

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
Houston Harvest, Inc.		12/14/2006	CORPORATION:

RECEIVING PARTY DATA	
Name:	Parkway Capital Investors, LLC
Street Address:	7312 Parkway Drive
City:	Hanover
State/Country:	MARYLAND
Postal Code:	21076
Entity Type:	LIMITED LIABILITY COMPANY:

PROPERTY NUMBERS Total: 15

Property Type	Number	Word Mark
Registration Number:	2948626	C DESIGNS
Registration Number:	2722791	AMERICA'S FAVORITE FLAVORS
Registration Number:	1080529	CHEESE COUNTRY
Registration Number:	2621634	HOUSTON HARVEST GIFT PRODUCTS
Registration Number:	2309017	SMORS THE SNOWMAN
Registration Number:	2445000	SNOWMAN BRAND COCOA
Registration Number:	2409581	SWEETZ AND TREATZ
Registration Number:	2352789	TREAT FACTORY
Serial Number:	75411208	UNIVERSAL COLORS
Serial Number:	78346712	CHESTNUT CREEK
Serial Number:	78969381	HAS THE STYLE BUG BITTEN YOU?
Serial Number:	78903217	HX2
Serial Number:	78912676	HX2
Serial Number:	78969404	HX2 BITTEN

CH \$390.00 2948626

Serial Number:

78969415

WHERE TASTE AND DESIGN MEET

CORRESPONDENCE DATA

Fax Number: (410)547-0699

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 4103477388

Email: dksawyer@ober.com

Correspondent Name: E. Scott Johnson, Esq.

Address Line 1: 120 E. Baltimore Street

Address Line 2: Ober|Kaler

Address Line 4: Baltimore, MARYLAND 21202

ATTORNEY DOCKET NUMBER:	021185/078322
NAME OF SUBMITTER:	E. Scott Johnson
Signature:	/E. Scott Johnson - dks/
Date:	12/18/2006

Total Attachments: 27

source=Security Agreement for Houston Harvest and Parkway Capital#page1.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page2.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page3.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page4.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page5.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page6.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page7.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page8.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page9.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page10.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page11.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page12.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page13.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page14.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page15.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page16.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page17.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page18.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page19.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page20.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page21.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page22.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page23.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page24.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page25.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page26.tif
source=Security Agreement for Houston Harvest and Parkway Capital#page27.tif

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT DATED THE DATE HEREOF (THE "SUBORDINATION AGREEMENT"), AMONG THE PURCHASER, THE COMPANY AND LASALLE BUSINESS CREDIT, LLC, AS AGENT (THE "AGENT"), TO THE INDEBTEDNESS (INCLUDING THE INTEREST) OWED BY THE COMPANY PURSUANT TO THAT CERTAIN LOAN AND SECURITY AGREEMENT DATED AS OF NOVEMBER 24, 2006 (THE "SENIOR DEBT LOAN AGREEMENT") AMONG THE COMPANY, THE AGENT AND THE LENDERS FROM TIME TO TIME A PARTY THERETO, AS SUCH SENIOR DEBT LOAN AGREEMENT HAS BEEN AND HEREAFTER MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "IP Security Agreement") dated December 14, 2006, is executed by **HOUSTON HARVEST, INC.**, a Delaware corporation (the "Company"), in favor of **PARKWAY CAPITAL INVESTORS, INC.**, a Maryland limited liability company (the "Purchaser"). All capitalized terms used herein but not otherwise defined shall have the respective meanings assigned thereto in the Note Purchase Agreement.

WITNESSETH:

WHEREAS, pursuant to that certain Senior Subordinated Note and Warrant Purchase Agreement dated as of December 14, 2006 by and between the Company and the Purchaser (as the same may be amended, revised, modified, supplemented, amended and restated or replaced from time to time (the "Note Purchase Agreement"), the Company agreed to sell to the Purchaser, and the Purchaser agreed to purchase from the Company to the Company's 14% Senior Subordinated Notes due December 31, 2011, in the aggregate principal amount of \$4,650,000 (the "Notes"), and certain warrants (the "Warrants") convertible into 3.12% (on a fully-diluted basis) of the equity of the Company; and

WHEREAS, as collateral security for payment and performance of the Company's Obligations, the Company has agreed to grant to the Purchaser a security interest in the Collateral (as defined below) pursuant to the terms of this IP Security Agreement; and

WHEREAS, the Purchaser is unwilling to enter into the Note Purchase Agreement and other Operative Documents unless the Company enters into this IP Security Agreement.

NOW, THEREFORE, in order to induce the Purchaser to enter into the Operative Documents and to purchase the Notes and Warrants as contemplated thereby, and in further consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. **Grant of Security Interest.** As collateral security for the prompt payment, performance and satisfaction of all of its obligations and liabilities (both now existing and hereafter arising) hereunder or under each of the other Operative Documents to which it is now or hereafter becomes a party (all such obligations and liabilities being hereinafter referred to collectively as the "Secured Obligations"), the Company hereby grants to the Purchaser a continuing security interest in and to, and collaterally assigns to the Purchaser, the following property, whether now owned or existing or hereafter created, acquired or arising and wheresoever located:

(a) all of the Company's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign patents and patent applications (including without limitation the patents and patent applications identified on Schedule I attached hereto and incorporated herein by reference) and including the right to recover for all past, present and future infringements thereof and all reissues, divisions, continuations, continuations in part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of the Company accruing thereunder or pertaining thereto (collectively, the "Patents");

(b) all of the Company's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign trademarks, trade names, domain names, trade dress, service marks, trademark and service mark registrations, and applications for trademark or service mark registration and any renewals thereof (including without limitation each trademark, trade name, domain name and service mark registration and application identified in Schedule II attached hereto and incorporated herein by reference) and including all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto (including without limitation damages for past or future infringements thereof), the right to sue or otherwise recover for all past, present and future infringements thereof, all rights corresponding thereto throughout the world (but only such rights as now exist or may come to exist under applicable local law) and all other rights of any kind whatsoever of the Company accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark and service mark (collectively, the "Trademarks");

(c) all of the Company's right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign copyrights and copyright applications (including without limitation the copyright registrations identified on Schedule III attached hereto and incorporated herein by reference) and including the right to recover for all past, present and future infringements thereof and all supplemental registrations, renewals, and extensions thereof, and all other rights of any kind whatsoever of the Company accruing thereunder or pertaining thereto (collectively, the "Copyrights"); and

(d) all proceeds of any of the foregoing.

All of the property and interests in property described in clauses (a) through (d) are herein collectively referred to as the "Collateral". The security interests granted under this IP Security Agreement are herein referred to as the "Security Interests."

2. **Perfection.** As of the date hereof, the Company shall have furnished to the Purchaser properly executed financing statements in form, number and substance suitable for filing, sufficient under applicable law, and satisfactory to the Purchaser in order that upon the filing of the same, the Purchaser shall have a duly perfected security interest in all Collateral in which a security interest can be perfected by the filing of financing statements, subject only to Liens allowed to exist and have priority under Section 9.3 of the Note Purchase Agreement ("Permitted Liens") with the effect that the Liens conferred in favor of the Purchaser shall be and remain duly perfected and of priority contemplated hereby. All financing statements (including all amendments thereto and continuations thereof), certificates, acknowledgments, instruments and other documents furnished in connection with the creation, enforcement, protection, perfection or priority of the Purchaser's security interest in or collateral assignment of Collateral, including such items as are described above in this Section 2 or in Sections 3 and 4 below, are sometimes referred to herein as "Perfection Documents". The delivery of possession of items of or evidencing Collateral, causing other Persons to execute and deliver Perfection Documents as appropriate, the filing or recordation of Perfection Documents, the establishment of control over items of Collateral, and the taking of such other actions as may be necessary or advisable in the determination of the Purchaser to create, enforce, protect, perfect, or establish or maintain the priority of, the security interest of or collateral assignment to, the Purchaser for the benefit of the Purchaser in the Collateral is sometimes referred to herein as "Perfection Action".

3. **Security for Obligations.** The Security Interests granted under this IP Security Agreement by the Company secure the payment, performance and satisfaction of all of the Secured Obligations now or hereafter owing by the Company.

The Security Interests granted by this IP Security Agreement are granted in conjunction with the security interests granted to the Purchaser in other assets of the Company pursuant to the other Operative Documents.

4. **Collateral Assignment.** In addition to, and not in limitation of, the grant of the Security Interests in the Patents, Trademarks and Copyrights in Section 1 above, the Company hereby grants, assigns, transfers, conveys and sets over to the Purchaser, the Company's entire right, title and interest in and to the Patents, Trademarks and Copyrights; provided that such grant, assignment, transfer, conveyance and set over shall become effective only at the election of the Purchaser following the occurrence of an Event of Default that is continuing at the time of such election. The Company hereby agrees that after the effectiveness of such grant, assignment, transfer, conveyance and set over of any of the Patents, Trademarks and Copyrights, the use by the Purchaser of any of such Patents, Trademarks and Copyrights shall be without any liability for royalties or other related charges from the Purchaser to the Company. In furtherance of the foregoing, the Company has executed in blank and delivered to the Purchaser an assignment of federally registered patents, trademarks and copyrights (the "IP Assignment") owned by it in the form of Exhibit A hereto, such blank assignments to be filed and/or otherwise used by the Purchaser only upon the occurrence and during the continuance of

an Event of Default. The Company hereby authorizes the Purchaser to complete as assignee, execute, and record with the United States Patent and Trademark Office (the "Patent and Trademark Office") and the United States Copyright Office (the "Copyright Office") and with other applicable Federal and state agencies and authorities, each IP Assignment upon the occurrence of an Event of Default that is continuing at the time of filing.

5. **Further Assurances.**

(a) The Company agrees that from time to time, at the expense of the Company, the Company will promptly execute and deliver all further instruments and documents, including such other Perfection Documents and take all further action and such other or additional Perfection Action, as may be required by the terms of the Operative Documents or as the Purchaser may reasonably request, in order to (i) continue, perfect and protect any Security Interest or collateral assignment granted or purported to be granted hereby, and (ii) enable the Purchaser to exercise and enforce its rights and remedies hereunder with respect to any part of the Collateral. Without limiting the generality of the foregoing, the Company will execute and file (with the appropriate governmental offices, authorities, agencies and regulatory bodies) such other instruments or notices, including executed IP Assignments (but the filing of such IP Assignments shall be effected only in accordance with Section 4 above), with the Patent and Trademark Office and the Copyright Office, as may be necessary or desirable, or as the Purchaser may reasonably request, in order to perfect and preserve the Security Interests and collateral assignments granted hereby.

(b) The Company hereby authorizes the Purchaser to file where permitted by law, one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Company. A carbon, photographic or other reproduction of this IP Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Company will furnish to the Purchaser, from time to time, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Purchaser, may reasonably request, all in reasonable detail.

(d) The Company agrees to maintain among its books and records appropriate notations or evidence of, and to make or cause to be made appropriate disclosure upon its financial statements or, the Security Interests granted hereunder to the Purchaser.

(e) The Company agrees that, should it have or obtain an ownership interest in any material United States patent or patent application that is not now identified on Schedule I, any material trademark or trademark application that is not now identified on Schedule II or any material copyright registration or copyright application that is not now identified on Schedule III: (i) the provisions of this IP Security Agreement shall automatically apply to such item, and such item shall automatically become part of the

Collateral; (ii) the Company shall, within one month after acquiring or becoming aware of such ownership interest, (A) give written notice thereof to the Purchaser, (B) take all commercially reasonable and appropriate steps to protect such material Patents, Trademarks and Copyrights, as, for example, by filing applications for their registration with the Patent and Trademark Office or the Copyright Office, as applicable, and (C) with respect to such material Patents, Trademarks and Copyrights, prepare, execute and file in the Patent and Trademark Office or the Copyright Office, as applicable, within the requisite time period, all documents that are known by the Company to be necessary or that the Purchaser reasonably requests in order to perfect the Security Interest of the Purchaser therein, including delivery to the Purchaser of an executed IP Assignment. The Company authorizes the Purchaser to execute and file (subject in the case of the filing of IP Assignments, to the limitation contained in Section 4 above) such a document in the name of the Company if the Company fails to do so.

(f) The Company agrees: (i) to take all commercially reasonable steps in any proceeding before the Patent and Trademark Office, the Copyright Office or any similar office or agency in any other country or any political subdivision thereof or in any court, to maintain and pursue each patent application now or hereafter included in the Collateral which the Company determines to be material to the conduct of its business, and to maintain each such Patent, and each Trademark or Copyright now or hereafter included in the Collateral that the Company determines to be material to the conduct of its business, including the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of fees, and the participation in interference, reexamination, opposition and infringement proceedings, to the extent commercially reasonable; (ii) to take corresponding steps with respect to unpatented inventions which the Company determines to be material to the conduct of its business and on which the Company is now or hereafter becomes entitled to seek protection, including maintaining the confidentiality of such inventions if filing a patent application is not justified in the commercially reasonable judgment of the Company; and (iii) to bear any expenses incurred in connection with such activities.

(g) The Company shall not do any act or omit to do any act whereby any of the Collateral may become dedicated or abandoned, except where such dedication or abandonment will not cause, create or give rise to a Material Adverse Effect.

(h) The Company agrees that in the event that any of the Collateral which is material to the operation of its business and as to which it has granted the Security Interests is infringed or misappropriated by a third party, the Company shall take all commercially reasonable steps to terminate the infringement or misappropriation, and take such other commercially reasonable actions as the Company shall deem appropriate under the circumstances to protect such Collateral. Any expense incurred in connection with such activities shall be borne by the Company.

6. **General Representations and Warranties.** The Company hereby represents and warrants to the Purchaser as follows:

(a) It has full power, legal right and lawful authority to enter into this IP Security Agreement and to perform its terms, including the grant of the Security Interests herein provided for.

(b) No authorization, consent, approval or other action by, and no notice to or filing with, any Governmental Authority or other regulatory body or any other Person is required either (i) for the grant by the Company of the Security Interests granted hereby, or the collateral assignment hereunder, or for the execution, delivery or performance of this IP Security Agreement by the Company, or (ii) for the perfection of or the exercise by the Purchaser of its rights and remedies hereunder, except (x) with respect to the Security Interests, the filing of this IP Security Agreement with the Patent and Trademark Office and the Copyright Office, as applicable, and the filings required by the Uniform Commercial Code of the State in which the Company is organized, (y) with respect to the consummation of assignment pursuant to Section 4 above, the filing in the Patent and Trademark Office or the Copyright Office, as applicable, of the IP Assignments, and (z) to the extent that the exercise of rights and remedies may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors rights generally or by general principles of equity.

(c) No action or proceeding is pending or, to the Company's knowledge, threatened seeking to limit, cancel or question the validity of any part of the Collateral, which such action or proceeding, if determined adversely to the Company, could reasonably be expected to have a Material Adverse Effect.

(d) It has not granted any release, covenant not to sue, or non-assertion assurance to any third person with respect to any material part of the Collateral.

(e) The actions contemplated under or in connection with the Operative Documents will not impair the legal right of the Company to use any of the Collateral.

(f) Except as set forth on Schedule 6(f) hereto, the Company has no knowledge of the existence of any right under any patent, trademark, license agreement, trade name, trade secret, know-how, confidential research, development and commercial information, or other proprietary information held by any other Person that would materially interfere with the ability of the Company to carry on its business as currently carried on, and the Company has no knowledge of any claim to the contrary.

(g) None of the Company's Subsidiaries has an ownership interest in any patents, patent applications, copyrights, copyright applications, trademark, trade name, trade dress, service marks, trademark or service mark registrations or any applications for trademark or service mark registration or any other intellectual property of a nature that would be Collateral hereunder if owned by the Company.

(h) No claim has been made, and the Company has no knowledge of any claim, that the use by the Company of any Collateral does or may violate the rights of any Person, to the extent that such claim could reasonably be expected to have a Material Adverse Effect.

7. **Patent Representations and Warranties.** The Company represents and warrants to the Purchaser that:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the material Patents purported to be granted by it hereunder, free and clear of any Lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for non-exclusive licenses as to which the Company is the licensor, Permitted Liens, and the Security Interests created by this IP Security Agreement. No financing statement or other instrument similar in effect covering all or any part of the Patents purported to be granted by the Company hereunder shall be on file in any recording office, including, without limitation, the Patent and Trademark Office, except such as may have been filed in favor of the Agent and the Purchaser.

(b) Set forth on Schedule I is a list of all of the Patents owned by the Company and utilized in the conduct of its business as currently conducted and material in the Company's operations or in the selling or marketing of the Company's products or services.

(c) Each Patent of the Company identified on Schedule I hereto is validly subsisting and has not been adjudged unpatentable, invalid or unenforceable, in whole or in part, and to the knowledge of the Company is patentable, valid and enforceable, and each of such Patent applications has been filed in conformity with applicable rules and procedures of the Patent and Trademark Office in all material respects and will be prosecuted in conformity therewith so as not to become improperly abandoned.

8. **Trademark Representations and Warranties.** The Company represents and warrants to the Purchaser that:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the material Trademarks purported to be granted by it hereunder, free and clear of any Lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for non-exclusive licenses as to which the Company is the licensor, Permitted Liens, and the Security Interests created by this IP Security Agreement. No financing statement or other instrument similar in effect covering all or any part of the Trademarks purported to be granted by the Company hereunder shall be on file in any recording office, including, without limitation, the Patent and Trademark Office, except such as may have been filed in favor of the Agent and the Purchaser.

(b) Set forth on Schedule II is a list of all of the Trademarks owned by the Company and utilized in the conduct of its business as currently conducted and material in the Company's operations or in the selling or marketing of the Company's products or services.

(c) Except as expressly described on Schedule II, each Trademark of the Company identified on Schedule II is validly subsisting and has not been abandoned or adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to the Company's knowledge, valid, registrable and enforceable, and each application for registration of any such Trademark has been filed in conformity with applicable rules and procedures of the Patent and Trademark Office in all material respects and will be prosecuted in conformity therewith.

9. **Copyright Representations and Warranties.** The Company represents and warrants to the Purchaser that:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the material Copyrights purported to be granted by it hereunder, free and clear of any Lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for the Permitted Liens, Security Interests created or permitted by this IP Security Agreement or the Note Purchase Agreement. No financing statement or other instrument similar in effect covering all or any part of the Copyrights purported to be granted by the Company hereunder shall be on file in any recording office, including, without limitation, the Copyright Office, except such as may have been filed in favor of the Agent and the Purchaser.

(b) Set forth on Schedule III is a list of all of the federally-registered Copyrights owned by the Company and utilized in the conduct of its business as currently conducted and material in the Company's operations or used in the selling or marketing of the Company's products or services.

(c) Each Copyright of the Company identified on Schedule III is validly subsisting and has not been abandoned or adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to the Company's knowledge, valid, registrable and enforceable, and each of such Copyright applications has been filed in conformity with applicable rules and procedures of the Copyright Office in all material respects and will be prosecuted in conformity therewith so as not to become improperly abandoned.

10. **Transfers and Other Liens.** The Company shall not:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of, or grant any option with respect to, the Collateral, except as permitted by the Note Purchase Agreement or, with respect to such Collateral as is not material to the business of the Company, which may be transferred in the ordinary course of business, except that the Company may license the Collateral either on an exclusive or a non-exclusive basis

(i) in the ordinary course of the Company's business, provided that such license is necessary or desirable in the conduct of the Company's business, or (ii) in connection with a sale of assets in compliance with Section 9.4 of the Note Purchase Agreement. The Purchaser shall execute any documents that the Company may reasonably request in order to permit the Company to exercise its right hereunder to license the Collateral, provided that the Purchaser shall not be required to do anything that may, in the sole reasonable judgment of the Purchaser, adversely affect the validity of the Security Interests;

(b) create or suffer to exist any Lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral except for Permitted Liens or the Security Interests created by this IP Security Agreement; or

(c) take any other action in connection with any of the Collateral that would impair the value of the interest or rights of the Company in the Collateral taken as a whole or that would impair the interest or rights of the Purchaser.

11. **Purchaser Appointed Attorney-in-Fact.** The Company hereby appoints the Purchaser as the Company's attorney-in-fact for the purposes of carrying out the provisions of this IP Security Agreement and taking any action and executing any instrument which the Purchaser may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest; provided that the Purchaser shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of an Event of Default and subject to the provisions of the Subordination Agreement, the Purchaser shall have the right and power:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) to endorse the Company's name on any checks, notes, drafts or any other payment relating to or constituting proceeds of the Collateral which comes into the Purchaser's possession or the Purchaser's control, and deposit the same to the account of the Purchaser on account and for payment of the Secured Obligations;

(d) to file any claims or take any action or institute any proceedings that the Purchaser may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Purchaser with respect to any of the Collateral; and

(e) to execute, in connection with any sale or other disposition of Collateral provided for herein, any endorsement, assignments, or other instruments of conveyance or transfer with respect thereto.

12. **Purchaser May Perform.** If the Company fails to perform any agreement contained herein, the Purchaser may itself perform, or cause performance of, such agreement, and the expenses of the Purchaser incurred in connection therewith shall be payable by the Company under Section 16 hereof to the fullest extent permitted by applicable law. The Purchaser agrees that, upon its performing or causing the performance of any agreement contained herein, it will promptly provide notice thereof to the Company, provided the failure so to provide notice shall not affect the obligation of the Company to pay amounts incurred in connection therewith pursuant to this Section 12.

13. **The Purchaser's Duties.**

(a) The Purchaser shall be under no duty or liability with respect to the collection, protection or preservation of the Collateral, or otherwise, beyond the use of reasonable care in the custody and preservation thereof while in its possession.

(b) The Company agrees to pay when due all taxes, charges, Liens and assessments against the Collateral in which it has an interest, unless being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established in accordance with GAAP and evidenced to the satisfaction of the Purchaser and provided that all enforcement proceedings in the nature of levy or foreclosure are effectively stayed. Upon the failure of the Company to so pay or contest such taxes, charges, Liens or assessments, or upon the failure of the Company to pay any amount pursuant to this IP Security Agreement, the Purchaser at its option may pay or contest any of them (the Purchaser having the sole right to reasonably determine the legality or validity and the amount necessary to discharge such taxes, charges, Liens or assessments) but shall not have any obligation to make any such payment or contest. All sums so disbursed by the Purchaser, including reasonable attorneys' fees, court costs, expenses and other charges related thereto, shall be payable on demand by the Company to the Purchaser and shall be additional Secured Obligations secured by the Collateral, and any amounts not so paid on demand (in addition to other rights and remedies resulting from such nonpayment) shall bear interest from the date of demand until paid in full at the Default Rate.

(c) The Company hereby irrevocably authorizes the Purchaser to file (with, or to the extent permitted by applicable law, without the signature of the Company appearing thereon) financing statements (including amendments thereto and continuations and copies thereof) showing the Company as "debtor" at such time or times and in all filing offices as the Purchaser may from time to time determine to be necessary or advisable to perfect or protect the rights of the Purchaser hereunder, or otherwise to give effect to the transactions herein contemplated.

14. **Reinstatement.** The granting of a security interest in the Collateral and the other provisions hereof shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by the Purchaser or is repaid by the Purchaser in whole or in part in good faith settlement of a pending

or threatened avoidance claim, whether upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made. The provisions of this Section 14 shall survive repayment of all of the Secured Obligations and the termination or expiration of this IP Security Agreement in any manner.

15. **Remedies Upon An Event of Default.** If an Event of Default shall have occurred and be continuing and subject to the provisions of the Subordination Agreement:

(a) The Purchaser may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the Uniform Commercial Code as in effect in the State of Maryland (the "UCC") and also may (i) exercise any and all rights and remedies of the Company under, in connection with, or otherwise in respect of, such Collateral, including the completion and filing of the IP Assignment, (ii) require the Company to, and the Company hereby agrees that it will, at its expense and upon request of the Purchaser, forthwith assemble all or part of the documents embodying such Collateral as directed by the Purchaser and make it available to the Purchaser at a place to be designated by the Purchaser that is reasonably convenient to both the Purchaser and the Company, (iii) occupy any premises owned or leased by the Company where documents embodying such Collateral or any part thereof are assembled for a reasonable period in order to effectuate the Purchaser's rights and remedies hereunder or under applicable law, without obligation to the Company in respect of such occupation, (iv) license such Collateral or any part thereof, and (v) without notice except as specified below, sell such Collateral or any part thereof at public or private sale, at any of the Purchaser's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Purchaser may deem commercially reasonable. The Company agrees that at least ten (10) days' notice to the Company of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Purchaser shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Purchaser may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All payments received by the Company under or in connection with any of such Collateral shall be received in trust for the benefit of the Purchaser, shall be segregated from other funds of the Company and shall be immediately paid over to the Purchaser in the same form as so received (with any necessary endorsement).

(c) The net cash proceeds resulting from the collection, liquidation, sale, or other disposition of the Collateral of the Company shall be applied first to the expenses (including all reasonable attorneys' fees and expenses) owing pursuant to Section 16 hereof, of retaking, holding, storing, processing and preparing for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all Secured Obligations in such order and manner as the Purchaser may reasonably determine. The Company shall be

liable to the Purchaser and shall pay to the Purchaser, on demand, any deficiency which may remain after such sale, disposition, collection or liquidation of the Collateral.

16. **Expenses.** The Company will upon demand pay to the Purchaser the amount of any and all reasonable expenses and the reasonable fees and disbursements of any experts and agents, that the Purchaser may incur in connection with (i) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (ii) the exercise or enforcement of any of the rights of the Purchaser, or (iii) the failure by the Company to perform or observe any of the provisions hereof.

17. **Waiver.** The Company waives to the extent permitted by applicable law (a) any right to require the Purchaser or any other obligee of the Secured Obligations to (x) proceed against any Person or entity, (y) proceed against or exhaust any Collateral or other collateral for the Secured Obligations, or (z) pursue any other remedy in its power; (b) any defense arising by reason of any disability or other defense of any other Person, or by reason of the cessation from any cause whatsoever of the liability of any other Person or entity, (c) any right of subrogation, or (d) any right to participate in any collateral or security whatsoever now or hereafter held by the Purchaser for the benefit of the Purchaser. The Company authorizes the Purchaser and each other obligee of the Secured Obligations without notice (except notice required by applicable law) or demand and without affecting its liability hereunder or under the other Operative Documents from time to time to: (i) take and hold security that may be granted to it, other than the Collateral herein described, for the payment of such Secured Obligations or any part thereof, and exchange, enforce, waive and release the Collateral herein described or any part thereof or any such other security; and (ii) after the occurrence and during the continuance of an Event of Default, apply such Collateral or other security and direct the order or manner of sale thereof as the Purchaser or obligee in its discretion may determine. Nothing in this Section 17 is intended as a waiver of the Company's right to proceed against the Purchaser in connection with any duty to protect the Collateral as provided in Section 13(a) hereof or otherwise.

18. **Amendments.** No amendment, modification, or termination or waiver of any provision of this IP Security Agreement nor consent to any departure by the Company therefrom shall in any event be effective unless agreed to in writing by the Purchaser, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

19. **Continuing Security Interest; Assignments Under the Note Purchase Agreement**

(a) This IP Security Agreement shall create a continuing Security Interest in the Collateral and shall remain in full force and effect until terminated in accordance with the provisions of Section 29 hereof.

(b) Except as permitted by this IP Security Agreement or the Note Purchase Agreement, the Company shall not sell, lease, transfer or otherwise dispose of any item of Collateral during the term of this IP Security Agreement without the prior written consent of the Requisite Purchasers to such sale, lease, transfer or other disposition.

(c) Upon the termination of this IP Security Agreement in accordance with Section 29 hereof, the Collateral shall be automatically released from the Liens created hereby, all rights to the Collateral shall automatically revert to the Company, and this IP Security Agreement and all obligations of the Company hereunder shall terminate without delivery of any instrument or performance of any act by any party. Upon such termination of this IP Security Agreement, the Purchaser shall reassign and redeliver such Collateral then held by or for the Purchaser and execute and deliver to the Company such documents as it shall reasonably request to evidence such termination.

20. **Additional Collateral.** If the Company shall acquire or hold any additional material Patents, Trademarks or Copyrights not listed on Schedules I, II, or III hereto (any such Patents, Trademarks or Copyrights being referred to herein as the "Additional Collateral"), the Company shall promptly deliver to the Purchaser a revised Schedule I, II, or III hereto, as applicable, reflecting the ownership and pledge of such Additional Collateral. The Company shall comply with the requirements of this Section 20 concurrently with the acquisition of any such Additional Collateral.

21. **[Reserved]**

22. **Definitions.** All terms used herein unless otherwise defined herein or in the Note Purchase Agreement shall be defined in accordance with the appropriate definitions appearing in the Uniform Commercial Code in effect in the State of Maryland, and such definitions are hereby incorporated herein by reference and made a part hereof.

23. **Entire Agreement.** This IP Security Agreement, together with the Note Purchase Agreement and the other Operative Documents, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements, commitments or conditions, express or implied, oral or written, except as contained in the Operative Documents. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof or thereof. Neither this IP Security Agreement nor any portion or provision hereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than as provided in Section 18 hereof.

24. **Evidence of Lien.** The Company hereby consents and agrees that the issuers of or obligors in respect of the Collateral shall be entitled to accept the provisions hereof as conclusive evidence of the right of the Purchaser to exercise its rights hereunder or thereunder with respect to the Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by the Company or any other Person to any of such issuers or obligors.

25. **Binding Agreement; Assignment.** This IP Security Agreement and the terms, covenants, conditions, rights and remedies hereof, shall be binding upon and inure to the benefit of the parties hereto, and to their respective successors and assigns; provided, however, that the Company shall not be permitted to assign this IP Security Agreement, or any interest herein or in

the Collateral, except to the extent, if any, permitted by the Note Purchase Agreement. Without limiting the generality of the foregoing sentence of this Section 25, the Purchaser may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Note Purchase Agreement (to the extent permitted by the Note Purchase Agreement); and to the extent of any such assignment or participation such other Person shall, to the fullest extent permitted by law, thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, subject however, to the provisions of the Note Purchase Agreement, including Sections 11.3 and 11.14 thereof (concerning assignments and participations.) All references herein to the Purchaser shall include any successor thereof or assignee, and any other obligees from time to time of the Secured Obligations.

26. **[Reserved]**

27. **Severability.** The provisions of this IP Security Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this IP Security Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

28. **Counterparts.** This IP Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

29. **Termination.** Subject to the provisions of Section 14, this IP Security Agreement and all obligations of the Company hereunder (excluding those obligations and liabilities that expressly survive such termination) shall terminate upon the indefeasible payment in full of all sums owed by the Company to the Purchaser under the Note Purchase Agreement and other Operative Documents.

30. **Notices.** Any notice required or permitted hereunder shall be given (a) with respect to the Company, at the address for the giving of notice then in effect under the Note Purchase Agreement, and (b) with respect to the Purchaser, at the Purchaser's address for the giving of notice then in effect under the Note Purchase Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Section 11.6 of the Note Purchase Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

31. **[Reserved]**

32. **Governing Law; Waivers.**

(a) **THIS IP SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MARYLAND APPLICABLE TO CONTRACTS EXECUTED, AND TO BE**

FULLY PERFORMED, IN SUCH STATE (i) WITH RESPECT TO THOSE INSTANCES IN WHICH THE APPLICABLE CHOICE OF LAWS RULES OF SUCH STATE, INCLUDING SECTION 9-301 OF THE UCC, REQUIRE THAT THE MANNER OF CREATION OF A SECURITY INTEREST IN SPECIFIC COLLATERAL OR THE MANNER OR EFFECT OF PERFECTION OR NONPERFECTION OR THE RULES GOVERNING PRIORITY OR SECURITY INTERESTS ARE TO BE GOVERNED BY THE LAWS OF ANOTHER JURISDICTION, THEN THE LAWS OF SUCH OTHER JURISDICTION SHALL GOVERN SUCH MATTERS, AND (ii) IN THOSE INSTANCES IN WHICH THE LAWS OF THE JURISDICTION IN WHICH COLLATERAL IS LOCATED GOVERN MATTERS PERTAINING TO THE METHODS AND EFFECT OF REALIZING ON COLLATERAL, SUCH LAWS SHALL BE GIVEN EFFECT WITH RESPECT TO SUCH MATTERS.

(b) THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY AGREES AND CONSENTS THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS IP SECURITY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN THE COUNTY OF BALTIMORE, STATE OF MARYLAND, UNITED STATES OF AMERICA AND, BY THE EXECUTION AND DELIVERY OF THIS IP SECURITY AGREEMENT, EXPRESSLY WAIVES ANY OBJECTION THAT IT MAY HAVE NOW OR HEREAFTER TO THE LAYING OF THE VENUE OR TO THE JURISDICTION OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) THE COMPANY AGREES THAT SERVICE OF PROCESS MAY BE MADE BY PERSONAL SERVICE OF A COPY OF THE SUMMONS AND COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING, OR BY REGISTERED OR CERTIFIED MAIL (POSTAGE PREPAID) TO THE ADDRESS OF SUCH PARTY PROVIDED IN SECTION 30 OR BY ANY OTHER METHOD OF SERVICE PROVIDED FOR UNDER THE APPLICABLE LAWS IN EFFECT IN THE STATE OF MARYLAND.

(d) NOTHING CONTAINED IN SUBSECTIONS (b) OR (c) HEREOF SHALL PRECLUDE THE PURCHASER FROM BRINGING ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS IP SECURITY AGREEMENT OR THE OTHER OPERATIVE DOCUMENTS IN THE COURTS OF ANY PLACE WHERE ANY OTHER PARTY OR ANY OF SUCH PARTY'S PROPERTY OR ASSETS MAY BE FOUND OR LOCATED. TO THE EXTENT PERMITTED BY THE APPLICABLE LAWS OF ANY SUCH JURISDICTION, THE COMPANY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND EXPRESSLY WAIVES, IN RESPECT OF ANY SUCH SUIT, ACTION OR PROCEEDING, THE

JURISDICTION OF ANY OTHER COURT OR COURTS WHICH NOW OR HEREAFTER, BY REASON OF ITS PRESENT OR FUTURE DOMICILE, OR OTHERWISE, MAY BE AVAILABLE UNDER APPLICABLE LAW.

(e) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER OR RELATED TO THIS IP SECURITY AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THE FOREGOING, EACH PARTY HEREBY AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY AND HEREBY EXPRESSLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PERSON MAY HAVE TO TRIAL BY JURY IN ANY SUCH ACTION, SUIT OR PROCEEDING.

(f) THE COMPANY HEREBY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE THAT ANY COURT TO WHOSE JURISDICTION IT HAS SUBMITTED PURSUANT TO THE TERMS HEREOF IS AN INCONVENIENT FORUM.

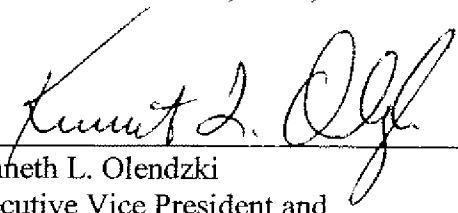
33. **Subordination Agreement.** The parties hereby acknowledge and agree that so long as the Company remains indebted to the Agent and the Lenders under the Senior Loan Agreement, the Purchaser's rights and remedies hereunder shall be subject to the terms of the Subordination Agreement of even date herewith by and among the Agent, the Purchaser and the Company. To the extent that the Company's obligations to the Agent and/or the Lenders under the Senior Debt Documents with respect to the Collateral or any rights thereto conflict with the Company's obligations hereunder to the Purchaser, the Company shall not be required to satisfy such obligations to Purchaser hereunder until such time as the Senior Debt has been paid in full and all commitments under the Senior Debt Documents have been terminated.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have duly executed this IP Security Agreement on the day and year first written above.

HOUSTON HARVEST, INC.,

By: _____


Kenneth L. Olendzki
Executive Vice President and
Chief Financial Officer

PARKWAY CAPITAL INVESTORS, LLC,

By: 5113 Capital Associates, LLC,
its Managing Member

By: _____

Christopher Pope
Principal

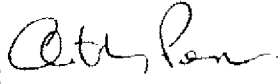
IN WITNESS WHEREOF, the parties have duly executed this IP Security Agreement on the day and year first written above.

HOUSTON HARVEST, INC.,

By: _____
Kenneth L. Olendzki
Executive Vice President and
Chief Financial Officer

PARKWAY CAPITAL INVESTORS, LLC,

By: 5113 Capital Associates, LLC,
its Managing Member

By:  _____
Christopher Pope
Principal

SCHEDULE I

Patents and Patent Applications

<u>Patent Description</u>	<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>
Gift product display flower	US	D500,344	12/28/2004
Gift product display flower	Canada	106,837	12/21/2005
Miniature armoire wardrobe case	US	D474,962	5/27/2003
Pet treat	US	D459,570	7/2/2002
Tin lid topper	US	D526,564	8/15/2006
Tin	US	D525,532	7/25/2006
Tin	US	D529,391	10/3/2006
Two-piece lid	US	D442,864	5/29/2001

Patent Pending Applications
United States Patent and Trademark Office

<u>Patent Application Description</u>	<u>Country</u>	<u>Patent Application No.</u>	<u>Date Applied</u>
Container with lid	US	29/230,128	5/17/2005
Gift bag with insert pocket	US	29/237,019	8/25/2005
Gift bag with insert pocket	US	29/237,009	8/25/2005
Gift box	US	29/230,855	5/27/2005
Gift box	US	29/230,854	5/27/2005
Gift product display and bouquet	US	11/002,162	12/2/2004
Gift product display and bouquet	Canada	2,488,799	12/2/2004

SCHEDULE II

Registered Trademarks and Trademark Applications

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
C DESIGNS (logo)	76-314372/2948626	10-May-2005
AMERICA'S FAVORITE FLAVORS	76-281737/2722791	03-Jun-2003
CHEESE COUNTRY	73-106866/1080529	27-Dec-1977
HOUSTON HARVEST GIFT PRODUCTS	75-423614/2621634	17-Sep-2002
SMORS THE SNOWMAN	75-576213/2309017	18-Jan-2000
SNOWMAN BRAND COCOA	75-658555/2445000	17-Apr-2001
SWEETZ AND TREATZ	75-610284/2409581	28-Nov-2000
HOUSTON FOODS	42-201225 ¹	June 17, 1998
TREAT FACTORY	75-649977/2352789	May 23, 2000
UNIVERSAL COLORS	75-411208	October 12, 1999

Trademark Pending Applications
United States Patent and Trademark Office

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
CHESTNUT CREEK	78/346712 (intent to use application)	30-Dec-2003
HAS THE STYLE BUG BITTEN YOU?	78/969381 (intent to use application)	07-Sep-2006
HX2	78/903217 (intent to use application)	07-Jun-2006
HX2 (logo)	78/912676 (intent to use application)	20-Jun-2006
HX2 BITTEN	78/969404 (intent to use application)	07-Sep-2006
WHERE TASTE AND DESIGN MEET	78/969415 (intent to use application)	07-Sep-2006

¹ Illinois trademark registration.

SCHEDULE III

Copyright Registrations

<u>Title</u>	<u>Registration No.</u>
Ceramic milk carton cookie jar	U.S. Reg. No. VA-1-059-970
Houston foods 1984-85 collection of gourmet gifts.	U.S. Reg. No TX-1377586
Play how come!	U.S. Reg. No TX-1636160
The trivia tin USA.	U.S. Reg. No VA-164200

Schedule 6(f)

Competing Rights

Nature of Intellectual Property

Nature and Description of Competing Right

EXHIBIT A

ASSIGNMENT OF PATENTS, TRADEMARKS AND COPYRIGHTS

THIS ASSIGNMENT OF PATENTS, TRADEMARKS AND COPYRIGHTS (this "Agreement") is made as of December 14, 2006 by **HOUSTON HARVEST, INC.**, a Delaware corporation (the "Company"), in favor of **PARKWAY CAPITAL INVESTORS, LLC**, a Maryland limited liability company (the "Purchaser"). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Note Purchase Agreement.

WITNESSETH:

WHEREAS, pursuant to that certain Senior Subordinated Note and Warrant Agreement dated December 14, 2006, between the Company and the Purchaser (as from time to time amended, revised, modified, supplemented, amended and restated, or replaced, renewed, refunded or refinanced, the "Note Purchase Agreement"), the Company sold to the Purchaser, and the Purchaser purchased from the Company, \$4,650,000 of the Company's 14% Senior Subordinated Notes due December 31, 2011 (the "Notes") and certain warrants (the "Warrants"), convertible into 3.12% of the equity of the Company on a fully-diluted basis; and

WHEREAS, the Company has entered into that certain Intellectual Property Security Agreement (the "IP Security Agreement") dated as of December 14, 2006, pursuant to which the Company has granted to the Purchaser a security interest in the Trademarks, Copyrights, and Patents defined below in order to secure the Secured Obligations (as defined in the IP Security Agreement).

WHEREAS, the Company (a) has adopted, registered and used and is using the trademarks and service marks (the "Trademarks") identified on Annex I hereto, and is the owner of the registrations of and pending registration applications for such Trademarks in the United States Patent and Trademark Office identified on Annex I hereto, (b) is the owner of and uses the copyright registrations set forth on Annex II hereto (the "Copyrights"), and (c) is the owner of and uses the patents, patent registrations and pending registration applications set forth on Annex III hereto (the "Patents" and together with the Trademarks and the Copyrights, the "Collateral"); and

WHEREAS, the Purchaser desires to acquire the Trademarks, the Copyrights, and the Patents and the registrations thereof and applications therefor, as applicable, in connection with the exercise of its remedies after the occurrence of an Event of Default and pursuant to the terms of the IP Security Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Company does hereby assign, sell and transfer unto the Purchaser all right, title and interest in and to the Trademarks, Copyrights, and Patents, together with (i) the registrations of and applications therefor, as applicable, (ii) all reissues, divisions, continuations,

continuations in part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of the Company accruing thereunder or pertaining thereto, (iii) the goodwill of the business symbolized by and associated with the Trademarks and the registrations thereof, and (iv) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Trademarks, Copyrights, Patents or the registrations thereof or such associated goodwill.

The Company hereby grants to the Purchaser and notice is hereby given that the Company has granted to the Purchaser a security interest in the Collateral to secure the payment and performance in full of all Secured Obligations (as defined in the IP Security Agreement) and all obligations of the Company under the Note Purchase Agreement and other Operative Documents to which it is a party.

This Agreement is intended to and shall take effect as a sealed instrument at such time as the Purchaser shall complete this instrument by signing its acceptance of this IP Security Agreement below.

IN WITNESS WHEREOF, the parties have duly executed this Assignment of Patents, Trademarks and Copyrights on the day and year first written above.

HOUSTON HARVEST, INC.

By: _____ (SEAL)
Kenneth L. Olendzki
Executive Vice President and
Chief Financial Officer

The foregoing Assignment of the Patents, Trademarks and Copyrights and the registrations thereof and registration applications therefor by the Company is hereby accepted as of the 14th day of December, 2006.

PARKWAY CAPITAL INVESTORS, LLC

By: 5113 Capital Associates, LLC,
its Managing Member

By: _____
Christopher Pope
Principal

ANNEX I

Trademark Registrations
United States Patent and Trademark Office

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
C DESIGNS (logo)	76-314372/2948626	10-May-2005
AMERICA'S FAVORITE FLAVORS	76-281737/2722791	03-Jun-2003
CHEESE COUNTRY	73-106866/1080529	27-Dec-1977
HOUSTON HARVEST GIFT PRODUCTS	75-423614/2621634	17-Sep-2002
SMORS THE SNOWMAN	75-576213/2309017	18-Jan-2000
SNOWMAN BRAND COCOA	75-658555/2445000	17-Apr-2001
SWEETZ AND TREATZ	75-610284/2409581	28-Nov-2000
HOUSTON FOODS	42-201225 ²	June 17, 1998
TREAT FACTORY	75-649977/2352789	May 23, 2000
UNIVERSAL COLORS	75-411208	October 12, 1999

Trademark Pending Applications
United States Patent and Trademark Office

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
CHESTNUT CREEK	78/346712 (intent to use application)	30-Dec-2003
HAS THE STYLE BUG BITTEN YOU?	78/969381 (intent to use application)	07-Sep-2006
HX2	78/903217 (intent to use application)	07-Jun-2006
HX2 (logo)	78/912676 (intent to use application)	20-Jun-2006
HX2 BITTEN	78/969404 (intent to use application)	07-Sep-2006
WHERE TASTE AND DESIGN MEET	78/969415 (intent to use application)	07-Sep-2006

² Illinois trademark registration.

ANNEX II

Part I

Copyrights Registered with U.S. Copyright Office

<u>Title</u>	<u>Registration No.</u>
Ceramic milk carton cookie jar	U.S. Reg. No. VA-1-059-970
Houston foods 1984-85 collection of gourmet gifts.	U.S. Reg. No TX-1377586
Play how come!	U.S. Reg. No TX-1636160
The trivia tin USA.	U.S. Reg. No VA-164200

Part II

Copyrights Not Registered

<u>Title</u>	<u>[Author(s)]</u>
--------------	--------------------

ANNEX III

Patent Registrations
United States Patent and Trademark Office

<u>Patent Description</u>	<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>
Gift product display flower	US	D500,344	12/28/2004
Gift product display flower	Canada	106,837	12/21/2005
Miniature armoire wardrobe case	US	D474,962	5/27/2003
Pet treat	US	D459,570	7/2/2002
Tin lid topper	US	D526,564	8/15/2006
Tin	US	D525,532	7/25/2006
Tin	US	D529,391	10/3/2006
Two-piece lid	US	D442,864	5/29/2001

Patent Pending Applications
United States Patent and Trademark Office

<u>Patent Application Description</u>	<u>Country</u>	<u>Patent Application No.</u>	<u>Date Applied</u>
Container with lid	US	29/230,128	5/17/2005
Gift bag with insert pocket	US	29/237,019	8/25/2005
Gift bag with insert pocket	US	29/237,009	8/25/2005
Gift box	US	29/230,855	5/27/2005
Gift box	US	29/230,854	5/27/2005
Gift product display and bouquet	US	11/002,162	12/2/2004
Gift product display and bouquet	Canada	2,488,799	12/2/2004