

RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

TRADEMARKS ONLY

Docket No. 201210-5

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

1. Name of conveying party(ies):
 jstar Brands LLC
 640 North LaSalle Street
 Suite 540
 Chicago, Illinois 60610

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other an Illinois Limited Liability Company

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

2. Name and address of receiving party(ies)
 Name: Barton Brands, Ltd.
 Internal Address: _____
 Street Address: 55 E. Monroe Street, Suite 2600
 City: Chicago State: IL Zip: 60603

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State A Delaware Corporation
 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 Security Interest

Execution Date: December 6, 2004

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 76/489,233
 76/509,256

Additional number(s) attached Yes No

B. Trademark Registration No.(s)
 2,788,500
 2,788,499
 2,848,858

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Susan M. Freedman, Esq.
 Internal Address: Suite 900

 Street Address: Nixon Peabody LLP
401 9th Street, N.W.
 City: Washington State: D.C. Zip 20004


6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41) \$ 140.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 19-2380
 Authorized User Name: Nixon Peabody LLP
 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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

Susan M. Freedman, Esq.  December 7, 2004
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 21

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

CH \$140.00 192380 76489233

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") is entered into as of the 6th day of December, 2004 between JSTAR BRANDS, LLC, an Illinois limited liability company (the "Debtor"), and BARTON BRANDS, LTD., a Delaware corporation (the "Secured Party").

1. Introduction.

Concurrently herewith, the Secured Party has made a loan to the Debtor (the "Loan") evidenced by a certain promissory note in the original principal amount of \$650,000 of even date herewith (as exchanged, replaced, amended, supplemented or modified from time to time, the "Note").

For other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor has agreed to execute and deliver this Agreement.

2. Definitions.

2.1 Incorporation by Reference. All terms defined in Schedule A annexed hereto are hereby incorporated by reference and all such terms and words so defined are used herein with the same meanings therein set forth.

2.2 Additional Definitions. The following terms shall have the following meanings for purposes of this Security Agreement (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Collateral" means, collectively, all of the Debtor's right, title and interest in the property described on Schedule A and Schedule A-1 annexed hereto in which the Debtor has rights or the power to transfer rights, whether now owned or hereafter acquired, arising or existing.

"Event of Default" shall have the meaning assigned to such term in the Note.

"Financing Statements" mean all UCC-1 Financing Statements to be filed in any public office to perfect the security interest granted under this Security Agreement.

"Institution" means any (i) securities intermediary, (ii) broker, (iii) issuer, or (iv) any other entity holding or who has issued any of the Collateral to or on behalf of the Debtor, including, without limitation, any fiduciary.

"Other Collateral" shall mean all Collateral other than the Trademark Collateral.

"Prior Lien" shall mean the security interest, to the extent perfected, in the Collateral, excluding the Trademark Collateral, granted by the Debtor to Cole Taylor Bank to secure certain loans made by Cole Taylor Bank to Debtor, the maximum aggregate principal amount of which shall not exceed \$1,500,000.

"Secured Obligations" means all debts, liabilities and obligations of the Debtor to the Secured Party pursuant to the Note and this Security Agreement, whether now existing or hereafter incurred at any time or times, absolute or contingent, secured or unsecured, and any and all renewals or extensions thereof or of any portion thereof, including without limitation all principal, all interest (including, without limitation, interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), all prepayment premiums (if any), all late charges and all expenses of collection or enforcement or attempted collection or enforcement thereof, including all reasonable fees and disbursements of the Secured Party's counsel in connection therewith.

[**"Trademark Collateral"** has the meaning set forth in Schedule A attached hereto.] ✕

"UCC" means the Uniform Commercial Code of the State of New York, as amended and in effect as of the date hereof.

2.3 In addition to the terms defined above and herein, all terms used in this Security Agreement and in Schedule A annexed hereto which are not otherwise defined in this Security Agreement or Schedule A shall be deemed to be used with the same meanings as provided by the corresponding statutory definitions contained in all Articles of the UCC on the date hereof and from time to time. In the case of a term defined in Article 9 of the UCC and also in another Article of the UCC, the definition contained in Article 9 of the UCC shall govern and control.

3. Security Interest.

3.1 The Debtor hereby grants to the Secured Party a continuing first priority security interest in the Trademark Collateral and a continuing security interest in the Other Collateral which is subject as to priority only to the Prior Lien (as defined in the Note), whether now existing or hereafter arising and wherever located, as security for the prompt and complete payment of all Secured Obligations.

3.2 This Security Agreement is in addition to and without limitation of any right of the Secured Party under the Note, and any other agreements or documents in connection therewith.

4. Representation and Warranties.

The Debtor represents and warrants that:

4.1 Except pursuant to and under this Security Agreement and except as permitted by the Note, the Debtor has granted no currently effective security interest in the Collateral to any person other than to the Secured Party, no Financing Statement in favor of any such other person as a secured party covering any of the Collateral or any proceeds thereof is on file in any public office, and the Collateral is free and clear of any Lien (as defined in the Note), other than Permitted Liens.

4.2 Debtor's jurisdiction of formation, principal place of business, chief executive office and all other places of business are as set forth on Schedule B hereto.

4.3 The locations of all Equipment, Inventory and Fixtures of the Debtor are as set forth on Schedule B hereto.

4.4 Except as noted on Schedule B hereto, the Debtor conducts no business, whether directly or indirectly or through any subsidiary or division, under any name or trade name other than its name first recited above.

4.5 All of the Debtor's Trademark Collateral is listed on Schedule A-1 hereto.

5. Covenants and Agreements of Debtor.

The Debtor covenants and agrees that:

5.1 The Secured Party shall have the right, by its employees, accountants, attorneys and other agents, (i) to examine and inspect the Collateral upon two business days prior written notice, at any reasonable business time and wherever located and (ii) to call at the Debtor's place or places of business at reasonable intervals and upon two business days prior written notice, to inspect, audit, and otherwise examine and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to any of the Collateral.

5.2 The Debtor will, from time to time promptly following written demand, furnish to Secured Party such further information and will execute, acknowledge and deliver to Secured Party such financing statements and assignments and other papers (including, without limitation, documents in form suitable for filing with the United States Patent and Trademark Office, the United States Copyright Office, other governmental office and any foreign equivalent in order to evidence, perfect, maintain, record and enforce the Secured Party's interest in the Trademark Collateral) and will do all such other acts and things as Secured Party shall reasonably request as may be necessary or appropriate to establish, perfect and maintain a valid security interest in any of the Collateral or types of Collateral listed on Schedule A and Schedule A-1 as security for the Secured Obligations.

5.2.1 Without limitation of the foregoing, at the time this Security Agreement is executed and delivered to the Secured Party, the Debtor shall: (a) execute and deliver to the Secured Party each financing statement, notice of lien, instrument of assignment and other writing (including, without limitation, documents in form suitable for filing with the United States Patent and Trademark Office, the United States Copyright Office, other governmental office and any foreign equivalent in order to evidence, perfect, maintain, record and enforce the Secured Party's interest in the Trademark Collateral), and take such other action, as Secured Party may deem necessary or desirable to evidence or perfect the security interest of Secured Party in the Collateral; and (b) execute and deliver to Secured Party any document required to acknowledge, register or perfect the security interest hereby granted in any of the Collateral.

5.2.2 At the time of receipt or creation of any additional item or items of Collateral which would necessitate the filing or taking of any additional action to maintain, create or perfect Lender's security interest therein or the priority thereof, the Debtor will immediately notify Secured Party of such receipt or creation and (a) will execute and deliver to Secured Party any document required to acknowledge, register or perfect the security interest hereby granted in any of the Collateral (including, without

limitation, documents in form suitable for filing with the United States Patent and Trademark Office, the United States Copyright Office, other governmental office and any foreign equivalent in order to evidence, perfect, maintain, record and enforce the Secured Party's interest in the Trademark Collateral), and (b) will take all such action and execute all such documentation as Secured Party may request in order to perfect the Secured Party's lien in all Collateral.

5.3 The Debtor will defend the Collateral against all claims and demands of all other persons at any time claiming the same or an interest therein, other than encumbrances permitted by this Agreement or the Note. The Debtor shall not encumber any Collateral to any person other than the Secured Party, other than encumbrances permitted by this Agreement or the Note, or sell, assign or transfer the Collateral or any right, title or interest therein (other than the sale of Inventory in the ordinary course of Debtor's business, the sale or disposal of obsolete equipment and the sale of equipment permitted by the Note).

5.4 If any action or proceeding shall be commenced, other than any action to collect the Secured Obligations, to which action or proceeding Secured Party is made a party and in which it becomes necessary to defend or uphold Secured Party's security interests hereunder, all costs incurred by Secured Party for the expenses of such litigation (including reasonable counsel fees and expenses) shall be deemed part of the Secured Obligations secured hereby, which the Debtor agrees to pay or cause to be paid.

5.5 All records of the Collateral will be located at the Debtor's principal place of business. The Debtor shall not change any location of any Equipment (other than temporary changes of location for repairs and servicing) or Inventory or records pertaining to any Collateral unless the Debtor gives Secured Party not less than 30 days prior written notice.

5.6 The Debtor will use the Collateral for business purposes and not in violation of any statute or ordinance and will keep the Collateral in its current state of repair, working order and condition.

5.7 The Debtor will pay promptly when due all taxes and assessments upon the Collateral or upon its use or sale ("Taxes"), except for any Taxes which are being contested in good faith and for which adequate reserves under generally accepted accounting principles have been established.

5.8 The Debtor will at all times keep accurate and complete records of the Instruments and other Collateral and will deliver such reconciliation reports and other financial information to Secured Party as Secured Party may at any time reasonably request, to the extent the same are being produced by Debtor in the ordinary course or are required to be provided pursuant to the Note. Secured Party, or any of its agents, shall have the right to call at the Debtor's place or places of business at reasonable intervals during normal business hours, and upon reasonable notice to inspect, audit, make test verifications and otherwise examine and make extracts, at Secured Party's expense, from the books, records, journals, orders, receipts, correspondence and other data relating to any of the Collateral.

5.9 Upon the occurrence and during the continuance of an Event of Default, the Debtor agrees to stamp all books and records pertaining to Instruments and General Intangibles

to evidence Secured Party's security interest therein in form reasonably satisfactory to Secured Party immediately upon Secured Party's written demand.

5.10 At its option, Secured Party may discharge taxes, liens or other encumbrances at any time levied against or placed on the Collateral which are not discharged by Debtor within ten (10) days after notice from Secured Party and which have not been stayed as to execution and contested with due diligence in appropriate legal proceedings, and, to the extent not maintained by Debtor in accordance with this Agreement or the Note, upon prior written notice to Debtor, Secured Party may pay for Insurance on the Collateral and may pay for maintenance and preservation of the Collateral. Debtor will, upon written demand, remit to Secured Party forthwith:

5.10.1 The amount of any such Taxes, assessments, Insurance or other expenses which Secured Party shall have been required or elected to pay; and

5.10.2 The amount of any and all reasonable out-of-pocket expenses which Secured Party may incur in connection with the exercise by Secured Party of any of the powers conferred upon it hereunder; and

5.10.3 Interest on any amounts expended under Subsections "5.10.1" and "5.10.2" of this Section 4.10 from the date of such expenditure to the date of repayment in full to Secured Party at a rate of 8.5% per annum.

5.11 The Debtor will notify Secured Party in writing at least thirty (30) days prior to changing its chief executive office or other locations at which it does business or changing its name or conducting business under any name or trade name other than as warranted under Sections 3.2 and 3.3 hereof, in each case specifying the places or names involved.

5.12 The Debtor will use its best efforts to obtain the consent of any person, governmental instrumentality or agency, or public body or official to the assignment hereunder of any Instrument, Document or General Intangible if such consent may be required by the terms of any contract or statute and if the such consent is reasonably necessary to support the security interest hereunder and if Secured Party so requests in its discretion reasonably exercised.

5.13 Without the prior written consent of Secured Party, the Debtor will not sell any item of Equipment except as permitted by the Note. To the extent required by the Note, the Debtor shall immediately remit the net proceeds of such sale (after expenses) to Secured Party for application to the Secured Obligations, and until so remitted, the Debtor agrees to hold such proceeds in trust for Secured Party.

5.14 Without the prior written consent of Secured Party, which consent will not be withheld except and unless the priority of Secured Party's security interest in any of the Collateral would be adversely affected, the Debtor will not change its jurisdiction of formation.

6. Events of Default.

6.1 Upon the occurrence and during the continuance of an Event of Default, Secured Party shall have all of the rights, powers and remedies set forth in the Note, together with the rights and remedies of a secured party under the UCC, including without limitation, the right to

sell, lease or otherwise dispose of any or all of the Collateral, and to take possession of the Collateral, and for that purpose Secured Party may enter peaceably any premises on which the Collateral or any part thereof may be situated and remove the same therefrom and the Debtor will not resist or interfere with such action. Secured Party may require the Debtor to assemble the Collateral and make the same available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. The Debtor hereby agrees that the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send Debtor at least 30 days prior written notice of the time and place of any public sale or of the time after which any private sale or any other disposition thereof is to be made (a "Sale Notice"). Secured Party agrees that, notwithstanding such Sale Notice, Debtor may during the 30-day period after a Sale Notice is given irrevocably pay, discharge and satisfy in full the Secured Obligations, in which event the Collateral will not be sold as provided in the Sale Notice. In the event that Debtor fails to irrevocably pay, discharge and satisfy in full the Secured Obligations during the 30-day period after the Sale Notice is given, Secured Party may exercise all of its rights pursuant to this Agreement or any applicable law to sell and dispose of the Collateral. Nothing in this Agreement shall limit or prevent Debtor from participating as a bidder in any sale. Debtor acknowledges and agrees that the notice of sale and any sale in accordance with this Section 6.1 shall be deemed to be commercially reasonable pursuant to the UCC and any other applicable law.

6.2 Upon notice by Secured Party at any time during the continuance of an Event of Default, the Debtor will immediately deliver to Secured Party all proceeds of Trademark Collateral, and all original evidences of Documents or General Intangibles, including, without limitation, all checks, drafts, cash and other remittances, notes, trade acceptances or other instruments or contracts for the payment of money, except in the case of Other Collateral to the extent required to be delivered to Cole Taylor Bank as the holder of the Prior Lien, which shall be appropriately endorsed to Secured Party's order and the Debtor hereby appoints Secured Party as the Debtor's agent and attorney-in-fact to make such endorsement on behalf of and in the name of the Debtor. Pending such deposit, the Debtor agrees that it will not commingle any such checks, drafts, cash and other remittances with any of the Debtor's funds or property, but will hold them separate and apart therefrom and upon an express trust for Secured Party until delivery thereof is made to Secured Party.

6.3 The costs of collection and enforcement of Accounts, Documents or General Intangibles including reasonable attorneys' fees and out-of-pocket expenses, shall be borne by the Debtor, whether the same are incurred by Secured Party or the Debtor. The Debtor will not, upon and during the continuance of an Event of Default, except with Secured Party's express written consent, extend, compromise, compound or settle any Accounts, Documents or General Intangibles, or release, wholly or partly, any person liable for payment thereof, or allow any credit or discount thereon which is not customarily allowed by the Debtor in the ordinary conduct of its business.

6.4 Effective immediately upon and during the continuance of an Event of Default, the Debtor hereby appoints Secured Party to be the Debtor's true and lawful attorney, with full power of substitution, in Secured Party's name or the Debtor's name or otherwise, for Secured Party's sole use and benefit, but at the Debtor's cost and expense, to exercise at any time all or

any of the following powers with respect to all or any of the Accounts, Documents or General Intangibles and grants Secured Party the power:

6.4.1 to demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due upon or by virtue thereof;

6.4.2 to receive, take, endorse, assign and deliver any and all checks, notes, drafts and other negotiable and non-negotiable instruments taken or received by Secured Party in connection therewith, and the Debtor waives notice of presentment, protest and non-payment of any instrument so endorsed or assigned;

6.4.3 to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

6.4.4 to extend the time of payment of any or all thereof, to make any allowances and other adjustments with reference thereto,

6.4.5 to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof or the relevant goods, as fully and effectually as if Secured Party were the absolute owner thereof; and

6.4.6 to make any reasonable allowances and other reasonable adjustments with reference thereto;

6.4.7 to sign the Debtor's name on any Document, on invoices relating to any Account, on drafts against customers, on schedules of assignments of Accounts, on notices of assignment, records, on verifications of Accounts, and on notices to customers;

6.4.8 to file or record in any public office notices of assignment or any other public notice required to effect this Security Agreement;

6.4.9 to notify the post office authorities to change the address for delivery of the Debtor's mail to an address designated by Secured Party;

6.4.10 to receive, open and dispose of all mail addressed to the Debtor;

6.4.11 to discharge Taxes, liens or other encumbrances at any time levied against or placed thereon;

6.4.12 to send requests for verification of Accounts to the Debtor's customers;

6.4.13 to execute, authenticate and to file, with or without any signature and by electronic means, any Financing Statement, Addendum, Amendment, Continuation Statement or other Record on the Debtor's behalf, including any filing which further describes for identification any Commercial Tort Claim which may come into existence in the future; and

6.4.14 to do all other things Secured Party deems reasonably necessary or desirable to carry out the purposes of this Security Agreement.

The Debtor hereby ratifies and approves all acts of the attorney pursuant to this Section 5.4, and neither Secured Party nor the attorney will be liable for any acts of commission or omission, nor for any error of judgment or mistake of fact or law, other than acts, errors or mistakes due to willful malfeasance or gross negligence by Secured Party or the attorney; provided further, however, that the Debtor does not waive any rights under the UCC against Secured Party for any action taken hereunder which is other than commercially reasonable. This power, being coupled with an interest, is irrevocable so long as any of the Secured Obligations remain outstanding and shall terminate at such time as the Secured Obligations have been irrevocably paid and satisfied in full.

6.5 Upon the occurrence and during the continuance of an Event of Default, the Secured Party shall have the right to notify the account Debtors obligated on any or all of the Debtor's Accounts, Documents or General Intangibles to make payment thereof directly to Secured Party, and Secured Party may take control of all proceeds of any thereof, subject, in the case of Other Collateral only, to the Prior Lien.

6.6 After deducting all expenses incurred by Secured Party in protecting or enforcing its rights in the Collateral, the remainder of any proceeds of collection or sale of the Collateral shall be applied to the payment of principal, interest or other charges comprising the Secured Obligations in such order as Secured Party may determine, and all surplus shall be returned to the Debtor and the Debtor shall remain liable for any deficiency.

6.7 Secured Party may exercise its rights with respect to Collateral without resorting to or regard to other collateral or sources of reimbursement for the Secured Obligations.

6.8 The exercise by Secured Party of or failure to so exercise any authority granted under this Security Agreement shall in no manner affect any liability of the Debtor to Secured Party, and provided, further, that Secured Party shall be under no obligation or duty to exercise any of the powers hereby conferred upon it and it shall be without liability for any act or failure to act in connection with the collection of, or the preservation of any rights under any of the Collateral.

7 Waivers.

7.1 The Debtor waives all demands, notices and protests of every kind which are not expressly required under this Security Agreement, or the Note and which are permitted by law to be waived, and which would, if not waived, impair Secured Party's enforcement of this Security Agreement or release any Collateral from the security interest of Secured Party under this Security Agreement. By way of example, but not in limitation of Secured Party's rights under this Security Agreement, Secured Party does not have to give the Debtor notice of any of the following:

notice of acceptance of this Security Agreement;

notice of advances made, credit extended, Collateral received or delivered;

7.1.3 any action which Secured Party does or does not take regarding the Debtor, any other person, or any other collateral securing the Secured Obligations;

enforcement of this Security Agreement against the Collateral; or

7.1.5 any other action taken in reliance on this Security Agreement.

7.1.6 With respect both to Secured Obligations and Collateral, the Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such time or times as Secured Party may deem advisable.

7.2 Secured Party shall have no duty as to the collection or protection of Collateral not in Secured Party's possession or control, and Secured Party's duty with reference to Collateral in its possession or control shall be to use reasonable care in the custody and preservation of such Collateral, but such duty shall not require Secured Party to do any of the following (although Secured Party is authorized to reasonably undertake any such action if Secured Party deems such action appropriate):

protect any of the Collateral against the claims of others;

collect any sums due on the Collateral;

exercise any rights under the Collateral;

7.2.4 notify the Debtor of any maturities or other similar matters concerning the Collateral;

act upon any request the Debtor may make; or

preserve or protect the Debtor's rights in the Collateral.

8. Actions and Proceedings.

IN THE EVENT OF ANY ACTION OR PROCEEDING WITH RESPECT TO ANY MATTER PERTAINING TO THIS SECURITY AGREEMENT, THE SECURED PARTY AND THE DEBTOR EACH HEREBY WAIVE THE RIGHT TO A TRIAL BY JURY (BUT DO NOT WAIVE ANY DEFENSES OR COUNTERCLAIMS).

9. Address for Notices and Service of Process.

All notices, statements, requests and demands herein provided for shall be in writing and shall be deemed to have been given or made when delivered to the respective addresses and in the manner specified in Section 8(1) of the Note.

10. Costs of Collection and Legal Fees.

The Debtor shall be liable to Secured Party and shall pay to Secured Party immediately on demand as part of any liability under this Security Agreement all costs and expenses of Secured Party, including all reasonable fees and disbursements of Secured Party's legal counsel

incurred in the collection or enforcement or attempted collection or attempted enforcement of Secured Party's rights under this Security Agreement.

11. No Waiver of Remedies.

No failure to exercise and no delay in exercising, on the part of Secured Party, any right, remedy, power or privilege under this Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege under this Security Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided under this Security Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

12. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CHOICE OF LAW RULES WHICH WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION EXCEPT TO THE EXTENT THAT THE LAWS OF THE JURISDICTION WHERE THE DEBTOR IS FORMED OR ORGANIZED APPLY TO THE CREATION, ATTACHMENT, PERFECTION, PRIORITY AND ENFORCEMENT OF LIENS ON AND SECURITY INTERESTS IN THE COLLATERAL.

13. Security Interest Absolute.

All rights of the Secured Party hereunder, and the Secured Party's continuing security interest in the Collateral and all obligations of the Debtor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Note, this Agreement, any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Note, this Agreement or any other agreement or instrument relating to any of the foregoing, (c) any exchange, release or non-perfection of any lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Secured Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Debtor in respect of the Secured Obligations or this Agreement.

14. Entire Agreement; Modifications.

This Security Agreement and the Note contain the entire agreement between the Debtor and Secured Party and with respect to all subject matters contained herein. This Security Agreement cannot be amended, modified or changed in any way except by a written instrument executed by the Debtor and Secured Party.

15. Successors and Assigns.

The covenants, representations, warranties and agreements herein set forth shall be binding upon the Debtor, its respective legal representatives, successors and assigns and shall inure to the benefit of Secured Party, its successors and assigns. Any successor or assign of Secured Party shall forthwith become vested with and entitled to exercise all the powers and rights given by this Security Agreement to Secured Party, as if such successor or assign were originally named as Secured Party herein.

16. Severability.

The unenforceability or invalidity of any provision or provisions of this Security Agreement or of the Note shall not render any other provision or provisions herein or therein contained unenforceable or invalid.

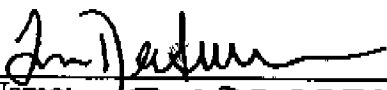
17. Termination of Security Interest.

Upon the irrevocable payment, discharge and satisfaction in full of the Secured Obligations, the Secured Party shall release its security interest in the Collateral and upon written request of Debtor, will file, or will deliver to Debtor for filing, such UCC termination statements as are required to terminate any UCC financing statements filed by Secured Party in connection with the security interest granted pursuant to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date and year first above written.


DEBTOR:

JSTAR BRANDS, LLC

By: 
Name: JON DEITELBAUM
Title: MANAGER

SECURED PARTY:

BARTON BRANDS, LTD.

By: 
Name: ALEXANDER L. BERK
Title: EXECUTIVE VICE PRESIDENT

SCHEDULE A (Page 1 of 6)
to
Security Agreement and UCC-1 Financing Statement
JSTAR BRANDS, LLC, as "Debtor"
BARTON BRANDS, LTD., as "Secured Party"

Collateral Description Continued:

As used herein, UCC means the Uniform Commercial Code of the State of New York as in effect on the date of this filing.

- 1 All equipment (as defined in Section 9-102(a)(33) of the UCC), whether now owned or hereafter acquired, wherever located, and including fixtures, together with any and all substitutions, parts, fittings, additions, attachments, accessories, special tools, accessions or replacements, and together with all computer programming and licenses necessary or desirable to operate the same, and all proceeds and general intangibles arising from any of the foregoing (the "Equipment").
2. All inventory (as defined in Section 9-102(a)(48) of the UCC), now owned or hereafter acquired, wherever located, and any product or mass into which any inventory shall be manufactured, processed or assembled (but only to the extent the same belongs to Debtor) or commingled, and all proceeds and general intangibles arising from any of the foregoing (the "Inventory").
3. All accounts (as defined in Section 9-102(a)(2) of the UCC), now existing or hereafter acquired, and all proceeds and general intangibles arising therefrom (the "Accounts").
4. All chattel paper (as defined in Section 9-102(a)(11) of the UCC), now owned or hereafter acquired, and all proceeds and general intangibles arising therefrom (the "Chattel Paper").
5. All instruments (as defined in Section 9-102(a)(47) of the UCC), now owned or hereafter acquired, and all proceeds and general intangibles arising therefrom (the "Instruments").
6. All general intangibles (as defined in Section 9-102(a)(42) of the UCC) now owned or hereafter acquired, and the proceeds thereof (the "General Intangibles").
- 7 All documents of title (as defined in Section 1-201(15) of the UCC) covering any Inventory wherever located, now owned or hereafter acquired, and all proceeds and general intangibles arising therefrom (the "Documents").
8. All investment property (as defined in Section 9-102(a)(49) of the UCC), now owned or hereafter acquired, and all proceeds and General Intangibles arising therefrom (the "Investment Property")
9. All fixtures (as defined in Section 9-102(a)(41) of the UCC), now owned or hereafter acquired, and all proceeds thereof (the "Fixtures").

SCHEDULE A (Page 2 of 6)
to
Security Agreement and UCC-1 Financing Statement
JSTAR BRANDS, LLC, as "Debtor"
BARTON BRANDS, LTD., as "Secured Party"

**IN FURTHERANCE OF THE FOREGOING TYPES OF PROPERTY, AND WITHOUT
LIMITATION THEREOF:**

10. All insurance covering the Equipment, Inventory and all of Debtor's other tangible personal property against risks of fire, flood, theft, loss or any other physical damage or risk of loss whatsoever, now owned or hereafter acquired, and all proceeds and general intangibles arising therefrom (the "Insurance").
11. All of Debtor's right, title and interest in all of its books, records, ledger sheets, files and other data and documents, including records in any form (digital or other) and recorded in or through any tangible medium (magnetic, lasergraphic or other) and retrievable in any perceivable form, together with all machinery and processes (including computer programming instructions) required to read and print such records relating to any types of Collateral described in this Schedule A (the "Records").
12. All of Debtor's rights as a seller of goods under Article 2 of the UCC or otherwise with respect to Inventory, and all goods represented by or securing any of the Accounts, all of Debtor's rights therein, including without limitation, rights as an unpaid vendor or lienor and including rights of stoppage in transit, replevin and reclamation, and all proceeds and general intangibles arising from any of the foregoing .
13. All guarantees, mortgages or security interests on real or personal property, leases or other agreements or property now or hereafter securing or relating to any of the items referred to above in favor of Debtor, or now or hereafter acquired for the purpose of securing and enforcing any of such items in favor of Debtor, and all proceeds and general intangibles arising from any of the foregoing (the "Debtor's Security").
14. All sums at any time standing to Debtor's credit on the books of Secured Party and all moneys, securities, and other property of Debtor at any time in Secured Party's possession, and all proceeds and general intangibles arising therefrom.
15. All patent rights throughout the world, including all letters patents, patent applications, patent licenses, patentable inventions, modifications and improvements thereof, all rights to any and all letters patent and applications for letters patent, all divisions, renewals, reissues, continuations, continuations-in-part, extensions and reexaminations of any of the foregoing, all shop rights, all proceeds of, and rights associated with any of the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any of the foregoing and for

SCHEDULE A (Page 3 of 6)
to
Security Agreement and UCC-1 Financing Statement
JSTAR BRANDS, LLC, as "Debtor"
BARTON BRANDS, LTD., as "Secured Party"

breach or enforcement of any of the foregoing, and all rights corresponding to each of the foregoing throughout the world, whether now owned or existing or hereafter acquired, and all proceeds and general intangibles arising from any of the foregoing (the "Patent Rights").

16. All information concerning the subject matter of the Patent Rights, and all other confidential or proprietary or useful information and all know-how and common law or statutory trade secrets obtained by or used in or contemplated at any time for use in the business of Debtor, and all other research and development work by Debtor whether or not the same is a patentable invention, including without limitation all design and engineering data, shop rights, instructions, procedures, standards, specifications, plans, drawings and designs, whether now owned or existing or hereafter acquired or arising, and all proceeds and general intangibles arising from any of the foregoing (the "Technical Information").
17. The trademarks, trade names, service marks, trade styles, logos and internet domain names listed on Schedule A-1 hereto and all other trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (each of the foregoing items being called a "Trademark"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, all Trademark licenses, all reissues, extensions or renewals of any of the foregoing items all of the goodwill of the business connected with the use of, and symbolized by the foregoing items all proceeds of, and rights associated with, the foregoing, including any claim by Debtor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license, and all proceeds and general intangibles arising from any of the foregoing, including, without limitation, all proceeds of insurance covering any of the foregoing (collectively, the "Trademark Collateral").
18. All copyrights and all semiconductor chip product mask works of Debtor, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world, including, without limitation, all of Debtor's right, title and interest in and to all copyrights and mask works registered in the United States Copyright Office or

SCHEDULE A (Page 4 of 6)
to
Security Agreement and UCC-1 Financing Statement
JSTAR BRANDS, LLC, as "Debtor"
BARTON BRANDS, LTD., as "Secured Party"

anywhere else in the world and all applications for registration thereof, whether pending or in preparation, all copyright and mask work licenses, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit, and all proceeds and general intangibles arising from any of the foregoing (the "Copyrights").

19. (A) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware, whether now owned, licensed or leased or hereafter acquired by Debtor; (B) all software programs including source code and object code and all related applications and data files), whether now owned, licensed or leased or hereafter acquired by Debtor, designed for use on the computers and electronic data processing hardware described in clause (A) above; (C) all firmware associated therewith, whether now owned, licensed or leased or hereafter acquired by Debtor; (D) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) for such hardware, software and firmware described in the preceding clauses (A), (B) and (C), whether now owned, licensed or leased or hereafter acquired by Debtor; and (v) all rights with respect to all of the foregoing, including, without limitation, any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing, and all proceeds and general intangibles arising from any of the foregoing (the "Computer Hardware and Software").

AND IN FURTHERANCE OF AND IN ADDITION TO THE FOREGOING TYPES OF PROPERTY, AND WITHOUT LIMITATION THEREOF, all of the following types of Collateral, now owned or hereafter acquired, arising or existing, as such types are defined in any revision of the Uniform Commercial Code as may be enacted in New York, and intending thereby to include as Collateral all personal property of the Debtor:

20. **Accessions**
21. **Accounts**
22. **As-Extracted Collateral**

SCHEDULE A (Page 5 of 6)
to
Security Agreement and UCC-1 Financing Statement
JSTAR BRANDS, LLC, as "Debtor"
BARTON BRANDS, LTD., as "Secured Party"

23. **Assets**
24. **Cash Proceeds**
25. **Certificated Securities**
26. **Checks**
27. **Chattel Paper**
28. **Commercial Tort Claims**
29. **Commodity Accounts**
30. **Commodity Contracts**
31. **Contracts for Sale**
32. **Deposit Accounts**
33. **Documents**
34. **Drafts**
35. **Electronic Chattel Paper**
36. **Equipment**
37. **Entitlement Orders**
38. **Farm Products**
39. **Financial Assets**
40. **Fixtures**
41. **General Intangibles**
42. **Goods**
43. **Health-Care-Insurance Receivables**
44. **Instructions**
45. **Instruments**

SCHEDULE A (Page 6 of 6)
to
Security Agreement and UCC-1 Financing Statement
JSTAR BRANDS, LLC, as "Debtor"
BARTON BRANDS, LTD., as "Secured Party"

- 46. **Inventory**
- 47. **Investment Property**
- 48. **Items**
- 49. **Leasehold Interests**
- 50. **Letter-of Credit Rights**
- 51. **Manufactured Homes**
- 52. **Nonnegotiable Instruments**
- 53. **Noncash Proceeds/Notes**
- 54. **Payment Intangibles**
- 55. **Payment Orders**
- 56. **Proceeds**
- 57. **Proceeds of a Letter of Credit**
- 58. **Promissory Notes**
- 59. **Records**
- 60. **Securities Accounts**
- 61. **Securities**
- 62. **Securities Certificates**
- 63. **Security Entitlements**
- 64. **Software**
- 65. **Supply Contracts**
- 66. **Supporting Obligations**
- 67. **Tangible Chattel Paper**
- 68. **Uncertificated Securities**

SCHEDULE A-1
 to
Security Agreement and UCC-1 Financing Statement
JSTAR BRANDS, LLC, as "Debtor"
BARTON BRANDS, LTD., as "Secured Party"

Description of Trademarks

SCHEDULE A-1

<u>Trademark</u>	<u>Country</u>	<u>Application or Registration No.</u>	<u>Application Filing Date or Registration Date</u>	<u>Renewal Date</u>
EFFEN and design	US	2,788,500	December 2, 2003	
EFFEN	US	2,788,499	December 2, 2003	
"E" stylized	US	2,848,858	June 1, 2004	
EFFEN BLACK CHERRY	US	Application Pending No. 76-489,233	Application Filed February 10, 2003	
KILOHANA	US	Application Pending No. 76-509,256	Application Filed April 24, 2003	

Domain Names

www.effenvodka.com

SCHEDULE B
to
Security Agreement

- 1 Debtor is an Illinois limited liability company.
2. The location of Debtor's chief executive office, principal place of business and books and records is:

640 North LaSalle Street
Suite 540
Chicago, Illinois 60610

3. Equipment and Inventory of Debtor are located as follows:

(a) 640 North LaSalle Street
Suite 540
Chicago, IL 60610

- (b) Storage/warehouse facilities at:

Western Carriers
2220 91st Street
North Bergen, NJ 07047