

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Sherwood Brands Zip, LLC		06/23/2006	LIMITED LIABILITY COMPANY: MARYLAND
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Lana, LLC		
<b>Street Address:</b>	5800 Nicholson Lane, #1203		
<b>City:</b>	Rockville		
<b>State/Country:</b>	MARYLAND		
<b>Postal Code:</b>	20850		
<b>Entity Type:</b>	LIMITED LIABILITY COMPANY: MARYLAND		
<b>PROPERTY NUMBERS Total: 3</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	78562847	ZYPPERZ	
<b>Serial Number:</b>	78568296	BLING	
<b>Serial Number:</b>	78784751	ZYPPERZ THE LOLLIPOP WITH THE MAGIC ZYPPING STICK	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(401)453-6411		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	401-453-6400		
<b>Email:</b>	rzimmerman@crflp.com		
<b>Correspondent Name:</b>	Richard D. Zimmerman		
<b>Address Line 1:</b>	One Park Row, Suite 300		
<b>Address Line 4:</b>	Providence, RHODE ISLAND 02903		
<b>NAME OF SUBMITTER:</b>	Richard D. Zimmerman		
<b>Signature:</b>	/Richard D. Zimmerman/		

OP \$90.00 78562847

Date:

07/25/2006

**Total Attachments: 7**

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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

To Secure Payment of a certain Promissory Note, dated as of the June 23, 2006, made by SHERWOOD BRANDS, INC., a North Carolina corporation ("Borrower), in the original principal amount of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) (the "Promissory Note"), and as a material inducement to Creditor to extend credit to Borrower and in connection with a Guarantee Agreement entered as of the date hereof for the benefit of Creditor, SHERWOOD BRANDS ZIP, LLC, a Maryland limited liability company (the "Guarantor") hereby grants to LANA, LLC, a Maryland limited liability company ("Creditor"), a security interest in all of Guarantor's intellectual property, now owned or hereafter acquired, ("Collateral") including, but not limited to, the intellectual property listed on Exhibit A attached hereto and incorporated by reference herein.

1. The security interest granted hereby shall remain effective until full payment, satisfaction and discharge of the Promissory Note.

2. The Guarantor shall not sell, exchange, lease or otherwise dispose of the Collateral, except in the ordinary course of business, nor permit any lien or security interest therein which may have priority over Creditor's security interest, without the prior written consent of Creditor, which consent, if not given or denied in writing within fifteen (15) days after written request therefor, shall be deemed given.

3. The Guarantor agrees that it will defend all claims and demands of all third parties at any time claiming an interest in the Collateral.

4. At the request of Creditor, the Guarantor will join with Creditor in executing one or more U.C.C.-1 or equivalent financing statements pursuant to the Maryland Uniform Commercial Code in form satisfactory to Creditor; provided that Creditor shall bear all costs associated with the preparation and filing of such financing statements.

5. The Guarantor shall be in default under this Agreement upon the occurrence of any of the following:

(a) Default of the Borrower under the Promissory Note;

(b) Failure of the Guarantor to keep, preserve or perform any provision of this Agreement;

(c) If the Guarantor becomes insolvent, as defined in §2-301 of the Corporations and Associations Article of the Annotated Code of Maryland;

(d) If the Guarantor is unable to pay its debts as they mature, or becomes insolvent, or makes an assignment for the benefit of his creditors, or files a voluntary petition for bankruptcy, or enters into a composition arrangement or similar plan with its creditors, or applies for or consents to the appointment of a receiver or trustee of all or part of its property, or shall file an answer admitting the jurisdiction of the court and the material allegations of an involuntary petition filed pursuant to the bankruptcy laws of the United States or any amendments thereto; or

(e) There is entered against the Guarantor a judgment, levy or lien of material nature, or a writ or warrant of attachment, execution, garnishment, distraint, possession, or any similar process of a material nature shall be issued by any court against all or a part of the property of the Guarantor which is not satisfied or removed within thirty (30) days immediately following the entering of final judgment with respect thereto (i.e. not subject to further appeal).

6. In addition to all the rights and remedies of a secured party upon default set forth in the Maryland Uniform Commercial Code, Creditor may require the Guarantor to assemble the Collateral and make it available at a designated reasonably convenient location. Furthermore, upon failure by the Guarantor to perform any of the acts described in this Agreement, the Creditor is authorized and has the option to take possession of the Collateral in accordance with § 9-503 and/or § 9-505 of the Commercial Law Article of the Annotated Code of Maryland

and/or to perform any of said acts described therein in any manner deemed commercially reasonable by the Creditor, without waiving any right to enforce this Agreement. The reasonable expenses paid by Creditor in respect of the custody, preservation, use or operation of the Collateral in its possession shall be deemed an advance to Guarantor by the Creditor, and shall bear interest at the rate of eighteen (18%) per annum, and shall be secured by this Agreement.

7. In the event of default, the Guarantor (a) grants to the Creditor the express power of sale to sell, at public auction, and to the highest bidder, any or all of the Collateral covered by this Agreement, in order to satisfy Guarantor's obligation to Creditor; (b) expressly consents to the Creditor initiating a foreclosure proceeding, in accordance with Subtitle W of the Maryland Rules, to enforce the Creditor's security interest in the Collateral covered by this Agreement, and (c) expressly waives the requirement that the Creditor post bond before selling the Collateral; (d) agrees to pay all expenses of the Creditor in enforcing any provision of this Agreement, including but not limited to, reasonable attorney fees and court costs; and (e) agrees that proceeds of any disposition of any of the Collateral may be applied by the Creditor to the payment of expenses in connection with the Collateral, including, but not limited to, reasonable attorney fees and legal expenses, and the balance of any such proceeds may be applied by the Creditor towards the payment of such of the obligations, and in such order of application, as the Creditor may from time to time elect.

8. Upon default, if the sale or other disposition of the Collateral fails to satisfy the obligations secured by this Agreement and the reasonable expenses of retaking, holding, preparing for sale, selling and the like, including, but not limited to, reasonable attorney fees and court costs incurred by the Creditor in connection with this Agreement or the obligation it secures, the Guarantor shall remain liable for any deficiency.

9. No party to this Agreement shall be discharged by any extension of time, additional advances and notes, renewals and extensions of any note, the taking of further security, the release of any security, the extinguishment of the security interest as to all or part of the Collateral, or any other act except the release or discharge of the security interest upon the full payment of the obligation secured by this Agreement, including, but not limited to, charges, expenses, fees, costs, and interest.

10. In addition to, and not in limitation of, the rights and remedies contained in this Security Agreement, the parties shall have the respective rights and remedies of a secured party and of a debtor as provided for in Subtitle 9 of the Commercial Law Article of the Annotated Code of Maryland.

11. If any of the terms, provisions, or conditions of this Agreement shall for any reason be found invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such terms, provisions or conditions, and this Agreement shall survive and be construed as if such invalid or unenforceable term, provision, or condition, had not been contained herein.

12. Creditor shall not be deemed to have waived any of its rights under this or any other agreement or instrument signed by the Guarantor unless the waiver is in writing signed by Creditor. No delay in exercising its rights shall be a waiver nor shall a waiver on one occasion operate as a waiver of such on a future occasion.

13. Each demand, notice or other communication required or permitted hereunder shall be given by mail addressed to the party at the address set forth below or as changed in written notice to the other party, or by hand delivery upon the party:

If to Creditor: Ilana Frydman, Manager  
LANA, LLC  
5800 Nicholson Lane, #1203  
Rockville, MD 20850

If to Guarantor: SHERWOOD BRANDS ZIP, LLC  
1803 Research Boulevard, Suite 201  
Rockville, Maryland 20850

14. THIS SECURITY AGREEMENT AND ALL OF THE RIGHTS AND REMEDIES OF THE CREDITOR HEREOF ARE SUBJECT TO THE TERMS OF THAT CERTAIN SUBORDINATION AGREEMENT DATED AS OF JUNE 3, 2005, BY AND BETWEEN LANA, LLC AND BRANCH BANKING AND TRUST COMPANY OF VIRGINIA, AS MODIFIED OR AMENDED FROM TIME TO TIME. THIS SECURITY AGREEMENT MAY NOT BE AMENDED OR MODIFIED IN ANY RESPECT WITHOUT THE PRIOR WRITTEN CONSENT OF BRANCH BANKING AND TRUST COMPANY OF VIRGINIA.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 17<sup>th</sup> day of July, 2006.

CREDITOR:

LANA, LLC

BY:   
ILANA FRYDMAN, Member

THE GUARANTOR:

Sherwood Brands Zip, LLC

By:   
Name: Uziel Frydman  
Title: Manager

STATE OF MARYLAND ]  
] To Wit:  
COUNTY OF Montgomery ]

I HEREBY CERTIFY that on this 17<sup>th</sup> day of July 2006, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared ILANA FRYDMAN who acknowledged herself to be the MANAGER of LANA, LLC, a Maryland limited liability company, and that she, as such officer, being authorized so to do, executed the foregoing Agreement for the purposes therein contained, by signing her name on behalf of the company.

WITNESS my hand and Notarial Seal.

[Signature]  
NOTARY PUBLIC  
My Commission Expires: 3/1/09

STATE OF MARYLAND ]  
] To Wit:  
COUNTY OF Montgomery ]

I HEREBY CERTIFY that on this 17<sup>th</sup> day of July 2006, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Uziel Frydman who acknowledged himself to be the Manager of SHERWOOD BRANDS ZIP, LLC, a Maryland limited liability company, and that he, as such officer, being authorized so to do, executed the foregoing Agreement for the purposes therein contained, by signing his name on behalf of the company.

WITNESS my hand and Notarial Seal.

[Signature]  
NOTARY PUBLIC  
My Commission Expires: 3/1/09



# Exhibit A

Sherwood Brands Zip, LLC

## MARKS WITH PENDING APPLICATIONS

<u>Mark</u>	<u>Application No.</u>
ZYPPERZ	78/562,847
BLING	78/568,296
ZYPPERZ THE LOLLIPOP WITH THE MAGIC ZYPING STICK	78/784,751