

RE

07-20-2000

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U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark OfficeTab settings ☐ ☐ ☐ ☒ ▼

Y 6.27.00

To the Honorable Commissioner of F

101408902

Attached original documents or copy thereof.

## 1. Name of conveying party(ies):

Express Foods Group LLC  
(see attached Exhibit A)

- ☐ Individual(s) ☐ Association  
☐ General Partnership ☐ Limited Partnership  
☒ Corporation-State  
☐ Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached? ☒ Yes ☐ No

## 3. Nature of conveyance:

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: May 19, 2000

## 2. Name and address of receiving party(ies)

Name: Wells Fargo Bank Texas

Internal Address: Wells Fargo Commercial  
Banking Group

Street Address: 1445 Ross Ave., 3rd Floor

City: Dallas State: TX ZIP: 75202

- ☐ Individual(s) citizenship \_\_\_\_\_  
☐ Association \_\_\_\_\_  
☐ General Partnership \_\_\_\_\_  
☐ Limited Partnership \_\_\_\_\_  
☐ Corporation-State \_\_\_\_\_  
☒ Other National Association

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? ☐ Yes ☐ No

## 4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See Attached Annex B-1

Additional numbers attached? ☐ Yes ☐ No

128 0225

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

Name: Wendy Li

Internal Address: \_\_\_\_\_

Street Address: 3400 Renaissance Tower  
1201 Elm Street

City: Dallas State: TX ZIP: 75270

6. Total number of applications and registrations involved: 

7. Total fee (37 CFR 3.41).....\$ 40.00

☒ Enclosed☐ Authorized to be charged to deposit account

## 8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

07/19/2000 MTHAI1 00000163 1280225

41 FC:461

## 9. 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.

Wendy Li

Name of Person Signing

Signature

06/23/2000

Date

Total number of pages including cover sheet, attachments, and document: Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231TRADEMARK  
REEL: 002105 FRAME: 0711

Exhibit A

Augusta Foods Holdings, LLC  
Taco Milagro-Kirby, LLC  
Cafe Express Holdings, LLC  
Augusta Foods, LLC  
Cafe Express-Addison, LLC  
Cafe Express-Esplanade, LLC  
Cafe Express-Lovers Lane, LLC  
Cafe Express-McKinney, LLC  
Cafe Express-Meyerland, LLC  
Cafe Express-Mockingbird Station, LLC  
Cafe Express-Momentum, LLC  
Cafe Express-Museum, LLC  
Cafe Express-River Oaks/Kirby, LLC  
Cafe Express-Town & Country, LLC  
Cafe Express-Uptown Park, LLC  
Cafe Express-Woodway, LLC

## Annex B-1

Registered Trademarks

<u>Nature of Interest</u>	<u>Registered Trademark</u>	<u>Registration No.</u>	<u>Int'l Class Covered</u>	<u>Goods or Services</u>	<u>Date Registered</u>	<u>Country of Reg.</u>
Owner	Cafe Express	1,280,225	42	Restaurant Services	29-May-84	United States

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INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT

Among

THE GRANTORS NAMED HEREIN  
as Grantors

and

WELLS FARGO BANK TEXAS, NATIONAL ASSOCIATION  
Administrative Agent

May 19, 2000

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1758.0001.174131.1

TRADEMARK  
REEL: 002105 FRAME: 0714

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# INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT, dated as of May 19, 2000, made among each of the signatories party hereto (collectively, the "Grantors" and each a "Grantor") and Wells Fargo Bank Texas, National Association, a national banking association, in its capacity as Administrative Agent (the "Administrative Agent") for the benefit of the each lender a party to the Credit Agreement described below (each a "Secured Party" and collectively, the "Secured Parties").

## RECITALS

(1) Express Foods Group LLC, a Delaware limited liability company (the "Borrower"), the Administrative Agent and certain Lenders entered into that certain Credit Agreement, dated as of May 19, 2000 (as amended, modified, supplemented or restated from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Credit Agreement or in Section 5.1.

(2) It is the intention of the parties hereto that this Agreement create a first priority security interest in certain property of the Grantors securing the payment of the obligations set forth in Section 1.2 hereof, subject to only Permitted Liens.

(3) It is a condition precedent to the obligation of the Secured Parties to enter into the Loan Documents and to, among other things, make the Advances, and issue, or participate in the issuance of Letters of Credit under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent.

## AGREEMENT

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Secured Parties to enter into the Loan Documents and to, among other things, make the Advances and issue, or participate in the issuance of, Letters of Credit under the Credit Agreement, the Grantors hereby agree with the Administrative Agent, as hereinafter set forth.



## ARTICLE 1

### Assignment and Grant of Security Interest.

Each Grantor hereby assigns to, and pledges and grants to the Administrative Agent for the benefit of the Secured Parties, a security interest in, the entire right, title and interest of such Grantor, in and to the Collateral.

Section 1.1 Security for Obligations. This Agreement creates an enforceable security interest in the Collateral, subject only to Permitted Liens, securing the payment and performance of any and all obligations now or hereafter existing of the Grantors under the Credit Agreement and the other Loan Documents, including any extensions, modifications, substitutions, amendments and renewals thereof, whether for principal, interest, fees, expenses, indemnification or otherwise (all such obligations of the Grantors being the "Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by the Grantors to the Secured Parties under any Loan Document, but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding under any Debtor Relief Law involving any Grantor (including all such amounts which would become due or would be secured but for the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding of any Grantor or any other Person under any Debtor Relief Law). With respect to each Grantor other than the Borrower, notwithstanding anything herein to the contrary, in any action or proceeding involving any state corporate law, or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally if the Security Interest granted by any Grantor herein shall be held void, invalid or unenforceable, or subordinated to the liens or claims of any other creditors, on account of the amount of the Obligations secured by such Security Interest then, the amount of the Obligations secured by such Security Interest shall, without any action by such Grantor, the Administrative Agent, the Secured Parties or any other Persons, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 1.2 Validity and Priority of Security Interest. Each Grantor agrees that the Security Interest shall at all times be valid, perfected, continuing and binding and enforceable against such Grantor, in accordance with the terms hereof, as security for the Obligations, and that the Collateral shall not at any time be subject to any other Lien, except Permitted Liens.

Section 1.3 Maintenance of Status of Security Interest, Collateral and Rights.

(a) Required Action. Each Grantor shall take all action that may be necessary and that the Administrative Agent may request, so as at all times (i) to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 1.3, and (ii) to protect and preserve, and to enable the exercise or enforcement of, the rights of the Secured Parties hereunder, including (A) immediately discharging

all Liens, except Permitted Liens, and (B) executing and delivering financing or continuation statements, instruments of pledge, notices and instructions in each case in form and substance satisfactory to the Administrative Agent.

(b) Protection of Collateral. Each Grantor shall protect, preserve, renew and maintain, in each case in a manner consistent with reasonable business and legal practices, all rights of such Grantor in the Collateral, which manner may include (i) making any filings necessary to renew or maintain the Registrations, (ii) prosecuting such suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as such Grantor in its reasonable business judgment deems appropriate under the circumstances or (iii) appearing in and defending any action or proceeding that may materially adversely affect such Grantor's title to or the Secured Parties' Security Interest in all or any part of the material Collateral. Any expenses incurred by the Grantors in protecting, preserving, renewing and maintaining the Collateral shall be borne by the Grantors. To the maximum extent permitted by Applicable Law, during the continuance of an Event of Default, the Lender shall have the right, without taking title to any Collateral, to bring suit to enforce its Security Interest in any or all of the Collateral, in which event each Grantor shall, at the request of the Administrative Agent, do any and all lawful acts and execute any and all proper documents required by the Administrative Agent in aid of such enforcement. All costs, expenses and other moneys advanced by the Administrative Agent in connection with the foregoing shall, whether or not there are then outstanding any amounts under the Credit Agreement, be treated as Obligations, but the making of any advances by the Administrative Agent shall not relieve the Grantors of any default hereunder.

(c) Authorized Action. The Administrative Agent is hereby authorized to file one or more continuation statements, and during the continuance of an Event of Default, financing statements, amendments thereto, notices and instructions without the signature of or in the name of the Grantor when permitted by Applicable Law. A photocopy or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by Applicable Law.

Section 1.4 Grantor Remains Obligated; the Administrative Agent Not Obligated. The grant by the Grantors to the Secured Parties of the Security Interest shall not (i) relieve the Grantors from the performance of any term, covenant, condition or agreement on its part to be performed or observed (including by virtue of the exercise by the Administrative Agent of any of its rights hereunder), (ii) relieve the Grantors from any liability to any Person, under or in respect of any of the Collateral, (iii) impose any obligation on the Administrative Agent except as expressly provided herein or (iv) impose any liability on the Administrative Agent for any act or omission on the part of the Grantors relative thereto.

#### Section 1.5 Termination.

(a) After the Release Date (except to the extent that the release of any Collateral is otherwise permitted pursuant to the terms of the Loan Documents), (i) this Agreement shall terminate

and be of no further force and effect (except as provided in Section 1.5(b)) and all rights to the Collateral shall revert to the Grantors, and (ii) the Administrative Agent will, at the Grantors' expense, execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

(b) The Grantors agree that, to the extent permitted by Applicable Law, if at any time all or any part of any payment theretofore applied by the Lender to any of the Obligations is or must be rescinded or returned by any Person for any reason whatsoever (including the insolvency, bankruptcy or reorganization of any Grantor or any other Person), such Obligations shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Administrative Agent, and the Security Interest granted hereunder shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by the Administrative Agent had not been made.

## ARTICLE 2

### Representations and Warranties

Each Grantor represents and warrants as follows:

Section 2.1 Rights of the Grantor. Each Grantor is the legal and beneficial owner of the Collateral owned by it free and clear of any Lien (or other charge or encumbrance, including without limitation, pledges, assignments, licenses, shop rights and covenants by any Grantor not to sue any Person), except for the Security Interest and Permitted Liens. No effective financing statement or other instrument similar in effect naming any Grantor as "debtor" covering all or any part of the Collateral is on file in any recording office, except such as (a) may have been filed in favor of the Administrative Agent relating to this Agreement, and (b) may be filed in respect of other Permitted Liens.

Section 2.2 Perfection. This Agreement, together with the filings referred to in Section 2.1(a) above, will create in favor of the Administrative Agent for the benefit of the Secured Parties a valid and perfected Security Interest in the Collateral and such Security Interest will be a first priority Security Interest on existing Registrations, subject only to Permitted Liens.

Section 2.3 Registrations. Annexes A-1, A-2, B-1, B-2, C-1 and C-2, as applicable, set forth a true and complete list of all material Registrations in the United States Patent and Trademark Office and related state filings owned by the Grantors as of the date hereof.

## ARTICLE 3

### Covenants

Section 3.1 Chief Executive Office. Each Grantor shall maintain its chief executive office and the office where the books and records relating to the Collateral are kept only at the location specified on Schedule 1 to the Security Agreement.

Section 3.2 No Disposition of Collateral. Except to the extent permitted by the Credit Agreement, no Grantor shall sell, transfer or otherwise dispose of any of the Collateral or any interest therein that is material to such Grantor's business, or grant any license thereunder, except for licenses granted or other dispositions in the ordinary course of business.

Section 3.3 Additional Property. If after the date hereof, any Grantor acquires any interest in any Registration which is within the definition of "Collateral" or modifies, reformulates or otherwise alters any Registration that is material to such Grantor's business, such Grantor shall execute and deliver to the Administrative Agent all documents and instruments the Grantor may deem necessary to grant to the Administrative Agent for the benefit of the Secured Parties a perfected first priority Lien therein (subject only to Permitted Liens) and to subject all of such interest to this Agreement, including but not limited to any new, supplementary or additional filings, and all such other documents requested by the Administrative Agent to perfect a first priority Lien (subject only to Permitted Liens) in such Collateral.

Section 3.4 Requested Information. In addition to such other Information as shall be specifically provided for herein, the Grantors shall furnish to the Administrative Agent such other Information with respect to the Collateral as the Administrative Agent may request from time to time in connection with the Collateral, or the protection, preservation, maintenance or enforcement of the Security Interest in the Collateral, including, without limitation, all documents in the Grantors' possession, or subject to its demand for possession, related to the production and sale by the Grantors, or any subsidiary, licensee or subcontractor thereof, of products or services sold by or under the authority of the Grantors in connection with the Collateral, including by way of example, without limiting the interest granted by this Agreement, all lists and ancillary documents which identify and describe any of the Grantors' licensees and all quality specifications related to the license, for products sold or services rendered under or in connection with the Collateral subject to any agreements precluding the release of such information.

## ARTICLE 4

### Event of Default

Upon the occurrence and during the continuance of an Event of Default:

Section 4.1 Application of Proceeds. All cash proceeds received by the Administrative Agent upon any sale of, collection of, or other realization upon, all or any part of the Collateral shall be applied in accordance with Section 2.9(d) of the Credit Agreement.

Section 4.2 Remedies.

(a) If an Event of Default has occurred and is continuing, the Administrative Agent 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 on default under the UCC at that time, and also may (i) require the Grantors to, and the Grantors hereby agree that they will at their expense and upon the request of the Administrative Agent forthwith, assemble all or part of the Collateral (to the extent capable of being assembled) as directed by the Administrative Agent and make it available to the Administrative Agent at a place to be designated by the Administrative Agent which is reasonably convenient to both parties or (ii) without notice, except as specified below, sell the Collateral or any portion thereof in one or more parcels at public or private sale, at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable. The Grantors agree that, to the extent notice of sale shall be required by Applicable Law, ten days' written notice to the Grantors 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, provided that ten days' written notice does not violate any Applicable Law. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent 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. To the extent not prohibited by Applicable Law, any Secured Party may be the purchaser at any sale of the Collateral and pay all or any part of the purchase price thereof by canceling part or all of the Obligations.

(b) If an Event of Default has occurred and is continuing, the Administrative Agent may obtain the appointment of a receiver of the Collateral.

(c) If an Event of Default has occurred and is continuing, the Administrative Agent may without notice to the Grantors and at such time or times as the Administrative Agent in its discretion may determine, exercise any or all of the Grantors' rights in, to and under, or in any way connected with or related to, any or all of the Collateral, including (i) enforcing the performance of, and exercising any or all of the Grantors' rights with respect to the Collateral, in each case by legal proceedings or otherwise and (ii) settling, adjusting, compromising, extending, renewing, discharging and releasing any or all legal proceedings brought with respect to any or all of the Grantors' rights with respect to the Collateral.

(d) Upon written demand of the Administrative Agent, the Grantors shall execute and deliver to the Administrative Agent an assignment or assignments of the Collateral and such other documents as are reasonably necessary to carry out the intent and purposes of this Agreement.

(e) For the purpose of enabling the Administrative Agent to exercise rights and remedies under this Section 4.2 at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Grantors hereby grant to the Administrative Agent, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation by the Administrative Agent to the Grantors) to use, assign, license or sublicense any of the Collateral now owned or hereafter acquired by any Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

**Section 4.3 Indemnity and Expenses. THE GRANTORS JOINTLY AND SEVERALLY AGREE TO INDEMNIFY (WHICH SHALL BE PAYABLE FROM TIME TO TIME ON DEMAND) THE ADMINISTRATIVE AGENT FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES AND LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THIS AGREEMENT (INCLUDING ENFORCEMENT OF THIS AGREEMENT) TO THE EXTENT THAT THE BORROWER IS REQUIRED TO DO SO UNDER SECTION 5.9 OF THE CREDIT AGREEMENT.**

## ARTICLE 5

### Interpretation

#### Section 5.1 Definitional Provision.

(a) Certain Terms Defined by Reference. The terms "collateral", "inventory", "rights", and "security interest" shall have the meanings ascribed thereto in the UCC, or, when capitalized, the meanings specified in subsection (b) below.

(b) Other Defined Terms. For purposes of this Agreement:

"Agreement" means this Agreement, including all schedules, annexes and exhibits hereto, as amended, modified, supplemented or restated from time to time.

"Collateral" means each of the Grantor's rights, title and interests, (whatever they may be) in each of the following, in each case whether now or hereafter existing or now owned or hereafter acquired by each Grantor and whether or not the same is subject to Article 9 of the UCC, and wherever the same may be located, but only to the extent such assets are not presently encumbered:

- (i) the Trademarks and Goodwill;
- (ii) the Patents;

(iii) the Copyrights;

(iv) all registrations or letters patent issued or applied for (now or hereafter) with respect to the Trademarks, Patents and Copyrights and renewals thereof in the United States and any state thereof (the "Registrations");

(v) any renewal, reissue, re-examination certificate, extension or the like with respect to the Trademarks, Patents and Copyrights;

(vi) all rights to use the Trademarks as trade names or assumed names in all aspects of its business;

(vii) all inventions, processes, production methods, proprietary information, know-how and trade secrets related to the Patents;

(viii) all licenses, sublicenses or user or other agreements granted in favor of or from each Grantor with respect to any of the foregoing to the extent assignable without violation thereof, together with any Goodwill connected with or symbolized by any such licenses and agreements; and

(ix) all proceeds and products of the foregoing. The inclusion of "proceeds" of Collateral in the definition of "Collateral" shall not be deemed a consent by the Lender to any sale or other disposition of any Collateral not otherwise specifically permitted by the terms hereof or by the Credit Agreement.

"Copyright" means any copyright, copyright registration and applications for such registration, including, but not limited to, the copyrights listed on Annex C-1 attached hereto, and all applications for copyrights, including those copyrights and applications listed on Annex C-2 attached hereto, together with all continuations, renewals, extensions, damages and payments now or hereafter due and payable under and with respect thereto, including, without limitation, damages for all past, present or future infringements thereof and the right to sue for past, present and future infringements thereof.

"Goodwill" means the goodwill of the businesses connected with the use of (or associated with) and symbolized by the Trademarks, but not any other goodwill.

"Information" means data, certificates, reports, statements (including financial statements), documents and other information in form (including electronic media) acceptable to the Lender.

"Patents" means all patents in any and all forms, and applications for patents, including but not limited to the patents listed on Annex A-1 attached hereto, and all patent applications listed on Annex A-2 attached hereto, together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due

and payable under and with respect thereto, including, without limitation, damages for past, present or future infringements thereof and the right to sue for past, present and future infringements thereof.

"Registrations" has the meaning set forth in the definition of Collateral.

"Security Interest" means the continuing security interest of the Administrative Agent in the Collateral intended to be effected by the terms of this Agreement or any financing and continuation statements or other filings contemplated hereby.

"Trademarks" means all trade names, trademarks, and service marks, in any and all forms, including but not limited to the registered trade names, trademarks, and service marks listed on Annex B-1 attached hereto, and all applications for registration of trade names, trademarks, and service marks, including those applications listed on Annex B-2 attached hereto, all common law rights to such trade names, trademarks and service marks, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

Section 5.2 Power of Attorney. Each power of attorney, license and other authorization in favor of the Lender or any other Person granted by or pursuant to this Agreement shall be deemed to be irrevocable and coupled with an interest; provided, however, each such power of attorney, license or other authorization shall terminate automatically on the Release Date and shall only be exercisable during the continuance of an Event of Default.

## ARTICLE 6

### Miscellaneous

Section 6.1 Administrative Agent's Right to Perform on the Grantors' Behalf. If any Grantor shall fail to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under this Agreement, the Administrative Agent may (but shall not be obligated to) do the same or cause it to be done or performed or observed, either in its name or in the name and on behalf of such Grantor, and in the event that such Grantor shall have failed to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under this Agreement, then such Grantor hereby authorizes the Administrative Agent to do so, and the Grantor hereby appoints the Administrative Agent, and any other Person the Administrative Agent may designate, as such Grantor's attorney-in-fact (exercisable only during the continuance of an Event of Default) to do, or cause to be done, in the name, place and stead of such Grantor in any way in which such Grantor itself could do, or cause to be done, any or all things necessary to observe or perform the terms, conditions, covenants and agreements to be observed or performed by such Grantor under this Agreement. In addition, each Grantor hereby irrevocably appoints the Administrative Agent as such Grantor's attorney-in-fact (exercisable only during the continuance of an Event of Default) to execute and deliver in such Grantor's name and stead to any



purchaser at any sale held under Section 4.2 hereof any and all documents and instruments of assignment, transfer and conveyance necessary or appropriate to transfer to such purchaser the Collateral sold at such sale. This appointment as attorney-in-fact shall terminate upon the Release Date.

Section 6.2 Administrative Agent's Right to Use Agents. The Administrative Agent may exercise its rights under this Agreement through an agent or other designee.

Section 6.3 Limitation of the Administrative Agent's Obligations With Respect to Collateral.

(a) The Administrative Agent shall not have any duty or liability to protect or preserve any Collateral or to preserve rights pertaining thereto, except to the extent of any gross negligence or willful misconduct of the Administrative Agent or other Secured Parties.

(b) Nothing contained in this Agreement shall be construed as requiring or obligating the Administrative Agent, and the Administrative Agent shall not be required or obligated, to (i) present or file any claim or notice or take any action, with respect to any Collateral or in connection therewith or (ii) notify any Grantor of any decline in the value of any Collateral.

Section 6.4 Rights of the Administrative Agent under UCC and Applicable Law. The Administrative Agent shall have, with respect to the Collateral, in addition to all of its rights under this Agreement, (a) the rights of a secured party under the UCC, whether or not the UCC would otherwise apply to the collateral in question, and (b) the rights of a secured party under all other Applicable Laws.

Section 6.5 Waivers of Rights Inhibiting Enforcement. To the extent not prohibited by Applicable Law, each Grantor waives all rights of redemption, appraisalment, or marshaling of assets.

Section 6.6 Notices and Deliveries.

(a) Manner of Delivery. All notices and other communications provided for hereunder shall be effectuated in the manner provided for in Section 11.1 of the Credit Agreement and to the extent that a notice or communication is sent to a Grantor, other than the Borrower, said notice shall be addressed to such Grantor, in care of the Borrower.

Section 6.7 **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS) AND THE APPLICABLE FEDERAL LAWS OF THE UNITED STATES OF AMERICA, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT**

**OF ANY PARTICULAR COLLATERAL ARE REQUIRED TO BE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.**

Section 6.8     Arbitration.

(a)     Arbitration. Upon the demand of any party, any Dispute shall be resolved by binding arbitration (except as set forth in (e) below) in accordance with the terms of this Agreement. A "Dispute" shall mean any action, dispute, claim or controversy of any kind, whether in contract or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to, this Agreement and each other Loan Document, or any past, present or future extensions of credit and other activities, transactions or obligations of any kind related directly or indirectly to any of the Loan Documents, including without limitation, any of the foregoing arising in connection with the exercise of any self-help, ancillary or other remedies pursuant to any of the Loan Documents. Any party may by summary proceedings bring an action in court to compel arbitration of a Dispute. Any party who fails or refuses to submit to arbitration following a lawful demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute.

(b)     Governing Rules. Arbitration proceedings shall be administered by the American Arbitration Association ("AAA") or such other administrator as the parties shall mutually agree upon in accordance with the AAA Commercial Arbitration Rules. All Disputes submitted to arbitration shall be resolved in accordance with the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the Loan Documents. The arbitration shall be conducted at a location in Texas selected by the AAA or other administrator. If there is any inconsistency between the terms hereof and any such rules, the terms and procedures set forth herein shall control. All statutes of limitation applicable to any Dispute shall apply to any arbitration proceeding. All discovery activities shall be expressly limited to matters directly relevant to the Dispute being arbitrated. Judgment upon any award rendered in an arbitration may be entered in any court having jurisdiction; provided however, that nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(c)     No Waiver; Provisional Remedies, Self-Help and Foreclosure. No provision hereof shall limit the right of any party to exercise self-help remedies such as setoff, foreclosure against or sale of any real or personal property collateral or security, or to obtain provisional or ancillary remedies, including without limitation injunctive relief, sequestration, attachment, garnishment or the appointment of a receiver, from a court of competent jurisdiction before, after or during the pendency of any arbitration or other proceeding. The exercise of any such remedy shall not waive the right of any party to compel arbitration hereunder.

(d)     Arbitrator Qualifications and Powers; Awards. Arbitrators must be active members of the Texas State Bar with expertise in the substantive law applicable to the subject matter of the Dispute. Arbitrators are empowered to resolve Disputes by summary rulings in response to motions

filed prior to the final arbitration hearing. Arbitrators (i) shall resolve all Disputes in accordance with the substantive law of the State of Texas, (ii) may grant any remedy or relief that a court of the State of Texas could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award, and (iii) shall have the power to award recovery of all costs and fees, to impose sanctions and to take such other actions as they deem necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure or other applicable law. Any Dispute in which the amount in controversy is \$5,000,000 or less shall be decided by a single arbitrator who shall not render an award of greater than \$5,000,000 (including damages, costs, fees and expenses). By submission to a single arbitrator, each party expressly waives any right or claim to recover more than \$5,000,000. Any Dispute in which the amount in controversy exceeds \$5,000,000 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations.

(e) Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business, by applicable law or regulation, or to the extent necessary to exercise any judicial review rights set forth herein. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the Documents or the subject matter of the Dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the Documents or any relationship between the parties.

#### Section 6.9 Consent to Jurisdiction; Waiver of Immunities.

(a) Each Grantor, the Administrative Agent and the Secured Parties each hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or State courts sitting in Dallas, Texas, in any action or proceeding arising out of or relating to this Agreement, and each Grantor and the Lender hereby irrevocably waives any objection it may now or hereafter have as to the venue of any such suit, action or proceeding brought in such court or that such court is an inconvenient forum.

(b) Nothing in this section shall limit the right of any Grantor or the Administrative Agent to bring any action or proceeding against any other party or its property in the courts of any other jurisdictions.

Section 6.10 Severability. Any provision of this Agreement which is for any reason prohibited or found or held invalid or unenforceable by any court or governmental agency shall be ineffective to the extent of such prohibition or invalidity or unenforceability, without invalidating the remaining provisions hereof in such jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 6.11 Counterparts. This Agreement may be signed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute but one and the same instrument.

Section 6.12 Successors and Assigns. All of the provisions of this Agreement shall be binding and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, no Grantor may assign its liabilities and obligations under this Agreement without the prior written consent of the Administrative Agent.

Section 6.13 Loan Documents. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

Section 6.14 Obligations Not Affected. To the fullest extent permitted by Applicable Law, the obligations of the Grantors under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by:

(a) any amendment or modification or addition or supplement to any Loan Documents or any instrument delivered in connection therewith or any assignment or transfer thereof;

(b) any exercise, non-exercise, or waiver by any Secured Party of any right, remedy, power or privilege under or in respect of, or any release of any guaranty or the Collateral or any part thereof provided pursuant to, this Agreement or any other Loan Documents;

(c) any waiver, consent, extension, indulgence or other action or inaction in respect of this Agreement, any other Loan Documents or any assignment or transfer of any thereof;

(d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Grantor or any other Person, whether or not any Grantor shall have notice or knowledge of any of the foregoing; or

(e) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Grantor, any other Obligor or any other Person.

Section 6.15 ENTIRE AGREEMENT. **THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL ARGUMENTS BETWEEN THE PARTIES.**

Section 6.16 Conflicts. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Credit Agreement, the terms and conditions of the Credit Agreement shall control.

Section 6.17 Modifications; Amendments; Etc. No amendment or waiver of any provision of this Agreement, and no consent to any departure by any Grantor here from, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent and the Secured Parties (and such Grantor, in case of amendment), and then such waiver or consent shall be effectively only in the specific instance and for the specific purpose for which given.

Section 6.18 Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the Release Date (except to the extent that the release of any Collateral is otherwise permitted pursuant to the terms of the Loan Documents), (b) be binding upon each Grantor, its successors and assigns, and (c) inure to the benefit of, and be enforceable by, the Lender and its successors, transferees and assigns. Upon any such termination, the Administrative Agent will, at such Grantor's expense, execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination. Each Grantor agrees that to the extent that the Administrative Agent receives any payment or benefit and such payment or benefit, or any part thereof, is subsequently invalidated, declared to be fraudulent or preferential, set aside or is required to be repaid to a trustee, receiver, or any other party under any Debtor Relief Law, then to the extent of such payment or benefit, the Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment or benefit had not been made and, further, any such repayment by the Administrative Agent, to the extent that the Administrative Agent did not directly receive a corresponding cash payment, shall be added to and be additional Obligations payable upon demand by the Administrative Agent and secured hereby, and, if the lien and security interest hereof shall have been released, such lien and security interest shall be reinstated with the same effect and priority as on the date of execution hereof all as if no release of such lien or security interest had ever occurred, to the extent not prohibited by Applicable Law.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

GRANTORS:

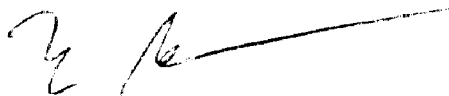
EXPRESS FOODS GROUP LLC  
AUGUSTA FOODS HOLDINGS, LLC  
TACO MILAGRO-KIRBY, LLC  
CAFE EXPRESS HOLDINGS, LLC  
AUGUSTA FOODS, LLC  
CAFE EXPRESS-ADDISON, LLC  
CAFE EXPRESS-ESPLANADE, LLC  
CAFE EXPRESS-LOVERS LANE, LLC  
CAFE EXPRESS-MCKINNEY, LLC  
CAFE EXPRESS-MEYERLAND, LLC  
CAFE EXPRESS-MOCKINGBIRD STATION, LLC  
CAFE EXPRESS-MOMENTUM, LLC  
CAFE EXPRESS-MUSEUM, LLC  
CAFE EXPRESS-RIVER OAKS/KIRBY, LLC  
CAFE EXPRESS-TOWN & COUNTRY, LLC  
CAFE EXPRESS-UPTOWN PARK, LLC  
CAFE EXPRESS-WOODWAY, LLC

By:   
Name: Lonnie Schiller  
Title: Chief Executive Officer of each

ADMINISTRATIVE AGENT:

WELLS FARGO BANK TEXAS, NATIONAL  
ASSOCIATION

By:



---

Zachary S. Johnson  
Assistant Vice President

Annex A-1

Patents

Nature of Interest  
(e.g. owner, licensee)

Patent No.

Issue Date

Country of  
Issue

NONE



Annex A-2

Patent Applications

Nature of Interest  
(e.g. owner, licensee)

Serial  
No.

Filing Date

Country of  
Issue

NONE

Annex B-1  
Registered Trademarks

<u>Nature of Interest</u>	<u>Registered Trademark</u>	<u>Registration No.</u>	<u>Int'l Class Covered</u>	<u>Goods or Services</u>	<u>Date Registered</u>	<u>Country of Reg.</u>
Owner	café express	1,280,225	42	Restaurant Services	29-May-84	United States

Trademark Applications

Nature of Interest of (e.g. owner, <u>licensee</u>	Trademark Application relates to following <u>Trademark</u>	Serial <u>No.</u>	Int'l Class <u>Covered</u>	Goods or Services <u>Covered</u>	Date of <u>Appl.</u>	County of <u>Appl.</u>
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NONE

Annex C-1

Copyrights

<u>Type</u>	<u>Title</u>	<u>Registration No.</u>	<u>Issue Date</u>	<u>Country of Issue</u>
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NONE

1758.0001.174131.1

Annex C-2

Copyright Applications

<u>Type</u>	<u>Title</u>	<u>Application No.</u>	<u>Filing Date</u>	Country of Issue
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NONE

1758.0001.174131.1

RECORDED: 06/27/2000

TRADEMARK  
REEL: 002105 FRAME: 0739