

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT										
NATURE OF CONVEYANCE:	Modification and extension of Security Interest										
CONVEYING PARTY DATA											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">Name</th> <th style="text-align: center;">Formerly</th> <th style="text-align: center;">Execution Date</th> <th style="text-align: center;">Entity Type</th> </tr> <tr> <td>Parrot-Ice Drink Products of America, Ltd.</td> <td></td> <td>12/31/2004</td> <td>LIMITED PARTNERSHIP: TEXAS</td> </tr> </table>	Name	Formerly	Execution Date	Entity Type	Parrot-Ice Drink Products of America, Ltd.		12/31/2004	LIMITED PARTNERSHIP: TEXAS			
Name	Formerly	Execution Date	Entity Type								
Parrot-Ice Drink Products of America, Ltd.		12/31/2004	LIMITED PARTNERSHIP: TEXAS								
RECEIVING PARTY DATA											
Name:	Hibernia National Bank										
Street Address:	1800 Bering Drive, Suite 510										
City:	Houston										
State/Country:	TEXAS										
Postal Code:	77057										
Entity Type:	National Banking Association:										
PROPERTY NUMBERS Total: 16											
Property Type	Number	Word Mark									
Registration Number:	1472561	PARROT-ICE									
Registration Number:	1978221	ISLAND SUNRISE									
Registration Number:	1978228	PARROT-ICE									
Registration Number:	1982357	PURPLE PARADISE									
Registration Number:	1983886	ALADA COLADA									
Registration Number:	2026445	"A FROSTY FRUIT SENSATION!"									
Registration Number:	2026464										
Registration Number:	2039765	JAMAICA ME CRAZY									
Registration Number:	2129799	PARROT-ICE									
Registration Number:	2193196	FRUIT SMOOTHIE									
Registration Number:	2239317	PARADISE SPLASH									
Registration Number:	2272540										
Registration Number:	2541290	THE FROZEN ONE									
Registration Number:	2601163										

OP \$415.00 1472561

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TRADEMARK
 REEL: 003005 FRAME: 0524

Registration Number:	2611293	DAIQUIRITA WORKS
Serial Number:	75477098	JAVA FROST

CORRESPONDENCE DATA

Fax Number: (214)745-5711

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

Phone: 214-745-5153

Email: docket@winstead.com

Correspondent Name: Diane K. Lettelleir

Address Line 1: P. O. Box 50784

Address Line 4: Dallas, TEXAS 75201

NAME OF SUBMITTER:	Diane K. Lettelleir
Signature:	/Diane K. Lettelleir/
Date:	01/10/2005

Total Attachments: 22

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EXECUTION COUNTERPART

When recorded, return to:

Benny C. Pace, Esq.
Winstead Sechrest & Minick, P.C.
2400 Bank One Center
910 Travis Street
Houston, Texas 77002

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MODIFICATION AGREEMENT

This MODIFICATION AGREEMENT ("Agreement") is made as of the 31st day of December, 2004, by and among HIBERNIA NATIONAL BANK, a national banking association ("Lender"), PARROT-ICE DRINK PRODUCTS OF AMERICA, LTD., a Texas limited partnership ("Borrower"), PARROT-ICE DRINK PRODUCTS, INC., a Nevada corporation, PARROT-ICE, LLC, a Texas limited liability company, PARROT-ICE FINANCIAL, INC., a Texas corporation, GREGORY BRYAN MALLOCH, an individual, and GREGORY ALAN JOHNSON, an individual (each a "Guarantor").

WITNESSETH:

WHEREAS, Lender made loans (collectively the "Loan") to Borrower on September 29, 2003, in the maximum principal amount of EIGHT MILLION FORTY-ONE THOUSAND SEVEN HUNDRED SEVENTY-ONE AND NO/100 DOLLARS (\$8,041,771.00); and

WHEREAS, Lender and Borrower executed that certain Loan Agreement ("Loan Agreement") dated September 29, 2003, pertaining to the Loan; and

WHEREAS, Borrower executed and delivered to Lender (i) that certain Revolving Credit Note (the "Revolving Credit Note") dated September 29, 2003, executed by Borrower and payable to the order of Lender in the principal amount of Two Million and No/100 Dollars (\$2,000,000.00); (ii) that certain Term Real Estate Note (the "Real Estate Note") dated September 29, 2003, executed by Borrower and payable to the order of Lender in the principal amount of Two Million Eight Hundred Forty Thousand and No/100 Dollars (\$2,840,000.00); and (iii) that certain Term Equipment Note (the "Equipment Note") dated September 29, 2003, executed by Borrower and payable to the order of Lender in the principal amount of Three Million Two Hundred One Thousand Seven Hundred Seventy-One and No/100 Dollars (\$3,201,771.00) (as same may be heretofore amended, the Revolving Credit Note, the Real Estate Note and the Equipment Note are referred to collectively as, the "Notes"); and

WHEREAS, Borrower executed and delivered that certain Deed of Trust (as same may have been heretofore amended, the "Deed of Trust") dated of even date with the Notes to Fay Paysse, as trustee ("Trustee"), for the benefit of Lender, recorded in the Office of the Clerk of Harris County, Texas under Clerk's File No. X070888, covering the real property described in Exhibit "A" attached hereto and incorporated herein for all purposes, together with all improvements, appurtenances, other properties (whether real or personal), rights and interests described in and encumbered by the Deed of Trust ("Property"), to secure the payment of the Notes and performance by Borrower of the other obligations set forth in the Loan Documents (as herein defined); and

WHEREAS, Borrower caused Guarantor to execute and deliver to Lender those certain Guaranties (each a "Guaranty") dated of even date with the Notes guaranteeing payment of the Notes and all the other monetary obligations contained in the Loan Documents and performance by Borrower of the other obligations as set forth in the Loan Documents;

WHEREAS, Borrower caused to be issued by Fidelity National Title Insurance Company ("Title Company") that certain Mortgagee Policy of Title Insurance ("Policy") No. 27-49-93-283201, dated October 1, 2003, in the amount of \$3,550,000.00, insuring the dignity and priority of the lien created and evidenced by the Deed of Trust; and

WHEREAS, Lender and Borrower now propose to modify certain of the terms and provisions of the Revolving Credit Note, the Deed of Trust and the other related documents executed by Borrower or third parties pertaining to, evidencing or securing the Loan (collectively, the "Loan Documents").

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower hereby agree as follows:

1. Modification to Definitions in Deed of Trust. The definition of Note in the Deed of Trust shall be restated and amended to read in its entirety as follows:

"Note: Collectively, the following: (i) that Certain Revolving Credit Note of even date herewith, executed by Borrower and payable to the order of Beneficiary in the principal amount of Two Million and No/100 Dollars (\$2,000,000.00), bearing interest at a varying rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Rate (as defined in the Note), or (b) the sum of the Prime Rate in effect from day to day, plus three-quarters of one percent (.75%), containing an attorneys' fee clause, interest and principal being due and payable on the 5th day of the month, beginning January 5, 2005, and on the 5th day of each succeeding month thereafter, and upon the maturity date hereof, whether that maturity results from acceleration or otherwise, and finally maturing on April 15, 2005; (ii) that certain Term Real Estate Note dated of even date herewith, executed by Borrower and payable to the order of Beneficiary in the principal amount of Two Million Eight

Hundred Forty Thousand and No/100 Dollars (\$2,840,000.00), bearing interest at a varying rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Rate (as defined in the Note) or (b) the sum of the Prime Rate in effect from day to day, plus three-quarters of one percent (.75%), containing an attorneys' fee clause, interest and principal being due and payable, in the amounts specified in the Note, on the 5th day of the month, beginning January 5, 2005, and on the 5th day of each succeeding month thereafter, until and including August 5, 2008, and thereafter in one final installment in the amount of all of the then unpaid principal plus all of the accrued and unpaid interest then due and owing, due and payable upon the maturity date hereof, whether that maturity results from acceleration or otherwise, and finally maturing on September 29, 2008; and (iii) that certain Term Equipment Note dated of even date herewith, executed by Borrower and payable to the order of Beneficiary in the principal amount of Three Million Two Hundred One Thousand Seven Hundred Seventy-One and No/100 Dollars (\$3,201,771.00), bearing interest at a varying rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Rate (as defined in the Note) or (b) the sum of the Prime Rate in effect from day to day, plus three-quarters of one percent (.75%), containing an attorneys' fee clause, interest and principal being due and payable, in the amounts specified in the Note, on the 5th day of the month, beginning January 5, 2005, and on the 5th day of each succeeding month thereafter until and including August 5, 2008, and thereafter in one final installment in the amount of all of the then unpaid principal plus all of the accrued and unpaid interest then due and owing, due and payable upon the maturity date hereof, whether that maturity results from acceleration or otherwise, and finally maturing on September 29, 2008, each and any of the foregoing promissory notes mentioned in this definition being secured by, among other things, this Deed of Trust; and any and all renewals, modifications, amendments, rearrangements, reinstatements, enlargements, and/or extensions of such promissory notes described in this definition or of any promissory notes given in renewal, substitution and/or replacement therefore."

2. Extension of Maturity Date. Pursuant to the terms of this Agreement, the maturity date for the Revolving Credit Note has been extended to April 15, 2005. Borrower hereby renews, but does not extinguish, the Revolving Credit Note and hereby modifies, but does not extinguish, the Loan and the liens, security interests and assignments created and evidenced by the Deed of Trust and other Loan Documents, and in this regard all of the Loan Documents are hereby renewed and modified by extending the maturity date thereof as set forth above. Borrower covenants to observe, comply with and perform each of the terms and provisions of the Loan Documents, as modified hereby.

3. Modification of Interest Rate of the Notes. Pursuant to the terms of this Agreement, the applicable interest rates of the Notes have been increased as set forth above. Borrower hereby renews, but does not extinguish, the Revolving Credit Note and hereby

modifies, but does not extinguish, the Loan and the liens, security interests and assignments created and evidenced by the Deed of Trust and other Loan Documents, and in this regard, any reference to the applicable interest rates in the Deed of Trust and other Loan Documents are hereby increased to the amounts specified in Section 1 of this Agreement. Borrower covenants to observe, comply with and perform each of the terms and provisions of the Loan Documents, as modified hereby.

4. Amendments to Loan Agreement. Pursuant to the terms of this Agreement, the following modifications are made to the Loan Agreement:

(a) Section 8.1 of the Loan Agreement is amended and restated as follows:

"(d) Certificate of No Default. As soon as available, and in any event within thirty (30) days after the end of each calendar month, a certificate of the chief executive officer of Parrot-Ice, LLC, in its capacity as general partner of the Borrower, (i) stating that to the best of such officer's knowledge, no Default has occurred and is continuing, or if a Default has occurred and is continuing, a statement as to the nature thereof and the action which is proposed to be taken with respect thereto, and (ii) showing in reasonable detail the calculations demonstrating compliance with Article X;"

(b) The following sections (p), (q), (r) and (s) are added to Section 11.1 (Events of Default) of the Loan Agreement:

"(p) Borrower shall fail to obtain a T-38 Endorsement (or T-38 Endorsements, at the option of Lender) on or before January 13, 2005, covering the Modification Agreement by and between Lender, Borrower, Guarantor and Parrot-Ice Drink Products, Inc., as the subordinate lienholder (dated as of December 31, 2004), and any other extensions, amendments, and/or modifications to any of the Notes or Loan Documents.

(q) Borrower shall fail to deliver to Lender, on or before January 13, 2005, a security agreement, in form and substance satisfactory to Lender, executed by Gregory B. Malloch ("Malloch"), covering all of the rights, title and interests of Malloch (which Borrower represents and warrants to be at least an undivided 24% interest) of all stock of all kinds of Parrot-Ice Drink Products, Inc. ("Limited Partner").

(r) Borrower shall fail to deliver to Lender, on or before January 13, 2005, a security agreement, in form and substance satisfactory to Lender, executed by Gregory A. Johnson ("Johnson"), covering all of the rights, title and interests of Johnson (which Borrower represents and warrants to be at least an undivided 73% interest) of all stock of all kinds of Limited Partner.

(s) Borrower shall fail to deliver to Lender, on or before January 13, 2005, a security agreement, in form and substance satisfactory to Lender, executed by Limited Partner, covering all of the rights, title and interests of

Limited Partner (which Borrower represents and warrants to be at least an undivided 97.5366% interest) of all partnership interests of any kind of Borrower."

(c) The financial covenants in Annex 4 of the Loan Agreement are amended and restated as follows:

"1. Debt Service Ratio. The Borrower shall, on a consolidated basis with all Obligated Parties, maintain a Debt Service Ratio of not less than 1.75 to 1.0 at all times. This covenant shall be tested monthly, on a trailing twelve (12) month basis.

2. Leverage Ratio. The Borrower shall, on a consolidated basis with all Obligated Parties, maintain a Leverage Ratio of not greater than 1.50 to 1.0 at all times. This covenant shall be tested monthly, on a trailing twelve (12) month basis."

5. Grant. If the modifications and extensions to the Notes, Deed of Trust, and other Loan Documents pursuant hereto is ever deemed or construed not to constitute a debt or obligation which is included within the scope of the Deed of Trust, Borrower and Lender hereby agree that, from and after the date hereof, the lien of the Deed of Trust shall secure the payment of the aggregate amount of the Loan and Revolving Credit Note as modified hereby. To effectuate same, Borrower by these presents does hereby GRANT, BARGAIN, SELL and CONVEY, in trust, under and pursuant to the terms and provisions of the Deed of Trust, unto the Trustee, as trustee, and unto Trustee's successors or assigns in the trust hereby created, for the benefit of Lender and Lender's successors and assigns, forever, all and singular, the Property, TO HAVE AND TO HOLD the Property unto such Trustee, forever, upon and subject to each and every term and provision contained in the Deed of Trust, all of which are incorporated herein by reference to secure the repayment of the Notes, as herein modified, and the performance by Borrower and other parties of the terms, covenants and provisions of the Loan Documents, as hereby modified.

6. Current Note Balances. The current outstanding principal balance of the Real Estate Note is TWO MILLION SIX HUNDRED NINETEEN THOUSAND ONE HUNDRED ELEVEN AND 12/100 DOLLARS (\$2,619,111.12) and the current outstanding principal balance of the Equipment Note is TWO MILLION FOUR HUNDRED FIFTY-FOUR THOUSAND SIX HUNDRED NINETY-ONE AND 10/100 DOLLARS (\$2,454,691.10). Borrower acknowledges that Lender has no further obligations to advance funds under either the Real Estate Note or the Equipment Note and that Lender has fully performed its obligations under the Loan Documents with respect thereto.

Prior to the execution hereof, the aggregate amount advanced by Lender under the Revolving Credit Note was ONE MILLION EIGHT HUNDRED THIRTY-SEVEN THOUSAND THREE HUNDRED THREE AND 40/100 DOLLARS (\$1,837,303.40). There are committed funds remaining in the amount of ONE HUNDRED SIXTY-TWO THOUSAND

SIX HUNDRED NINETY-SIX AND 60/100 DOLLARS (\$162,696.60) to be disbursed under the Revolving Credit Note in accordance with the Loan Documents.

7. Title Insurance. Contemporaneously with the execution and delivery hereof, Borrower shall cause Title Company to issue a form T-38 endorsement insuring that Lender's coverage under the existing title policy insuring the Property has not been in any way reduced, diminished or compromised by the execution or recordation of this Agreement.

8. Acknowledgment by Borrower. Except as otherwise specified herein, the terms and provisions hereof shall in no manner impair, limit, restrict or otherwise affect the obligations of Borrower or any third party to Lender, as evidenced by the Loan Documents. Borrower hereby acknowledges, agrees and represents that (i) Borrower is indebted to Lender pursuant to the terms of the Notes as modified hereby; (ii) the liens, security interests and assignments created and evidenced by the Loan Documents are, respectively, valid and subsisting liens, security interests and assignments of the respective dignity and priority recited in the Loan Documents; (iii) there are no claims or offsets against, or defenses or counterclaims to, the terms or provisions of the Loan Documents, and the other obligations created or evidenced by the Loan Documents; (iv) Borrower has no claims, offsets, defenses or counterclaims arising from any of Lender's acts or omissions with respect to the Property, the Loan Documents or Lender's performance under the Loan Documents or with respect to the Property; (v) the representations and warranties contained herein and in all other Loan Documents are true and correct representations and warranties of Borrower and third parties, as of the date hereof; (vi) there has been no material adverse change in the condition, financial or otherwise, or performance of Borrower or any Guarantor since September 29, 2003; and (vii) neither Lender nor Borrower is in default and no event has occurred which, with the passage of time, giving of notice, or both, would constitute a default by Lender of Lender's obligations or by Borrower of Borrower's obligations under the terms and provisions of the Loan Documents. To the extent Borrower now has, or in the future possesses, any claims, offsets, defenses or counterclaims against Lender for the repayment of all or a portion of the Loan, whether known or unknown, fixed or contingent, the same are hereby forever irrevocably waived and released in their entirety.

9. No Waiver of Remedies. Except as may be expressly set forth herein, nothing contained in this Agreement shall prejudice, act as, or be deemed to be a waiver of any right or remedy available to Lender by reason of the occurrence or existence of any fact, circumstance or event constituting a default under the Notes or the other Loan Documents.

10. Joinder of Guarantor. By the execution and delivery hereof, each Guarantor (i) represents, warrants, consents, and agrees to the terms and provisions hereof, (ii) ratifies and confirms their respective Guaranties, including all interest and costs of collection, to and for the benefit of Lender, (iii) agrees that their respective Guaranties are and shall remain in full force and effect, and the terms of their respective Guaranties cover and pertain to the Loan, Notes, Deed of Trust and other Loan Documents, (iv) acknowledges that there are no claims or offsets against, or defenses or counterclaims to, the terms and provisions of and the obligations created and evidenced by their respective Guaranties, (v) certifies that the representations and warranties contained in their respective Guaranties remain true and correct representations and warranties of each Guarantor as of the date hereof, and (vi) acknowledges that Lender has satisfied and

performed its covenants and obligations under their respective Guaranties and the Loan Documents (if any), and that no prior action or failure to act by or on behalf of, Lender has or will give rise to any cause of action or other claim against Lender for breach of their respective Guaranties, the Loan Documents or otherwise.

11. Joinder of Subordinate Lienholder. All liens in favor of Parrot-Ice Drink Products, Inc., a Nevada corporation ("Subordinate Lienholder"), relating to any Collateral (as defined in the Loan Agreement), are expressly subordinate and inferior in all respects to the lien and security interest of the Deed of Trust and the other Loan Documents. By execution and delivery hereof, Subordinate Lienholder acknowledges, consents, and agrees to the modification of the Loan and the Loan Documents in accordance with the terms and provisions hereof and agrees that the lien and security interest of the Deed of Trust and Loan Documents as modified are and shall remain in all respects superior and prior to the liens and security interests held by the Subordinate Lienholder.

12. Release and Covenant Not to Sue. **BORROWER (IN ITS OWN RIGHT AND ON BEHALF OF ITS RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, INDEPENDENT CONTRACTORS, ATTORNEYS AND AGENTS), GUARANTOR AND SUBORDINATE LIENHOLDER (IN THEIR OWN RIGHT AND ON BEHALF OF THEIR RESPECTIVE ATTORNEYS AND AGENTS) (THE "RELEASING PARTIES") JOINTLY AND SEVERALLY RELEASE, ACQUIT, AND FOREVER DISCHARGE LENDER AND ITS RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, INDEPENDENT CONTRACTORS, ATTORNEYS AND AGENTS, AND ATTORNEYS (THE "RELEASED PARTIES"), TO THE FULLEST EXTENT PERMITTED BY APPLICABLE STATE AND FEDERAL LAW, FROM ANY AND ALL ACTS AND OMISSIONS OF THE RELEASED PARTIES, AND FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, COUNTERCLAIMS, DEMANDS, CONTROVERSIES, COSTS, DEBTS, SUMS OF MONEY, ACCOUNTS, RECKONINGS, BONDS, BILLS, DAMAGES, OBLIGATIONS, LIABILITIES, OBJECTIONS, AND EXECUTIONS OF ANY NATURE, TYPE, OR DESCRIPTION WHICH THE RELEASING PARTIES HAVE AGAINST THE RELEASED PARTIES, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, GROSS NEGLIGENCE, USURY, FRAUD, DECEIT, MISREPRESENTATION, CONSPIRACY, UNCONSCIONABILITY, DURESS, ECONOMIC DURESS, DEFAMATION, CONTROL, INTERFERENCE WITH CONTRACTUAL AND BUSINESS RELATIONSHIPS, CONFLICTS OF INTEREST, MISUSE OF INSIDER INFORMATION, CONCEALMENT, DISCLOSURE, SECRECY, MISUSE OF COLLATERAL, WRONGFUL RELEASE OF COLLATERAL, FAILURE TO INSPECT, ENVIRONMENTAL DUE DILIGENCE, NEGLIGENT LOAN PROCESSING AND ADMINISTRATION, WRONGFUL SETOFF, VIOLATIONS OF STATUTES AND REGULATIONS OF GOVERNMENTAL ENTITIES, INSTRUMENTALITIES AND AGENCIES (BOTH CIVIL AND CRIMINAL), RACKETEERING ACTIVITIES, SECURITIES AND ANTITRUST LAWS VIOLATIONS, TYING ARRANGEMENTS, DECEPTIVE TRADE PRACTICES, BREACH OR ABUSE OF ANY ALLEGED FIDUCIARY DUTY, BREACH OF ANY ALLEGED SPECIAL RELATIONSHIP, COURSE OF CONDUCT OR DEALING, ALLEGED OBLIGATION OF FAIR DEALING, ALLEGED OBLIGATION OF GOOD**

FAITH, AND ALLEGED OBLIGATION OF GOOD FAITH AND FAIR DEALING, WHETHER OR NOT IN CONNECTION WITH OR RELATED TO THE AGREEMENT OR THE NOTES OR VARIOUS SECURITY DOCUMENTS, GUARANTIES AND ANY AND ALL DOCUMENTS RELATED THERETO (THE "LOAN PAPERS") OR THIS AGREEMENT, AT LAW OR IN EQUITY, IN CONTRACT IN TORT, OR OTHERWISE, KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED (THE "RELEASED CLAIMS"). THE RELEASING PARTIES FURTHER AGREE TO LIMIT ANY DAMAGES THEY MAY SEEK IN CONNECTION WITH ANY CLAIM OR CAUSE OF ACTION, IF ANY, TO EXCLUDE ALL PUNITIVE AND EXEMPLARY DAMAGES, DAMAGES ATTRIBUTABLE TO LOST PROFITS OR OPPORTUNITY, DAMAGES ATTRIBUTABLE TO MENTAL ANGUISH, AND DAMAGES ATTRIBUTABLE TO PAIN AND SUFFERING, AND THE RELEASING PARTIES DO HEREBY WAIVE AND RELEASE ALL SUCH DAMAGES WITH RESPECT TO ANY AND ALL CLAIMS OR CAUSES OF ACTION WHICH MAY ARISE AT ANY TIME AGAINST ANY OF THE RELEASED PARTIES. THE RELEASING PARTIES REPRESENT AND WARRANT THAT NO FACTS NOW EXIST WHICH COULD PRESENTLY OR IN THE FUTURE COULD SUPPORT THE ASSERTION OF ANY OF THE RELEASED CLAIMS AGAINST THE RELEASED PARTIES. THE RELEASING PARTIES FURTHER COVENANT NOT TO SUE THE RELEASED PARTIES ON ACCOUNT OF ANY OF THE RELEASED CLAIMS, AND EXPRESSLY WAIVE ANY AND ALL DEFENSES THEY MAY HAVE IN CONNECTION WITH THEIR DEBTS AND OBLIGATIONS UNDER THE LOAN PAPERS AND THIS AGREEMENT. THIS PARAGRAPH IS IN ADDITION TO AND SHALL NOT IN ANY WAY LIMIT ANY OTHER RELEASE, COVENANT NOT TO SUE, OR WAIVER BY THE RELEASING PARTIES IN FAVOR OF THE RELEASED PARTIES.

ACCEPTANCE OF EACH ADVANCE MADE AFTER THE DATE HEREOF SHALL CONSTITUTE A RATIFICATION, ADOPTION AND CONFIRMATION BY THE RELEASING PARTIES OF THE FOREGOING GENERAL RELEASE OF RELEASED CLAIMS THAT ARE BASED IN WHOLE OR IN PART ON FACTS, WHETHER OR NOT NOW KNOWN OR UNKNOWN, EXISTING ON OR PRIOR TO THE DATE OF RECEIPT OF ANY SUCH ADVANCE.

13. Interest Limitation. The Loan Documents shall be governed by and construed according to the laws of the State of Texas from time to time in effect except to the extent preempted by United States federal law. If the Notes recite that the real property subject to the Loan Documents is "residential real property" and the indebtedness evidenced by the Notes as modified herein, and secured by the Loan Documents ("Indebtedness"), is secured by a first lien on residential real property within the meaning of Part A, Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980, as amended, and the regulations promulgated thereunder, then, the following provisions of this paragraph shall be inapplicable. However, if, for any reason, the provisions of Part A, Title V of the Act shall be found not to exempt any and all interest and other charges payable in connection with the Indebtedness from any limitation otherwise applicable, then the following provisions shall apply. It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply with applicable Texas law governing the highest lawful rate or amount of interest payable on the Indebtedness (or

applicable United States federal law to the extent that it permits Lender to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If (i) the applicable law is ever judicially interpreted so as to render usurious any amount called for under the Notes as modified herein, or under any of the other Loan Documents, or contracted for, charged, taken, reserved or received with respect to the Indebtedness, or (ii) Lender's exercise of the option to accelerate the maturity of the Notes results in Borrower having paid or Lender having charged or received any interest in excess of that permitted by applicable law, or (iii) any prepayment by Borrower results in Borrower having paid or Lender having charged or received any interest in excess of that permitted by applicable law, then, in any such event, it is Borrower's and Lender's express intent that (a) all excess amounts theretofore collected by Lender be credited on the principal balance of the Indebtedness (or, if the Indebtedness has been or would thereby be paid in full, refunded to Borrower), and (b) the provisions of the Notes as modified herein, and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder not in excess of the highest lawful amount of interest on the Indebtedness. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the Indebtedness shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the Indebtedness until payment in full of the Indebtedness so that the rate or amount of interest on account of the Indebtedness does not exceed the usury ceiling from time to time in effect and applicable to the Indebtedness for so long as the Indebtedness is outstanding. As used herein the term "Maximum Lawful Rate" means at any time the highest rate of interest permitted by applicable law, including that rate based upon the "weekly ceiling" from time to time in effect as provided in Chapter 303 of the Texas Finance Code, as amended, calculated on the basis of a 365- or 366-day year, as applicable, after taking into consideration all sums paid or agreed to be paid to Lender outside the provisions of the Notes for the use, forbearance or detention of the indebtedness evidenced by the Notes, and all other charges constituting interest on the indebtedness evidenced by the Notes. To the extent United States federal law permits Lender to contract for, charge or receive a greater amount of interest, Lender will rely on United States federal law instead of such Chapter 303 of the Texas Finance Code, as amended, for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereinafter in effect, Lender may, at its option and from time to time, implement any other method of computing the Maximum Lawful Rate under such Chapter 303 of the Texas Finance Code, as amended, or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to the Indebtedness or Loan Documents. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Lender to accelerate the maturity or demand payment of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.

14. Notices. All notices or other communications required or permitted to be given pursuant to the Loan Documents or hereto (except for notice of a foreclosure sale which shall be given in the manner specifically set forth in the Deed of Trust or by applicable law) shall be in

writing and shall be deemed served and given at the time of (i) deposit in a depository receptacle under the care and custody of the United States Postal Service, properly addressed to the designated address of the addressee as set forth below, postage prepaid, registered or certified mail with return receipt requested, (ii) delivery to the designated address of the addressee set forth below by a third party commercial delivery service or (iii) receipt at the facsimile receiving facility of the addressee if transmitted by facsimile or telex transmission. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notices, the addresses and facsimile of the parties shall be as follows:

Lender: 225 Baronne Street
New Orleans, LA 70112
Facsimile: 504.533.5636

Borrower: 13738 F.M. 529
Houston, Texas 77041
Facsimile: 713.896.6676

Either party shall have the right to change its address and facsimile for notice hereunder and under the other Loan Documents to any other location within the continental United States by notice to the other party of such new address at least (30) days prior to the effective date of such new address.

15. Costs and Expenses. Contemporaneously with the execution and delivery hereof, or immediately upon request of Lender, Borrower shall pay, or cause to be paid, all costs and expenses incident to the preparation, execution and recordation hereof and of any modification, amendment, extension, renewal, and/or increase of the Notes and/or any of the Loan Documents (whether now, prior to, or after the date hereof) and the consummation of the transaction contemplated hereby, including, but not limited to, recording fees, title insurance policy or endorsement premiums or other charges of the Title Company, and reasonable fees and expenses of legal counsel to Lender.

16. Additional Documentation. From time to time, Borrower shall execute or procure and deliver to Lender such other and further documents and instruments evidencing, securing or pertaining to the Loan or the Loan Documents as shall be reasonably requested by Lender so as to evidence or effect the terms and provisions hereof. Upon Lender's request, Borrower shall cause to be delivered to Lender an opinion of counsel, satisfactory to Lender as to form, substance and rendering attorney, opining to (i) the validity and enforceability of this Agreement and the terms and provisions hereof, and any other agreement executed in connection with the transaction contemplated hereby, (ii) the authority of Borrower, and any constituents of Borrower, to execute, deliver and perform its or their respective obligations under the Loan Documents, as hereby modified, and (iii) such other matters as reasonably requested by Lender.

17. Effectiveness of the Loan Documents. Except as expressly modified by the terms and provisions hereof, each of the terms and provisions of the Loan Documents are hereby ratified and shall remain in full force and effect; provided, however, that any reference in any of the Loan Documents to the Loan, the amount constituting the Loan, any defined terms, or to any

of the other Loan Documents shall be deemed, from and after the date hereof, to refer to the Loan, the amount constituting the Loan, defined terms and to such other Loan Documents, as modified hereby.

18. **Governing Law.** THE TERMS AND PROVISIONS HEREOF SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN.

19. **Time.** Time is of the essence in the performance of the covenants contained herein and in the Loan Documents.

20. **Binding Agreement.** This Agreement shall be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto; provided, however, the foregoing shall not be deemed or construed to (i) permit, sanction, authorize or condone the assignment of all or any part of the Property or any of Borrower's rights, titles or interests in and to the Property or any rights, titles or interests in and to Borrower, except as expressly authorized in the Loan Documents, or (ii) confer any right, title, benefit, cause of action or remedy upon any person or entity not a party hereto, which such party would not or did not otherwise possess.

21. **Headings.** The section headings hereof are inserted for convenience of reference only and shall in no way alter, amend, define or be used in the construction or interpretation of the text of such section.

22. **Construction.** Whenever the context hereof so requires, reference to the singular shall include the plural and likewise, the plural shall include the singular; words denoting gender shall be construed to mean the masculine, feminine or neuter, as appropriate; and specific enumeration shall not exclude the general, but shall be construed as cumulative of the general recitation.

23. **Severability.** If any clause or provision of this Agreement is or should ever be held to be illegal, invalid or unenforceable under any present or future law applicable to the terms hereof, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and that in lieu of each such clause or provision of this Agreement that is illegal, invalid or unenforceable, such clause or provision shall be judicially construed and interpreted to be as similar in substance and content to such illegal, invalid or unenforceable clause or provision, as the context thereof would reasonably suggest, so as to thereafter be legal, valid and enforceable.

24. **Counterparts.** To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and

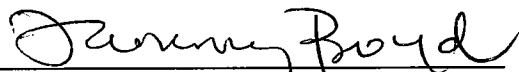
acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages.

25. ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER DOCUMENTS, IF ANY, HEREIN REQUIRED TO BE EXECUTED REPRESENT THE FINAL AGREEMENT OR AGREEMENTS BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND THEREOF, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. THIS INSTRUMENT MAY BE AMENDED ONLY BY AN INSTRUMENT IN WRITING EXECUTED BY THE PARTIES HERETO.

EXECUTED as of the date first above written.

LENDER:

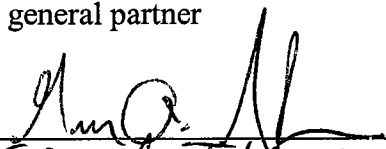
HIBERNIA NATIONAL BANK

By: 
Tammy A. Boyd, Senior Vice President

BORROWER:

PARROT-ICE DRINK PRODUCTS OF
AMERICA, LTD., a Texas limited
partnership

By: PARROT-ICE, LLC,
a Texas limited liability company,
its sole general partner

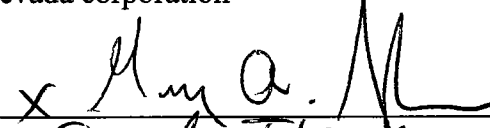
By: 
Name: Greg A. Johnson
Title: Sole Manager

The Guarantors hereby consent and agree to this Agreement and agree that the Guaranty Agreements (the "Guaranties") executed by each of the Guarantors, dated September 29, 2003, are and shall remain in full force and effect and shall continue to be the legal, valid and binding obligation of each Guarantor enforceable against each Guarantor in accordance with their terms,

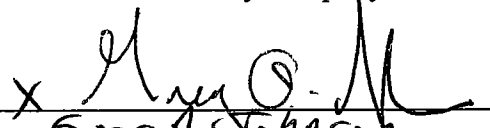
and each Guarantor acknowledges that the Guaranties cover all indebtedness and obligations as described therein and as such obligations have been previously amended and are amended by this Modification Agreement. The Guarantors acknowledge and agree that (i) Lender would not enter into the foregoing Agreement but for the aforesaid Guaranties, and (ii) said Guaranties shall remain in full force and effect and shall continue to be the legal, valid and binding obligation of each Guarantor enforceable against each Guarantor in accordance with their terms.

GUARANTOR:

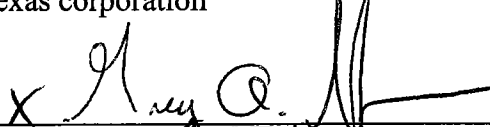
PARROT-ICE DRINK PRODUCTS, INC.,
a Nevada corporation

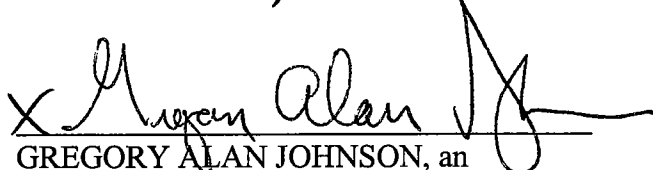
By: X 
Name: Greg A. Johnson
Title: Pres, CEO

PARROT-ICE, LLC,
a Texas limited liability company

By: X 
Name: Greg A. Johnson
Title: Sole Manager

PARROT-ICE FINANCIAL, INC.,
a Texas corporation

By: X 
Name: Greg A. Johnson
Title: President, CEO

X 
GREGORY ALAN JOHNSON, an
individual


GREGORY BRYAN MALLOCH, an
individual

The Subordinate Lienholder hereby consents and agrees to this Agreement and agrees that the Subordination Agreement and Assignment ("Subordination Agreement"), executed by the Subordinate Lienholder, dated September 29, 2003, is and shall remain in full force and effect and shall continue to be the legal, valid and binding obligation of the Subordinate Lienholder enforceable against the Subordinate Lienholder in accordance with its terms, and the Subordinate Lienholder acknowledges that the Subordination Agreement covers all indebtedness and obligations as described therein and as such obligations have been previously amended and are amended by this Modification Agreement. The Subordinate Lienholder acknowledges and agrees that (i) Lender would not enter into the foregoing Agreement but for the aforesaid Subordination Agreement, and (ii) said Subordination Agreement shall remain in full force and effect and shall continue to be the legal, valid and binding obligation enforceable against the Subordinate Lienholder in accordance with its terms.

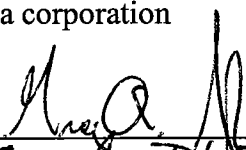
SUBORDINATE LIENHOLDER:

PARROT-ICE DRINK
PRODUCTS, INC.,
a Nevada corporation

By: X

Name:

Title:



Greg A. Johnson

President, CEO

LOUISIANA

STATE OF ~~TEXAS~~ §
~~PARISH~~ §
COUNTY OF ORLEANS §

This instrument was ACKNOWLEDGED before me, on the 6th day of JANUARY, 2005, by TAMMY A. BOYD, the SR. VICE-PRES. of Hibernia National Bank, a national banking association on behalf of said association.

[SEAL]

[Signature]
Notary Public, State of ~~Texas~~ LOUISIANA

My Commission Expires:

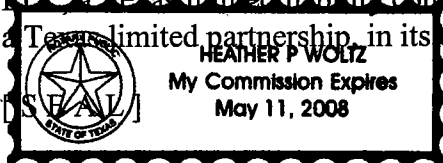
AT MY DEATH

Printed Name of Notary Public

J. PATRICK GAFFNEY
ATTORNEY/NOTARY PUBLIC BAR #01893
ORLEANS PARISH, LOUISIANA
MY COMMISSION IS FOR LIFE

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 4th day of JANUARY, 2005, by GREG A. JOHNSON, the SOLE MANAGER of Parrot-Ice, LLC, a Texas limited liability company, on behalf of Parrot-Ice Drink Products of America, Ltd., a Texas limited partnership, in its capacity as its sole general partner.



[Signature: Heather P. Woltz]
Notary Public, State of Texas

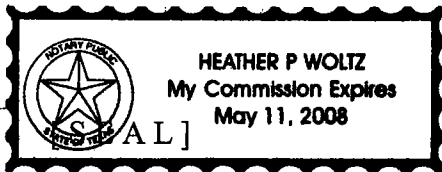
My Commission Expires:

5-11-08

Heather P. Woltz
Printed Name of Notary Public

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 4th day of JANUARY, 2005, by GREG A. JOHNSON, the PRES. CEO of Parrot-Ice Drink Products, Inc., a Nevada corporation, on behalf of said corporation.



Heather P. Woltz
Notary Public, State of Texas

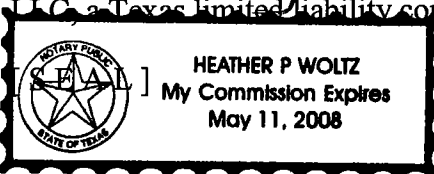
My Commission Expires:

5-11-08

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 4th day of January 2005, by Greg A. Johnson, the Sole Manager of Parrot-Ice, LLC, a Texas limited liability company, on behalf of said limited liability company.



Heather P. Woltz
Notary Public, State of Texas

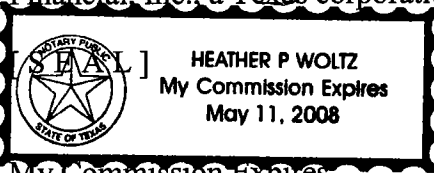
My Commission Expires:

5-11-08

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 4th day of January 2005, by Greg A. Johnson, the President, CEO of Parrot-Ice Financial, Inc., a Texas corporation, on behalf of said corporation.



Heather P. Woltz
Notary Public, State of Texas

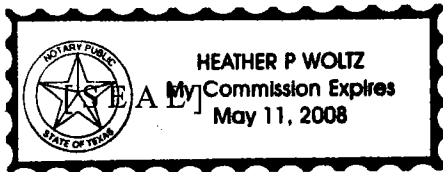
My Commission Expires:

5-11-08

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 4th day of January 2005, by GREGORY ALAN JOHNSON, as an individual.



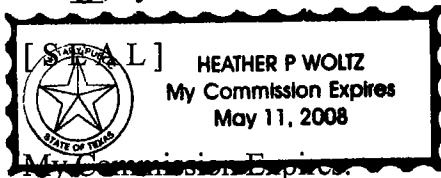
My Commission Expires:

5-11-08

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 4th day of January 2005, by GREGORY BRYAN MALLOCH, as an individual.



5-11-08

Heather P. Woltz
Notary Public, State of Texas

Heather P. Woltz
Printed Name of Notary Public

Heather P. Woltz
Notary Public, State of Texas

Heather P. Woltz
Printed Name of Notary Public

EXHIBIT "A"

Property

Restricted Reserve "A", in Block One (1), of PARROT ICE DRINK PRODUCTS, INC., a subdivision in the Charles Scarbrough Survey, Abstract 718, Harris County, Texas, according to the map or plat thereof recorded under Film Code No. 486034 of the Map Records of Harris County, Texas, being more particularly described as:

A TRACT OR PARCEL OF LAND CONTAINING 21.2822 ACRES OR 927,051.74 SQUARE FEET CONVEYED TO PARROT ICE DRINK PRODUCTS OF AMERICA, INC. OUT OF THE CHARLES SCARBROUGH SURVEY, ABSTRACT 718 IN HARRIS COUNTY, TEXAS, SAID 21.2822 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS TO-WIT:

BEGINNING at a 1 ¼ inch galvanized iron pipe found in the South boundary line of Block 3 of Chimney Hill Section 1 as delineated on plat recorded in Volume 249, Page 122 of the Harris County Map Records and located North 87 degrees 50 minutes 44 seconds East a distance of 821.42 feet from the intersection of the South boundary of said Section 1 with the East right-of-way line of Jackrabbit Road;

THENCE North 87 degrees 50 minutes 44 seconds East with the South boundary line of said Block 3 of said subdivision a distance of 711.93 feet to 1 ¼ inch galvanized iron pipe found at the Northeast corner of the herein described 21.2822 acre tract;

THENCE South 01 degrees 52 minutes 34 seconds East with the East boundary line of said Parrot Ice Drink Products of America, Inc. Tract a distance of 1302.97 feet to a 1 inch iron pipe found at the Southeast corner of the herein described tract being in the North right-of-way line of widened FM Highway No. 529 or Spencer Road (120 foot right-of-way);

THENCE South 87 degrees 43 minutes 19 seconds West with the North right-of-way line of said Spencer Road or FM Highway No. 529 a distance of 710.24 feet to a 1 inch galvanized iron pipe found at the Southwest corner of said Parrot Ice Drink Products of America, Inc. 21.2822 acre tract;

THENCE North 01 degrees 57 minutes 02 seconds West with the West boundary line of said tract a distance of 1304.50 feet to the PLACE OF BEGINNING and containing 21.2822 acres or 927,051.74 square feet of land.

**NOTICE UNDER SECTION 26.02 OF THE
TEXAS BUSINESS & COMMERCE CODE**

An Agreement concerning a loan where the amount lent exceeds \$50,000.00 is not enforceable unless that agreement is in writing and signed by the party to be bound or by that party's authorized representative.

The rights and obligations of the parties to an agreement to lend money in excess of \$50,000.00 shall be determined solely from the written loan agreements, and any prior oral agreement between the parties is superseded and merged into the written loan documents.

To evidence the terms of their agreement, PARROT-ICE DRINK PRODUCTS OF AMERICA, LTD., as Borrower, and PARROT-ICE DRINK PRODUCTS, INC., PARROT-ICE, LLC, PARROT-ICE FINANCIAL, INC., GREGORY ALAN JOHNSON, and GREGORY BRYAN MALLOCH, individually and collectively as Guarantor, and PARROT-ICE DRINK PRODUCTS, INC., as both a Guarantor and as Subordinate Lienholder, and HIBERNIA NATIONAL BANK, a national banking association, as Lender, have entered into that certain Modification Agreement ("Agreement") dated of even date herewith documenting (i) the Revolving Credit Note, (ii) Term Real Estate Note, and (iii) the Term Equipment Note (as such terms are defined in the Agreement or Loan Agreement).

The Borrower and Guarantor understand that the written agreements entered into in connection herewith set forth entirely the current agreement of the parties thereto.

THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES THERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN OR OTHER AGREEMENTS BETWEEN THE PARTIES RELATING TO THE ABOVE DESCRIBED LOAN.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

EXECUTED as of this 31st day of December, 2004.

LENDER:


HIBERNIA NATIONAL BANK,
a national banking association

By: _____
Tammy A. Boyd, Senior Vice President

BORROWER:

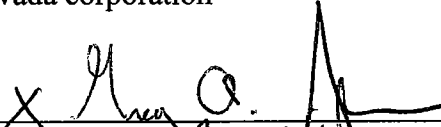
PARROT-ICE DRINK PRODUCTS OF
AMERICA, LTD.,
a Texas limited partnership

By: PARROT-ICE, LLC,
a Texas limited liability company,
its sole General Partner

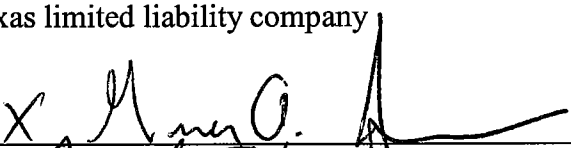
By: X 
Name: Greg A. Johnson
Title: Sole Manager

GUARANTOR:

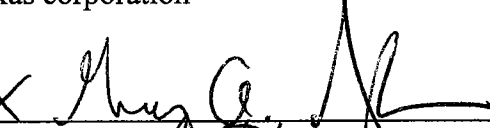
PARROT-ICE DRINK PRODUCTS, INC.
a Nevada corporation

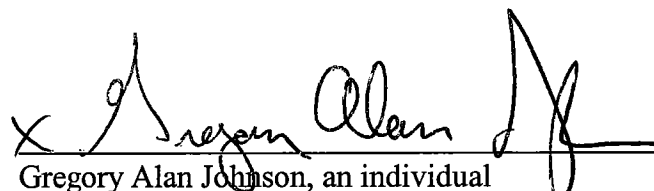
By: X 
Name: Greg A. Johnson
Title: President, CEO


PARROT-ICE, LLC,
a Texas limited liability company

By: X 
Name: Greg A. Johnson
Title: Sole Manager

PARROT-ICE FINANCIAL, INC.,
a Texas corporation

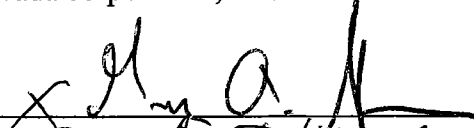
By: X 
Name: Greg A. Johnson
Title: President, CEO

X 
Gregory Alan Johnson, an individual


Gregory Bryan Malloch, an individual

SUBORDINATE LIENHOLDER:

PARROT-ICE DRINK PRODUCTS, INC.
a Nevada corporation, as Subordinate Lienholder

By: X 
Name: Greg A. Johnson
Title: President, CEO

Houston_1\767612\1
26327-9 12/30/2004