

7.24.98 RE

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To the Honorable Commissioner of F

100784133

Attached original documents or copy thereof.

1. Name of conveying party(ies):

LEADER CANDIES, INC.

- Individual(s), General Partnership, Corporation-State New York, Other

Additional name(s) of conveying party(ies) attached?

3. Nature of conveyance:

- Assignment, Security Agreement, Merger, Change of Name, Other

Execution Date: July 17, 1998

2. Name and address of receiving party(ies)

Name: FINOVA CAPITAL CORPORATION

Internal Address:

Street Address: 111 West 40th Street

City: New York State: NY ZIP: 1001

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

If assignee is not domiciled in the United States, a domestic representative design is attached?

Additional name(s) & address(es) attached?

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

A. Trademark Application No.(s)

See Schedule A annexed hereto

B. Trademark Registration No.(s)

See Schedule A annexed hereto

Additional numbers attached?

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

Name: Jeffrey A. Wurst, Esq.

Internal Address:

Ruskin, Moscou, Evans & Faltischek, P.C.

Street Address: 170 Old Country Road

City: Mineola State: NY ZIP: 11501

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 3.41).....\$ 90.00

- Enclosed, Authorized to be charged to deposit account

B. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

07/24/1998 JSHABAZZ 00000121 73338047

DO NOT USE THIS SPACE

01 FC:401 10.00 DP, 02 FC:402 50.00 DP

9. Statement and signature:

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

Melissa Schneck, AVP Name of Person Signing

Melissa Schneck, AVP Signature

7/22/98 Date

Total number of pages including cover sheet, attachments, and document: 9

Schedule A to Trademark Collateral Assignment dated July 17, 1998 between Leader Candies, Inc. and FINOVA Capital Corporation.

<u>Trade/Service Name</u>	<u>Serial No. or Registration No.</u>	<u>Country</u>	<u>Registration or Filing Date</u>	<u>Expiration Date</u>
Freeze-A-Pops	Serial No. 73/338047	U.S.	Filing Date 11/20/81	2/24/07
	Registration No. 1430442		Registration Date 2/24/87	
Lolly-Lo's	Serial No. 73/480532	U.S.	Filing Date 5/15/84	4/30/05
	Registration No. 1333485		Registration Date 4/30/85	
Freeze-R Soda Pops	Serial No. 73/307221	U.S.	Filing Date 4/24/81	11/9/02
	Registration No. 1216266		Registration Date 11/9/82	

TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

THIS AGREEMENT is made on the 17th day of July, 1998 between LEADER CANDIES, INC., a New York corporation having an address at 132 Harrison Place, Brooklyn, New York 11237 ("Assignor") and FINOVA Capital Corporation, a Delaware corporation with an address at 111 West 40th Street, New York, New York 10018 ("FINOVA").

WHEREAS, Assignor and FINOVA have or shall enter into a certain financing arrangement (the "Financing") which shall be evidenced in part by a certain Security Agreement dated the date hereof by and between Assignor and FINOVA (the "Security Agreement"). In order to induce FINOVA to enter into the Financing, Assignor has agreed to assign to FINOVA as collateral security certain trademark rights. This Trademark Collateral Assignment is being executed contemporaneous with the Security Agreement under which FINOVA is granted a lien on and security interest in, among other things, accounts receivable, inventory, machinery, equipment formulations, manufacturing procedures, quality control procedures, product specifications, deposits, contract rights and general intangibles ("Other Assets") relating to products sold under the Trademarks, whereby FINOVA shall have the right to foreclose on the Trademarks and the Other Assets in the event FINOVA alleges the occurrence of an Event of Default under the Security Agreement, in order that the owner of the Trademarks may continue the manufacture of products to be sold under the Trademarks and maintain substantially the same product specifications and quality as maintained by Assignor.

NOW, THEREFORE, in consideration of the premises, the Financing, and other good and valuable consideration the sufficiency of which is hereby acknowledged, Assignor hereby agrees with FINOVA as follows:

1. To secure the complete and timely satisfaction of all of the Obligations (as such term is defined in the Security Agreement), Assignor hereby grants, assigns and conveys to FINOVA as collateral security the entire right, title and interest in and to the trademark applications and trademarks listed in Schedule A annexed hereto and made a part hereof (as the same may be amended pursuant hereto from time to time), including without limitation all renewals thereof, all proceeds of infringement suits), the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademarks"), and the good will of the business to which each of the Trademarks relates.

2. Assignor represents, covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of Assignor's knowledge, each of the Trademarks is valid and enforceable;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;

(d) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by Assignor not to sue third persons;

(e) Assignor has the unqualified right to enter into this Agreement and perform its terms;

(f) Assignor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks; and

(g) Assignor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

3. Assignor hereby grants to FINOVA and its employees and agents the right to visit Assignor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto. Assignor shall do any and all acts required by FINOVA to ensure Assignor's compliance with paragraph 2(g).

4. Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Assignor's obligations under this Agreement, without FINOVA's prior written consent which consent FINOVA may withhold in its sole and absolute discretion.

5. If, before the Obligations shall have been satisfied in full, Assignor shall obtain rights to any new trademarks, the provisions of paragraph 1 shall automatically apply thereto and Assignor shall give FINOVA prompt written notice thereof.

6. Assignor authorizes FINOVA to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications covered by paragraphs 1 and 5 hereof.

7. Unless and until FINOVA shall allege the occurrence of an Event of Default (as defined in the Security Agreement), FINOVA hereby grants to Assignor the exclusive, nontransferable right and license to use the Trademarks on and in connection with products sold by Assignor, for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Assignor in this paragraph 7, without the prior written consent of FINOVA which consent FINOVA may withhold in its sole and absolute discretion.

8. If any Event of Default shall have been alleged by FINOVA, Assignor's license under the Trademarks, as set forth in paragraph 7, shall terminate forthwith, and FINOVA shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located and, without limiting the generality of the foregoing, FINOVA may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Assignor, all of which are hereby

expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in New York, or elsewhere, all or from time to time any of the Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all expenses for broker's fees and legal services), shall apply the residue of such proceeds after payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Assignor. Notice of any sale or other disposition of the Trademarks shall be given to Assignor at least five (5) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of any Notice (as defined in the Security Agreement) or FINOVA may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.

9. At such time as Assignor shall completely satisfy all of the Obligations this Agreement shall terminate and FINOVA shall execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to the Trademarks, subject to any disposition thereof which may have been made by FINOVA pursuant hereto.

10. Any and all fees, costs and expenses, of whatever kind or nature, including the attorney's fees and legal expenses incurred by FINOVA in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Assignor on demand by FINOVA and until so paid shall become part of the Obligations.

11. Assignor shall have the duty, through counsel acceptable to FINOVA, to prosecute diligently any trademark applications of the Trademarks pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Assignor. The Assignor shall not abandon any Trademark without the consent of FINOVA, which consent shall not be unreasonably withheld.

12. Assignor shall have the right, with the prior written consent of FINOVA, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks, in which event FINOVA may, if necessary, be joined as a nominal party to such suit if FINOVA shall have been satisfied that it is not thereby incurring any right of liability because of such joinder. Assignor shall promptly, upon demand, reimburse and indemnify FINOVA for all damages, costs and expenses, including attorney's fees, incurred by FINOVA in the fulfillment of the provisions of this paragraph 12.

13. In the event FINOVA alleges the occurrence of an Event of Default under the Security Agreement, Assignor hereby authorizes and empowers FINOVA to make, constitute and appoint any officer or agent of FINOVA as FINOVA may select, in its exclusive direction, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for FINOVA to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to anyone else, or necessary for FINOVA to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

14. If Assignor fails to comply with any of its obligations hereunder, FINOVA may do so in Assignor's name or in FINOVA's name, but at Assignor's expense, and Assignor hereby agrees to reimburse FINOVA in full for all expenses, including attorney's fees, incurred by FINOVA in protecting, defending and maintaining the Trademarks.

15. No course of dealing between Assignor and FINOVA, nor any failure to exercise, nor any delay in exercising, on the part of FINOVA, any right power or privilege hereunder or under the Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

16. All of FINOVA's rights and remedies with respect to the Trademarks, whether established hereby or by the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

17. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.


18. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

20. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of New York.

STATE OF NEW YORK)
 ss.:
COUNTY OF NEW YORK)

On this 17th day of July, 1998, before me, the undersigned, a Notary Public in and for said state, personally appeared Howard R. Kastin, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.



Notary Public

STEPHEN M. TURK
Notary Public in and for the State of New York
My Commission Expires: 07/17/2001
My Office is located at: 1000 2nd Ave. New York, NY 10022
My Telephone Number is: 212-692-1000