

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
FRESH CHOICE, LLC		12/21/2005	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	CRESCENT FRESH INVESTMENTS, INC.
Street Address:	777 MAIN STREET, SUITE 2100
City:	FORT WORTH
State/Country:	TEXAS
Postal Code:	76102
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 11

Property Type	Number	Word Mark
Registration Number:	1610861	FRESH CHOICE
Registration Number:	2684186	FRESH CHOICE
Registration Number:	2451839	FRESH CHOICE EXPRESS
Registration Number:	2729672	FRESH CHOICE EXPRESS
Registration Number:	2383575	FRESH CHOICE MASTERS CLUB
Registration Number:	2643710	FRESH CHOICE NOW THAT'S FRESH!
Registration Number:	2693508	FRESH CHOICE ULTIMATE SALAD SOUP BAKERY PASTA BAR
Registration Number:	2366469	GREAT TASTE. IT'S OUR BAG!
Registration Number:	2489232	NOW THAT'S FRESH
Registration Number:	2803641	YOUR FRESH CONNECTION FOR LIFE!
Registration Number:	1562755	ZOOPA

CORRESPONDENCE DATA

900038625

TRADEMARK
REEL: 003217 FRAME: 0056

CH \$290.00 1610861

Fax Number: (213)629-1033
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: (213) 488-7100
Email: kevin.davis@pillsburylaw.com
Correspondent Name: BRIAN S. STERN, ESQ.
Address Line 1: 725 SOUTH FIGUEROA STREET, SUITE 2800
Address Line 2: PILLSBURY WINTHROP SHAW PITTMAN LLP
Address Line 4: LOS ANGELES, CALIFORNIA 90017-5406

ATTORNEY DOCKET NUMBER:	512608-0000180
NAME OF SUBMITTER:	Brian S. Stern
Signature:	/Brian S. Stern/
Date:	12/27/2005

Total Attachments: 17

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SECURITY AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **FRESH CHOICE, LLC**, a Delaware limited liability company, on behalf of itself and its subsidiaries (collectively, "Debtor") does hereby convey and grant a security interest on the following terms to **CRESCENT FRESH INVESTMENTS, INC.**, a Delaware corporation ("Crescent"), as collateral agent on behalf of the Lenders referred to below ("Secured Party" or "Collateral Agent").

1. **Loan Agreement.** This Security Agreement (the "Agreement") is entered into pursuant to the terms and conditions of that certain Loan and Reimbursement Agreement among the Debtor, Crescent and Cedar's Fresh Investments, LLC, a Nevada limited liability company ("Cedar's" and together with Crescent, collectively, the "Lenders") and the Collateral Agent (as such Agreement may be amended, modified or replaced from time to time (the "Loan Agreement") the terms of which are incorporated herein and made a part hereof. For purposes of this Agreement, any capitalized terms contained herein shall have the meanings as set forth in the Loan Agreement unless otherwise expressly provided herein.

2. **Grant of Security Interest.** The Debtor hereby pledges, conveys and grants to the Secured Party, its successors and assigns, a continuing, perfected security interest in and to, and lien upon, the Collateral (as defined below) (the "Security Interest").

3. **Collateral Defined.** For purposes of this Agreement, "Collateral" shall have the meaning set forth in Exhibit A attached hereto.

4. **Liabilities Secured.** The Security Interest secures the payment and performance in full of the Obligations, which includes, by way of illustration and not of limitation, any and all costs and expenses due hereunder and thereunder, whether presently owed or hereafter incurred and owing.

5. **Secured Parties' Rights with Collateral.** From and after the occurrence of, and during the pendency of, an Event of Default, the Secured Party shall exercise such rights as provided under this Agreement and/or the Loan Agreement or as otherwise permitted at law or in equity.

6. **Warranties.** The Debtor hereby represents, warrants and covenants to the Secured Party as follows, all of which shall survive the execution and delivery of this Agreement:

(a) **Status.** The Debtor is a Delaware limited liability company in good standing under the laws of the State of Delaware and California. The Debtor has all licenses necessary to conduct its business as presently conducted, and will maintain all licenses necessary to conduct its business as conducted from time to time. The Debtor is and shall remain duly qualified as a foreign entity and in good standing under the laws of each jurisdiction where the conduct of its business requires such qualification (except where the failure to so qualify will not have a Material Adverse Effect (as defined below)). The Debtor has complied and will maintain compliance with the fictitious name statute of every jurisdiction in which Debtor is doing business.

(b) **Authority.** The execution, delivery and performance by the Debtor of the Loan Agreement, this Agreement, and any instrument, document or agreement required hereunder or thereunder, has been duly authorized by the Debtor and does not and will not: (i) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently or then in effect having application to the Debtor, including, without limitation, the Plan of Reorganization, which violation has, or with the passage of time, will have a Material Adverse Effect; (ii) result in a breach of or constitute a default under any material loan or credit agreement or other material agreement,

lease or instrument to which the Debtor is a party or by which it or its properties may be bound or affected, which material breach or default has, or with the passage of time, will have a Material Adverse Effect; or (iii) require any consent or approval of any third party (which consent or approval, the failure to so obtain has, or with the passage of time, will have a Material Adverse Effect), or violate any provision of its articles of organization or operating agreement, as appropriate.

(c) Legal Effect. This Agreement constitutes, and any instrument, document or agreement required hereunder, including, without limitation, the Loan Agreement, when delivered will constitute, legal, valid and binding obligations of Debtor, enforceable against it in accordance with their respective express written terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(d) Fictitious Trade Styles. There are no fictitious business names and/or trade styles used by Debtor in connection with its business operations. The Debtor shall notify the Secured Party not less than ten (10) business days prior to effecting any change in fictitious business name and/or trade styles, or prior to using any other fictitious business name and/or trade style at any future date, indicating the trade style and state(s) of its use.

(e) Financing Statements. Except with respect to the Permitted Liens, (i) the Debtor owns the Collateral free and clear of all liens, pledges and security interests, and shall continue to keep the Collateral free and clear of all liens, pledges and security interests; (ii) the Debtor has not heretofore signed any financing statement or security agreement which covers any of the Collateral, including, without limitation, any interest with respect thereto, as in effect from and after the date hereof (other than any financing statement or security agreement which is no longer in effect); and (iii) no such financing statement or security agreement signed by the Debtor is now on file in any public office with respect to the Collateral, including, without limitation, any interest with respect thereto.

(f) Correctness of Information. All information now or hereafter furnished by the Debtor to the Secured Party relating in any way to the Collateral is and will be true and correct in all material respects as of the date furnished, and the Debtor will promptly notify the Secured Party of any changes or corrections to such information.

(g) Chief Executive Office and Collateral. The Debtor's chief executive office and principal place of business (as of the date of this Security Agreement) is located at 485 Cochrane Circle, Morgan Hill, California 95037; the Debtor's jurisdiction of organization is Delaware; and the Debtor's exact legal name is as set forth in the opening paragraph of this Security Agreement. All Collateral is now and shall be located at the Debtor's principal place of business, and at such other locations as set forth on Exhibit C attached hereto, or at such other address as may be notified (upon ten (10) business days prior written notice pursuant to Section 7(d) below) to the Secured Party in writing in advance of moving any Collateral, such approval not to be unreasonably withheld.

(h) Material Adverse Effect Defined. "Material Adverse Effect" shall mean a material adverse effect on (1) any of the Collateral, including, without limitation, any use of the Collateral, as applicable, or (2) the ability of the Debtor to perform its obligations under this Agreement and the Loan Agreement.

7. Agreements of Debtor. The Debtor hereby agrees that:

(a) Perfection of Security Interests. Upon request of the Secured Party, the Debtor will execute such documents, pay the cost and expenses of filing and/or recording the same in all public

offices deemed necessary or appropriate by the Secured Party, and do such other acts as necessary or as the Secured Party may from time to time reasonably request to establish and maintain, perfect, evidence and continue the Secured Party's valid perfected security interest in the Collateral and the priority thereof. The Security Interest granted hereunder is and shall remain in full force and effect, and grants to the Secured Party, for the benefit of the Lenders, a continuing perfected security interest in and to the Collateral, and that until the Obligations are fully and completely satisfied and discharged pursuant to the terms hereof, the Debtor shall covenant that the Security Interest shall remain in full force and effect and grant Secured Party, for the benefit of the Lenders, a perfected continuing security interest in and to the Collateral, subject to the Permitted Liens.

(b) Books and Records. The Debtor will keep and maintain at its corporate office all its books and records concerning all of the Collateral, which books and records will be accurate and complete in all material respects. Without limiting the generality of the foregoing, the Debtor will maintain adequate books and records in accordance with generally accepted accounting principles consistently applied.

(c) Inspection. The Debtor will continue to permit Secured Party and its designees, from time to time as reasonable and appropriate, to continue to have access to the Collateral during the term hereof upon reasonable prior notice to Debtor. Upon the occurrence of, and during the pendency of, an Event of Default, in addition to any other right or remedy the Secured Party may have hereunder, under contract, at law or in equity, the Debtor will permit Secured Party's representatives, upon reasonable advance notice and during the Debtor's normal business hours, to inspect, audit and make copies of and extracts from books, records and all other papers in possession of the Debtor pertaining to the Debtor's business or to the Collateral.

(d) Change of Location or Name. The Debtor will give at least ten (10) business days prior written notice to Secured Party before effecting (i) any change in the chief executive office of the Debtor, or the Debtor's principal place of business; (ii) any change in the Debtor's jurisdiction of organization; (iii) the location of a material portion of the Collateral, or (iv) any change in the name of the Debtor.

(e) Maintenance of Insurance. The Debtor will procure and continuously maintain and pay for (a) all risk physical damage insurance covering loss or damage to the Collateral for not less than the full replacement value thereof naming Secured Party as additional insured and loss payee, and (b) bodily injury and property damage combined single limit liability insurance in an amount not less than Two Million Dollars (\$2,000,000) for each location at which any of the Collateral is located. The Debtor shall provide Secured Party with true and correct copies of insurance binders and certificates evidencing any and all such insurance policies as provided herein, along with any material notices, cancellations, changes or updates as may be received by or on behalf of the Debtor from time to time. With respect to property insurance covering the Collateral (including, without limitation, any insurance covering intellectual and intangible property rights), such insurance shall name the Secured Party as loss payee pursuant to a loss payable endorsement satisfactory to the Secured Party, and shall not be adversely altered or canceled except upon ten (10) business days' prior written notice to the Secured Party. The foregoing shall be subject to the rights of the holder of the GE Loan.

(f) Maintenance of Collateral and Other Properties. The Debtor shall keep and maintain the Collateral free and clear of all levies, liens, claims, encumbrances and security interests (including, but not limited to, any lien of attachment, judgment or execution), other than Permitted Liens. The Debtor shall defend its right, title and interest in and to the Collateral, including, by way of illustration and not of limitation, defending the Collateral against any levy, lien, encumbrance or security interest (other than a Permitted Lien); comply with all laws, statutes and regulations pertaining to the Collateral and its use and operation (provided, however, that a failure to so comply which does not have a Material Adverse Effect

upon the Collateral and/or the Debtor's ability to pay the Obligations as such become due from time to time shall not be deemed a breach of the provisions of this Section); and properly care for, house, store and maintain the Collateral in good condition and good working order, free of misuse, abuse and deterioration, other than normal wear and tear.

(g) Payment of Obligations and Taxes. The Debtor shall make timely payment of all assessments and taxes and all of its liabilities and obligations including, but not limited to, trade payables, unless the same are being contested in good faith by appropriate proceedings with the appropriate court or regulatory agency.

(h) Additional Indebtedness: Except as otherwise agreed to by the Secured Party, in its sole and absolute discretion, in writing in advance, the Debtor will not, after the date hereof, create, incur or assume, directly or indirectly, any additional indebtedness other than (i) indebtedness owing to the lender in connection with the GE Loan, (ii) indebtedness owing to the UCC in connection with the UCC Loan, (iii) indebtedness owing to the Secured Party, (iv) indebtedness to employees, members, managers, officers, directors and contractors and trade creditors incurred in the ordinary course of the Debtor's business and (iv) indebtedness secured by other Permitted Liens.

(i) Change in Nature of Business. The Debtor will not make any material change in its financial structure or the nature of its business as existing or conducted as of the date hereof, or otherwise engage in any business other than the ownership and/or operation of restaurants and businesses reasonably related thereto. By way of illustration and not of limitation, the Debtor shall not liquidate, merge or consolidate with, into or acquire any other business organization, without the prior written consent of the Secured Party, in its sole and absolute discretion.

(j) Notice. The Debtor shall give the Secured Party prompt written notice of any and all (i) Events of Default; (ii) any litigation, arbitration or administrative proceedings to which the Debtor is a party and in which the claim or liability exceeds \$25,000.00 and/or which materially and adversely affects the Collateral; (iii) other matters which have resulted in, or would reasonably be expected to result in, a Material Adverse Effect, and (iv) any other matter pursuant to which, under the Loan Agreement and/or this Agreement, the Debtor is required to give the Secured Party notice as set forth therein or herein, as the case may be.

(k) Loans. The Debtor will not make any loans or advances or extend credit to any third person, including but not limited to, directors, officers, shareholders, partners, employees, affiliated entities, or subsidiaries of the Debtor other than loans to third persons in an aggregate amount not exceeding \$25,000, per person, in any fiscal year of Debtor and \$100,000, in the aggregate, in any fiscal year of the Debtor.

(l) Indemnity. The Debtor will indemnify, defend, and hold the Secured Party, its officers, directors, managers, members, shareholders, employees, agents, contractors, representatives, and their respective successors and assigns, harmless from and against all liabilities, claims, actions, costs, and expenses, including reasonable attorneys fees, arising from or related to the Debtor's ownership or use of any of the Collateral, or the Secured Party's exercise of any of its rights or remedies under this Agreement, the Loan Agreement or under any other Loan Document to which the Secured Party, for the benefit of the Lenders, and the Debtor are parties; provided, however, that the Debtor shall have no obligation to the Secured Party hereunder with respect to any such liabilities, claims, actions, costs and expenses arising directly from the gross negligence or willful misconduct of the Secured Party.

8. Performance of the Debtor's Liabilities by the Secured Party. At its option, upon the occurrence of, and during the pendency of, an Event of Default, the Secured Party may take any

reasonable action that the Secured Party deems necessary for the maintenance or preservation of any of the Collateral or its interest therein, and the Debtor agrees forthwith to reimburse the Secured Party for all reasonable expenses incurred in connection with the foregoing.

9. **Event of Default.** An "Event of Default" hereunder shall have the meaning as set forth in the Loan Agreement.

10. **Procedures on Default.**

(a) **Remedies.** The Secured Party shall have such rights, and shall be entitled to such remedies upon the occurrence of an Event of Default as set forth herein. Notwithstanding anything to the contrary set forth in this Agreement, it is the intention of the Debtor, and the Debtor hereby agrees, that upon the occurrence of, and during the pendency of, an Event of Default, the Secured Party shall be entitled to exercise any and all rights or remedies available under contract, at law (including, without limitation, those rights set forth under the Uniform Commercial Code) or in equity, including, without limitation, (1) the right to immediately declare the entire amount of the Obligations due and payable in full pursuant to Section 6(a) of the Loan Agreement, (2) the right to take possession of any or all items of Collateral without notice, presentment or demand (except to the extent expressly provided herein with respect to notice, or otherwise non-waivable under applicable law), (3) the right to proceed against the Collateral, or portion thereof, in any sequence and without waiving any rights against any other Collateral whatsoever, including, without limitation, removing fixtures (all costs and expenses of which, including any claim for indemnification by the owner of such real property to be paid by the Debtor except to the extent directly caused by the gross negligence or willful misconduct of the Secured Party and its authorized agent, designees and representatives) and/or proceeding against the fixtures and underlying real property prior to, at the same time, or following a proceeding against the personal property comprising the Collateral, with all proceeds realized therefrom applied by the Secured Party in its sole and absolute discretion with respect to the Obligations, (4) notifying any account debtor of the Debtor or other person obligated on collateral to make payment or otherwise render performance directly to or for the benefit of the Secured Party and take any proceeds derived therefrom, (5) enforcing the obligations of an account debtor of the Debtor or other person obligated on collateral and exercise the rights of the Debtor with respect to such obligations, (6) the right to apply the balance of any deposit account of the Debtor to the Obligations and otherwise instruct the depository institution to pay the balance of such deposit account or accounts to or for the benefit of the Secured Party, (7) the right to sell, lease, license or otherwise dispose of any or all of the Collateral, whether by private or public proceedings, by one or more contracts and at any time and place and on any terms, including, without limitation, purchasing such Collateral at a public or private disposition (subject to the provisions of Uniform Commercial Code §9610, as amended from time to time), all to the fullest extent permitted by law. By way of illustration and not of limitation, from and after the occurrence of, and during the pendency of, an Event of Default, the Secured Party may take over and collect all of the receivables and proceeds comprising Collateral and all other Collateral and in connection therewith, and the Debtor hereby appoints the Secured Party as its true, irrevocable and lawful attorney-in-fact with all necessary power and authority to (i) take possession immediately, with or without notice, demand or legal process, of any of or all of the Collateral wherever found, and for such purposes, enter upon any premises upon which the Collateral may be found and remove the Collateral therefrom, (ii) require the Debtor to assemble the Collateral and deliver it to Secured Party or to any place reasonably designated by the Secured Party at Debtor's sole cost and expense, (iii) receive and open all mail addressed to the Debtor and notify postal authorities to change the address for delivery thereof to such address as the Secured Party may designate, (iv) exercise all of Debtor's rights and remedies with respect to the Collateral and collection of proceeds comprising Collateral, (v) settle, adjust, compromise, extend or renew the Collateral or any part thereof, or any legal proceedings in connection with the collection of Collateral, (vi) to the fullest extent permitted by applicable law, sell or assign the Collateral or any part thereof upon such terms, for such amounts and at

such time or times as the Secured Party deems advisable, (vii) discharge and release the receivables or any other Collateral, (viii) take control, in any manner, of any item of payment or proceeds from any account debtor, (ix) prepare, file and sign Debtor's name on any proof of claim in any bankruptcy or insolvency proceeding or similar document against any account debtor, (x) endorse to the Secured Party upon any check, chattel paper, document, instrument, invoice, freight bill, bill of lading or similar document or agreement relating to the Collateral, (xi) demand, sue for, collect, compromise and give acquaintances for any and all Collateral, and (xii) prosecute, defend or compromise any action, claim or proceeding with respect to any of the Collateral. This power of attorney, being coupled with an interest, shall be irrevocable for the life of the Security Interest as contemplated herein.

(b) Notice of Disposition of Collateral. If any notification of intended disposition of any of the Collateral is required by law, such notification if mailed shall be deemed reasonable and properly given if mailed at least ten (10) business days before such disposition.

(c) Disposition of Proceeds. Any proceeds of any disposition of any of the Collateral may be applied by the Secured Party to the payment of expenses in connection with disposition of the Collateral, and any balance of such proceeds shall be applied by the Secured Party toward the payment of such of the Obligations owed to the Secured Party, with any remaining balance to be paid to the Debtor or as a court of competent jurisdiction may order.

(d) Furnishing Documentation. Without limiting any of the Secured Party's rights or remedies under this Agreement, the Loan Agreement, under contract, at law or in equity, all of which are expressly reserved, the Debtor will promptly furnish to the Secured Party such information and documents relating to the Collateral as the Secured Party may reasonably request in writing, including, without limitation, all invoices, documents, contracts, instruments and other writings pertaining to Debtor's contracts and the performance thereof, all of the foregoing to be certified upon request by the Secured Party by an authorized officer of Debtor.

11. Notices. Notice shall be deemed given timely and properly hereunder upon delivery if such notice is reduced to writing and sent by telefax, overnight courier service, messenger, or by other personal delivery, or by United States mail, in all cases postage or other charges pre-paid, and addressed to the party to be noticed at the address or telefax number for such party set forth below, or as such party may change by written notice to the other party. Notices delivered by telefax transmission shall be deemed delivered three (3) business hours following transmission; notice delivered by messenger or other personal delivery shall be deemed given upon actual personal service on an officer of the party being given notice; notice given by overnight courier service shall be deemed delivered on the next business day following deposit with the overnight courier service, and notice delivered by United States mail shall be deemed delivered seven (7) business days following deposit in the United States mail. The parties' addresses and telefax numbers for notice shall be as follows.

If to the Debtor:

Fresh Choice, LLC
485 Cochrane Circle
Morgan Hill, CA 95037
Attention: Chief Financial Officer
(817) 321-1601 or (817) 321-1492
(817) 321-2002 (Facsimile)

If to Secured Party:

Crescent Fresh Investments, Inc.
777 Main Street, Suite 2100

Fort Worth, TX 76102
Attention: Jerry R. Crenshaw and Jeffrey L. Stevens
(817) 321-2100
(817) 321-2000 (Facsimile)

With copy to:

Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037
Attention: Robert B. Robbins, Esq.
(202) 663-8136
(202) 663-8007 Facsimile

If to Cedar's:

Cedar's Fresh Investments, LLC
2721 Shady Pond Way
Las Vegas, NV 89117
Attention: Robert Atallah, CEO
(310) 930-7444
(31) 552-7552 (Facsimile)

With Copy to:

Woollacott Jannol LLP
10350 Santa Monica Boulevard
Suite 350
Los Angeles, California 90025
Attention: Marty Jannol, Esq.
(310) 277-5504
(310) 552-7552 (Facsimile)

12. **Further Assurances.** From and after the date hereof, the Debtor shall cooperate with the Secured Party and promptly sign and deliver to the Secured Party any and all such additional documents, instruments, endorsements and related information and take such actions as the Secured Party may reasonably request for the purpose of carrying out the provisions of this Agreement.

13. **Miscellaneous.**

(a) **Custody of Collateral.** The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Secured Party to comply with any such request shall not of itself be deemed a failure to exercise reasonable care. The failure of the Secured Party to preserve or protect any joint or several rights with respect to the Collateral against other parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall not be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral, unless such failure is caused by gross negligence or willful misconduct by the Secured Party.

(b) **Non-waiver of Rights.** No delay or failure on the part of the Secured Party or the Lenders in exercising any right, power, or privilege under this Agreement, the Loan Agreement, or under any other Loan Documents or any of the Obligations shall impair any such right, power, or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any

such right, power, or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against the Secured Party unless made in writing and signed by the Secured Party, and then only to the extent expressly specified therein. All remedies provided herein and in the Loan Agreement, and all remedies otherwise afforded the Secured Party and the Lenders by law, shall be cumulative and shall be available to the Secured Party, from time to time, until all the Obligations have been fully and indefeasibly satisfied.

(c) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

(d) Governing Law. This Agreement shall be deemed made in the State of California and shall be governed by and interpreted in accordance with the internal laws of such State without reference to the conflict of laws rules thereof.

(e) Severability. If any provision of this Agreement is held to be invalid or unenforceable, such provision shall not affect this Agreement as a whole, and this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable.

(f) Entire Agreement; Modification. The Loan Agreement, this Agreement, and any schedules or exhibits thereto or hereto, are intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under the Loan Agreement and/or this Agreement shall not be relevant to determine the meaning of the Loan Agreement and/or this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection. In the event of any conflict between this Agreement and the Loan Agreement, the provisions of this Agreement shall control. This Agreement shall not be modified or amended except in writing signed by the party to be bound. The captions of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof or used in construing the intent of this Agreement.

(g) Survival of Representations. All representations, warranties, covenants, and agreements contained herein or made in writing by the Debtor in connection herewith shall survive the execution and delivery of this Agreement and any and all notes, other agreements, documents and writings relating to or arising out of any of the foregoing or any of the Obligations.

(h) Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties, their successors, legal representatives, heirs and assigns.

(i) Attorneys' Fees. If either party brings a legal action pursuant to this Agreement, the prevailing party shall be entitled to recover its costs, including reasonable attorneys' fees, against the other party in addition to any other relief that may be granted.

(j) Waiver of Right To Trial By Jury. **EACH OF THE SECURED PARTY AND THE DEBTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, THE LOAN AGREEMENT AND/OR ANY OTHER DOCUMENT, INSTRUMENT OR AGREEMENT ENTERED INTO IN CONNECTION WITH THE LOAN AGREEMENT AND/OR THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION HEREWITH OR THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY**

THE SECURED PARTY AND THE DEBTOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH OF THE DEBTOR AND THE SECURED PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY DEBTOR.

(k) Jurisdiction; Venue. ANY JUDICIAL PROCEEDING BROUGHT AGAINST THE DEBTOR WITH RESPECT TO, ARISING OUT OF, OR RELATING TO THE LOAN AGREEMENT AND/OR THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN ANY STATE COURT OF COMPETENT JURISDICTION LOCATED IN CALIFORNIA OR ANY FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN THE CENTRAL DISTRICT OF CALIFORNIA AND APPELLATE COURTS FROM ANY THEREOF. BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE DEBTOR (a) ACCEPTS JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY, (b) WAIVES PERSONAL SERVICE OF PROCESS, (c) AGREES THAT SERVICE OF PROCESS UPON IT MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, PURSUANT TO THE ADDRESS AS SET FORTH IN SECTION 11 ABOVE, AND (d) WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED HEREUNDER AND AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION, VENUE OR CONVENIENCE.

(l) Termination of Security Interest. The term of this Agreement shall commence as of the execution hereof, and the security interest hereunder shall terminate upon the full and final payment in cash and performance of all the Obligations. Notwithstanding anything to the contrary herein, this Agreement (including all covenants contained herein) and including, without limitation, the Security Interest, shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Party in respect of the Obligations is rescinded or must otherwise be restored or returned by the Secured Party upon or in connection with an insolvency proceeding of the Debtor or otherwise, all as though such payment had not been made.

[SIGNATURE PAGE IMMEDIATELY FOLLOWING]

IN WITNESS WHEREOF, the Debtor and the Secured Party have duly executed this Security Agreement as of the 26 day of December, 2005.

DEBTOR:

FRESH CHOICE, LLC

By: _____

Name: _____

Title: _____

SECURED PARTY:

CRESCENT FRESH INVESTMENTS, INC., as Collateral Agent

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Debtor and the Secured Party have duly executed this Security Agreement as of the 21st day of December, 2005.

DEBTOR:

FRESH CHOICE, LLC

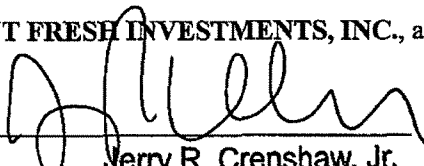
By: _____

Name: _____

Title: _____

SECURED PARTY:

CRESCENT FRESH INVESTMENTS, INC., as Collateral Agent

By:  _____
Name: Jerry R. Crenshaw, Jr.
Executive Vice President and
Chief Financial Officer
Title: _____

Sponsors' Security Agreement

TRADEMARK
REEL: 003217 FRAME: 0068

EXHIBIT A
Description of Collateral

(i) All of the following described property, whether now owned or hereafter acquired and wherever located, together with all replacements and substitutions therefore and all cash and non-cash proceeds (including insurance proceeds) and products thereof, and, in the case of tangible Collateral, together with all additions, attachments, accessions, parts, equipment and repairs now or hereafter attached or affixed thereto or used in connection therewith: (i) all equipment, including machinery, furniture, appliances, trade fixtures, tools, and office and record keeping equipment of Debtor; (ii) all inventory (including all goods held for sale, raw materials, work in process and materials or supplies used or consumed in the business of Debtor) of Debtor; (iii) all documents; general intangibles; accounts; contract rights; chattel paper and instruments; money; securities; investment properties; deposit accounts; supporting obligations; letters of credit and letter of credit rights; commercial tort claims; and records, software and information contained in computer media (such as data bases, source and object codes and information therein), together with any equipment and software to utilize, create, maintain or process any such records or data on electronic media of Debtor; and (iv) all goodwill of Debtor; provided, however, that the security interest in any franchise, license or distributorship agreement or other agreement is subject to the provisions of Section 9-408 of the Uniform Commercial Code;

(ii) With respect to Debtor and/or Debtor's business, (i) all patents and patent applications in the United States and all equivalents of the foregoing in any other jurisdiction and all reissues, divisions, continuations and extensions of the foregoing, including, without limitation, any patent and patent applications; (ii) all registered and unregistered trademarks, trade names, service marks, trade dress, logos, slogans and corporate names (including, but not limited to, the names listed on the attached Exhibit B) together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith, including, without limitation, any registrations and applications listed in that certain Security Agreement dated as of December 21, 2005 executed by Debtor in favor of Crescent Fresh Investments, Inc., as collateral agent (the "Security Agreement"); (iii) all works of authorship, including, but not limited to, all copyrightable works and all copyrights (including, but not limited to, distinctive menus and manuals) and all applications, registrations and renewals in connection therewith in the United States and all equivalents of the foregoing in any other jurisdiction, including, without limitation, any copyrights listed in the Security Agreement; (iv) all trade secrets and other confidential information (including, but not limited to, recipes, cuisine, culinary style, inventions, ideas, assets under research and development, know-how, methods, techniques, diagnostic tools, technology, specifications, customer and supplier lists, pricing and cost information, and business, technical and marketing plans and proposals); (v) all domain names, web addresses and websites; (vi) all computer software, in source code and object code form, and all related data and documentation; (vii) all other intellectual property and proprietary rights, whether or not subject to statutory registration; and (viii) all copies and tangible embodiments of all of the foregoing (i) through (vii) in any form or medium (collectively, the "Intellectual Property"); and

(iii) All proceeds of any of the foregoing;

provided, however, the term Collateral shall not include any governmental permit or license to which Debtor is a party to the extent that the collateral assignment thereof or the creation of a security interest therein would constitute a breach of the terms thereof; provided, further that (A) the Collateral shall include any proceeds of any of the foregoing assets and (B) any permit or license excluded in accordance with this clause shall cease to be so excluded to the extent such prohibition is rendered ineffective under Section 9-408 of the Uniform Commercial Code of any relevant jurisdiction.

EXHIBIT B
Trademarks

[SEE ATTACHED]

COUNTRY		<i>California</i>			
TRADEMARK	STATUS	APPLICATION DATE	REGISTRATION DATE	CLASS(ES)	
	SUBSTATUS	APPLICATION #	REGISTRATION #	GOODS/SERVICES	
FRESH CHOICE	Inactive		1/123/1988		
	Abandoned		033938	Class 42: Restaurant services	
SAY HELLO TO FRESHNESS	Registered		1/12/2000		
			035957	Class 42: Restaurant services	
COUNTRY		<i>Canada</i>			
TRADEMARK	STATUS	APPLICATION DATE	REGISTRATION DATE	CLASS(ES)	
	SUBSTATUS	APPLICATION #	REGISTRATION #	GOODS/SERVICES	
ZOOPA	Registered	5/24/1989	9/23/1994	42	
		632579	TMA433555	Class 42: Restaurant services.	
COUNTRY		<i>US</i>			
TRADEMARK	STATUS	APPLICATION DATE	REGISTRATION DATE	CLASS(ES)	
	SUBSTATUS	APPLICATION #	REGISTRATION #	GOODS/SERVICES	
FRESH CHOICE	Registered	11/6/1989	8/21/1990	42	
		73/836743	1610861	Class 42: Restaurant services, in Class 42	
FRESH CHOICE & DESIGN	Registered	3/28/2000	2/4/2003	42	
		76/012155	2684186	Class 42: Restaurant services.	

Thursday, November 10, 2005

FRESH CHOICE EXPRESS	Registered	5/19/1999	5/15/2001	42	
		75/709209	2451839	Class 42: Restaurant services.	
FRESH CHOICE EXPRESS & DESIGN	Registered	3/28/2000	6/24/2003	42	
		76/012179	2729672	Class 42: Restaurant services.	
FRESH CHOICE MASTERS CLUB	Registered	5/28/1997	9/5/2000	42	
		75/299086	2383575	Class 42: Restaurant services.	
FRESH CHOICE NOW THAT'S FRESH! & DESIGN	Registered	3/28/2000	10/29/2002	42	
		76/012074	2643710	Class 42: Restaurant services.	
FRESH CHOICE RESTAURANT LOGO	Inactive	1/3/1997	4/6/1999		
	Abandoned	75/221083	2236391	Restaurant and catering services.	
FRESH CHOICE ULTIMATE SALAD SOUP BAKERY PASTA BAR & DESIGN	Registered	5/10/2002	3/4/2003	43	
		78/127964	2693508	Class 43: Restaurant services.	
GREAT TASTE. IT'S OUR BAG!	Registered	9/15/1999	7/11/2000	42	
		75/800835	2366469	Class 42: Restaurant services.	
IS IT FRESH	Inactive	1/25/2000		42	
	Abandoned	75/903304		Class 42: Restaurant services.	
NOW THAT'S FRESH	Registered	1/25/2000	9/11/2001	42	
		75/903144	2489232	Class 42: Restaurant services.	

SAY HELLO TO FRESHNESS	Inactive	11/6/1989	6/12/1990	For restaurant services, in Class 42
	Abandoned	73/836644	1601615	
SAY HELLO TO FRESHNESS	Inactive	6/11/1996		Food products, namely, fruit salad, garden salad, vegetable salad, soups and fresh fruit, namely, cut and sliced fruits.
	Abandoned	75/120442		
SAY HELLO TO FRESHNESS	Not yet filed			Miscellaneous services
	Open			
THE ULTIMATE SOUP & SALAD BAR	Inactive	3/19/1991	1/5/1993	42
	Abandoned	74/149126	1745327	Class 42: Restaurants.
YOUR FRESH CONNECTION FOR LIFE! & DESIGN	Registered	5/20/2002	1/6/2004	43, 44
		78/130041	2803641	Providing on-line information regarding restaurants, eating habits, foods, menus and monthly food features.
				Providing on-line information services regarding health.
ZOOPA	Registered	1/6/1989	10/24/1989	42
		73/773861	1562755	Class 42: Restaurant services.

EXHIBIT C
Location of Collateral

<u>Store Name & Location</u>	<u>Store</u>
Sunnyvale - W. El Camino Real, El Camino	1
San Jose (Westgate) - 1600 Saratoga Ave.	4
Pleasanton- 2453 Stoneridge Mall Road, #E-208	7
Concord - 486 Sunnyvale Mall Rd.	8
San Jose (Almaden) - 5353 Almaden Exwy., #39A	9
Santa Rosa - 1018 Santa Rosa Plaza	10
Sacramento (Howe) - 535 Howe Ave.	11
Cupertino - 10123 N. Wolfe Rd., Vallco	13
Campbell - (Bascom/Hamilton) 1654 Bascom Ave., Hamilton, Bascom	14
Arden Fair - 1065 Arden Fair	15
Citrus Heights - 5419 Sunrise Blvd.	17
San Mateo - 1952 S. El Camino Real	18
San Leandro - 15 Bayfair Mall, Bayfair	19
Capitola - 3555 Clares St. #Y	20
Modesto - 2225 Plaza Pkwy., #C-1	25
Redwood City - 1099 El Camino Real	27
Vacaville - 1001 Helen Power Dr.	30
San Bruno - 1202 El Camino Real	31
Colma - 4927 Junipero Serra Blvd.	34
Rohnert Park - 5080 Redwood Dr.	35
Austin - 9761 Great Hills Trail	40
Walnut Creek - 1275 S. Main Street	41
Novato - 124 Vintage Way	43
Milpitas - 248 Great Mall Drive	47
Fairfield - 1501 Travis Blvd	50
Mountain View - 2540 W. El Camino Real, San Antonio Center	55
Roseville - 2030 Douglas Blvd., Ste. 2	59
Tukwila - 393 Strander Blvd.	60
Union City - 32155 Union Landing Blvd.	67
Gilroy - 8697 San Ysidro Ave.	69
Fort Worth (Trinity Commons) - 777 Main Street - Suite C-90	301
Dallas - 2001 Ross Ave., Suite 150, Trammell Crow	302
Dallas (Magnolia Hotel) - 1401 Commerce Steret, Space A	303
Morgan Hill- 485 Cochrane Circle	Office