Form PTO-1594	07-25	-2002	U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office
(Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)			5,5.1 don and Hademark Office
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To the Honorable Commissioner of .	10216	7491	d original documents or copy thereof.
1. Name of conveying party(les).	ICE OF ENTINEERS	2. Name and a	ddress of receiving party(ies) eet National Bank
R&R Operating Partnership	, L.P.	Internal	
Individual(s) 7 - 22-	ssociation .		
<u> </u>	imited Partnership	1	ss: 7111 Valley Green Road
Corporation-State		CityFt. Wa	ashingtostate: PA zip: 19034
Other			l(s) citizenship
Additional managed of accounting and the control of	forbod? TVocRTNo	1 =	on National Banking Associati
Additional name(s) of conveying party(ies) at	racieur Tresty Ino		Partnership
3. Nature of conveyance:	7		Partnership
Assignment	Merger		ion-State
X Security Agreement	Change of Name		of domiciled in the United States, a domestic
OtherExecution Date: <u>July 12, 2002</u>		(Designations m	esignation is attached: Tes Mo lust be a separate document f <u>rom</u> assign <u>ment)</u>
		Additional name	(s) & address(es) attached? Yes X No
4. Application number(s) or registration n			
A. Trademark Application No.(s)		B. Tradema	rk Registration No.(s) 2,014,633
76/321,257		_690.	644 669,032 1,844,601
	Additional number(s) a	T	
Name and address of party to whom concerning document should be mailed:	orrespondence		er of applications and involved:
Name: <u>William H. Murray, E</u>	squire		22
Internal Address: Duane Morris I	LP	7. Total fee (37	CFR 3.41)\$440 .00
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One Liberty P.	lace	8. Deposit aco	ount number:
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City: Philadelphia _{State:} PA Z	ip:19103-7396		
	DO NOT US	THIS SPACE	
9. Signature.			
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Robert E. Rosenthal, Esq	uire	MYM	July 18, 2002
Name of Person Signing	700	Signature	Date 10
	al number of pages including of ments to be recorded with		nd document:
1 C	ommissioner of Patent &	Trademarks, Box Ass n, D.C. 20231	signments
111 00000194 76321257	•		
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01 FC:481 02 FC:482

ADDITIONAL REGISTRATION NUMBERS

1,937,678

2,195,935

1,408,811

1,791,779

1,627,455

2,197,836

2,357,106

625,961

2,221,013

1,478,882

2,415,883

2,544,502

TRADEMARK SECURITY ASSIGNMENT

This TRADEMARK SECURITY ASSIGNMENT ("Agreement") is made and entered into as of the 15th day of July, 2002, between R&R OPERATING PARTNERSHIP, L.P., a Pennsylvania limited partnership with a principal place of business at 1035 Mill Road, Allentown, PA 18106 (the "Assignor") and FLEET NATIONAL BANK, a national banking association with a principal place of business at 7111 Valley Green Road, Ft. Washington, PA 19034 (the "Assignee").

BACKGROUND

- A. In order to induce the Assignee to make loans to the Assignor pursuant to a certain Loan, Reimbursement and Security Agreement dated this date between the Assignor and the Assignee (the "Loan Agreement"), Assignor has agreed to assign to the Assignee a security interest in certain trademarks, service marks, tradenames, and the goodwill associated therewith, as herein provided.
- B. Any term used but not defined herein shall have the meaning given to such term in the Loan Agreement.

NOW THEREFORE, in consideration of the premises and of the mutual covenants of the parties hereto, and intending to be legally bound hereby, it is hereby agreed as follows:

- 1. Assignment of Marks. To secure the complete and timely payment and satisfaction of all of the Obligations, the Assignor hereby grants, assigns and conveys to the Assignee a security interest in and to all of Assignor's trademark applications, trademarks (whether registered, unregistered or for which any application to register has been filed), service mark applications, service marks (whether registered, unregistered or for which any application to register has been filed) and tradenames, all of which are listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), including, without limitation, all renewals thereof and all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights owned by Assignor corresponding thereto throughout the world (all of the foregoing are collectively called the "Marks"), together with the goodwill of the business symbolized by each of the Marks and the registrations (if any) thereof.
- 2. Warranties and Representations. The Assignor covenants and warrants that: (a) it is the sole and exclusive owner of the entire right, title and interest in each of the Marks, free and clear of any liens, pledges, assignments or other encumbrances, subject only to existing licenses; and, only as to U.S. Trademark Registration Nos. 690,644 and 625,961, subject to a break in the chain of title, as recorded in the U.S. Patent and Trademark Office Assignment Branch, between Barton's Candy Corporation and Shevat Corporation; (b) it has the unqualified right to enter into this Agreement and perform its terms; (c) the Marks are subsisting and have not been adjudged invalid or unenforceable; (d) to the best of Assignor's knowledge, each of the Marks is valid and enforceable; (e) no claim has been made that the use of any of the Marks does or may violate the rights of any third person; (f) Assignor has used, and will continue to use for the duration of this

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Agreement, proper statutory notice in connection with its use of the Marks; 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 and delivery of services sold or provided under the Marks. The Assignor shall, in any event, indemnify and hold the Assignee harmless from all losses, damages, costs and expenses, including legal costs and counsel fees, incurred by Assignee as the direct or indirect result of any action, claim or demand, whether or not groundless, alleging that the Marks infringe any trademarks held by third parties.

- 3. <u>Right To Inspect</u>. Assignor hereby grants to Assignee and its employees and agents the right to visit Assignor's plants and facilities where products sold or services provided under any of the Marks are manufactured, inspected stored, or provided, and to inspect and review the products and quality control records relating thereto at reasonable times. Assignor shall do any and all acts required by Assignee to ensure Assignor's compliance with paragraph 2(g).
- 4. <u>Right to Benefits</u>. If, before the Obligations shall have been satisfied in full, the Assignor shall become entitled to the benefit of any additional trademark or service mark registration, or any renewal or affidavit of any Mark, the provisions of paragraph 1 shall automatically apply thereto.
- 5. <u>Future Marks</u>. The Assignor authorizes the Assignee to modify this Agreement by amending Schedule A to include any future trademarks, service marks or tradenames which are Marks under paragraph 1 or paragraph 4 hereof.
- 6. Events of Default. The term "Event of Default", as used herein, shall mean: (a) any Event of Default under the Loan Agreement; and (b) any violation by the Assignor of any representation, warranty or covenant contained in this Agreement and any modification or amendment hereof which is not waived or cured and remedied within fifteen (15) Business Days after notice thereof to the Assignor.
- 7. Assignor's Right to Use Marks. Unless and until an Event of Default shall occur and be continuing, the Assignor shall retain the legal and equitable title to the Marks and shall have the right to use the Marks in the ordinary course of its business but shall not be permitted to sell, assign, transfer or otherwise encumber the Marks or any part thereof; provided, however, that nothing herein contained shall prohibit the Assignor from failing to renew or otherwise abandoning any item included within the Marks if, in the Assignor's good judgment, the retention of such item is not material to the proper conduct of its business, provided, however, that Assignor shall give the Assignee ten (10) days' prior written notice of any abandonment or failure to renew of any item included within the Marks.
- 8. Assignee's Rights As Secured Party. If any Event of Default shall have occurred and be continuing, the Assignee shall have, in addition to all other rights and remedies given it by this Agreement and the Loan 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 Marks may be located and, without limiting the generality of the foregoing, the Assignee may immediately, without demand of performance and without advertisement, sell at public or private sale or otherwise realize upon, in Pennsylvania or elsewhere, the whole or from time to time any

PH1\960519.3

part of the Marks, the goodwill and equipment associated therewith, or any interest which the Assignor has therein, and after deducting from the proceeds of said sale or other disposition of the Marks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds for the payment of the Obligations. Notice of any sale or other disposition of the Marks shall be given to Assignor at least ten (10) calendar days before the time of any intended public or private sale or other disposition of the Marks is to be made, which the Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of any Note referred to in the Loan Agreement (including renewals and substitutions therefor) or the Assignee may, to the extent permissible under applicable law, purchase the whole or any part of the Marks sold, free from any right of redemption on the part of the Assignor, which right is hereby waived and released.

- 9. Power of Attorney. If any Event of Default shall have occurred and be continuing, the Assignor hereby authorizes and empowers the Assignee to make, constitute and appoint any officer or agent of the Assignee as the Assignee may select in its exclusive discretion, as the Assignor's true and lawful attorney-in-fact, with the power to endorse the Assignor's names on all applications, documents, papers and instruments necessary for the Assignee to use the Marks, or to grant or issue any exclusive or non-exclusive license under the Marks to any third person, or necessary for the Assignee to assign, pledge, convey or otherwise transfer title in or dispose of the Marks, the goodwill and equipment associated therewith, to any third person. The 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.
- 10. <u>Termination</u>. At such time as the Assignor shall completely satisfy all of the Obligations and all other liabilities of the Assignor to the Assignee, or there shall exist no continuing liability of the Assignor with respect to the Obligations under the terms of the Loan Agreement or any agreement executed in connection therewith, this Agreement shall terminate and the Assignee shall execute and deliver to the Assignor all deeds, assignments and other instruments as may be necessary or proper to re-vest in the Assignor the full unencumbered title to the Marks, and the goodwill associated therewith, subject to any disposition thereof which may have been made by the Assignee pursuant hereto.
- 11. Fees and Expenses of Assignee. If an Event of Default shall have occurred and be continuing, any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by the Assignee in connection with the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Marks, or in defending or prosecuting any actions or proceedings arising out of or related to the Marks, shall be borne and paid by the Assignor on demand by the Assignee, and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Loan Agreement.

12. Protection of Marks.

(a) The Assignor shall take all actions reasonably necessary to protect and defend the Marks and shall institute such proceedings to enforce the Marks as it, in its reasonable business judgment, deems appropriate. The Assignee shall, upon the reasonable request of the Assignor, do any and all lawful acts and execute any and all proper documents in aid of such

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protection, defense and enforcement, and the Assignor shall promptly, upon demand, reimburse and indemnify the Assignee for all costs and expenses incurred by the Assignee in connection therewith.

- (b) If an Event of Default shall have occurred and be continuing, the Assignee shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Marks, in which event the Assignor shall at the request of the Assignee do any and all lawful acts and execute any and all proper documents required by the Assignee in aid of such enforcement, and the Assignor shall promptly, upon demand, reimburse and indemnify the Assignee for all costs and expenses incurred by the Assignee in the exercise of its rights under this paragraph 12.
- 13. Completion of Chain of Title. Without limiting any other obligation of the Assignor under this Agreement, the Assignor shall exercise reasonable efforts to make of record in the U.S. Patent and Trademark Office Assignment Branch a complete chain of title as to U.S. Trademark Registration Nos. 690,644 and 625,961 from Barton's Candy Corporation to Shevat Corporation, provided, however, that if the Assignee shall determine that either of the marks registered under Registration Nos. 690,644 and 625,961 has material commercial value, then the Assignor shall make such complete chain of title of record.
- 14. No Waiver. No course of dealing between the Assignor and the Assignee nor any failure to exercise, nor any delay in exercising, on the part of the Assignee, any right, power or privilege hereunder or under the Loan 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 or the exercise of any other right, power or privilege.
- 15. Severability. 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.
- security assignment of the Marks as provided for in this Agreement, together with other collateral provided to the Assignee pursuant to the Loan Agreement and the other loan documents referred to therein, will permit the Assignee, upon the happening of an Event of Default as provided herein, to make use of all rights to the Marks, the goodwill associated therewith and certain equipment and machinery as set forth in the Loan Documents, all of which will permit the Assignee to manufacture and sell the products for which the use of the Marks is associated and maintain substantially the same product specifications and quality as maintained by Assignor.
- 17. <u>Amendment</u>. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 5.
- 18. <u>Successors and Assigns</u>. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.

PH1\960519.3

- 19. <u>Governing Law</u>. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the Commonwealth of Pennsylvania.
- 20. <u>Judicial Proceedings</u>. Each party to this Agreement agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by any party hereto or any successor or assign of any party, on or with respect to this Agreement or the dealings of the parties with respect hereto, shall be tried only by a court and not by a jury. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. Further, the Assignor waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. THE ASSIGNOR ACKNOWLEDGES AND AGREES THAT THIS PARAGRAPH IS A SPECIFIC AND MATERIAL ASPECT OF THIS AGREEMENT AND THAT THE ASSIGNEE WOULD NOT EXTEND CREDIT TO THE ASSIGNOR IF THE WAIVERS SET FORTH IN THIS PARAGRAPH WERE NOT A PART OF THIS AGREEMENT.

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IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Agreement the day and year first above written.

R&R OPERATING PARTNERSHIP, L.P., a Pennsylvania limited partnership by its general partner

R&R OPERATING CORP., a Pennsylvania corporation

By: ___

Name: _

Title:

FLEET NATIONAL BANK

Bv:

. _____

Robert J. Mindick

Title: Vice President

SENT BY:

SCHEDULE A R & R OPERATING PARTNERSHIP L.P.

MARK	SER./	COUNTRY	FILING/	RENEWAL
	REG. NO.		REG. DATE	DATE
ALMOND KISSES	2,014,633	United States	11/12/96	11/12/06
AMERICANA	690,644	United States	12/29/59	12/29/09
BARTON'S	669,032	United States	10/28/58	10/28/08
BARTONETTES	1,844,601	United States	7/12/94	7/12/04
BARTONS BONBONNIERE	1,937,678	United States	11/28/95	11/28/05
BONBONNIERE	2,195,935	United States	10/13/98	10/13/08
CHERRYDALE FARMS	1,408,811	United States	9/9/86	9/9/06
CHERRYDALE FARMS	1,791,779	United States	9/7/93	9/7/03
(Stylized)				
FIREFIGHTER'S	1,627,455	United States	12/11/90	12/11/10
GREAT REWARDS	2,197,836	United States	10/20/98	10/20/08
HADDINGTON FARMS	2,357,106	United States	6/13/00	6/13/10
CONFECTIONS				
LOLLYCONES	625,961	United States	4/24/56	4/24/06
MJSCELLANEOUS Design	2,221,013	United States	1/26/99	1/26/09
NEW YORKER	76/321,257	United States	10/4/01	
SWIRLS	1,478,882	United States	3/1/88	3/1/08
EWES VIEW & Design	2,415,883	United States	12/26/00	12/26/10
ROCKING CHAIR CONFECTIONS	2,544,502	United States	3/5/02	3/5/12

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CERTIFICATE OF ACKNOWLEDGMENT

COMMON WEALTH OF PENNSYLVANIA	;
	: SS
COUNTY OF Philadelphia	:
Before me, the undersigned, a Notary Pulday of,	vorn, deposes and says that (s)he is the G PARTNERSHIP, L.P., a Pennsylvania signed and sealed on behalf of the said limited
	Ann Marie Bruski Notary Public
	My Commission Expires:
	Notarial Seal Ann Marle Bruski, Notary Public Philadelphia, Philadelphia County My Commission Expires Nov. 13, 2004 Member, Pennsylvania Association of Notaries

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CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA	•
COUNTY OF Philidelphin	: SS :
Before me, the undersigned, a Notary Public day of,	s that (s)he is the <u>l/ce p'resident</u> and that said instrument by authority of its Board of Directors, and
	Ann Marie Bruski. Notary Public
	My Commission Expires:
	Note Ann Marie Philadelphia Phardelphia County My Commission Expires Nov. 13, 2004 Member, Pennsylvania Association of Notaries

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RECORDED: 07/22/2002