

05-15-2000



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OPR/FINANCE

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

State/Country

Zip Code

- Individual General Partnership Limited Partnership Association
- Corporation Association
- Other

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

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

05/12/2000 JSMBDAZZ 00000345 1267092

01 FC:481
02 FC:482

40.00 OP
1050.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002074 FRAME: 0160

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

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

#

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

Mark if additional numbers attached

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

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account

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

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

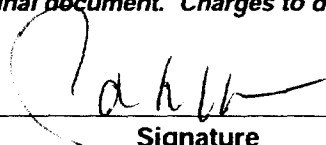
No

Statement and Signature

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

Patricia J. Igoe

Name of Person Signing



Signature

April 12, 2000

Date Signed

EXHIBIT A
TO SECURITY AGREEMENT (TRADEMARKS AND SERVICE MARKS)

As Of December 17, 1999

U.S. TRADEMARK REGISTRATIONS

Registration No.	Date Registered	Trademark
1,267,092	02/14/84	MA (stylized)
1,686,298	05/12/92	Maurice Katz
1,478,629	03/01/88	Michael Anthony
865,735	03/04/69	BC
1,980,669	06/18/96	Cast of Characters
1,427,454	02/03/87	Goldengram
1,363,285	10/01/85	Jardinay
1,962,889	03/19/96	Lave Leaf
2,230,006	03/09/99	Marc Anton (watches only)
1,641,205	04/16/91	Michael Anthony (stylized)
2,165,703	06/16/98	Michael Anthony (script)*
2,169,404	06/30/98	Michael Anthony*
2,165,702	06/16/98	Michael Anthony...The Name America Trusts, the Jewelry America Wears
2,157,877	05/12/98	Premium Rope
1,864,293	11/22/94	Scoreboard
2,160,337	05/26/98	Spirit of the Team!
2,271,996	08/24/99	Team Gold
1,964,798	03/26/96	The American Rope
2,036,086	02/04/97	The Angelic Alphabet
2,052,687	04/15/97	The Everything Rope
2,077,204	07/08/97	The Golden Name Collection
2,251,460	06/08/99	The Name is Everything
2,159,239	05/19/98	The Ultimate Rope
2,180,415	08/11/98	MA (stylized)
2,294,137	11/23/99	The White Satin Collection
2,291,106	11/09/99	Personalized Memories

Application Serial No.	Date of Application	Trademark
75/715,999	05/27/99	USA Gold by Michael Anthony
75/607,096	12/17/98	Angel Prayer
75/607,095	12/17/98	Rope 2000
75/700,901	05/07/99	Millenium Promise
74/662,566	02/07/97(Date Abandoned)	Expressions of Love
75/116,431	08/24/98(Date Abandoned)	Artisans Gold
75/245,543	08/24/98(Date Abandoned)	Alloy 2000
75/477,471	12/18/98(Date Abandoned)	01/01/01
75/689,467	04/21/99	Precious Family Memories
75/700,838	05/07/99	Precious Occasions
75/517,575	07/13/98	Expressions of Faith
75/496,368	06/04/98	Team All American Gold
75/792,301	09/03/99	Beauti-Gem
75/791,550	09/03/99	The Perfection Of Gold
75/792,300	09/03/99	Verilyte

U.S. SERVICEMARK REGISTRATIONS

<u>Registration No.</u>	<u>Date Registered</u>	<u>Servicemark</u>
1,527,317	02/28/89	Preferred Gold Club
1,928,388	10/17/95	The Only One With It All on the Wall

FOREIGN TRADEMARKS

<u>Application Serial No.</u>	<u>Date of Application</u>	<u>Trademark</u>
886,872	03/09/99	White Satin Collection (Canada)
9,800,148,239	N/A	MA (Stylized Letters) China
123,107	10/15/98	Michael Anthony (Israel)
864026(Reg. No.)	08/16/99 (Reg. Date)	Michael Anthony (Taiwan)
2,180,223(Reg. No.)	10/22/98 (Reg. Date)	Michael Anthony (UK)
4329200(Reg. No.)	10/29/99 (Reg. Date)	MA (Stylized) Japan
4329199(Reg. No.)	10/29/99 (Reg. Date)	Michael Anthony (Japan)
001011436	N/A	Michael Anthony(European)
001012020	N/A	MA (stylized) European Community
N/A	10/31/99	MA (stylized) Israeli

*includes watches

SECURITY AGREEMENT (TRADEMARKS AND SERVICE MARKS)

THIS SECURITY AGREEMENT (TRADEMARKS AND SERVICE MARKS) (as the same may be amended, modified, restated or supplemented from time to time "this Agreement") is made as of the 17 day of December, 1999, between MA BRANDS, INC., a Delaware corporation having a principal place of business at 900 Market Street, Suite, 200, Wilmington, Delaware 19801 ("MAJ Delaware"), and THE CHASE MANHATTAN BANK, having an address of 111 West 40th Street, New York, New York 10018 (the "Bank").

W I T N E S S E T H T H A T:

WHEREAS, MICHAEL ANTHONY JEWELERS, INC., a Delaware corporation ("MAJ"), FLEET PRECIOUS METALS INC., as Agent, and certain financial institutions (including the Bank), are parties to a certain Assignment of Marks dated as of July 12, 1990, as amended or modified from time to time (the "Assignment"), pursuant to which MAJ assigned, transferred and granted such financial institutions as security all right, title and interest in and to MAJ's United States trademarks, trademark applications, trademark registrations and service marks and the rights described and claimed therein and goodwill associated therewith, which are more particularly described and referenced on Exhibit A hereto and made a party hereof (collectively, the "Marks"); and

WHEREAS, MAJ has requested and the Bank has agreed that MAJ may assign the Marks to MAJ Delaware, a newly-formed wholly-owned subsidiary of MAJ; and

WHEREAS, in consideration for such transfer, MAJ Delaware has agreed to enter into this Agreement in favor of the Bank; and

WHEREAS, MAJ Delaware and MAJ are entering into a certain License Agreement whereby MAJ Delaware grants MAJ certain rights to use the Marks;

NOW, THEREFORE, for good and valuable consideration, the receipt whereof is hereby acknowledged, the parties hereto hereby agree as follows:

1. MAJ Delaware is the lawful owner of all right, title and interest in and to the Marks and has agreed with Bank, for the benefit of Bank, and its successors and assigns, subject to the terms and agreements contained herein, to grant a continuing security interest in, and lien upon, the Marks together with all of the goodwill of the business in connection with which such Marks are used, as security for the obligations of MAJ Delaware hereunder and all other obligations of MAJ or MAJ Delaware to Bank, direct or indirect, absolute or contingent, secured or unsecured and now existing or hereafter arising (the "Obligations").

2. MAJ Delaware hereby grants to Bank a continuing security interest in and lien upon all of MAJ Delaware's right, title and interest in, to and under,

whether presently existing or hereafter arising or acquired, the Marks and all other trademarks, service marks and general intangibles of a like nature, together with all of the goodwill of the business in connection with which the Marks are used, all claims for damage by reason of infringement of any such Marks, and any and all proceeds of the Marks, including property purchased with such proceeds during the continuance of an Event of Default as defined in any agreement between MAJ or MAJ Delaware and Bank (hereinafter, an "Event of Default").

3. MAJ Delaware covenants and agrees that it will at any time upon request communicate to Bank, its successors, assigns or other legal representatives, any facts known to it relating to the Marks and any applications therefor.

4. MAJ Delaware hereby covenants for itself and its legal representatives that it has not previously assigned, mortgaged or permitted any lien or encumbrance to exist with respect to any of the Marks granted or any license to use the same outside of the ordinary course of business, and that, in connection therewith, MAJ Delaware will not henceforth assign, encumber or execute any instrument to that effect without the prior written consent of Bank except in favor of Consignors (as identified by and defined in the Amended and Restated InterCreditor Agreement dated as of ~~January 27~~, 1999, as amended and/or restated from time to time (as amended and/or restated the "InterCreditor Agreement").

5. MAJ Delaware hereby covenants for itself and its legal representatives that (a) it will not grant an exclusive license in the Marks to any person or entity other than MAJ, and (b) in the event that it shall grant an exclusive license in the Marks to MAJ, will not permit MAJ to grant an exclusive license in the Marks to any other person or entity, in either event without the prior written consent of the Bank.

6. Unless an Event of Default shall have occurred, MAJ Delaware may, subject to the provisions of Section 11 hereof, exercise any and all rights with respect to the Marks, including the right to pursue and enforce any and all claims for damage by reason of infringement of the Marks.

7. Notice of the time and place of any public sale, or of the date after which a private sale of the Marks may be conducted by Bank, shall be deemed reasonable if given at least twenty (20) days before the date of any public sale or the date after which a private sale shall take place. Bank may deduct from the proceeds of any such sale its costs and expenses of taking, holding and selling the Marks, including reasonable attorneys' fees.

8. MAJ Delaware shall be responsible for processing and maintaining any and all applications for registration and re-registration of the Marks and shall bear all costs pertaining to enforcing and/or defending rights pertaining to the Marks.

9. (a) MAJ Delaware will, at its expense, execute, deliver, file and record (in such manner and form as Bank may reasonably require), or permit Bank to file and record, this Agreement, or any financing statements, any carbon, photographic or other reproduction of a financing statement or this Agreement (which shall be sufficient as a financing statement hereunder), that may be reasonably necessary or desirable, or that Bank may reasonably request, in order to create, preserve, perfect or validate any security interest granted in this Agreement or to enable Bank to exercise and enforce its rights with respect to any of the Marks. MAJ Delaware hereby appoints Bank, which appointment is irrevocable and coupled with an interest, as MAJ Delaware's attorney-in-fact solely as to this Section 9 to execute and file in the name and on behalf of MAJ Delaware such additional financing statements as Bank may reasonably request.

(b) Notwithstanding anything to the contrary herein or in any agreement between MAJ or MAJ Delaware and Bank, if any Event of Default shall have occurred and be continuing, or if MAJ Delaware fails to perform any agreement or to meet any of its obligations to Bank hereunder or under any other agreement between MAJ Delaware and Bank, in addition to any and all other rights and remedies that Bank may have under any other agreements or at law, and MAJ Delaware hereby irrevocably constitutes and appoints Bank and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact, with full irrevocable power and authority in the place and stead of MAJ Delaware and in the name of MAJ Delaware or Bank's own name or the name of Bank's designee, all acts of said attorney being hereby ratified and confirmed, except to the extent any of the same constitute gross negligence or willful misconduct, such power being coupled with an interest is irrevocable, upon the occurrence of an Event of Default and the continuance thereof: (1) to convey to Bank or any purchaser any or all of the Marks, together with the goodwill of the business represented thereby, and to execute and file or cause to be filed any and all assignments and other documents and instruments that may be necessary or desirable to accomplish the purposes of such conveyance; (2) to collect proceeds from the Marks (including, by way of example, license, royalties and proceeds of infringement suits); (3) to convey in any bona fide transactions to a purchaser goods utilizing any of the Marks; and (4) to make payment or discharge taxes or liens levied or placed upon or threatened against any goods utilizing the Marks the legality or validity thereof and the amounts necessary to discharge the same to be determined by Bank, in its sole discretion, and such payments made by Bank to become the obligations of MAJ Delaware to Bank, due and payable immediately, without demand.

10. MAJ Delaware hereby represents and warrants to Bank that (a) MAJ Delaware is, or to the extent that certain of the Marks are to be acquired after the date hereof, will be, the sole legal and beneficial owner of the Marks free from any lien, security interest, encumbrance or restrictions on transfer, other than security interests in favor of Bank or as expressly permitted hereby; and (b) no financing statement or other document relating to the Marks is on file in any public office (including, without limitation, the U.S. Patent and Trademark Office), other than financing statements filed by Bank or expressly permitted hereby.

11. MAJ Delaware hereby covenants and agrees with Bank that MAJ Delaware (a) shall take such action as is reasonably necessary to protect the Marks against all claims and demands of all persons at any time claiming any interest therein; (b) shall promptly pay any and all taxes, assessments and governmental charges upon the Marks prior to the date penalties are attached thereto; (c) shall immediately notify Bank of any event causing a substantial loss or diminution in the value of all or any material part of the Marks and the amount or an estimate of the amount of such loss or diminution; (d) shall not sell or offer to sell or otherwise assign, transfer or dispose of the Marks or any interest therein, without the prior written consent of Bank; and (e) shall not use the Marks in violation of any statute or ordinance.

12. In connection with the obligations of MAJ Delaware under Section 8 hereof to process and maintain applications for registration and re-registration of the Marks and under Section 11 hereof to protect the Marks against claims and demands, it is hereby agreed that MAJ Delaware may from time to time elect to abandon certain Marks in accordance with the procedures set forth in this Section 12 at such time as MAJ Delaware determines that such Mark or Marks are no longer useful in MAJ Delaware's business. MAJ Delaware shall abandon such Marks by giving sixty (60) days prior written notice to the Bank of its intent to abandon such Marks specifying the proposed date of abandonment. The Bank shall be deemed to have consented to such abandonment unless the Bank gives written notice to MAJ Delaware that it objects to such abandonment prior to the proposed date of abandonment. Upon the abandonment of any Mark, MAJ Delaware shall no longer have an obligation to re-register such abandoned Mark or to protect such abandoned Mark from claims and demands. Notwithstanding the foregoing, MAJ Delaware shall not have the right at any time to abandon any version or rendition of a Mark which contains the following: "Michael Anthony" or "MA".

13. MAJ Delaware will keep its records concerning the Marks at its principal place of business or such other place or places of business of which Bank shall have been notified in writing by not less than twenty (20) days prior written notice. MAJ Delaware will hold and preserve such records and upon reasonable notice from Bank will permit representatives of Bank at any time during normal business hours to examine and inspect all records related to the Marks and to make abstracts from such records, and will furnish to Bank such information and reports regarding the Marks as Bank may from time to time reasonably request; provided, however, that no notice for inspection shall be required of Bank if an Event of Default has occurred and is continuing.

14. (a) If an Event of Default shall occur and be continuing, Bank may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code or otherwise. Without limitation of the foregoing or other rights of Bank set forth herein, unless the Obligations shall have been paid in full in cash (or other property acceptable to Bank, in its sole discretion), Bank may, without further demand, advertisement or notice,

(i) Sell the Marks, or any part or component thereof, in one or more sales, at a public or private sale, conducted by an officer or agent of Bank, at a place of business of Bank or elsewhere, for cash, upon credit or future delivery, and at such price or prices as Bank shall, in a commercially reasonable manner, determine, and, to the extent permitted by law, Bank may be the purchaser of any or all of the Marks so sold. Upon any such sale, Bank shall have the right to deliver, assign and transfer to the purchaser thereof the Marks so sold. Each purchaser (including Bank) at any such sale shall hold the Marks so sold, absolutely free from any claim or right of whatsoever kind, including, without limitation, any equity or right of redemption of MAJ Delaware which MAJ Delaware, to the extent it may lawfully do so, hereby specifically waives. Bank shall give MAJ Delaware at least twenty (20) days' prior written notice of any such public or private sale. Bank shall not be obligated to make any sale pursuant to any such notice. Bank may, without notice or publication, adjourn any public or private sale from time to time by announcement at the time and place fixed for such sale, or any adjournment thereof, and any such sale may be made at any time or place to which the same may be so adjourned without further notice or publication. In case of any sale of all or any part of Marks for credit or for future delivery, the Marks so sold may be retained by Bank until the selling price is paid by the purchaser thereof, but Bank shall not incur any liability in case of the failure of such purchaser to pay for the Marks sold, and in case of any such failure, such Marks may again be sold under and pursuant to the provisions hereof; or

(ii) Proceed by a suit or suits at law or in equity to foreclose upon and, subject to any applicable laws, sell the Marks, or any portion or component thereof, under a judgment or decree of a court or courts of competent jurisdiction.

15. The receipt by Bank of the purchase money paid at any such sale made by it shall be a sufficient discharge therefor to any purchaser (other than Bank) of the Marks, or any portion thereof, sold as aforesaid; and no such purchaser (or his, her or its representatives or assigns) (other than Bank), after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money or any part thereof or in any manner whatsoever be answerable for any loss, misapplication or nonapplication of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

16. The proceeds of any sale of, or other realization upon, all or any part of the Marks shall be applied in the following order of priority: (a) first, to pay the reasonable expenses of such sale or other realization, including reasonable attorneys' fees, and all expenses, liabilities and advances reasonably incurred or made by Bank in connection therewith, and any other expenses of Bank incurred pursuant to the provisions of this Agreement; (b) second, to the payment of the

Obligations in such order of priority as Bank shall determine, in accordance with the terms of the InterCreditor Agreement; and (c) finally, to pay to MAJ Delaware, or its successors and assigns, or as a court of competent jurisdiction may direct, any surplus then remaining from such proceeds.

17. MAJ Delaware will forthwith upon demand pay to Bank: (a) the amount Bank has paid (i) in respect of taxes arising by reason of the security interests or liens granted hereunder (including, without limitation, any applicable transfer, recordation and personal property taxes but excluding taxes in respect of Bank's income and profits) and (ii) in order to free any of the Marks from any lien thereon, and (b) the amount of any and all reasonable costs and expenses (including, without limitation, the reasonable fees and disbursements of its counsel and of any Banks not regularly in its employ) which Bank may incur in connection with (i) the preparation and interpretation of this Agreement and any amendments hereto or modifications hereof (ii) the collection, sale or other disposition of any of the Marks, (iii) the exercise by Bank of any of the powers conferred upon any of them hereunder or (iv) any event of default on MAJ Delaware's part hereunder.

18. Upon the repayment and performance in full of all the Obligations in accordance with the terms thereof and the expiration or termination of the obligations of the Bank to advance funds to MAJ, the security interests and liens granted hereunder shall terminate and all rights to the Marks shall revert to MAJ Delaware except that the security interests and liens shall be reinstated with respect to any payment made or received by Bank in respect of the Obligations that is subsequently voided as a fraudulent conveyance, preference or otherwise. Upon such termination of the security interests and liens or release of Marks, Bank will, at MAJ Delaware's expense and to the extent permitted by law, promptly execute and deliver to MAJ Delaware such documents as reasonably necessary or as MAJ Delaware shall reasonably request to evidence the termination of the security interests and liens or the release of the Marks, as the case may be.

19. The parties hereto agree that this Agreement shall be governed by and interpreted under the laws of the State of New York and that any dispute arising out of, connected with, related to, or incidental to the relationship established between MAJ Delaware and Bank in connection with this Agreement, and whether arising in contract, tort, equity or otherwise, shall be resolved in accordance with the internal laws (as opposed to the conflicts of laws provisions) and decisions of the State of New York.

20. MAJ Delaware and Bank agree that all disputes between or among any of them arising out of, connected with, related to, or incidental to the relationship established between or among any of them in connection with this Agreement, and whether arising in contract, tort, equity, or otherwise, shall be resolved only by state or federal courts located in New York, New York, but MAJ Delaware and Bank acknowledge that any appeals from those courts may have to be heard by a court located outside of New York, New York. MAJ Delaware waives in all disputes any objection that it may have to the location of such court considering

the dispute including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens.

21. All notices, requests, demands and other communications provided for hereunder shall be in writing, including, without limitation, facsimile transmission ("FAX") and mailed or delivered by overnight courier, or transmitted by FAX confirmed in writing mailed to the addressee, to the applicable party as follows: (i) to Bank, at its office at of 111 West 40th Street, New York, New York 10018, Attention: Irene Spector and FAX number (212) 403-5112, and (ii) to MAJ Delaware, at the address and FAX number set forth next to its signature below, or as to any party, at such other address or FAX number as such party may hereafter specify to the other party in writing. All such notices and correspondence shall be deemed given upon the earliest to occur of (i) actual receipt, (ii) if sent by certified mail, three (3) business days after being postmarked, (iii) if sent by overnight delivery service, when received or when delivery is refused or (iv) if sent by FAX, when receipt of such transmission is acknowledged.

22. MAJ DELAWARE AND BANK EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT. INSTEAD, ANY DISPUTES RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

23. MAJ Delaware hereby irrevocably designates Delaware Trust Capital Management as the designee, appointee and Bank of MAJ Delaware to receive, for and on behalf of MAJ Delaware, service of process in any legal action or proceeding with respect to this Agreement, MAJ Delaware further irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, or by sending copies by overnight delivery service, FAX or hand-delivery, to Delaware Trust Capital Management, 900 Market Street, Wilmington, Delaware 19801 as described in Section 21 hereof.

24. Nothing herein shall affect the right of Bank to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against MAJ Delaware in any other jurisdiction.

25. MAJ Delaware agrees that, with or without notice to or demand upon MAJ or MAJ Delaware, MAJ Delaware will pay or reimburse Bank (to the extent reimbursement has not already been made by MAJ) for all expenses, including reasonable fees and expenses of its legal counsel, incurred by Bank in connection with any of the Obligations or the collection thereof and the enforcement of any provisions of this Agreement.

26. This is a continuing Agreement and shall remain in full force and effect and be binding upon MAJ Delaware and its successors and assigns until

payment in full to Bank of all the Obligations in accordance with the terms thereof and the expiration or termination of the obligations of Bank to advance funds to MAJ.

27. Bank, with prior written notice to MAJ Delaware, may assign its rights and powers under this Agreement with respect to all or any of the Obligations, and, in the event of such assignment, the assignee of such rights and powers, to the extent of such assignment shall have the same rights and remedies as if originally named herein in the place of its assignor.

28. No delay on the part of Bank in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of such rights, no notice to or demand on MAJ Delaware shall be deemed to be a waiver of the obligation of MAJ Delaware or of the right of Bank to take other or further action without notice or demand as provided herein. In any event no modification or waiver of the provisions hereof shall be effective unless in writing nor shall any waiver be applicable except with respect to the specific person to whom and in the specific instance or matter for which given.

29. The obligations of MAJ Delaware hereunder are in addition to and not in substitution for any other obligations or security interests now or hereafter held by Bank and shall not operate as a merger of any contract or debt or suspend the fulfillment of, or affect the rights, remedies or powers of Bank in respect of, any obligation or other security interest held by it for the fulfillment thereof. The rights and remedies provided herein and in any other instrument are cumulative and not exclusive of any other rights or remedies provided by law.

30. MAJ Delaware (i) agrees that Bank shall not have any liability to MAJ Delaware (whether sounding in tort, contract or otherwise) for losses suffered by MAJ Delaware in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by this Agreement, or any act, omission or event occurring in connection therewith, unless it is determined by a judgment of a court that is binding on Bank that such losses were the result of acts or omissions on the part of Bank constituting gross negligence or willful misconduct and (ii) to the extent permitted by applicable law, waives, releases and agrees not to sue upon any claim against Bank (whether sounding in tort, contract or otherwise), except a claim based upon gross negligence or willful misconduct. Whether or not such damages are related to a claim that is subject to the waiver effected above and whether or not such waiver is effective, Bank shall not have any liability with respect to, and, to the extent permitted by applicable law, MAJ Delaware hereby waives, releases and agrees not to sue upon any claim for, any special, indirect, consequential or punitive damages suffered by MAJ Delaware in connection with, arising out of, or in any way related to the transactions contemplated or the relationship established by this Agreement, or any act, omission or event occurring in connection therewith, unless it is determined by a judgment of a court that is binding on Bank that such damages were the result of acts or omissions on the part of Bank constituting willful misconduct or gross negligence.

31. If any part of this Agreement is contrary to, prohibited by or deemed invalid under the applicable law or regulations of any jurisdiction, such provision shall, as to such jurisdiction, be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible, and any such prohibition or invalidity in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

32. Each reference herein to Bank shall be deemed to include its successors and assigns, and each reference to MAJ Delaware and any pronouns referring thereto as used herein shall be construed in the singular, or plural as the context may require and shall be deemed to include the successors and assigns of MAJ Delaware, all of whom shall be bound by the provisions hereof.

33. (a) Waiver of any provision of this Agreement, in whole or in part, in any one instance shall not constitute a waiver of any other provision in the same instance, nor any waiver of the same provision in another instance, but each provision shall continue in full force and effect with respect to any other then existing or subsequent breach.

(b) This Agreement: (1) may be executed in any number of counterparts, each of which, when executed by both parties to this Agreement shall be deemed to be an original, and all of which counterparts together shall constitute one and the same instrument; (2) constitutes the entire agreement of the parties with respect to its subject matter, superseding all prior oral and written communications, proposals, negotiations, representations, understandings, courses of dealing, agreements, contracts, and the like between the parties in such respect; (3) may be amended, modified or terminated, and any right under this Agreement may be waived in whole or in part, only by a writing signed by both parties; (4) shall bind and inure to the benefit of the parties and their respective legal representatives, successors and assigns, except that MAJ Delaware may not delegate any of its obligations under this Agreement or assign this Agreement, without the prior written consent of Bank; (5) is not intended to inure to the benefit of any third-party beneficiaries; and (6) may be enforced only in state or federal courts located within the City and State of New York, and the parties hereby agree that such courts shall have venue and exclusive subject matter and personal jurisdiction, and consent to service of process by registered or certified mail, return receipt requested, or by any other manner provided by law.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto all as of the day and year first above written.

MA BRANDS, INC.

By [Signature]
Title Asst. Mgr.
Address: 900 Market St., Suite 200
Wilmington DE 19801
Telecopy:

THE CHASE MANHATTAN BANK

By [Signature]
Title _____
Telecopy: (212) 403-5112

STATE OF New York
COUNTY OF Westchester

On the 28th day of December, 1999, before me personally appeared Michael A. Paolercio, Asst. Treasurer of MA Brands, Inc., to me known and known by me to be the person executing the foregoing instrument, and acknowledged said instrument by him executed to be his free act and deed in said capacity and the free act and deed of said MA Brands, Inc.

GLADYS JAGDEO
Notary Public State of New York
No. 01JA5062118
Qualified in Westchester County
Commission Expires June 24, 2000

[Signature]
Notary Public
My commission expires: _____

STATE OF NEW YORK
COUNTY OF NEW YORK

On the 15th day of February, 2000, before me personally appeared [Signature] of The Chase Manhattan Bank, to me known and known by me to be the person executing the foregoing instrument, and acknowledged said instrument by him/her executed to be his/her free act and deed in said capacities and the free act and deed of The Chase Manhattan Bank.

[Signature]
Notary Public
My commission expires: _____
JOHN J. MULVEY, JR.
Notary Public, State of New York
No. 4504839
Qualified in Nassau County
Commission Expires March 30, 20 01

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