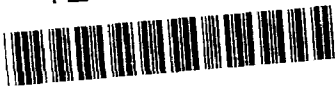


12-1-04

12-02-2004

REC
TF



102893492

To the Director of the U. S. Patent and Trade... Please record the attached documents or the new address(es) below.

12-1-04

1. Name of conveying party(ies)/Execution Date(s):

Hospitality Mints LLC

- Individual(s)
- General Partnership
- Corporation-State
- Other Limited liability company
- Association
- Limited Partnership

Citizenship (see guidelines) Delaware

Execution Date(s) November 19, 2004

Additional names of conveying parties attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: American Capital Financial

Internal Services

Address:

Street Address: 2 Bethesda Metro Ctr.

City: Chevy Chase

State: MD

Country: USA Zip: 20814

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other
- Citizenship Delaware

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,273,353

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

Hospitality Mints (words)

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

Name: Rita Aybar-Townsend

Internal Address:

Street Address: 10 Patton Boggs LLP
2001 Ross Ave., Ste 3000

City: Dallas

State: TX Zip: 75201

Phone Number: 214 758-6632

Fax Number: 214 758-1550

Email Address: rtownsend@pattonboggs.com

6. Total number of applications and registrations involved:

7

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Rita Aybar-Townsend
Signature
Name of Person Signing

11/30/04
Date

Total number of pages including cover sheet, attachments, and document: 15

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

12/02/2004 610411 00000014 2273353

40.00 OP
400.00 OP

01 FC:6521
02 FC:6522

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (as amended, supplemented or otherwise modified from time to time, this "IP Security Agreement") is made and effective as of November 19, 2004, by HOSPITALITY MINTS, INC., a Delaware corporation ("Parent"), and HOSPITALITY MINTS LLC, a Delaware limited liability company ("Company"), and together with Parent, and including any of their respective successors or permitted assignees, each a "Grantor" and collectively the "Grantors"), in favor of AMERICAN CAPITAL FINANCIAL SERVICES, INC., a Delaware corporation, as agent for the Purchasers (as defined in the Purchase Agreement (as defined below)) (in such capacity, the "Agent"). Capitalized terms used in this IP Security Agreement and not otherwise defined shall have the respective meanings ascribed to such terms in the Purchase Agreement.

RECITALS

WHEREAS, pursuant to that certain Term Loan, Note and Equity Purchase Agreement, dated as of the date hereof, by and among the Grantors, the Agent and the Purchasers (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement"), the Purchasers have agreed, among other things, subject to the terms and conditions set forth therein, to purchase a term note and certain subordinated notes of the Grantors (collectively, the "Notes");

WHEREAS, the Grantors will derive substantial direct and indirect benefits from the purchase of the Notes and other financial accommodations provided by the Purchasers under the Purchase Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Agent and the Purchasers to execute and perform under the Purchase Agreement that the Grantors shall have executed and delivered this IP Security Agreement to the Agent, for the ratable benefit of the Purchasers;

NOW, THEREFORE, in consideration of the willingness of the Agent and the Purchasers to enter into the Purchase Agreement and to agree, subject to the terms and conditions set forth therein, to purchase the Notes of the Grantors pursuant thereto, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

AGREEMENT

1. **Grant of Security Interest.** To secure the Grantors' prompt, punctual and faithful payment of the Notes and the performance of all and each of the Grantors' obligations under the Purchase Agreement, each Grantor hereby grants to the Agent, for the ratable benefit of the Purchasers, a continuing security interest in all of the right, title and interest of such Grantors in and to any and all of the following collateral, whether now owned or hereafter acquired, but excluding any intellectual property rights licensed pursuant to any license agreements that prohibit the granting of a Lien in such rights (the "IP Collateral");

(a) The U.S. and foreign patents and patent applications set forth on Schedule A attached hereto (collectively, the "Patents");

(b) The U.S., state and foreign trademark and service mark registrations, trademark and service mark applications set forth on Schedule B attached hereto and all goodwill associated with the foregoing (collectively, the "Trademarks");

(c) The domain names and registrations set forth on Schedule C attached hereto and all goodwill associated with the foregoing (collectively, the "Domain Names");

(d) Any and all claims and causes of action for past, present or future infringement of any of the IP Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the IP Collateral;

(e) Any and all licenses or rights granted under any of the IP Collateral, and all license fees and royalties arising from such licenses or rights;

(f) Any and all divisions, continuations, amendments, renewals, extensions, reissuances and replacements of any of the items listed in clauses (a) through (e) of this paragraph; and

(g) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Each Grantor authorizes and requests that the Commissioner of Patents and Trademarks (and any state, foreign or other authority to which this IP Security Agreement is submitted) file and record this IP Security Agreement (and any corresponding or separate forms of such jurisdiction) in order to publicly reflect the interests of the Agent and the Purchasers in the IP Collateral.

3. Assignment. Upon the request of the Agent after the occurrence and during the continuance of an Event of Default, each Grantor shall execute and deliver to the Agent an absolute assignment transferring its entire right, title, and interest in and to the IP Collateral to the Agent, for the ratable benefit of the Purchasers.

4. Power of Attorney. Each Grantor hereby irrevocably grants to the Agent, for the ratable benefit of the Purchasers, a power of attorney, to act as such Grantor's attorney-in-fact, with full authority in the name, place and stead of such Grantor, from time to time in the Agent's discretion, to take any action and to execute any instrument that the Agent may reasonably deem necessary or advisable to accomplish the purposes of this IP Security Agreement. This authority includes, without limitation, the following:

(a) To modify or amend (in the sole discretion of the Agent and the Purchasers and without first obtaining such Grantor's approval thereof or signature thereto) Schedule A, Schedule B and/or Schedule C hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by such Grantor after the execution hereof or to delete any reference to any IP Collateral in which such Grantor no longer has or claims any right, title or interest;

(b) To execute, file and pursue (in the sole discretion of the Agent and the Purchasers and without first obtaining such Grantor's approval thereof or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect the Agent's interest or such Grantor's rights in the IP Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise;

(c) To execute any document required to acknowledge, register or perfect the interest of the Agent and the Purchasers in any part of the IP Collateral without the signature of such Grantor unless prohibited by applicable law; and

(d) Upon the occurrence and during the continuation of an Event of Default, to (i) endorse the respective Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use of the IP Collateral, (ii) take any other actions with respect to the IP Collateral as the Agent deems in its discretion to be in the best interest of the Agent, (iii) grant or issue any exclusive or non-exclusive license under the IP Collateral to anyone or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the IP Collateral to anyone.

The foregoing power of attorney is coupled with an interest and is irrevocable until the Grantors' obligations under the Purchase Agreement (the "Obligations") (other than indemnity obligations under the Purchase Documents that are not then due and payable or for which events or claims that would give rise thereto are not then pending) secured hereby have been unconditionally and indefeasibly paid or performed in full and the Purchase Agreement has been terminated (except for any obligations designated under the Purchase Agreement as continuing on an unsecured basis).

5. Release. Unless otherwise agreed in writing by the parties, the security interests granted herein will terminate (and all rights to the IP Collateral will revert to each of the Grantors) upon satisfaction of the following conditions: (a) payment and performance in full of all the Obligations (other than indemnity obligations under the Purchase Documents that are not then due and payable or for which events or claims that would give rise thereto are not then pending) secured hereby (unconditionally and indefeasibly) and (b) the termination of the Purchase Agreement (except for any obligations designated thereunder as continuing on an unsecured basis). Upon any such termination, the Agent (at the Grantors' request and sole expense) will promptly execute and deliver to the Grantors (with such customary representations and warranties from a secured lender releasing its lien as the Grantors may reasonably request) such documents as the Grantors may reasonably request and as are provided to the Agent to evidence such termination.

6. Newly Registered Patents and Trademarks. Each Grantor hereby agrees to provide the Agent, for the ratable benefit of the Purchasers, every month concurrent with the

delivery of such Grantors' monthly financial statements under Section 7.1(e)(ii) of the Purchase Agreement, a schedule of newly registered Patents and Trademarks (if any).

7. Miscellaneous.

(a) This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to the Agent, for the ratable benefit of the Purchasers, under the Purchase Agreement. The rights and remedies of the Grantors and the Agent with respect to the security interests granted herein are in addition and without prejudice to those set forth in the Purchase Agreement, all terms and provisions of which are hereby incorporated herein by reference. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Purchase Agreement or the other Purchase Documents, the provisions of the Purchase Agreement or the other Purchase Documents shall govern.

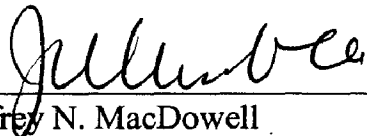
(b) This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document. Each such counterpart will be deemed to be an original, but all counterparts together will constitute one and the same instrument.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement as of the date first written above.

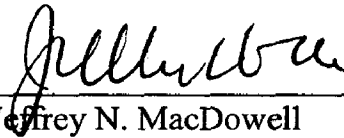
GRANTORS:

HOSPITALITY MINTS, INC.,
a Delaware corporation

By: 
Jeffrey N. MacDowell
President and Chief Executive Officer

HOSPITALITY MINTS LLC,
a Delaware limited liability company

By: HOSPITALITY MINTS, INC.,
its Managing Member

By: 
Jeffrey N. MacDowell
President and Chief Executive Officer

AGENT:

**AMERICAN CAPITAL FINANCIAL SERVICES,
INC.**

By:



Jeffrey N. MacDowell
Vice President

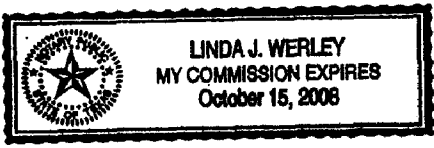
ACKNOWLEDGMENT

STATE OF TEXAS :

: SS

COUNTY OF DALLAS :

Before me, the undersigned, a Notary Public, on this ___ day of November, 2004, personally appeared Jeffrey N. MacDowell to me known personally, who, being by me duly sworn, did say that he is the President and Chief Executive Officer of Hospitality Mints, Inc., as Grantor, and that said Intellectual Property Security Agreement was signed on behalf of said Grantor, by authority of its board of directors, and the said President and Chief Executive Officer acknowledged said instrument to be his free act and deed.



Linda J. Werley
Notary Public
My Commission Expires: 10/15/08

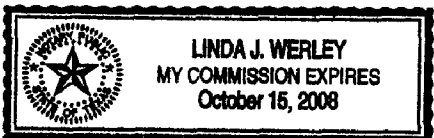
ACKNOWLEDGMENT

STATE OF TEXAS :

: SS

COUNTY OF DALLAS :

Before me, the undersigned, a Notary Public, on this ___ day of November, 2004, personally appeared Jeffrey N. MacDowell, to me known personally, who, being by me duly sworn, did say that he is the President and Chief Executive Officer of the Managing Member of Hospitality Mints LLC, as Grantor, and that said Intellectual Property Security Agreement was signed on behalf of said Grantor, by authority of its board of directors and the said President and Chief Executive Officer of the Managing Member acknowledged said instrument to be his free act and deed.



Linda J. Werley
Notary Public
My Commission Expires: 10/15/08

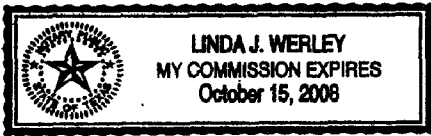
ACKNOWLEDGMENT

STATE OF TEXAS :

: SS

COUNTY OF DALLAS :

Before me, the undersigned, a Notary Public, on this ___ day of November, 2004, personally appeared Jeffrey N. MacDowell to me known personally, who, being by me duly sworn, did say that he is the Vice President of American Capital Financial Services, Inc., as Agent, and that said Intellectual Property Security Agreement was signed on behalf of said Agent, and the said Vice President acknowledged said instrument to be his free act and deed.



Linda J. Werley
Notary Public
My Commission Expires: 10/15/08

SCHEDULE A

PATENT COLLATERAL

Registered Patents

3/27/01—Process & Apparatus for Coating Panned Confections—U.S. Patent Number 6,206,968. Maintenance Fee paid July 2004.

Pending Patent Applications

None.

SCHEDULE B**TRADEMARK COLLATERAL****Registered Trademarks**

Mark	Date	Status	Registration #	Jurisdiction	Comment
Hospitality Mints (Words Only)	8/31/99	Active	2,273,353	USA	Active Declaration filed 9/20/04
Hospitality Mints by North State Foods, Inc.	8/31/99	Lapsed	2,273,365	USA	
Almighty Mints	7/30/02	Active	2,602,787	USA	
Thanks A Mint	8/14/87	Active	84,731	USA	
Thanks, Our Customers are Worth a Mint	10/7/87	Active	85,037	USA	
Hospitality Chocolates	2/10/53	Not in Use	0570290	USA	Assigned by Gilliam Candy
The Mint	11/11/03	Active	2,782,555	USA	
With Our Compliments Thanks for Not Smoking	10/02/87	Active	84,976	USA	
Sports Mints	5/28/03	Active	2,813,955	USA	

Sweet Creams and design	11/10/03	Active	2,273,365	USA	Denied for Principle Register as merely descriptive— Supplemental Filing Pending
Blue Ridge Mints	7/30/02	Active	2,602,788	USA	Use must cease by 01/31/05 per Agreement with Andes Candy—See Andes Candies Note Below

In 2003, the Company was contacted by Andes Candies regarding the company's use of the Blue Ridge Mints trademark and design. As a result of discussions with Andes Candies, the Company agreed to cease use of the mark by January 31, 2005.

Pending Trademark Applications

Mark	Date	Status	Application #	Jurisdiction	Comment
Party Sweets (color)	12/10/03	Active	Application 76,564,432	USA	Application Filed
Party Sweets (black and white)	September 04	Active	Application 76,609,647	USA	Application Filed
Party Flavors (black and white)	September 04	Active	Application 76,615,536	USA	Application Filed
Hospitality Mints with Leaf Design	9/20/04	Awaiting Response	Not yet assigned	USA	Application Filed
Tailgate Mints	10/08/02	Active	Application 76,360,528	USA	Application Filed
Tailgate Candies	7/02/04	Pending	Application 76,600,497	USA	Application Filed

With respect to the "Party Flavors" trademark application, the Company has discovered that there was a prior application for the same mark filed in July of 2004. The Company believes it was using the mark in commerce prior to that date and could contest the granting of the mark to the applicant. The Company is considering whether the Party Flavors mark has any value and whether it could change the name of the product to avoid any conflicts with this prior application. If it does change the name, the Company would abandon its application for this mark.

Trademark Licenses

Trademark Licensing Agreement, dated February 13, 2003, by and between Hospitality Mints and UniPro Foodservice, Inc.

SCHEDULE C

DOMAIN NAMES

www.hospitalitymints.com