

Form PTO-1594
(rev 3/1)

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

U. S. Department of Commerce
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(ies):

**Archibald Candy Corporation
1137 West Jackson Boulevard
Chicago, IL 60607**

Individual(s) Association
 General Partnership Limited Partnership
 Corporation - **Delaware**
 Other

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

2. Name and Address of receiving party(ies)

**Delaware Street Capital Fund, Ltd.
900 North Michigan Avenue, Suite 1900
Chicago, Illinois 60611**

Individual(s) citizenship

Association
 General Partnership
 Limited Partnership
 Corporation - **Cayman Islands**
 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

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other: **Amendment No. 1 to
Trademark Security Agreement**

Execution Date: **August 4, 2003**

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

A. Trademark Application No(s).

B. Trademark Registration No(s).

2512490

Additional numbers attached? Yes No

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

**Joseph Chalom, Esq.
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP
Four Times Square
New York, New York 10036**

6. Total number of applications/registrations involved: 1

7. Total fee (37 CFR 3.41) **\$40**

All fees and any deficiencies are authorized to be charged to Deposit Account
(Our Ref. 078240/1)

8. Deposit Account No. **19-2385**

DO NOT USE THIS SPACE

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 of the original document.

Joseph Chalom

Name

Joseph A. Chalom

Signature

August 4, 2003

Date

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

CH \$40.00 192385 2612490

AMENDMENT NO.1 TO TRADEMARK SECURITY AGREEMENT

THIS AMENDMENT NO. 1 to the TRADEMARK SECURITY AGREEMENT (the "**Security Agreement**") made as of the 26th day of June, 2003, by and among Archibald Candy Corporation and Laura Secord Holdings Corp., in favor of Delaware Street Capital Fund, Ltd. is being made as of this 4th day of August, 2003. Schedule A to the Security Agreement will be amended to include the following U.S. Trademark Registration:

TRADEMARK	U.S. REGISTRATION NO.	DATE REGISTERED
LIVE WIRES	2,512,490	01/04/01

IN WITNESS WHEREOF, each Grantor has duly executed this Amendment No. 1 to the Security Agreement as of the date first written above.

ARCHIBALD CANDY CORPORATION

By: *Ed W. Corablu*
Its: *Assistant Secretary & Controller*

LAURA SECORD HOLDINGS CORP.

By: *Ed W. Corablu*
Its: *Assistant Secretary & Controller*

Agreed and Accepted
As of the Date First Written Above

By **DELAWARE STREET**
CAPITAL FUND, LTD., as Lender

Its _____

IN WITNESS WHEREOF, each Grantor has duly executed this Amendment No. 1 to the Security Agreement as of the date first written above.

ARCHIBALD CANDY CORPORATION

By: _____
Its: _____

LAURA SECORD HOLDINGS CORP.

By: _____
Its: _____

Agreed and Accepted
As of the Date First Written Above

By **DELAWARE STREET**
CAPITAL FUND, LTD., as Lender

Its Principal

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "**Security Agreement**") made as of this 26th day of June, 2003, by and among Archibald Candy Corporation, a Delaware corporation ("**Borrower**") Laura Secord Holdings Corp., a Delaware corporation ("**Guarantor**" and together with Borrower, each a "**Grantor**" and collectively "**Grantors**") in favor of Delaware Street Capital Fund, Ltd. ("**Lender**"), with an office at 900 North Michigan Avenue, Suite 1900, Chicago, Illinois 60611, as Lender under the Subordinated Loan Agreement (as defined below):

W I T N E S S E T H

WHEREAS, Lender has entered or is about to enter into a certain Loan and Security Agreement dated on or about the date hereof with Borrower pursuant to which Lender may make loans and provide other financial accommodations to Borrower (as amended, restated or otherwise modified from time to time, the "**Subordinated Loan Agreement**");

WHEREAS, Guarantor has executed and delivered or is about to execute and deliver a Continuing Unconditional Guaranty in favor of Lender pursuant to which Guarantor guarantees now existing or hereafter arising obligations, liabilities, and indebtedness of Borrower to Lender (as amended restated or otherwise modified from time to time, the "**Guaranty**"); and

WHEREAS, in order to induce the Lender to enter into the Subordinated Loan Agreement and to provide the loans and other financial accommodations contemplated thereunder, Lender requires that each Grantor execute and deliver this Agreement to secure the obligations of the each Grantor to Lender under the Subordinated Loan Agreement, the Guaranty and the Other Agreements to which such Grantor is a party.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Subordinated Loan Agreement.
2. Obligations Defined. The term "Obligations" or "Obligation" shall mean and include without limitation any and all Liabilities, Guaranteed Obligations and other indebtedness, liabilities and/or obligations of any Grantor to Lender of every kind, nature and description, direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under the Subordinated Loan Agreement, the Guaranty, this Security Agreement and/or any of the Other Agreements to which any Grantor is a party (all of the foregoing collectively, the "**Financing Agreements**"), including but not limited to all obligations to perform acts or refrain from taking any action and any other obligations of any Grantor owing to Lender.
3. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, each Grantor hereby grants to

Lender, and hereby reaffirms its prior grant pursuant to the Financing Agreements to which it is a party of, a continuing security interest in such Grantor's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than United States "intent to use" applications until a verified statement of use or amendment to allege use is filed in the United States Patent and Trademark Office with respect to such applications, and then only to the extent that granting such security interest does not render the application invalid, void or voidable) in connection therewith, including, without limitation, the trademarks and service marks, trademark and service mark registrations and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); all rights corresponding to any of the foregoing throughout the world and the goodwill of such Grantor's business connected with the use of and symbolized by the Trademarks. Grantors hereby acknowledge and affirm that the rights and remedies of Lender with respect to the security interest set forth herein are more fully set out in the Subordinated Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. Restrictions on Future Agreements. Each Grantor agrees that until the Obligations shall have been satisfied in full and the Financing Agreements shall have been terminated, such Grantor shall not, without the prior written consent of Lender, sell, assign, transfer or otherwise dispose of its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Trademarks. Each Grantor represents and warrants that, based on a diligent investigation by such Grantor, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks in the United States and Canada (other than United States "intent to use" applications until a verified statement of use or amendment to allege use is filed with the United States Patent and Trademark Office with respect to such applications) now owned by such Grantor. If, before the Obligations shall have been satisfied in full or before the Financing Agreements have been terminated, any Grantor shall (i) become aware of any existing Trademarks of which such Grantor has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and such Grantor shall give to Lender prompt written notice thereof. Each Grantor hereby authorizes Lender to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of the Security Agreements granted herein shall extend until the payment in full of the Obligations and the termination of the Financing Agreements. Each

Grantor agrees that upon the occurrence of an Event of Default, the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender to each Grantor.

7. Product Quality. Each Grantor agrees to maintain the quality of any and all products or services in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default, each Grantor agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product or service quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products or services sold by such Grantor under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of the Obligations and termination of the Financing Agreements, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in 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 by and paid by Borrower and until paid shall constitute Obligations of Borrower.

10. Duties of Grantors. Each Grantor shall have the duty (i) to file and prosecute diligently any trademark or service mark applications pending as of the date hereof or hereafter until the Obligations shall have been paid in full and the Financing Agreements have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable, and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Borrower's Liabilities under this Section 11 shall be borne by Borrower.

11. Lender's Right to Sue. After an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit, each Grantor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and each Grantor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 12.

12. Waivers. No course of dealing between any Grantor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Financing Agreements 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.

13. Severability. The provisions of this Security 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 Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 6 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Each Grantor hereby authorizes Lender upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as such Grantor's true and lawful attorney-in-fact, with power to (i) endorse such Grantor's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligations shall have been paid in full and the Financing Agreements have been terminated. Each Grantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon each Grantor and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Each Grantor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Subordination. This instrument and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in that certain Intercreditor

Agreement (the "**Intercreditor Agreement**") dated as of June 26, 2003, between Delaware Street Capital Fund, Ltd., and LaSalle Business Credit, LLC ("**Senior Lender**"), to the indebtedness (including interest) owed by Archibald Candy Company ("**Borrower**") pursuant to that certain Loan and Security Agreement (the "**Loan Agreement**") dated as of June 26, 2003, between Senior Lender and Borrower, as such Loan Agreement has been and hereafter may be amended, supplemented or otherwise modified from time to time, and to indebtedness refinancing the indebtedness under that agreement as contemplated by the Intercreditor Agreement; and each holder of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Intercreditor Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, each Grantor has duly executed this Security Agreement as of the date first written above.

ARCHIBALD CANDY CORPORATION

By: Ed Casabian
Its: Assistant Secretary / CONTROLLER

LAURA SECORD HOLDINGS CORP.

By: Ed Casabian
Its: Assistant Secretary / CONTROLLER

Agreed and Accepted
As of the Date First Written Above

By **DELAWARE STREET**
CAPITAL FUND, LTD., as Lender

Its: _____

IN WITNESS WHEREOF, each Grantor has duly executed this Security Agreement as of the date first written above.


ARCHIBALD CANDY CORPORATION

By: _____
Its: _____

LAURA SECORD HOLDINGS CORP.

By: _____
Its: _____

Agreed and Accepted
As of the Date First Written Above

By **DELAWARE STREET**
CAPITAL FUND, LTD., as Lender 

Its: Principal

SCHEDULE A**U.S. Trademark Registrations**

TRADEMARK	U.S. REGISTRATION NO.	DATE REGISTERED
AMERICAN HOMESTEAD COLLECTION BY FANNY FARMER	2,040,233	02/25/97
DEBUTANTES	2,221,712	02/02/99
(Design Only) (Hopping Easter Bunny with Basket)	1,483,724	04/05/88
FF (Stylized)	998,022	11/12/94
FANNY FARMER (Stylized)	126,844	Renewed: 10/07/99
FANNY FARMER (Stylized)	578,907	Renewed: 08/18/93
FANNY FARMER (& Design)	904,804	Renewed: 12/22/00
FANNY FARMER (Stylized)	905,819	Renewed: 01/12/01
FANNY FARMER (Stylized)	1,375,189	12/10/85
FANNY FARMER (& Design)	1,392,552	05/06/86
FANNY FARMER (Stylized)	1,393,461	05/13/86
FANNIE FARMER	1,770,031	05/11/93
FANNIE MAY (Stylized)	2,121,790	12/16/97
FANNIE MAY CANDIES CELEBRATED COLLECTION	2,173,898	07/14/98
FANNIE MAY CONFECTIONARY	2,181,859	08/18/98
FANNIE MAY CONFECTIONARY (Stylized)	2,183,444	08/25/98
FANNIE MAY KITCHEN FRESH CANDIES	1,407,863	09/02/86
I CAN'T MAKE ALL THE CANDY IN THE WORLD SO I JUST MAKE THE BEST OF IT! (& Design)	1,397,036	06/10/86
I LOVE MY HONEY BUT OH MY FANNIE MAY!	1,468,535	12/08/87
LAFAYETTE	211,768	Renewed: 04/20/86
LAURA SECORD	163,475	Renewed: 01/16/03
PECAN DIXIES	1,758,566	Renewed: 03/16/03

TRADEMARK	U.S. REGISTRATION NO.	DATE REGISTERED
PIXIES (Stylized)	593,071	Renewed: 07/27/94
SWEET PERSUASION	1,816,447	01/11/94
TRINIDAD	1,607,576	Renewed: 07/24/00
TRINIDADS	1,400,579	07/08/86

State Trademark Registrations

TRADEMARK	STATE	REGISTRATION NO.	DATE REGISTERED
FANNY FARMER	NY	27824	12/15/04
FANNY FARMER	ND	9249400	Renewed: 11/30/02
FANNIE MAY	MO	9241	Renewed: 09/23/96
PIXIES	IL	29,397	Renewed: 08/29/02

Canadian Trademark Registrations

TRADEMARK	APPLICATION or REGISTRATION NO.
CALYPSO	TMA 562,771
CAMEO (& Design)	TMA 280,819
CAMEO DESIGN	TMA 207,365
CAMEO CONE	TMA 415,221
FANNIE FARMER	TMA 218,042
INDULGE	TMA 389,009
KIDDY POPS	UCA 039,227
LAURA SECORD	TMA 186,708
LAURA SECORD	TMA 291,898
LAURA SECORD	TMA 209,560
LAURA SECORD	TMDA 018,979
LAURA SECORD DESIGN	TMA 308,270
LAURA SECORD (& Design)	TMA 217,670
MEDALLIONS	TMA 126,360

TRADEMARK	APPLICATION or REGISTRATION NO.
OCCASIONS BY LAURA SECORD	TMA 371,465
ROSE DESIGN	TMA 301,317
FANNY FARMER	App. No. 1,142,840