

09-21-1999



101150063

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

08D9-8-99

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

☒ New

☐ Resubmission (Non-Recordation)
Document ID #

☐ Correction of PTO Error
Reel # Frame #

☐ Corrective Document
Reel # Frame #

Conveyance Type

☐ Assignment ☐ License

☒ Security Agreement ☐ Nunc Pro Tunc Assignment

☐ Merger Effective Date
Month Day Year

☐ Change of Name

☐ Other

Conveying Party

☐ Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

08 10 99

Formerly

☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association

☐ Other

☒ Citizenship/State of Incorporation/Organization Massachusetts

Receiving Party

☐ Mark if additional names of receiving parties attached

Name KeyBank National Association

DBA/AKA/TA

Composed of

Address (line 1) One Canal Plaza

Address (line 2)

Address (line 3) Portland Maine 04101

City State/Country Zip Code

☐ Individual ☐ General Partnership ☐ Limited Partnership ☐ Corporation ☐ Association

☒ Other National Banking Association

☐ Citizenship/State of Incorporation/Organization Delaware

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Refund Ref: 09/17/1999 NTHAI1 0000084637

FOR OFFICE USE ONLY

CHECK Refund Total: \$90.00

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Mail documents to be recorded with required cover sheet information to:
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TRADEMARK
REEL: 001960 FRAME: 0733

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number 207.791.3230

Name

Alfred C. Frawley, Esq.

Address (line 1)

Preti, Flaherty, Beliveau, Pachios & Haley, LLC

Address (line 2)

One City Center

Address (line 3)

P.O. Box 9546

Address (line 4)

Portland, ME 04112-9546

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

14

Trademark Application Number(s) or Registration Number(s)

☐

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

75671503

75670855

75670856

Registration Number(s)

1662686

1662032

2117453

2083591

Number of Properties

Enter the total number of properties involved.

#

280.00

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

☒

Deposit Account

☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

☐

No

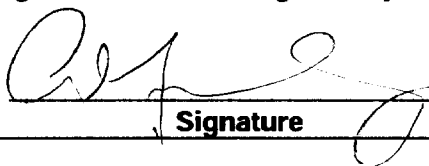
☐

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

ALFRED C. FRAWLEY

Name of Person Signing



Signature

9/5/99

Date Signed

SECURITY AGREEMENT
(Intellectual Property)

THIS SECURITY AGREEMENT (Intellectual Property) (this "**Agreement**") is made as of August 10 1999, by and between (a) ISLAND OASIS FROZEN COCKTAIL CO., INC., a Massachusetts corporation (together with its successors and assigns, the "**Borrower**"), and (b) KEYBANK NATIONAL ASSOCIATION, a national banking association as collateral agent for the Lenders (together with its successors and assigns, the "**Lender**").

All capitalized terms not defined herein shall have the meaning given to such terms in a certain Credit Agreement between Borrower and Lender, as administrative agent (in such capacity, the "**Agent**") for the several banks and other financial institutions (the "**Lenders**") from time to time parties to the Credit Agreement, dated as of August 10, 1999, as the same may be amended, supplemented, waived or otherwise modified from time to time, together with any agreement extending the maturity of, or restructuring, refunding, refinancing or increasing, all or any portion of the Debt under such agreement or any successor agreements (as so assumed, amended, supplemented or modified, and together with any such other agreement, the "**Credit Agreement**").

Preliminary Statements:

Pursuant to the Credit Agreement, the Agent, on behalf of the Lenders, has established for the benefit of the Borrower a Revolving Line of Credit in the original principal amount of up to \$10,000,000.00 and a Term Loan in the original principal amount of up to \$12,500,000.00, but the Lender's obligation to advance funds thereunder is subject to the condition, among others, that Borrower has entered into, and agreed to, all of the terms and conditions of this Agreement;

NOW, THEREFORE, in order to induce the Agent and the Lenders to enter into the Credit Agreement, and in consideration thereof and in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby agrees with the Lender as follows:

SECTION 1: DEFINITIONS; USE OF TERMS.

1.1 Definitions. As used herein, the following terms shall have the meanings given to such terms as set forth below, and if not defined herein, capitalized terms shall have the meaning given to such terms in the Credit Agreement:

"Copyrights": (a) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including, without limitation, those listed in Schedule 1 attached hereto), all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the Copyright Office, and (b) the right to obtain all renewals thereof.

"Copyright Licenses": any written agreement naming the Borrower as licensor or licensee (including, without limitation, those listed in Schedule 1 attached hereto), granting any right under any Copyright (including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright).

"Copyright Office": the United States Copyright Office or any other federal governmental agency which may hereafter perform its functions.

"Default": as defined in Section 6.1 below.

"Intellectual Property": the collective reference to all rights, title, interests, priorities and privileges relating to intellectual property, whether arising under federal, state, common law, or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"IP Collateral": as defined in Section 2.1 below.

"Licenses": collectively, the Copyright Licenses, the Patent Licenses and the Trademark Licenses.

"Negligible Economic Value": the economic value of the Intellectual Property, in the reasonable business judgment of Borrower, is such that the expense to maintain, defend, use, register, or prosecute the Intellectual Property is less than, or approximately equivalent to, the economic value received by Borrower from the Intellectual Property.

"Patents": (a) all letters patent of the United States and all reissues and extensions thereof (including, without limitation, any thereof referred to in Schedule 2 attached hereto), and (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof (including, without limitation, any thereof listed on Schedule 1 attached hereto).

"Patent License": all agreements, whether written or oral, providing for the grant by the Borrower of any right to manufacture, use or sell any invention covered by a Patent (including, without limitation, any thereof listed on Schedule 2 attached hereto).

"PTO": the United States Patent and Trademark Office or any other federal governmental agency which may hereafter perform its functions.

"Trademarks": (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, service marks, designs, logos and other source or business identifiers, and the goodwill of the business associated therewith, including customer lists, license rights, advertising materials and all other business assets which uniquely reflect the goodwill of the business, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the PTO or in any similar office or agency of the United States, or any State thereof, or the common law, or any other country (including, without limitation, all of the registered trademarks listed on Schedule 3 hereto), and (b) all renewals thereof.

"Trademark License": any agreement, written or oral, providing for the grant by or to the Borrower of any right to use any Trademark (including, without limitation, any thereof listed on Schedule 3 hereto).

The following terms shall have the meanings given to such terms in the Uniform Commercial Code as in effect in the State of Maine on the date hereof (the "UCC"): "Documents," "General Intangibles," "Instruments," and "Proceeds."

1.2 Use of Terms; Schedules. The use of the singular of terms which are defined in the plural shall mean and refer to any one of them; and pronouns used herein shall be deemed to include the singular and the plural and all genders. The use of the connective "or" is not intended to be exclusive; the term "may not" is intended to be prohibitive and not permissive; use of "includes" and "including" is intended to be interpreted as expansive and amplifying and not as limiting in any way. All Schedules to this Agreement are incorporated herein.

SECTION 2: CONFIRMATION OF GRANT OF SECURITY INTEREST.

2.1 Grant of Security Interest. FOR VALUE RECEIVED, and in order to secure further the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration, or otherwise) of the Secured Obligations, the Borrower hereby grants to the Agent for the benefit of the Lenders a continuing first priority security interest in all of the present and future rights, title and interests of the Borrower in and to the following property, and each item thereof, all whether now or hereafter existing, or owned or acquired by the Borrower, or now or hereafter arising or due or to become due, together with all substitutions for, replacements of, additions to, accessions to, and products, proceeds and records of any and all of the following (collectively, the "IP Collateral"):

- (a) all Intellectual Property, except for Intent-to-Use trademark applications;
- (b) all General Intangibles connected with the use of or related to any and all Intellectual Property (including without limitation, all goodwill of the Borrower and its business, products and services appurtenant to, associated with or symbolized by any and all Intellectual Property and the use thereof); and
- (c) any causes of action and claims which are now or hereafter owned by the Borrower with respect to any and all of the foregoing;

TO SECURE TO LENDER the payment of the Loans and the Debt, in accordance with (i) all of the terms and conditions of the Credit Agreement; and (ii) the payment when due of all other further loans or future advances which shall be made by Lender or Lenders to or for the benefit of Borrower from time to time, as the Credit Agreement, any and all loan documents or evidences of such further advances may be allonged, modified, extended or renewed from time to time (herein collectively referred to as the "Secured Debt"), as well as to secure to Lender and Lenders the full, punctual and satisfactory payment when due to the extent of the Secured Debt, and performance and satisfaction, when due, of all Borrower's obligations and liabilities to Lender and Lenders of every kind and description, whether arising hereunder or otherwise, howsoever acquired or incurred, direct or indirect, absolute or contingent, matured or unmatured, presently existing or hereafter arising, including, but not limited to, the obligations and liabilities of Borrower to Lender and Lenders contained in any security

agreement by Borrower to Lender and Lenders of personal property, and contained in any guaranty and/or security for any or all of the foregoing, as well as to secure to Secured Party the full, punctual and satisfactory payment when due to the extent of the Secured Debt, performance and satisfaction, when due of all other obligations and liabilities to Lender or Lenders contained in any and all other instruments, contracts, and documents given to Lender or Lenders by any and all persons, corporations and associations other than Borrower as security and/or surety for any or all of the foregoing (all of the foregoing being collectively designated "Obligations and Liabilities" or "Secured Debt"); provided, further, that the security interest created under the terms and conditions of this Agreement shall not terminate until after all Obligations and Liabilities of the Borrower have been indefeasibly paid and discharged in full.

2.2 Perfection of Security Interest. The Borrower agrees that it will assign, transfer, convey and set over to the Lender all of the rights, title and interests of the Borrower in and to the IP Collateral, including executing any documents reasonably required by Lender: (a) upon the occurrence of an Event of Default and (b) either (i) upon the written demand of the Lender at any time that an Event of Default is continuing or (ii) immediately and automatically (without notice or action of any kind by the Lender) upon the occurrence of an Event of Default under the Credit Agreement or any other Loan Document or upon the sale or other disposition of or foreclosure upon the IP Collateral pursuant to the Credit Agreement (including the transfer or other disposition of the IP Collateral by the Borrower to the Lender in lieu of foreclosure).

2.3 Confirmation. This Agreement is being executed and delivered by the Borrower for the purpose of registering and confirming the grant of the security interest of the Lender in the IP Collateral, with the PTO and the Copyright Office. The security interests granted pursuant hereto are granted as a supplement to, and not in limitation of, the security interests granted to the Lender under the other Borrower Security Agreement. For purposes thereof, and without limiting the generality of the foregoing, the Borrower will execute and file such short form Security Agreements, in form and substance satisfactory to the Lender, as the Lender may request. The Credit Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms. The Borrower acknowledges and agrees that, at the time of the perfection of the security interests granted hereunder, the Lender shall have the cumulative rights in and to the IP Collateral as are provided in this Agreement, the Credit Agreement and the other Loan Documents, and shall have the rights in and to the Collateral (other than the IP Collateral) as are provided in this Agreement, the Credit Agreement and the other Loan Documents, subject to any restrictions in any Licenses.

SECTION 3: REPRESENTATIONS AND WARRANTIES.

The Borrower hereby represents and warrants as follows:

3.1 Title; No Other Liens. Except for the Lien granted to the Lender pursuant to this Agreement and the Permitted Liens, the Borrower owns each item of the IP Collateral free and clear of all Liens. No security agreement, financing statement or other public notice with respect to all or any part of the IP Collateral is on file or of record in any public office, except such as may have been filed in favor of the Lender, pursuant to this Agreement.

3.2 Existing Intellectual Property. Schedule 1 contains a true, correct and complete list of all Registered Copyrights and Copyright Licenses owned by the Borrower in its own name as of the date

hereof. Schedule 2 contains a true, correct and complete list of all Patents and Patent Licenses owned by the Borrower in its own name as of the date hereof. Schedule 3 hereto contains a true, correct and complete list of all Trademarks and Trademark Licenses owned by the Borrower in its own name as of the date hereof. Except for rights granted to Borrower's distributors from time to time in the ordinary course of Borrower's business, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which the Borrower is the licensor or franchisor.

3.3 No Material Adverse Claims. The Borrower owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use by the Borrower of any of its Intellectual Property or the validity or effectiveness of any of its Intellectual Property, nor does the Borrower know of any valid basis for any such claim, except as set forth in Schedule 4. The use by the Borrower of the Intellectual Property does not infringe the rights of any Person in any material respect. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or the Borrower's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect.

SECTION 4: COVENANTS.

The Borrower covenants and agrees as follows:

4.1 Continued Use of Trademarks. The Borrower (either itself or through any authorized licensee) will, except with respect to any Trademark that the Borrower shall reasonably determine is of Negligible Economic Value to it and has obtained the prior written concurrence of the Lender of the same, (a) continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (b) maintain as in the past the quality of products and services offered under such Trademark, (c) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (d) not (and not permit any authorized licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way.

4.2 Continued Use of Patents. The Borrower (either itself or through any authorized licensee) will not, except with respect to any Patent that the Borrower shall reasonably determine is of Negligible Economic Value to it and as obtained the prior written concurrence of the Lender of the same, do or omit to do any act whereby any Patent may become abandoned or invalidated.

4.3 Continued Use of Copyrights. The Borrower (either itself or through any authorized licensee) will not (and will not permit any authorized licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of the Copyrights may become invalidated or otherwise impaired. The Borrower (either itself or through any authorized licensee) will not, except with respect to any Copyright that the Borrower shall reasonably determine is of Negligible Economic Value to it and has obtained the prior written concurrence of the Lender of the same, do any act whereby any material portion of the Copyrights may fall into the public domain.

4.4 Notice of Adverse Final Determinations. The Borrower will notify the Lender immediately if it knows, or has reason to know, that any application or registration relating to any

Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal in any country) regarding the Borrower's ownership of, or the validity of, any Intellectual Property or the Borrower's right to register the same or to own and maintain the same.

4.5 Future Registrations. Whenever the Borrower, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the PTO, the Copyright Office or any similar office or agency in any other country or any political subdivision thereof, the Borrower shall report such filing to the Lender within ten (10) days after the last day of the fiscal quarter in which such filing occurs. Upon the reasonable request of the Lender, the Borrower shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Lender may request to evidence the Lender's security interest in any Copyright, Patent or Trademark and the goodwill and General Intangibles of the Borrower relating thereto or represented thereby, and the Borrower hereby constitutes the Lender as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Debt is are paid in full in cash and the Lender has no obligation to make any Loans.

4.6 Maintenance of Registrations. The Borrower will, except with respect to any Intellectual Property that the Borrower shall reasonably determine is of Negligible Economic Value to it and has received the prior written concurrence of the Lender of the same, take all reasonable and necessary steps, including, without limitation, in any proceeding before the PTO, the Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of statements of use, extensions to file statements of use, applications for renewal, affidavits or declarations of use and affidavits or declarations of incontestability.

SECTION 5: LENDER'S APPOINTMENT AS ATTORNEY-IN-FACT.

5.1 Appointment and Powers. The Borrower hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact, with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time in the Lender's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Borrower hereby gives the Lender the power and right, on behalf of the Borrower, without notice to or assent by the Borrower (except as set forth below), to do the following:

- (a) in each case, to the extent not paid, performed, discharged or effected by the Borrower as required by this Agreement or the Credit Agreement, to pay or discharge taxes and Liens levied or placed on or threatened against the IP Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(b) at any time when an Event of Default shall have occurred and be continuing, (i) to direct any party liable for any payment under any of the IP Collateral to make payment of any and all moneys due or to become due thereunder directly to the Lender or as the Lender shall direct; (ii) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any IP Collateral; (iii) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the IP Collateral; (iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the IP Collateral or any part thereof and to enforce any other right in respect of any IP Collateral; (v) to defend any suit, action or proceeding brought against the Borrower with respect to any IP Collateral; (vi) to settle, compromise or adjust any suit, action or proceeding described in clause (vii) above and, in connection therewith, to give such discharges or releases as the Lender may deem appropriate; (viii) to assign, or grant licenses with respect to, any Copyright, Patent or Trademark (along with all the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Lender shall in its sole discretion determine; (ix) in the exercise of its rights under this Section 5, to use any and all IP Collateral, if practicable and only to the extent permitted by agreements relating thereto and applicable laws, to the extent of the rights of the Borrower therein, and the Borrower hereby grants a license to the Lender for such purpose; (x) to execute, at any time and from time to time, and in connection with the sale provided for in Section 6 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the IP Collateral; and (xi) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the IP Collateral as fully and completely as though the Lender were the absolute owner thereof for all purposes, and to do, at the Lender's option and the Borrower's expense, at any time, or from time to time, all acts and things which the Lender deems necessary to protect, preserve or realize upon the IP Collateral and the Lender's Liens thereon and to effect the intent of this Agreement, all as fully and effectively as the Borrower might do.

(c) Nothing in this section allows Lender to take any action which will jeopardize Borrower's rights under any License.

5.2 Ratification and Indemnification Under Power of Attorney. In connection with all powers of attorney set forth in this Agreement, the Lender shall have full power to exercise such powers as fully and effectually as the Borrower might or could do; the Borrower agrees that the Lender shall not be obligated to exercise any of the powers authorized herein, and shall be free to exercise or refrain from exercising any of such powers at any time or times in its absolute discretion, and, if the Lender elects to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to the Borrower except for the Lender's gross negligence, actual bad faith or willful misconduct; and all powers conferred upon the Lender by this Agreement, being coupled with an interest, shall be irrevocable until such time as all Debt has been paid (without being subject to or susceptible of recovery by any Person) or performed and the Lender's agreement, if any, to make advances has terminated.

5.3 Performance By Lender of Borrower's Obligations. If the Borrower fails to perform or comply with any of its agreements contained herein and the Lender, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with any agreement, the expense of the Lender incurred in connection with such performance or compliance, together with interest thereon at the Default Rate, shall be payable by the Borrower to the Lender on demand and shall constitute Debt secured hereby.

SECTION 6: DEFAULTS; RIGHTS AND REMEDIES.

6.1 Default. The Borrower shall be in default hereunder upon the happening of any of the following events or conditions (individually a "default" and collectively "defaults"):

6.1.1 Default, beyond any applicable grace period, in payment or performance of any Obligations and Liabilities on the Secured Obligations to the Agent or any Affiliate or Affiliate of any Lender (whether under this Agreement or otherwise).

6.1.2 Default under the terms and conditions of the Credit Agreement as defined and described therein.

6.1.3 Default by any Loan Party under any Loan Document.

6.2 Effect of Default. Upon the occurrence of an Event of Default as set forth in Section 2.2, the Borrower shall execute all documents assigning rights to the Lender and the Lender shall own all of the rights, title and interests of the Borrower in and to the IP Collateral and the exclusive right to use the IP Collateral, free and clear of any Liens (other than Permitted Liens). Upon such effectiveness, and in addition to all other rights and remedies of the Lender, whether under the Credit Agreement, the other Loan Documents, applicable law or otherwise (all such rights and remedies being cumulative, not exclusive, and enforceable alternatively, successively or concurrently, without notice to or consent by the Borrower except as expressly provided otherwise herein), the Lender's rights and remedies with respect to the IP Collateral shall include, but not be limited to, the following, without payment of royalty or compensation of any kind to the Borrower (except as expressly provided otherwise herein):

(a) the Lender may exercise, in respect of the IP Collateral, all the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected IP Collateral);

(b) the Lender may, to the same extent that the Borrower has the right to do so immediately prior to the effectiveness of any assignment to Agent of the IP Collateral, license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any of the IP Collateral, throughout the world for such term or terms, on such conditions, and in such manner, as the Lender shall in its sole discretion determine, and subject to any License restrictions;

(c) the Lender may (without assuming any obligations or liability thereunder), at any time, enforce (and shall have the exclusive right but not the obligation to enforce) against

any licensor, licensee or sublicensee of any of the IP Collateral and take or refrain from taking any such action; and

(d) in addition to the foregoing, in order to implement the assignment, sale, transfer or other disposition of any of the IP Collateral pursuant to this Section 6.1, the Lender may, pursuant to the authority granted in the powers of attorney provided in the Credit Agreement, execute and deliver on behalf of the Borrower one or more instruments of assignment of the IP Collateral, in form suitable for filing, recording or registration in any jurisdiction or country.

6.3 Borrower's Obligations.

a) Upon any assignment to Lender of the IP Collateral, the Borrower shall not have any right, title or interest in or to any of the IP Collateral, and the Borrower shall immediately cease and desist in the use of all of the IP Collateral or any colorable imitation thereof, and shall, upon written demand of the Lender, deliver to the Lender (or the Lender's designee), all unused or unsold goods bearing the Trademarks or Copyrights.

(b) Upon any assignment to Lender of IP Collateral, and upon written demand by the Lender, the Borrower shall execute and deliver to the Lender an assignment or assignments of the IP Collateral and such other documents as are necessary or appropriate to carry out the intent and purposes of this Agreement; provided, however, that the failure of the Borrower to comply with such demand will not impair or affect the validity of any assignment to Lender of IP Collateral. The Borrower agrees that any such assignment (including a conditional assignment and/or any recording thereof) shall be applied to reduce the Debt outstanding only to the extent that the Lender actually receives cash proceeds in respect of the assignment, sale or disposition of, or other realization upon, the IP Collateral.

6.4 Deficiency. The Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the IP Collateral are insufficient to pay the Obligations and Liabilities and the reasonable fees and disbursements of any attorneys employed by the Lender to collect such deficiency. Any excess of such proceeds, after payment of the Obligations and Liabilities, shall be paid to Borrower or as otherwise required by applicable law.

SECTION 7. MISCELLANEOUS.

7.1 Survival of Covenants; Binding Effect. All agreements, representations, covenants and warranties made by the Borrower in this Agreement, the Credit Agreement, the other Loan Documents, or in any certificate or other document delivered to the Lender in connection herewith shall survive the termination of this Agreement and survive the execution and delivery of this Agreement, and shall remain in full force and effect until all Debt to the Lender has been paid in full and satisfied, and the security interest, Lien and rights granted to the Lender in any IP Collateral and its rights and remedies hereunder and under the other Loan Documents shall continue in full force and effect, notwithstanding the fact that Loans may, from time to time, be in a zero or credit position, until all Debt has been satisfied. All the terms and provisions of this Agreement and the other Loan Documents shall be binding upon, inure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns.

7.2 Prior Discussions; Amendments in Writing; Counterparts. This Agreement and all other Loan Documents incorporate all discussions and negotiations between the Borrower and the Lender, either express or implied, concerning the matters included herein and therein, any custom, usage or other writing to the contrary notwithstanding. No such discussions or negotiations shall limit, modify, or otherwise affect the provisions of the Loan Documents. This Agreement may be amended or modified only in writing signed by the parties hereto, and in the case of the Lender signed by a duly authorized officer thereof. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but such counterparts together shall constitute one and the same instrument. Any proof of this Agreement shall require production of only one such counterpart.

7.3 Destruction of Documents; Receipt of Copy. This Agreement and all other Loan Documents may be reproduced by the Lender by any photographic, photostatic, microfilm, or similar process, and the Lender may destroy the original from which any document was so reproduced. Any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business). The Borrower acknowledges receipt of a true, correct and complete copy or counterpart of this Agreement.

7.4 Notices. All notices required or permitted hereunder shall be in writing and delivered in accordance with the provisions of the Credit Agreement.

7.5 Application of Proceeds. Subject to the provisions of the Credit Agreement, the Lender shall apply (or change any application previously made of) the proceeds of any collection, sale or other disposition of the IP Collateral, or of any other payments received hereunder, toward the Debt in such order and manner as the Lender, in its sole discretion, shall determine, any statute (the application of which may be waived or modified by agreement), customs or practices to the contrary notwithstanding. The Borrower shall remain liable to the Lender for any deficiency remaining following such application.

7.6 Severability. If any provision of this Agreement, or any portion of such provision, or the application thereof to any Person or circumstance, shall to any extent be prohibited or held invalid or unenforceable, the remainder of this Agreement or the remainder of such provision and the application thereof to other Persons or circumstances (other than those as to which it is prohibited or held invalid or unenforceable) shall not be affected thereby, and each term and provision hereof shall be valid and enforced to the fullest extent permitted by law. To the extent permitted by law, the parties hereto waive any provision of law which renders any such provision or the application thereof to any Person or circumstance prohibited, invalid or unenforceable in any respect.

7.7 Headings. Headings appearing in this Agreement are intended for convenience only and do not constitute, and shall not be interpreted to be, a part of this Agreement.

7.8 Waiver of Jury Trial. THE BORROWER AND THE LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

7.9 Governing Law; Jurisdiction. This Agreement is executed and delivered under seal and shall be construed in accordance with and governed by the laws of the State of Maine, without giving effect to the conflict of law provisions thereof. The Borrower submits itself to the non-exclusive jurisdiction of the Courts of the State of Maine for all purposes with respect to the Loan Documents and the Borrower's relationship with the Lender.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered under their seals by their duly authorized officers as of the date first above written.

WITNESS:

ISLAND OASIS FROZEN COCKTAIL CO., INC.

Amy E. Carey
Name: Amy E. Carey

By: John Michael Herbert
Name: John Michael Herbert
Title: President
Its duly authorized officer

WITNESS

KEYBANK NATIONAL ASSOCIATION

Samuel C. Greaves
Name:

By: Victor C. Levesque
Name: Victor C. Levesque
Title: Vice President
Its duly authorized officer

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Schedule 2
to
Security Agreements (Intellectual Property)

<u><i>Name/ Inventors</i></u>	<u><i>Jurisdiction</i></u>	<u><i>Serial Number</i></u>	<u><i>Filing Date</i></u>	<u><i>Patent Number</i></u>	<u><i>Issue Date</i></u>
SHAVER - SHAVER BLENDER MACHINE 1. J. Michael Herbert	U.S. Design	29/102,814	4/1/99		
BLENDER CUP 1. J. Michael Herbert	U.S. Design	29/101,647	3/8/99		
MAGNETIC DRIVE BLENDER 1. John F. Karkos, Jr. 2. John Mitchell	U.S. Design	09/228,377	1/12/99		
SELF-SEATING FOOD RECEPTACLE COVER ASSEMBLY 1. Jack F. Karkos, Jr.	U.S. Design	09/309,553	5/11/99		
INSERTION GUIDE CONSTRUCTION FOR A FOOD PROCESSOR RECEPTACLE 1. Jack F. Karkos, Jr. 2. John Mitchell	U.S. Utility	09/312,107	5/14/99		
DRAINAGE SYSTEM FOR A FOOD PROCESSING MACHINE 1. Jack F. Karkos, Jr.	U.S. Utility	09/339,765	6/24/99		

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**KeyBank/Island Oasis
Security Agreement
Schedule 3**

<u>TRADEMARK</u>	<u>CLASS</u>	<u>JURISDICTION</u>	<u>SERIAL NO./ REGIS. NO.</u>	<u>REG. DATE</u>
ISLAND OASIS	32	U.S.	73/586,130 1,662,686	10/29/91
ISLAND OASIS	42	U.S.	73/586,129 1,662,032	10/22/91
DESIGN (WAVE)	32	U.S.	75/105926 2,117,453	12/2/97
ISLAND OASIS	7	U.S.	75/116285 2,083,591	7/29/97
ISLAND OASIS	32	U.S.	75/671503	Pending
ISLAND OASIS SMOOTHEES	29	U.S.	75/670855	Pending
THE SMOOTHIE WITH AN "E" (FOR EXCELLENT)	32	U.S.	75/670856	Pending