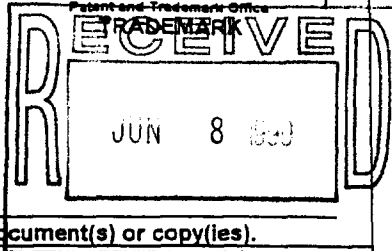


06-11-1999



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RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

U.S. Department of Commerce  
Patent and Trademark Office



MO 6-8-99

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

Submission Type

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

Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other \_\_\_\_\_

Effective Date  
Month Day Year  
06 08 99

Conveying Party

Mark if additional names of conveying parties attached

Name Smoothie King Franchises, Inc.

Execution Date  
Month Day Year  
06 08 99

Formerly \_\_\_\_\_

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other \_\_\_\_\_
- Citizenship/State of Incorporation/Organization Louisiana

Receiving Party

Mark if additional names of receiving parties attached

Name Parish National Bank

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) P.O. Box 1470

Address (line 2) \_\_\_\_\_

Address (line 3) Covington

Louisiana

70434

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

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

Citizenship/State of Incorporation/Organization \_\_\_\_\_

06/11/1999 NTHA11 00000038 1840792

FOR OFFICE USE ONLY

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02 FC:482

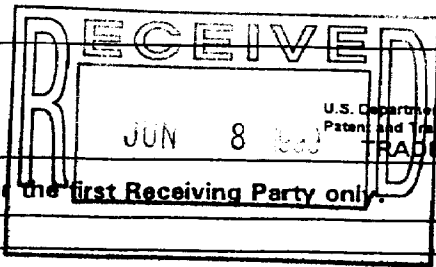
40.00 OP  
25.00 OP

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REEL: 001911 FRAME: 0492



**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

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

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

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

**Number of Properties**

Enter the total number of properties involved. #

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**Statement and Signature**

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

Susan J. Santa Cruz  
Name of Person Signing

*Susan J. Santa Cruz*  
Signature

6/8/99  
Date Signed

## SECURITY AGREEMENT

This Security Agreement is made this 8th day of June, 1999 by SMOOTHIE KING SYSTEMS, INC., SMOOTHIE KING FRANCHISES, INC., SMOOTHIE KING CO., INC. AND SMOOTHIE KING DALLAS, INC. (hereinafter referred to as "Grantor," which term means individually, collectively, and interchangeably any, each and/or all of them) in favor of PARISH NATIONAL BANK ("Secured Party"), P.O. Box 1470, Covington, Louisiana 70434. Additional information relating to Grantor is set forth on Schedule 1 to this Security Agreement. "Borrower" shall mean individually, collectively, and interchangeably any, each and/or all of SMOOTHIE KING SYSTEMS, INC.

To secure payment of all obligations and liabilities of Grantor and Borrower, and of any one or more of them, to Secured Party, direct or contingent, due or to become due, now existing or hereafter arising, including, without limitation, all future advances, with interest, attorneys' fees, expenses of collection and costs, and further including, without limitation, obligations to Secured Party on promissory notes, checks, overdrafts, letter-of-credit agreements, loan agreements, security documents, endorsements, continuing guaranties and this Security Agreement (collectively, the "Obligations"), Grantor pledges and pawns to Secured Party, and grants to Secured Party a continuing security interest in, and a right of set-off and compensation against, (a) all property of Grantor or in which Grantor has an interest that is now or hereafter on deposit with, in the possession of, under the control of or held by Secured Party, including, without limitation, all cash, deposit accounts, funds on deposit, stocks, bonds, treasury obligations, and other securities, investment property, financial assets, securities accounts, notes, documents, instruments, certificates of deposit, items, chattel paper, and other property (except IRA, pension, and other tax-deferred retirement accounts) and (b) all of Grantor's right, title and interest, in to and under the following described property, now or hereafter owned by Grantor and wherever located:

(i) all accounts, all chattel paper, all general intangibles, all equipment (including without limitation all automobiles and trucks), all inventory, all fixtures, all instruments, and all documents;

(ii) all area development agreements and franchise agreements (the "Contracts");

(iii) all payments, moneys, proceeds, royalties, revenues, interests, fruits and fees derived from, arising out of or from the Contracts and any other general intangibles;

(iv) all trademarks, together with the goodwill of the business to which each trademark pertains, and all trade names, patents, rights in intellectual property, proprietary information, licenses and copyrights, including without limitation, the trademarks SMOOTHIE KING (Federal Registration No. 1840792) and MUSCLE PUNCH (Federal Registration No. 1825363) and the goodwill of the business which pertains to each of the foregoing trademarks; and

(v) to the extent related to any of the foregoing property, all books, correspondence, credit files, records, invoices and other papers and documents, including, without limitation, to the extent so related, all tapes, cards, computer runs, computer programs and other papers and documents in the possession or control of Grantor or any computer bureau from time to time acting for Grantor;

together with all property added to or substituted for any of the foregoing, and all interest, dividends, income, fruits, returns, accessions, profits, corporate distributions (including, without limitation, stock splits and stock dividends), products and proceeds of any of the foregoing (collectively, "Collateral"). The terms "accounts," "instruments," "account debtor," "documents," "equipment," "general intangibles," "inventory," "chattel paper," "investment property," "deposit accounts," "securities accounts," "financial assets," "fixtures" and "proceeds" shall have the meanings provided in the Louisiana Commercial Laws.

Grantor further authorizes secured party at any time and without further consent from Grantor to file a carbon, photographic, facsimile, or other reproduction of this Security Agreement or Grantor's financing statement as a financing statement. All Collateral shall remain subject to this Security Agreement until all of the Obligations have been paid and any financing statements filed in connection with this Security Agreement have been terminated. Secured Party may renew certificates of deposit or other renewable items included in the Collateral. All interest, dividends, income, fruits, returns, accessions, profits, corporate distributions (including, without limitation, stock splits and stock dividends), and proceeds with respect to the Collateral shall be delivered upon receipt to Secured Party in negotiable form. Grantor shall execute any endorsements, assignments, stock powers and financing statements with respect to the Collateral, in form and substance satisfactory to Secured Party, that Secured Party may request. Grantor represents and warrants that (a) Secured Party shall at all times have a perfected first priority security interest in the Collateral free of all other security interests, liens and claims, and (b) the description and identification of the Collateral and Grantor's name, social security or taxpayer identification number, and principal residence or chief executive office are correctly stated herein. Grantor shall prevent the accrual of prescription or statute of limitations with respect to the Collateral no later than sixty (60) days prior to the date on which enforcement would be

barred, and shall execute any additional documents reasonably required to perfect the security interest of Secured Party in the Collateral. Should any Collateral decline in value after the date of this Security Agreement, Grantor shall, within five (5) days after receiving notice from Secured Party of such decline in value, grant a security interest in additional property satisfactory to Secured Party. Grantor authorizes Secured Party, in its sole discretion (a) to notify the obligor on any Collateral to make payments directly to Secured Party; (b) to receive and recover any money or other property at any time due with respect to the Collateral and in connection therewith, endorse notes, checks, drafts or other evidence of payments; and (c) to settle, adjust and compromise, in Secured Party's sole discretion, all present and future claims arising with respect to the Collateral. To the extent that any stocks, bonds or other securities are included in the Collateral, Grantor (a) covenants not to vote any Collateral in any manner that would adversely affect Secured Party's rights and (b) authorizes Secured Party, in its discretion, to transfer to or register in its name or the name of its nominee any of the Collateral, with or without indication of the security interest herein created. Secured Party is not obligated to take any of the foregoing actions or to preserve Grantor's rights with respect to the Collateral including, without limitation, rights against prior parties and shall not be liable in any manner with respect to the Collateral. Any responsibility of Secured Party with respect to the Collateral, whether arising contractually or as a matter of law, is hereby expressly waived.

Grantor agrees to administer its accounts and Contracts, and the proceeds thereof, in a fiduciary capacity for Secured Party, take all actions necessary to collect the accounts and the Contracts, and the proceeds thereof, and immediately deposit all proceeds of the accounts and the Contracts into Grantor's deposit account with Secured Party. Upon request, Grantor shall at any time (a) furnish to Secured Party within ten (10) days a list of the accounts and the Contracts, showing the name, address and the amount owed by each debtor, and (b) mark on all bills, invoices and statements issued in connection with the accounts and the Contracts that the account and/or Contract is subject to a security agreement with Secured Party and is payable to Secured Party at Secured Party's address. If Grantor accepts chattel paper or instruments in payment of accounts, Contracts, goods or services, Grantor shall promptly deliver all such chattel paper and instruments to Secured Party in negotiable form.

Grantor shall at all times permit Secured Party, its officers and agents, access to the Collateral and to all books, records and data relating to the Collateral, for inspection and for verification of the existence, condition and value of the Collateral. Grantor shall furnish all assistance and information that Secured Party may require to conduct such inspections and verifications. Upon request, Grantor, at its expense, shall cause or permit an independent certified public accountant, appraiser or other expert selected by Secured Party to prepare and deliver to Secured Party a verification of the existence, condition or value of the Collateral.

All corporeal Collateral shall be insured by solvent insurance companies for full replacement value under policies acceptable to Secured Party, designating Secured Party as lender loss payee. Grantor shall not alienate or encumber the Collateral, except for sales of inventory, goods or services in the ordinary course of Grantor's business. Grantor shall not create or permit to exist any lien, claim or security interest on the Collateral except in favor of Secured Party. Grantor shall not, without the prior written consent of Secured Party (a) change Grantor's domicile, name, legal form or taxpayer identification number, (b) move the location of its principal place of business or chief executive office, or (c) move the Collateral from the locations disclosed on Schedule 1.

If Grantor or Borrower defaults in the timely payment or performance of any of the Obligations, or if any warranty or representation of Grantor or Borrower to Secured Party should be untrue at any time, then, at the option of Secured Party, the Obligations shall be immediately due and payable in full without notice or demand, and Secured Party (a) may sell, assign, transfer and effectively deliver all or any part of the Collateral at public or private sale, without recourse to judicial proceedings and without demand, appraisal or advertisement, all of which are hereby expressly waived by Grantor to the fullest extent permitted by law, and (b) may cause all or any part of the Collateral to be seized and sold, under executory process, under writ of fieri facias issued in execution of an ordinary judgment obtained upon the Obligations, or under other legal procedure. For purposes of executory process, Grantor acknowledges the indebtedness owed under the Obligations, confesses judgment in favor of Secured Party for the full amount of the Obligations, and agrees to enforcement by executory process. Grantor waives (a) the benefit of appraisal provided in Art. 2723 of the Louisiana Code of Civil Procedure and (b) the demand and three (3) days delay provided by Articles 2639 and 2721, Louisiana Code of Civil Procedure. Secured Party may, at its option, enforce any mortgage note pledged hereby and cause the mortgaged property to be seized and sold by executory or other process in accordance with law and the terms of the mortgage. Grantor grants to Secured Party an irrevocable mandate and power of attorney (coupled with an interest) to exercise, after default, at Secured Party's sole discretionary option and without any obligation to do so, all rights that Grantor has with respect to the Collateral, including, without limitation, the right to exercise all rights of inspection, deriving from Grantor's ownership of or other interest in the Collateral. If the proceeds from the sale or enforcement of the Collateral are insufficient to satisfy all of the Obligations in full, all parties obligated thereon shall remain fully obligated for any deficiency. The rights and remedies of Secured Party hereunder are

cumulative, may be exercised singly or concurrently, and are in addition to any rights and remedies of Secured Party under applicable law.

Pursuant to Louisiana Revised Statutes 9:5136, *et seq.*, Grantor hereby designates Secured Party or any employee, agent, or other person named by Secured Party at the time any seizure of the Collateral is effected by Secured Party to serve as a keeper of the Collateral pending the judicial sale thereof. The keeper's fees shall be determined by the Court before which the proceedings are pending, and the payment of such fees shall be secured by this security agreement.

Without releasing or affecting any of its rights, Secured Party may, one or more times, in its sole discretion, without notice to or the consent of Grantor or Borrower, take any one or more of the following actions: (a) release, renew or modify the obligations of Grantor, Borrower or any other party; (b) release, exchange, modify, or surrender in whole or in part Secured Party's rights with respect to any collateral for the Obligations; (c) modify or alter the term, interest rate or due date of any payment of any of the Obligations; (d) grant any postponements, compromises, indulgences, waivers, surrenders or discharges or modify the terms of its agreements with Grantor or Borrower; (e) change its manner of doing business with Grantor, Borrower or any other party; or (f) impute payments or proceeds of any collateral furnished for any of the Obligations, in whole or in part, to any of the Obligations, or retain the payments or proceeds as collateral for the Obligations without applying same toward payment of the Obligations, and Grantor hereby expressly waives any defenses arising from any such actions. The obligations of Grantor hereunder shall be joint, several and solidary and shall bind and obligate Grantor's successors, heirs and assigns. Secured Party may assign and transfer the Collateral to an assignee of any of the Obligations, whereupon such transferee shall become vested with all powers and rights granted to Secured Party under this Security Agreement. This Security Agreement shall be governed by the internal laws of the State of Louisiana, provided that where Collateral is located in a jurisdiction other than Louisiana, remedies available to Secured Party hereunder and under the laws of such jurisdiction shall be available to Secured Party without regard to any restriction of Louisiana law. If any provision of this Security Agreement shall be held to be legally invalid or unenforceable by any court of competent jurisdiction, all remaining provisions of this Security Agreement shall remain in full force and effect.

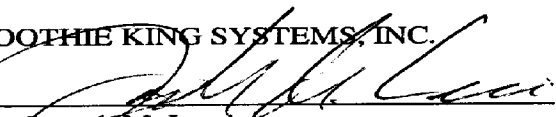
Secured Party hereby accepts this Security Agreement.

**SECURED PARTY:**

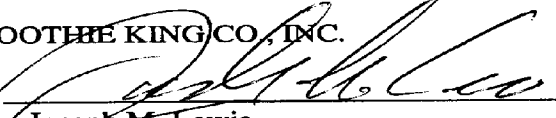
PARISH NATIONAL BANK,

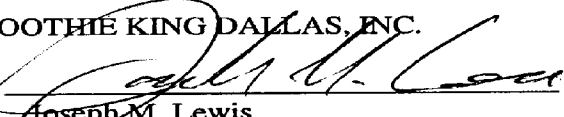
By:   
Bob Young  
Its: Vice President

**GRANTOR:**

SMOOTHIE KING SYSTEMS, INC.  
By:   
Joseph M. Lewis  
Its: President

SMOOTHIE KING FRANCHISES, INC.  
By:   
Joseph M. Lewis  
Its: President

SMOOTHIE KING CO., INC.  
By:   
Joseph M. Lewis  
Its: President

SMOOTHIE KING DALLAS, INC.  
By:   
Joseph M. Lewis  
Its: President

**SCHEDULE 1**

**SMOOTHIE KING SYSTEMS, INC.**

Taxpayer identification number: 72-1339272

Grantor's legal status: corporation

State or jurisdiction of Grantor's organization: Louisiana

Grantor's mailing address: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Grantor's location of chief executive office: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Location of Grantor's books and records: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Location of Grantor's inventory and equipment: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Other names and legal forms used by Grantor to conduct business within last ten years: none

**SMOOTHIE KING FRANCHISES, INC.**

Taxpayer identification number: 72-1119008

Grantor's legal status: corporation

State or jurisdiction of Grantor's organization: Louisiana

Grantor's mailing address: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Grantor's location of chief executive office: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Location of Grantor's books and records: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Location of Grantor's inventory and equipment: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Other names and legal forms used by Grantor to conduct business within last ten years: Original California Smoothie Bar Franchises, Inc. and Smoothie King Home of the Muscle Punch Franchises, Inc.

**SMOOTHIE KING CO., INC.**

Taxpayer identification number: 72-1339275

Grantor's legal status: corporation

State or jurisdiction of Grantor's organization: Louisiana

Grantor's mailing address: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Grantor's location of chief executive office: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Location of Grantor's books and records: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062

Location of Grantor's inventory and equipment: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062; 3400 Houma Boulevard, Metairie, LA 70006; 2222 Clearview Parkway, Suite G, Metairie, LA 70001; 9605 Jefferson Highway, Suite C-1, River Ridge, LA 70123; 7403 Baltimore Avenue, College Park, MD 20740

Other names and legal forms used by Grantor to conduct business within last ten years: none

**SMOOTHIE KING DALLAS, INC.**

**Taxpayer identification number: 72-1417655**

**Grantor's legal status: corporation**

**State or jurisdiction of Grantor's organization: Louisiana**

**Grantor's mailing address: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062**

**Grantor's location of chief executive office: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062**

**Location of Grantor's books and records: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062**

**Location of Grantor's inventory and equipment: 2400 Veterans Boulevard, Suite 110, Kenner, LA 70062; 3422 Oaklawn Ave., Dallas, TX 75219; 5419 Beltline Road, Addison, TX 75240; 5330 N. MacArthur, Suite 108, Irving, TX 75038; 6305 Hillcrest Ave., University Park, TX 75205; 8455 Kate St., Dallas, TX 75225; 6061 Forest Lane, Dallas, TX 75230**

**Other names and legal forms used by Grantor to conduct business within last ten years: none**