral;

(i) All other tangible and intangible personal property;

(j) All proceeds of any and all of the foregoing Collateral, and, to the extent not otherwise included, all payments under insurance (whether or not Bank is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral.

3. Security for Obligations. The security interest conveyed by Debtor to Bank pursuant to paragraph 1 above shall secure payment of all Obligations as defined in the Loan Agreement, including, without limitation, all obligations of Borrower under the Notes, Letters of Credit, Banker's Acceptances and Interest Rate Protection Agreements.

4. Delivery of Collateral. To the extent permitted by applicable law and to the extent not otherwise prohibited by a valid and enforceable restriction existing as of the date hereof, all Negotiable Collateral (including but not limited to trade acceptances, promissory notes and letters of credit) and all securities constituting Collateral shall, upon their creation or

issuance, be delivered to and held by Bank as Collateral pursuant hereto and shall be consigned and endorsed by Debtor to Bank in a form and manner reasonably satisfactory to Bank. In addition, Debtor shall, upon the issuance to Debtor of each letter of credit constituting such Negotiable Collateral, deliver to Bank a consent of the issuing bank and any confirming or nominated bank (in form and substance reasonably satisfactory to Bank) to the assignment to Bank of the proceeds thereof.

5. Representations and Warranties. Debtor represents and warrants as follows (and, as long as this Agreement is in effect, shall be deemed to be continuously doing so):

(a) The chief place of business and executive office of Debtor and the office where Debtor keeps its records concerning the Collateral is the address for Debtor in the State of Florida specified at the head of this Agreement.

(b) Debtor is the legal and beneficial owner of the Collateral free of any lien, security interest, option or other charge or encumbrance except for the assignments and security interests created by this Agreement and except for existing liens listed in Exhibit B attached hereto, if any.

(c) No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office or registry.

(d) Except as may be listed in Exhibit C, if any, Debtor has no trade name and has never done business under another name.

(e) This Agreement creates a valid and perfected, first-priority security interest in the Collateral, securing the payment of the Obligations.

(f) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by Debtor of the assignment and security interest granted hereby or for the execution, delivery or performance of this Agreement by Debtor or (ii) for the perfection of or the exercise by Bank of its rights and remedies hereunder.

(g) The execution, delivery and performance by Debtor of this Agreement are within Debtor's corporate powers, have been duly authorized by all necessary corporate and shareholder action, and do not contravene (i) Debtor's certificate of incorporation or bylaws or (ii) any law or any contractual restriction binding on or affecting Debtor.

6. Further Assurances.

(a) From time to time, at its own expense, Debtor shall promptly execute and deliver all further instruments and documents, and take all further actions, that may be necessary or desirable, or that Bank may reasonably request, in order to perfect and protect the assignment and security interest granted or purported to be granted hereby or to enable Bank to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. Without limiting the generality of the foregoing, Debtor, upon Bank's demand, shall execute and file such financing or continuation statements, or amendments thereto, and such other instruments or

notices as may be necessary, or as Bank may reasonably request, in order to perfect and preserve the assignments and security interests granted or purported to be granted hereby.

(b) Debtor hereby authorizes Bank to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Debtor where permitted by law. Any such financing statement may describe the Collateral by type or specific listing. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement or other similar notice where permitted by law.

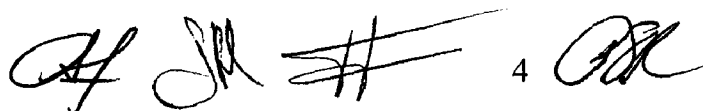
(c) Debtor will use reasonable best efforts to obtain a consent to pledge its rights under each contract, governmental or private, it enters into in connection with the providing of services or otherwise.

7. Place of Perfection, Etc. Debtor shall keep its chief place of business, and chief executive office and the office where it keeps its records concerning the Collateral at the location therefor in the State of Florida specified in the preamble of this Agreement or, upon 30 days' prior written notice to Bank, at such other location in the State of Florida where all action required by applicable law to continue without interruption Debtor's perfected, first-priority security interest in the Collateral shall have been taken.

8. Insurance.

(a) Debtor shall, at its own expense, maintain "all risk" casualty and liability insurance with respect to the Inventory and the Equipment in such amounts, against such risks, in such form and with such insurers, as shall be reasonably satisfactory to Bank from time to time. Each policy for property damage insurance shall provide for all losses (except for losses of less than \$50,000.00 per occurrence) to be paid directly to Bank. Except as otherwise provided in Section 8(a) or 8(b), each such policy shall in addition (i) name Debtor and Bank as insured parties thereunder (without any representation or warranty by or obligation upon Bank) as their interests may appear, (ii) contain the agreement by the insurer that any loss thereunder shall be payable to Bank notwithstanding any action, inaction or breach of representation or warranty by Debtor, (iii) provide that there shall be no recourse against Bank for payment of premiums or other amounts with respect thereto and (iv) provide that at least 30 days' prior written notice of cancellation or of lapse shall be given to Bank by the insurer. Debtor shall, if so requested by Bank, deliver to Bank original or duplicate policies of such insurance. Further, Debtor shall, at the request of Bank, duly execute and deliver instruments of assignment of such insurance policies and use its best efforts to cause the respective insurers to acknowledge notice of such assignment.

(b) Proceeds under any liability insurance maintained by Debtor may be paid directly to the person who shall have incurred liability covered by such insurance. In case of any loss involving damage to Equipment or Inventory when subsection (c) of this Section 8 is not applicable, Debtor shall make or cause to be made the necessary repairs to or replacements of such Equipment or Inventory, and any proceeds of insurance maintained by Debtor pursuant to this Section 8 shall be paid to Debtor as reimbursement for the costs of such repairs or replacements.

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(c) Upon (i) the occurrence and during the continuance of any Event of Default, or (ii) the actual or constructive total loss (in excess of \$50,000, per occurrence) of any Inventory or Equipment, all insurance payments in respect of such Inventory or Equipment shall be paid to and applied by Bank as specified in Paragraph 17(b). Except if there exists an uncured Event of Default or the loss exceeds \$100,000.00, Bank agrees that in the event of a casualty or loss involving Debtor's Inventory or Equipment, Debtor shall be entitled to all insurance proceeds from such casualty as long as such insurance proceeds are reinvested in substitute and substantially similar Inventory or Equipment within 90 days from the date of receipt of such insurance proceeds.

9. As to Equipment. Debtor shall:

(a) Cause the Equipment to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with any manufacturer's manual, and shall forthwith, or in the case of any loss or damage to any of the Equipment as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are reasonably necessary. Debtor shall promptly furnish to Bank a statement respecting any material loss or damage exceeding \$50,000.00 in the aggregate to any of the Equipment.

(b) Obtain from each owner of any location in which any Equipment is or may be located or stored, a landlord's lien waiver in form and substance reasonably satisfactory to Bank and whatever other agreements Bank may reasonably require to ensure it has a perfected, first-priority security interest in such Equipment.

(c) Pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment except to the extent the validity thereof is being contested in good faith.

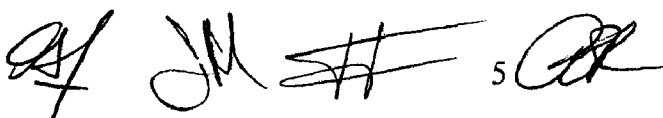
(d) Keep the equipment at one of the locations described in Exhibit D hereto or elsewhere within Debtor's control at a location as disclosed to Bank.

10. As to Inventory. Debtor shall:

(a) Keep the Inventory at one of the locations described in Exhibit D hereto or elsewhere within Debtor's control at a location as disclosed to Bank.

(b) Obtain from each owner of any location in which any Inventory is or may be located or stored, a landlord's lien waiver in form and substance reasonably satisfactory to Bank and whatever other agreements Bank may reasonably require to ensure it has a perfected, first-priority security interest in such Inventory.

(c) If any finished goods Inventory is at any time in the possession or control of a warehouseman, bailee or any agent of Debtor for a period that Debtor reasonably anticipates will exceed 10 days or that actually exceeds 10 days, (i) notify Bank of such possession, (ii) notify such person of Bank's security interest for the benefit of Bank in such Inventory, (ii) instruct such person to hold all such Inventory for Bank's account subject to Bank's instructions

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and (iv) obtain an acknowledgment from such person that it is holding such Inventory for the benefit of Bank.

(d) Pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Inventory, except to the extent the validity thereof is being contested in good faith and without jeopardy to Bank's security interest therein.

11. As to Negotiable Collateral, Deposits and Securities.

(a) Upon Bank's written request, Debtor shall deliver to Bank each Negotiable Collateral and Deposits and Securities (with whatever reasonable endorsements Bank requires), to be held by Bank as long as this Agreement is in effect. For purposes of perfecting Bank's security interest therein, possession of an Instrument by an agent or correspondent of Bank shall constitute possession thereof by Bank and any possession thereof by Debtor shall be as a custodial agent for Bank.

(b) Bank is hereby irrevocably authorized (but not in any manner obligated) in its sole discretion, and if (but only if) an Event of Default shall have occurred and is continuing to collect any and all Negotiable Collateral and Deposits and Securities (including but not limited to any acceptance of a draft) and to apply the proceeds thereof against any of the Obligations (whether or not then due). The assignments and authorizations contained in this Section shall not in any way release Debtor of its obligations to pay the Obligations in full, and Debtor shall be fully liable for any deficiencies. Debtor shall fully cooperate with Bank's efforts to collect the Negotiable Collateral and Deposits and Securities including notifying and instructing the parties obligated on them to make payment to Bank rather than Debtor.

(c) Upon an Event of Default which is continuing, Bank may, at any time, at its option, transfer to itself or any nominee any Deposits and Securities and Negotiable Collateral constituting Collateral, receive any income, interest or dividends thereon and hold such income, interest or dividends as additional Collateral and apply same to the Obligations, and demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Upon an Event of Default which is continuing, regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from Bank to Debtor may at any time be applied or set off against any of the Obligations.

(d) Nothing in this Section shall be construed or operate so as to impose any obligation or duties on Bank. The powers conferred on Bank hereunder are solely to protect its interest in the Negotiable Collateral and Deposits and Securities and shall not impose any duty on it to exercise any such powers, except to use reasonable care in the custody of any Instruments which Bank has physical possession of itself (as distinguished, for instance, from possession through a custodian or agent) and accounting for monies actually received by it hereunder (as distinguished, for instance, for monies received by a custodian or agent but not remitted to Bank). Without limiting the generality of the foregoing, Bank shall have no liability to Debtor in connection with any misfeasance, malfeasance or negligence on the part of any institutional custodian or agent whom Bank has selected in good faith, and no payment shall be

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considered to have been received by Bank merely by virtue of its having been received by such a custodian or agent unless Bank has directed that such payment be paid to such custodian or agent.

12. As to Accounts.

(a) Except as otherwise provided in this Section 12, Debtor shall continue to collect, at its own expense, all amounts due or to become due Debtor under the Accounts. In connection with such collections, Debtor may take such action as Debtor may deem necessary or advisable to enforce collection of the Accounts using best efforts in the ordinary course of business; notwithstanding the foregoing, if (but only if) an Event of Default shall have occurred and is continuing, Bank shall have the right, at any time without notice to Debtor, to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to Bank and to direct such account debtors or obligors to make payment of all amounts due or to become due to Debtor thereunder directly to Bank and, at the expense of Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as Debtor might have done. Following the occurrence and during the continuance of an Event of Default, (i) all amounts and proceeds (including Negotiable Collateral) received by Debtor in respect of the Accounts shall be received in trust for the benefit of Bank hereunder, shall be segregated from other funds of Debtor and shall be forthwith paid over to Bank in the same form as so received (with any necessary indorsement) to be held as cash collateral and applied as provided by Paragraph 17(b), and (ii) Debtor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon that is material or outside the ordinary course of Debtor's business. Debtor hereby irrevocably authorizes and directs all obligors and account debtors under any Accounts, after the occurrence and during the continuance of such Event of Default, to make all payments under the Accounts upon which they are obligated directly to Bank after receiving notice to do so from Bank. Upon Bank's request following an Event of Default, and during the continuance of such Event of Default, Debtor shall join in any instructions or directions regarding payment of the Accounts which Bank desires but no such joinder shall be required to make such instructions or directions effective.

(b) Debtor shall: (i) refrain from any act or omission which would interfere with, or in any manner prevent, Bank's obtaining the full benefits of the Accounts, the Negotiable Collateral or this Agreement; (ii) upon Bank's reasonable request, appear in and defend any action arising out of or in any manner connected with the Accounts or the Negotiable Collateral; (iii) comply in all material respects with its obligations under the Accounts; and (iv) as to any Accounts or Negotiable Collateral owed by a government agency, give whatever notices and take whatever actions are required to allow Bank to collect such Accounts or Negotiable Collateral if it chooses. Debtor shall not modify or amend any of the Accounts or Negotiable Collateral except in accordance with prudent business practice.

13. Covenants Concerning Collateral. Debtor further covenants with Bank that Debtor shall defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein adverse to Bank and shall comply with all covenants and requirements contained in the Loan Agreement with respect to the Collateral, and shall not allow or permit any liens or encumbrances upon the Collateral excepting the lien of Bank.

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14. Bank May Perform. If Debtor fails to perform any agreement contained herein, Bank may itself perform, or cause performance of, such agreement, and the reasonable out-of-pocket expenses of Bank incurred in connection therewith shall be payable by Debtor under Paragraph 17(b).

15. Bank's Duties. The powers conferred on Bank hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers other than to treat the Collateral in its possession with prudent care. Except for the prudent care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Bank shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

16. Inspection of Collateral. Bank shall have the right from time to time at Bank's discretion to review and inspect and audit the Collateral, including Debtor's books and records, Accounts, Inventory and Equipment, and shall have the right of entry into Debtor's premises for such inspection, reviews and audits, including without limitation the right to have agents of Bank conduct such inspections, reviews and audits. Provided that no Event of Default has occurred and is continuing, Bank shall provide to Debtor not less than 24 hours notice of such inspections.

17. Remedies.

(a) If any Event of Default under the Loan Agreement and/or any one or more of the Notes shall have occurred and is continuing, Bank may do any one or more of following:

(i) Bank may exercise any and all rights and remedies of Debtor under or in connection with any of the Collateral.

(ii) Bank may, without notice to Debtor (which is hereby waived by Debtor): (i) charge, set off and otherwise apply all or any part of the Collateral against all or any part of the Obligations; and (ii) redeem, whether prior to maturity or not, any certificate of deposit or deposit account, regardless of any penalty or fee imposed for early withdrawal which penalty or fee shall be for the account of Debtor, and apply the proceeds thereof to the Obligations, all in such order of application as Bank may elect. Debtor shall be liable for any deficiency remaining after the application of the proceeds of any certificate of deposit or deposit account.

(iii) Bank may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of Florida (the "Code") (whether or not the Code applies to the affected Collateral) and also may (i) require Debtor to, and Debtor hereby agrees that it will at its expense and upon request of Bank forthwith, assemble all or part of the Collateral as directed by Bank and make it available to Bank at a place to be designated by Bank which is reasonably convenient to both parties and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Bank's offices or else where, for cash, on credit or for future delivery, and upon such other terms as Bank may deem commercially reasonable. Debtor agrees that to the extent notice of sale shall be required by law, ten (10) calendar days' notice to

Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Bank shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Bank may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by Bank in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of Bank, be held by Bank as collateral for, and/or at any time thereafter applied (after payment of any amounts payable to Bank pursuant to Section 18) in whole or in part by Bank against, all or any part of the Obligations in such order as Bank shall elect.

18. Indemnity and Expenses.

(a) Debtor agrees to indemnify Bank from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except to the extent such claims, losses or liabilities result from Bank's gross negligence or willful misconduct or the Bank's willful breach of this Agreement or any other Loan Document.

(b) Debtor shall upon Bank's demand pay to Bank the amount of any and all reasonable out-of-pocket expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which Bank may incur in connection with (i) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (ii) the exercise or enforcement of any of the rights of Bank hereunder, or (iii) the failure by Debtor to perform or observe any of the provisions hereof which results in an Event of Default.

19. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Debtor herefrom shall in any event be effective unless it is in writing and signed by Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

20. Suretyship Waivers by Debtor. Except as otherwise provided in this Agreement, the Loan Agreement, the Notes or any other Loan Document, Debtor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, Debtor consents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon, and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as Bank may deem advisable. Except for the duty of prudent care with respect to Collateral in its possession, Bank shall have no duty as to the collection or protection of the Collateral or any income, dividends or interest therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto.

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21. Marshalling. Bank shall not be required to marshal any present or future collateral security (including but not limited to any Collateral) for, or other assurances as payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Debtor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of Bank's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding whereby which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Debtor hereby irrevocably waives the benefits of all such laws.

22. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing and, if to Debtor, either mailed (certified mail, return receipt requested) or delivered to it, by courier, addressed to it at the address of Debtor specified at the head of this Agreement, and if to the Bank, mailed (certified mail, return receipt requested) or delivered to it by courier, addressed to it at the address of Bank specified at the head of this Agreement, or as to either party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed, be effective three Business Days after being deposited in the mails or when received by courier, respectively, addressed as aforesaid.


23. Continuing Security Interest; Transfer of Loan Agreement. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until the Obligations are paid in full, (ii) be binding upon Debtor, its successors and assigns and (iii) inure to the benefit of Bank and its successors, and to Bank's transferees and assigns. Without limiting the generality of the foregoing clause (iii), Bank may assign or otherwise transfer this Agreement and any other Loan Document to any other person or entity and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Bank herein or otherwise.

24. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to any conflict-of-laws principles or rules that would give effect to the law of any other jurisdiction. Unless otherwise defined herein or in the Loan Agreement, terms used in Article 9 of the Uniform Commercial Code in the State of Florida are used herein as therein defined. This Agreement may be signed in counterparts, each of which when so executed shall be an original, but all of which shall together constitute one and the same instrument. For purposes of enforcement of this Agreement, a signed copy by facsimile transmission shall be binding upon all parties as an original. No provision of this Agreement is to be interpreted for or against any party because that party or that party's legal representative drafted such provisions.

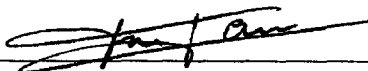
25. Waiver of Jury Trial. DEBTOR AND (BY ACCEPTANCE HEREOF) BANK HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING BUT NOT LIMITED TO ANY CLAIMS, CROSS CLAIMS OR THIRD PARTY CLAIMS) ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS SECURITY AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH PARTY'S ENTERING INTO THIS AGREEMENT. DEBTOR HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF BANK OR BANK'S COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

Debtor:

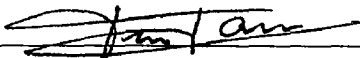
CANAJO MANUFACTURING COMPANY

By: 
Name: PEDRO P. SAN ROMAN
Title: DIRECTOR

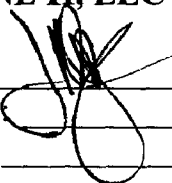
JOYCO USA COMPANY

By: 
Name: PIETRO FENU
Title: DIRECTOR

JOYCO USA CONFECTIONERY INC.

By: 
Name: PIETRO FENU
Title: DIRECTOR

MAINE II, LLC

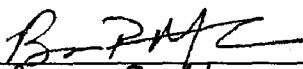
By: 
Name: JOE MILLIGAN
Title: DIRECTOR

1776 IV, LLC

By: 
Name: ANTONIO FRIGULY
Title: DIRECTOR

Secured Party:

BANK OF AMERICA, N.A.

By: 
Name: BRIAN P. MORMILE
Title: SVP.