

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Mad Croc Brands, Inc.		10/27/2008	CORPORATION: TEXAS

RECEIVING PARTY DATA

Name:	Hudson Asset Partners, LLC
Street Address:	1120 Avenue of Americas, 4th Floor
Internal Address:	Suite 4119
City:	New York
State/Country:	NEW YORK
Postal Code:	10036
Entity Type:	LTD LIAB JT ST CO: DELAWARE

PROPERTY NUMBERS Total: 19

Property Type	Number	Word Mark
Serial Number:	78977227	MAD CROC
Serial Number:	78569110	MAD CROC
Registration Number:	3295797	MAD CROC
Registration Number:	3000945	MAD CROC
Registration Number:	2953056	MAD CROC
Serial Number:	77297453	MAD-CROC
Serial Number:	77297437	CROC-TAIL
Serial Number:	77297396	SLAMMIN' CITRUS
Serial Number:	77297385	SPIKED SPEARMINT
Serial Number:	77297376	CINNAMON KICK
Serial Number:	77297359	THE ENERGY DRINK YOU CHEW
Serial Number:	77297342	ENERGY WITH A WILD BITE
Serial Number:	77297338	CITRUS SLAM

CH \$490.00 78977227

Serial Number:	77297286	POWER PEPPERMINT
Serial Number:	77297220	SLAMMIN' CITRUS
Serial Number:	77297192	MAD-CROC
Registration Number:	3444659	SPIKED SPEARMINT
Registration Number:	3444657	THE ENERGY DRINK YOU CHEW
Registration Number:	3444656	CINNAMON KICK

CORRESPONDENCE DATA

Fax Number: (212)655-3535
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 212-655-3500
Email: ip@msf-law.com
Correspondent Name: Jon Gemma, Esq.
Address Line 1: 140 East 45th Street
Address Line 4: NEW YORK, NEW YORK 10017

ATTORNEY DOCKET NUMBER:	SPENCER TRASK
NAME OF SUBMITTER:	Jon Gemma
Signature:	/Jon Gemma/
Date:	10/27/2008

Total Attachments: 14
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SECURITY AGREEMENT

This SECURITY AGREEMENT (this "Agreement"), dated as of October 27, 2008, is made by and between Hudson Asset Partners, LLC, a Delaware limited liability company, in its capacity as collateral agent (the "Collateral Agent"), and Mad Croc Brands, Inc., a Texas corporation ("Mad Croc" or the "Grantor") for the benefit of the holders (the "Debentureholders") of those certain debentures described below in the aggregate principal amount of up to \$3,500,000 (or up to \$5,000,000, if an over-allotment (the "Over-allotment") is exercised in full), to be issued by Mad Croc from time to time on and after the date hereof, all upon terms described in that certain Transmittal Letter, dated October 10, 2008 (the "Transmittal Letter").

WITNESSETH:

WHEREAS, from time to time on and after the date hereof, Mad Croc may issue up to \$3,500,000 (or up to \$5,000,000, upon exercise of the Over-allotment in full) of its 8% senior secured convertible debentures (as each may be at any time amended, extended, restated, renewed or modified, each a "Convertible Debenture," and collectively, the "Convertible Debentures") to subscribers for units ("Units") offered by Mad Croc upon the terms set forth in the Transmittal Letter;

WHEREAS, pursuant to the execution of a Subscription Agreement in the form attached to the Transmittal Letter as Appendix A (the "Subscription Agreement"), each subscriber has become a Debentureholder and has appointed and authorized the Collateral Agent to act as collateral agent under this Agreement;

WHEREAS, it is a condition precedent to the obligation of each of the subscribers to purchase a Convertible Debenture that Mad Croc shall have granted to the Collateral Agent a security interest for the benefit of the Debentureholders in the Collateral (as hereinafter defined) as contemplated by this Agreement; and

WHEREAS, Mad Croc expects to realize direct and indirect benefits as a result of the sale of the Convertible Debentures to the subscribers and desires to grant the Collateral Agent a security interest for the benefit of the Debentureholders in the Collateral as contemplated by this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE I – DEFINITIONS

1.1 This Agreement is the Security Agreement referred to in the Subscription Agreement, the Transmittal Letter and the Convertible Debentures. As used in this Agreement, the following terms shall have the meanings respectively set forth below:

“Agreement” means this Security Agreement, and any extensions, modifications, renewals, restatements, supplements or amendments hereof.

“Bankruptcy Code” means Chapter 11 of Title 11 of the United States Code, as amended from time to time, and any successor statute and all rules and regulations promulgated thereunder.

“Collateral” means all of Mad Croc’s now owned or hereafter acquired right, title and interest in and to the General Assets, the Trademarks, the Patents and the Licenses.

“General Assets” shall have the meaning set forth in Section 2.1 hereof.

“Investment Collateral” shall have the meaning set forth in Section 7.1 hereof.

“Licenses” shall have the meaning set forth in Section 2.4 hereof.

“Patents” shall have the meaning set forth in Section 2.3 hereof.

“Secured Obligations” means any and all present and future obligations of Mad Croc arising under or relating to the Convertible Debentures, the Subscription Agreement or this Agreement, whether due or to become due, matured or unmatured, or liquidated or unliquidated, including interest that accrues after the commencement of any bankruptcy or insolvency proceeding by or against the Grantor. For the avoidance of doubt, the Secured Obligations shall include the obligations of the Grantor to pay the fees and expenses of the Collateral Agent and to provide indemnity to the Collateral Agent pursuant to Article XIII hereof.

“Trademarks” shall have the meaning set forth in Section 2.2 hereof.

ARTICLE II – SECURITY INTERESTS

2.1 Grant of Security Interest in General Assets. To secure the complete and timely payment, performance and satisfaction of all of the Secured Obligations, the Grantor hereby grants to the Collateral Agent, for the pro rata benefit of the Debentureholders, a security interest as and by way of a security interest having priority over all other security interests (except as expressly set forth in this Agreement), with power of sale to the fullest extent permitted by applicable law, in all of the Grantor’s right, title and interest in and to the Grantor’s now owned or otherwise existing and hereafter acquired or arising:

(a) accounts, contract rights and all other forms of obligations owing to the Grantor arising out of the sale or lease of goods or the rendition of services by the Grantor, irrespective of whether earned by performance, and any and all credit insurance, guarantees or security therefor;

(b) books and records, including ledgers; records indicating, summarizing or evidencing the Grantor's properties or assets or liabilities; all information relating to the Grantor's business operations or financial condition; and all other computer programs, disk or tape files, printouts, runs or other computer prepared information;

(c) deposit accounts (as that term is defined from time to time in the Uniform Commercial Code as in effect in the State of Delaware);

(d) all of the Grantor's general intangibles and other personal property (including contract rights, rights arising under common law, statutes or regulations, choses or things in action, commercial tort claims, blueprints, drawings, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, computer programs, information contained in computer disks or tapes, literature, reports, catalogs, insurance premium rebates, tax refunds and tax refund claims);

(e) goods (as that term is defined from time to time in the Uniform Commercial Code as in effect in the State of Delaware), including (i) all inventory, including equipment held for lease, whether raw materials, in process or finished, all material or equipment usable in processing the same and all documents of title covering any inventory, (ii) all equipment employed in connection with the Grantor's business, together with all present and future additions, attachments and accessions thereto and all substitutions therefor and replacements thereof and (iii) all vehicles;

(f) instruments and other investment property (as such terms are defined from time to time in the Uniform Commercial Code as in effect in the State of Delaware);

(g) negotiable collateral, including all of the Grantor's right, title and interest with respect to any letters of credit, letter of credit rights, instruments, drafts, documents and chattel paper (as each term is defined from time to time in the Uniform Commercial Code as in effect in the State of Delaware), and any and all supporting obligations in respect thereof;

(h) money or other assets of the Grantor that now or hereafter come into the possession, custody or control of the Grantor;

(i) the proceeds and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance covering any or all of the foregoing, and any and all of the foregoing, or other tangible or intangible property resulting from the sale, exchange, collection or other disposition of any of the foregoing, or any portion thereof or interest therein, and the proceeds thereof; and

(j) all of the Grantor's right, title and market in and to any shares of capital stock of any of its subsidiaries and the certificates representing any such shares.

All of the items described in clauses (a)-(j) in this Section 2.1 are hereinafter individually and/or collectively referred to as the "General Assets."

On or prior to the date of execution of this Agreement, Grantor shall deliver to the Collateral Agent, for the benefit of the Debentureholders, a certificate of insurance naming the Collateral Agent as loss payee and additional insured, as its interest may appear, under the Grantor's policies of liability and property insurance for the benefit of the Debentureholders, which shall remain in effect for the term of this Agreement.

2.2 Grant of Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Secured Obligations, the Grantor hereby grants to the Collateral Agent, for the pro rata benefit of the Debentureholders, a security interest as and by way of a first mortgage and security interest having priority over all other security interests, including with power of sale to the fullest extent permitted by applicable law, in all of the Grantor's right, title and interest in and to the Grantor's now owned or otherwise existing and hereafter acquired or arising: (a) trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and (b) all renewals thereof, all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, the right to sue for past, present and future infringements and dilutions thereof, the goodwill of the Grantor's business symbolized by the foregoing and connected therewith and all of the Grantor's rights corresponding thereto throughout the world (all of the foregoing items described in the foregoing clauses (a) and (b) in this Section 2.2, are hereinafter individually and/or collectively referred to as the "Trademarks"); and (c) all proceeds of any and all of the foregoing, including, without limitation, license royalties and proceeds of the infringement suits.

2.3 Grant of Security Interest in Patents. To secure the complete and timely payment, performance and satisfaction of all of the Secured Obligations, the Grantor hereby grants to the Collateral Agent, for the benefit of the Debentureholders, a security interest as and by way of a first mortgage and security interest having priority over all other security interests, including with power of sale to the fullest extent permitted by applicable law, in all of the Grantor's right, title and interest in and to the Grantor's now owned or otherwise existing and hereafter acquired or arising: (a) patents and patent applications and (b) all renewals thereof, all income, royalties, damages and payments now and hereafter due and/or payable under and with respect to thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, the right to sue for past, present and future infringements and dilutions thereof, the goodwill of the Grantor's business symbolized by the foregoing and connected therewith and all of the Grantor's rights corresponding thereto throughout the world (all of the foregoing items described in the foregoing clauses (a) and (b) in this Section 2.3, are hereinafter individually and/or collectively referred to as the "Patents"); and (c) all proceeds of any and all of the foregoing, including license royalties and proceeds of the infringement suits. Notwithstanding

the foregoing provisions of this Section 2.3, the Patents shall not include any agreement to purchase a patent in effect as of the date hereof that by its terms expressly prohibits the grant of the security contemplated by this Agreement; provided, however, that upon the termination of such prohibitions for any reason whatsoever, the provisions of this Section 2.3 shall be deemed to apply thereto automatically.

2.4 Grant of Security Interest in Trademark and Patent Licenses. To secure the complete and timely payment, performance and satisfaction of all of the Secured Obligations, the Grantor hereby grants to the Collateral Agent, for the benefit of the Debentureholders, a security interest, as and by way of a first mortgage and security interest having priority over all other security interests, including with power of sale to the fullest extent permitted by applicable law, in all of the Grantor's right, title and interest in and to the Grantor's now owned or otherwise existing and hereafter acquired in any license agreements with any other party, whether the Grantor is a licensee or licensor under any such license agreement, and the right to use the foregoing in connection with the enforcement of the Debentureholders' rights under the Convertible Debentures, including the right to prepare for sale and sell any and all inventory now or hereafter owned by the Grantor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2.4, the Licenses shall not include any license agreement in effect as of the date hereof that by its terms expressly prohibits the grant of the security contemplated by this Agreement; provided, however, that upon the termination of such prohibitions for any reason whatsoever, the provisions of this Section 2.4 shall be deemed to apply thereto automatically.

2.5 Title; Other Liens. Except for the security interest granted to the Collateral Agent pursuant to this Agreement, the Grantor owns each of the General Assets, Trademarks, Patents and Licenses free and clear of any and all liens, claims or security or adverse interests to all or any of the Trademarks, Patents and Licenses on file or of record in any public office, except as such as have been filed in favor of the Collateral Agent pursuant to this Agreement.

ARTICLE III – FURTHER ASSURANCES

3.1 At any time and from time to time at the request of the Collateral Agent, the Grantor shall execute and deliver to the Collateral Agent all such financing statements and other instruments and documents in form and substance reasonably satisfactory to the Collateral Agent as shall be necessary or desirable to fully perfect, when filed and/or recorded, the security interest granted to the Collateral Agent for the benefit of the Debentureholders pursuant to Article II of this Agreement. The Grantor hereby authorizes the Collateral Agent, without notice to the Grantor, to file any financing statement and amendments thereof or continuations thereof, naming the Grantor as debtor and the Collateral Agent as the secured party. At any time and from time to time, the Collateral Agent shall be entitled to file and/or record any or all such financing statements, instruments and documents held by it, and any or all such further financing statements, documents and instruments, and to take all such other actions, as the Collateral Agent may deem appropriate to perfect and to maintain perfected the security interest granted to it for the benefit of the Debentureholders in Article II of this Agreement. Before and after the

occurrence of any default under the Convertible Debentures, at the Collateral Agent's request, the Grantor shall execute all such further financing statements, instruments and documents, and shall do all such further acts and things, as may be deemed necessary or desirable by the Collateral Agent to create and perfect, and to continue and preserve, an indefeasible security interest in the Collateral in favor of the Collateral Agent for the benefit of the Debentureholders or the priority thereof, including causing any such financing statements to be filed and/or recorded in the applicable jurisdiction.

ARTICLE IV – SECURITY AGREEMENT

4.1 This Agreement secures the payment of all of the Secured Obligations of the Grantor now or hereafter existing under the Convertible Debentures, whether for principal, interest, fees, expenses or otherwise, and all of the Secured Obligations of the Grantor now or hereafter existing under this Agreement and provides for the application of proceeds from the Collateral, upon the occurrence of an Event of Default, to satisfy the Secured Obligations, including the irrevocable right of the Collateral Agent to apply proceeds from Collateral to the payment of any and all amounts owing to the Collateral Agent pursuant to any of the provisions of Article X or Article XIII of this Agreement prior to making any payment to any or all of the Debentureholders.

ARTICLE V – EVENTS OF DEFAULT

5.1 There shall be an Event of Default (as defined in the Convertible Debentures) hereunder upon the occurrence and during the continuance of an Event of Default under any of the Convertible Debentures. The Grantor shall promptly notify the Collateral Agent in writing of any occurrence of an Event of Default.

ARTICLE VI – RIGHTS UPON EVENT OF DEFAULT

6.1 Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have, in any jurisdiction where enforcement hereof is sought, in addition to all other rights and remedies that the Collateral Agent may have under applicable law or in equity or under this Agreement, all rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction.

ARTICLE VII – VOTING RIGHTS; DIVIDENDS; ETC.

7.1 With respect to Grantor's right, title and interest to any Collateral consisting of securities, partnership interests, joint venture interests, investments or the like (referred to collectively and individually in this Article VII and in Article VIII hereof as the "Investment Collateral"), so long as no Event of Default occurs and remains continuing:

- (a) the Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Investment Collateral, or any part thereof, for any purpose not inconsistent with the terms of this Agreement or the Convertible Debentures; and

(b) the Grantor shall be entitled to receive and to retain and use any and all dividends or distributions paid in respect of the Investment Collateral.

ARTICLE VIII – RIGHTS DURING EVENT OF DEFAULT

8.1 With respect to any Investment Collateral, so long as an Event of Default has occurred and is continuing:

(a) at the option of the Collateral Agent, subject to the direction of the Requisite Holders (as defined below), all rights of the Grantor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section (a) of Article VII hereof, and to receive the dividends and distributions which it would otherwise be authorized to receive and retain pursuant to Section (b) of Article VIII hereof, shall cease, and all such rights thereupon shall become vested in the Collateral Agent for the benefit of the Debentureholders which thereupon shall have the sole right to exercise such voting and other consensual rights and to receive and to hold as pledged Investment Collateral such dividends and distributions; and

(b) all dividends and other distributions that are received by the Grantor contrary to the provisions of this Agreement shall be held in trust for the benefit of the Collateral Agent on behalf of the Debentureholders, shall be segregated from other funds of the Grantor and forthwith shall be paid over to Collateral Agent for the benefit of the Debentureholders as pledged Collateral in the same form as so received (with any necessary endorsements).

ARTICLE IX – GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 The Grantor represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

(a) except for the security interest granted to the Collateral Agent for the benefit of the Debentureholders herein, the Grantor is, and as to Collateral acquired from time to time after the date hereof, the Grantor will be, the owner of all the Collateral free from any lien, security interest, encumbrance or other right, title or interest of any person, and the Grantor shall defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the Collateral Agent for the benefit of the Debentureholders;

(b) there is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) now on file or registered in any public office covering any interest of any kind in the Collateral, or intended to cover any such interest that has not been terminated or released by the secured party named therein, and so long as any Convertible Debentures remain outstanding or any of the Secured Obligations of the Grantor remain unpaid, the Grantor will not execute and there will not be on file in any public office any financing statement (or similar statement or instrument

of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interest hereby granted to the Collateral Agent for the benefit of the Debentureholders;

(c) at the Grantor's own expense, the Grantor will keep the Collateral (i) in good condition at all times (normal wear and tear excepted) and maintain same in accordance with all manufacturer's specifications and requirements, and (ii) free and clear of all liens and encumbrances, except for the liens granted hereby; and without the consent of the Collateral Agent, the Grantor will not sell, transfer, change the registration, if any, dispose of, attempt to dispose of, substantially modify or abandon the Collateral or any part thereof other than sales of inventory in the ordinary course of business and the disposition of obsolete or worn-out equipment in the ordinary course of business;

(d) the chief executive office and chief place of business of Mad Croc is located at 2150 West 18th Street, Houston, Texas 77008. The Grantor will not move its chief executive office and chief place of business until (i) it shall have given to the Collateral Agent not less than 30 days' prior written notice of its intention to do so, clearly describing such new location and providing such other information in connection therewith as the Collateral Agent may reasonably request, and (ii) with respect to such new location, it shall have taken such action, satisfactory to the Collateral Agent, to maintain the security interest of the Collateral Agent, in favor of the Debentureholders, in the Collateral; and

(e) the Grantor will not amend its certificate of incorporation or other governing documents to change its name or state of incorporation.

ARTICLE X – FEES, COSTS AND EXPENSES

10.1 The Grantor agrees to pay to the Collateral Agent all fees of the Collateral Agent for services performed by it and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Collateral Agent in the making or the enforcement or attempted enforcement of this Agreement, whether or not an action is filed in connection therewith, and in connection with any waiver or amendment of any term or provision hereof. All such fees and all advances, charges, costs and expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Collateral Agent in exercising any right, privilege, power or remedy conferred by this Agreement or in the enforcement or attempted enforcement thereof, shall be secured hereby and shall become a part of the Secured Obligations and shall be paid to the Collateral Agent by the Grantor, immediately upon demand, together with interest thereon from the date of demand at a rate of 12% per annum.

ARTICLE XI – CONTINUING EFFECT

11.1 This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Grantor for liquidation or reorganization, should the Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Grantor's assets, and shall continue to

be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by the Collateral Agent, whether as a "voidable preference," "fraudulent conveyance" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

ARTICLE XII – TERMINATION; RELEASE OF THE GRANTOR

12.1 This Agreement shall be terminated and all Secured Obligations of the Grantor hereunder shall be released when all Secured Obligations of the Grantor have been paid in full or upon such release of the Secured Obligations hereunder or, with respect to any Convertible Debenture, when such Convertible Debenture shall no longer be outstanding. Upon such termination, and upon receipt by the Collateral Agent of evidence of such termination reasonably satisfactory to the Collateral Agent, the Collateral Agent shall return any pledged Collateral to the Grantor, or to the person or persons legally entitled thereto, and shall endorse, execute, deliver, record and file all instruments and documents, and do all other acts and things reasonably required for the return of the Collateral to the Grantor, or to the person or persons legally entitled thereto, and to evidence or document the release of the Collateral Agent's interests arising for the benefit of the Debentureholders under this Agreement, all as reasonably requested by, and at the sole expense of, the Grantor.

ARTICLE XIII – COLLATERAL AGENT

13.1 By their execution of Subscription Agreements in the form attached to the Transmittal Letter as Annex A, the Debentureholders have authorized the Collateral Agent to exercise for the pro rata benefit of the Debentureholders all rights, powers and remedies provided to it under or pursuant to this Agreement, including all rights, powers and remedies upon an Event of Default, subject always to the terms, conditions, limitations and restrictions provided in this Agreement. In furtherance and not in limitation of the foregoing, by its execution of such Subscription Agreement, each Debentureholder acknowledges and agrees that: (i) the Collateral Agent shall not be responsible for the execution, effectiveness, genuineness, validity, perfection, enforceability, collectability, value or sufficiency of the Collateral, or for any representations, warranties or statements made in any document executed in connection with this Security Agreement, other than representations expressly made herein by the Collateral Agent; (ii) the Collateral Agent shall not be required to ascertain or inquire as to the performance or observance by the Grantor or any other party of any of the terms or provisions of the Secured Obligations; (iii) the Collateral Agent shall not be liable for or by any reason of (1) the failure or defect in the registration, filing, or recording of any instruments or financing statements in connection with the transactions contemplated by this Agreement or (2) any failure to do any act necessary to constitute, perfect and/or maintain the priority of the security interests created by this Agreement, and (iv) the Collateral Agent shall not be deemed to have any knowledge of any Event of Default unless and until it shall have received written notice thereof from the Company or the Requisite Holders in reasonable detail. Except with respect to those matters as to which the Collateral Agent is expressly required to act under the terms of this Article XIII, the

Collateral Agent may act or refrain from acting with the written consent of holders of a majority of the aggregate principal amount of outstanding Convertible Debentures as of the date of such consent (the "Requisite Holders"), which Requisite Holders shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Collateral Agent; provided, however, that such direction shall not be in conflict with any rule of law or expose the Collateral Agent to personal liability, such direction shall not be unduly prejudicial to the rights of any non-consenting holder, and the Collateral Agent may take any action deemed proper by the Collateral Agent, in its discretion, which is not inconsistent with such direction or the terms of this Agreement. It is agreed that the duties of the Collateral Agent are only such as are herein specifically provided, and the Collateral Agent shall have no other duties, implied or otherwise.

13.2 Anything herein to the contrary notwithstanding, none of the provisions of this Agreement shall be construed to require the Collateral Agent to expend or risk its own funds or otherwise incur any liability (financial or otherwise) in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it shall be satisfied that one or more Grantor, the Debentureholders, and/or the placement agent for the Debentures are at the time obligated and in a financial position to pay the Collateral Agent's reasonably anticipated fees for its services and its out-of-pocket expenses (including fees of its counsel) in the performance of such duties or the exercise of any of such rights or powers and to indemnify it against any such risk or liability. In no event shall the Collateral Agent be liable (i) for any consequential, punitive or special damages or (ii) for the acts or omissions of its nominees, correspondents, designees, subagents or subcustodians. The Collateral Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Collateral Agent (including any act or provision of any present or future law or regulation or governmental authority, any act of God or war, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility).

13.3 The Collateral Agent shall not be required or bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document. The Collateral Agent may execute any of the powers under the Security Agreement or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible or liable for the acts or omissions, including any willful misconduct or gross negligence, on the part of any agent, attorney, custodian or nominee so appointed.

13.4 The Grantor agrees to indemnify and hold the Collateral Agent and its members, directors, employees, officers, agents, representatives, successors and assigns harmless from and against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation and reasonable counsel fees and expenses that may be imposed on the Collateral Agent or incurred by it in connection with its acceptance of its appointment as the Collateral Agent hereunder or the performance of its duties hereunder, except as a result of the Collateral Agent's gross negligence or willful misconduct. Such indemnity includes all losses, damages, liabilities and expenses (including reasonable counsel fees and expenses) incurred in connection

with any litigation (whether at the trial or appellate levels) arising from this Agreement or the Subscription Agreements or involving the subject matter hereof or thereof or the transactions contemplated hereby or thereby. The indemnification provisions contained in this Section 13.4 are in addition to any other rights any of the indemnified parties may have by law or otherwise and shall survive the termination of this Agreement or the resignation or removal of the Collateral Agent.

13.5 (Intentionally omitted.)

13.6 The Collateral Agent shall transmit by mail to the Debentureholders, or their successors or permitted assigns, as the names and addresses appear in a register of Debentureholders maintained by the Grantor, notice of an Event of Default. The Grantor shall provide the Collateral Agent with a complete and accurate list of such names and addresses, as amended from time to time. The Collateral Agent shall not be deemed to have notice of any Event of Default unless the Collateral Agent shall have received written notice thereof from the Company or the Requisite Holders, describing such Event of Default in reasonable.

13.7 The Collateral Agent may at any time resign by giving written notice thereof to the Grantor at least 20 business days prior to the date of such proposed resignation. Upon receiving such notice of resignation, the Grantor shall promptly appoint a successor collateral agent by written instrument executed by authority of its board of directors, a copy of which shall be delivered to the resigning Collateral Agent and a copy to the successor collateral agent. If an instrument of acceptance by a successor collateral agent shall not have been delivered to the Collateral Agent within 20 business days after giving such notice of resignation, the resigning Collateral Agent may petition any court of competent jurisdiction for the appointment of a successor collateral agent. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor collateral agent. The Collateral Agent may be removed at any time by written action by the Requisite Holders delivered to the Collateral Agent and to the Grantor. If the Collateral Agent shall be so removed, the Grantor shall promptly appoint a successor collateral agent in accordance with the procedures in this Article XIII.

ARTICLE XIV – GOVERNING LAW

14.1 THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS TO BE PERFORMED WHOLLY WITHIN SUCH JURISDICTION.

ARTICLE XV – ASSIGNMENT

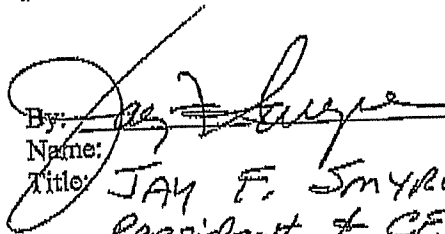
15.1 This Agreement shall create a continuing security interest in the Collateral and shall be binding upon the Grantor and the Grantor's successors and permitted assigns; inure, together with the rights and remedies of the Collateral Agent hereunder, in favor of the Debentureholders and their successors, transferees and assigns; and be severable in the event that one or more of the provisions herein is determined to be illegal or unenforceable. Without limiting the generality of the foregoing, the Debentureholders may assign or otherwise transfer

any portion of the Secured Obligations to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits and obligations in respect thereof granted to the Debentureholders (including the beneficial interest in the rights and benefits granted to the Collateral Agent for the benefit of the Debentureholders) herein or otherwise.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Security Agreement by its duly authorized officer as of the date first written above.

MAD CROC BRANDS, INC.

By: 
Name: _____
Title: JAY F. SMYRE
President & CEO

HUDSON ASSET PARTNERS, LLC, as Collateral Agent

By: _____
Name: Kent M. Klineman
Title: President

IN WITNESS WHEREOF, the undersigned have executed this Security Agreement by its duly authorized officer as of the date first written above.

MAD CROC BRANDS, INC.

By: _____
Name:
Title:

HUDSON ASSET PARTNERS, LLC, as Collateral Agent

By: Kent M. Klineman
Name: Kent M. Klineman
Title: President