

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
Z'Tejas, Inc.		11/16/2011	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	National Bank of Arizona		
Street Address:	6001 N. 24th Street		
City:	Phoenix		
State/Country:	ARIZONA		
Postal Code:	85016		
Entity Type:	National Banking Association: ARIZONA		
PROPERTY NUMBERS Total: 6			
Property Type	Number	Word Mark	
Registration Number:	1722784	Z TEJAS GRILL	
Registration Number:	2517339	Z	
Registration Number:	2645640	Z'TEJAS SOUTHWESTERN GRILL	
Registration Number:	2711156	VOO DOO TUNA	
Registration Number:	2731350	Z'TEJAS SOUTHWESTERN GRILL	
Registration Number:	2755202	Z'TEJAS GRILL	
CORRESPONDENCE DATA			
Fax Number:	(480)425-4949		
Phone:	480-425-2649		
Email:	clark@sackstierney.com		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Correspondent Name:	Kathy Clark		
Address Line 1:	4250 N. Drinkwater Blvd.		
Address Line 2:	4th Floor		
Address Line 4:	Scottsdale, ARIZONA 85251		

OP \$165.00 1722784

NAME OF SUBMITTER:	Kathy Clark
Signature:	/Kathy Clark/
Date:	11/16/2011
<p>Total Attachments: 25</p> <p>source=Security Agreement #page1.tif source=Security Agreement #page2.tif source=Security Agreement #page3.tif source=Security Agreement #page4.tif source=Security Agreement #page5.tif source=Security Agreement #page6.tif source=Security Agreement #page7.tif source=Security Agreement #page8.tif source=Security Agreement #page9.tif source=Security Agreement #page10.tif source=Security Agreement #page11.tif source=Security Agreement #page12.tif source=Security Agreement #page13.tif source=Security Agreement #page14.tif source=Security Agreement #page15.tif source=Security Agreement #page16.tif source=Security Agreement #page17.tif source=Security Agreement #page18.tif source=Security Agreement #page19.tif source=Security Agreement #page20.tif source=Security Agreement #page21.tif source=Security Agreement #page22.tif source=Security Agreement #page23.tif source=Security Agreement #page24.tif source=Security Agreement #page25.tif</p>	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is entered into this ^{16th} day of ~~October~~ ^{November}, 2011, by and between Z'TEJAS HOLDINGS, INC., a Delaware corporation, whose address is 6909 East Greenway Parkway, Suite 295, Scottsdale, Arizona 85254 ("ZTH"), those entities of which ZTH owns, directly or indirectly, 100% of the ownership interests, the names, states of organization, principal business addresses and addresses of the operations of which are reflected on Schedule A hereto (the "Subsidiaries") (ZTH and the Subsidiaries are sometimes hereinafter referred to collectively as the "Debtors"), and NATIONAL BANK OF ARIZONA, a national banking association, whose address is 6001 North 24th Street, Phoenix, Arizona 85016 (the "Secured Party").

RECITALS:

A. The Debtors have, simultaneously herewith, entered into a Term and Revolving Loan Agreement with the Bank, the terms of which are hereby incorporated herein by reference (as amended and in effect from time to time, the "Loan Agreement"), with the Secured Party, pursuant to which the Secured Party, subject to the terms and conditions thereof, has agreed to make certain loans (the "Loans") to the Debtors.

B. ZTH owns, directly or indirectly, 100% of the ownership interests of the other Debtors. The businesses and business interests of ZTH and the other Debtors are interrelated and interdependent, and each of the Debtors participate in the benefits of ZTH's financial, operational, and other resources and its ownership of and interests in the businesses and operations of each of the others. As a result, the extension of credit to ZTH and the other Debtors and other agreements by the Lender under the Loan Agreement and the other "Loan Documents" (as hereinafter defined) are in the best business and financial interests of each and all of them.

C. As a condition precedent, and to secure repayment of the Loans and other obligations of the Debtors to the Secured Party outstanding pursuant to the Loan Agreements, or which may hereafter become owing by any of the Debtors to the Secured Party under any other agreement or pursuant to any other transactions, events or circumstances (the "Obligations"), the Debtors have simultaneously herewith executed in favor of the Secured Party a Collateral Security Agreement under and pursuant to which the Debtors are pledging and granting to the Secured Party a priority security interest in all of the Debtors' respective business assets now owned or hereafter acquired by any of them, all as more fully described therein.

D. As an additional condition precedent and to further secure repayment of the Obligations, the Debtors are also executing in favor of the Secured Party this Agreement under and pursuant to which the Debtors are pledging and granting to the Secured Party a priority security interest in all of their intellectual property now owned or hereafter created or acquired by any of them, all as more fully described herein (the "Collateral").

E. Any and all entities which may hereafter be acquired, created, or owned, directly or indirectly, by the Debtors shall be deemed to be included in the definition of "Subsidiaries" and the Debtors shall cause each to become parties to and bound hereby and by each and all of

the Loan Documents. The businesses and assets of such acquired or newly created Subsidiaries shall thereby become subject to the Collateral Security Agreement and this Agreement and a part of the Collateral covered by each.

AGREEMENTS

In consideration of the foregoing, and of the mutual covenants and promises of the parties set forth herein and in the Loan Agreement or any other agreements which may be entered into between the Debtors and the Secured Party relating to or in connection herewith or therewith (the "Loan Documents"), and subject to the following terms and conditions, it is hereby agreed as follows:

1. Definitions. All capitalized terms used herein without definitions shall have the respective meanings provided therefor in the Loan Agreements. The term "State," as used herein, means the State of Arizona. All terms defined in the UCC of the State and used herein shall have the same definitions herein as specified therein. However, if a term is defined in Article 9 of the UCC of the State differently than in another Article of the UCC of the State, the term has the meaning specified in Article 9. The term "Obligations" means all of the liabilities, obligations, and indebtedness of the Debtors to the Secured Party in connection with the Loan Agreement or any of other the Loan Documents or under any other agreements or as a result of any events or circumstances which may hereafter occur, of any kind or nature, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing or due or to become due, and including, but not limited to (a) any of the Debtors' obligations under any of the Loan Agreement or Loan Documents, (b) interest, charges, expenses, attorneys' fees and other sums chargeable to any of the Debtors by Secured Party under any of the Loan Agreement or other Loan Documents; and (d) the obligations of the Debtors under any other agreements. "Loan Documents" shall also include any and all amendments, extensions, renewals, refundings or refinancings of any of the foregoing. The term "Excluded Property" means (a) licenses, leases or other contracts to the extent that the granting of a security interest therein would constitute a breach thereof or is prohibited thereby and such prohibition is not ineffective under Sections 9-406(d), 9-407, 9-408 or 9-409 of the UCC; provided, further, (x) all accounts arising under such licenses, leases or other contracts shall be included in the Collateral, and (y) the Collateral shall include all payments and other property received or receivable in connection with any sale or other disposition of such licenses, leases or other contracts. "PTO" shall mean the United States Patent and Trademark Office, and "Copyright Office" shall mean the United States Copyright Office.

2. Grant of Security Interest.

(a) The Debtors hereby grant to the Secured Party, for the benefit of Secured Party, to secure the payment and performance in full of all of the Obligations and all intellectual property of the Debtors now owned or hereafter acquired, including, without limitation:

(i) All state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names (but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the

equivalent) for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark), all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names, and applications as described in Schedule B), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions, and renewals thereof;

(ii) All present and future United States registered copyrights and copyright registrations, including United States registered copyrights and copyright registrations listed in Schedule C of this Agreement, all present and future United States applications for copyright registrations, including United States applications for copyright registrations listed in Schedule D to this Agreement, and all present and future copyrights that are not registered in the Copyright Office, including, without limitation, derivative works (collectively, the "Copyrights"), and any and all royalties, payments, and other amounts payable to Debtors [or any of the Subsidiaries] in connection with the Copyrights, together with all renewals and extensions of the Copyrights, the right to recover for all past, present, and future infringements of the Copyrights, and all manuscripts, documents, writings, tapes, disks, storage media, computer programs, computer databases, computer program flow diagrams, source code, object code, and all tangible property embodying or incorporating the Copyrights, and all other rights of every kind whatsoever accruing thereunder or pertaining thereto.

(iii) All of Debtors' right, title, and interest in and to any and all present and future license agreements with respect to the Copyrights;

(iv) All present and future accounts and other rights to payment arising from, in connection with, or relating to the Copyrights;

(v) All patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents and patent applications as described in Schedule E), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto, and all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof;

(vi) The entire goodwill of or associated with the businesses now or hereafter conducted by the Debtors connected with and symbolized by any of the aforementioned properties and assets;

(vii) All general intangibles and all intangible intellectual or other similar property of the Debtors of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(viii) All proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

(b) Notwithstanding anything in this Agreement or in the other Loan Documents to the contrary, the Collateral described in this Agreement or the other Loan Documents shall not include any Excluded Property.

3. Supplement to Loan Agreement. This Agreement has been entered into in conjunction with the security interests granted to Secured Party under the Loan Agreement, the other Loan Documents and other security documents referred to therein. The rights and remedies of Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to, those set forth in the Loan Agreement, the other Loan Documents or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

4. Release of Wells Fargo Foothill Security Interests. The Debtors shall obtain from Wells Fargo Foothill, LLC, signed releases of all security interests held by it in form satisfactory to the Secured Party and sufficient to effectuate the release in the PTO, Copyright Office, and any and all other filing jurisdictions of any and all security interests which Wells Fargo Foothill, LLC may have in the Collateral.

5. Representations and Warranties. The Debtors represent and warrant to Secured Party that:

5.1 Trademarks; Copyrights; Patents. A true and correct lists of all of the existing Collateral consisting of U.S. trademarks, trademark registrations or applications, U.S. registered copyrights and copyright registrations owned by the Debtors, and U.S. patents and patent applications or registrations owned by the Debtors, in whole or in part, are set forth in Schedules B, C, and E.

5.2 Applications for Copyright Registration. A true and correct list of all of the Debtors' United States applications for copyright registrations is set forth in Schedule D.

6. Authorization to File Financing Statements.

(a) The Debtors hereby irrevocably authorize the Secured Party at any time and from time to time to file in the PTO, the Copyright Office, or any other any filing office in any UCC or other necessary jurisdiction any initial financing statements and amendments thereto that (1) indicate the Collateral (i) as all assets of the Debtors or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of the State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (2) provide any other information required by part 5 of Article 9 of the UCC of the State, or such other jurisdiction, for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Debtor is an organization, the type of organization, and any organizational identification number issued to the Debtor, and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates.

(b) The Debtors shall also make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be requested by Secured Party to

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carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtors' compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the PTO or Copyright Office, at the expense of the Debtors. If the Debtors shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, the Debtors shall immediately notify Secured Party in a writing signed by the Debtors of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

(c) If the Debtors shall obtain rights to any new trademarks or Copyrights, the provisions hereof and of the Collateral Security Agreement shall automatically apply thereto. The Debtors shall give prompt notice in writing to Secured Party with respect to any such new trademarks or Copyrights, or renewal or extension of any trademark registration, any additional United States copyright registrations or applications therefor after the date hereof. Without limiting the Debtors' obligations under this Section 6, the Debtors authorize Secured Party to unilaterally modify this Agreement and the Collateral Security Agreement by amending Schedules hereto and/or thereto to include any such new patent or trademark rights and any future United States registered copyrights or applications therefor of Debtors. Notwithstanding the foregoing, no failure to so modify this Agreement or the Collateral Security Agreement or amend the Schedules hereto and thereto shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on such Schedules.

(d) Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, the Collateral described in this Agreement or the other Loan Documents shall not include any Excluded Property.

7. Other Actions. To further the attachment, perfection and first priority of, and the ability of the Secured Party to enforce, the Secured Party's security interest in the Collateral and, without limitation, on the Debtors' other obligations in this Agreement, each of the Debtors further agree, at the Debtors' expense, at the request and option of the Secured Party, to take any and all other actions the Secured Party may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of the Secured Party to enforce, the Secured Party's security interest in any and all of the Collateral, including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the UCC or any other appropriate jurisdiction, or in connection with any filings required with the PTO or the Copyright Office, to the extent, if any, that a Debtor's signature thereon is required therefor, (b) causing the Secured Party's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Secured Party to enforce, the Secured Party's security interest in such Collateral, (c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Secured Party to enforce, the Secured Party's security interest in such Collateral, (d) obtaining governmental and other third

party waivers, consents and approvals in form and substance satisfactory to Secured Party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, (e) using commercially reasonable efforts to obtain waivers from mortgagees and landlords in form and substance satisfactory to the Secured Party and (f) taking all actions under any earlier versions of the UCC or under any other law, as reasonably determined by the Secured Party to be applicable in any relevant UCC or other jurisdiction, including the PTO, Copyright office or any foreign jurisdiction.

8. Representations and Warranties Concerning Debtors' Legal Status. The Debtors represent and warrant to the Secured Party as follows: (a) the Debtors' exact legal names are those indicated on Schedule A hereto and on the signature page hereof, (b) each of the Debtors is an organization of the type, and is organized in the jurisdiction set forth in Schedule A hereto, (c) Schedule A hereto accurately sets forth the Debtors' principal business offices and each location at which they conduct business operations, as well as their mailing addresses, if different, (d) all other information set forth on Schedule A hereto pertaining to the Debtors are accurate and complete, and (f) that there has been no change in any information provided Schedule A hereto since the date on which it was executed by the Debtors.

9. Covenants Concerning Debtor's Legal Status. The Debtors covenant with the Secured Party as follows: (a) without providing at least thirty (30) days prior written notice to the Secured Party, none of the Debtors will change their name, principal business office, locations at which they conduct business operations or its mailing address or organizational identification number if it has one, (b) if the Debtors do not have an organizational identification number and later obtains one, the Debtors shall forthwith notify the Secured Party of such organizational identification number, and (c) none of the Debtors will change its type of organization, jurisdiction of organization or other legal structure.

10. Further Representations and Warranties Concerning Collateral, Etc. The Debtors further represent and warrant to the Secured Party as follows: (a) the Debtors are the owners of the Collateral, free from any right or claim or any person or any adverse lien, security interest or other encumbrance, except for the security interest created by this Agreement and other liens permitted by the Loan Agreement and other Loan Documents, (b) each of the Debtors has at all times operated its business in compliance with all applicable provisions of the Federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances, and (c) all other information provided by the Debtors pertaining to the Collateral is accurate and complete.

11. Covenants Concerning Collateral, Etc. The Debtors further covenant with the Secured Party as follows: (a) except for the security interest herein or in the Collateral Security Agreement granted and liens permitted by the Loan Agreement and other Loan Documents, the Debtors shall be the owner of the Collateral free from any right or claim of any other person, lien, security interest or other encumbrance, and the Debtors shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Secured Party, (b) the Debtors shall not pledge, mortgage or create, or suffer to exist any right of any person in or claim by any person to the Collateral, or any security interest, lien or encumbrance in the Collateral in favor of any person, other than the Secured Party except for

liens permitted by the Loan Agreements and the other Loan Documents, (c) the Debtors will maintain the effectiveness of all trademarks, patents, and copyrights and shall diligently protect and defend against any infringements thereof, (d) subject to the exceptions set forth in the Loan Agreements and the other Loan Documents, the Debtors will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement, and (e) the Debtors will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein except for dispositions permitted by the Loan Agreement and the other Loan Documents.

12. Collateral Protection Expenses: Preservation of Collateral.

12.1 Expenses Incurred by Secured Party. In the Secured Party's discretion, if the Debtors fail to do so, the Secured Party may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral and pay any necessary filing fees or insurance premiums with respect thereto. The Debtors agree to reimburse the Secured Party on demand for all expenditures so made. The Secured Party shall have no obligation to the Debtors to make any such expenditures, nor shall the making thereof be construed as the waiver or cure of any Default or Event of Default.

12.2 Secured Party's Obligations and Duties. Anything herein to the contrary notwithstanding, the Debtors shall remain obligated and liable under each contract or agreement comprised in the Collateral to be observed or performed by them thereunder. The Secured Party shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Secured Party of any payment relating to any of the Collateral, nor shall the Secured Party be obligated in any manner to perform any of the obligations of any of the Debtors under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Secured Party or to which the Secured Party may be entitled at any time or times.

13. Power of Attorney.

13.1 Appointment and Powers of Secured Party. The Debtors hereby irrevocably constitute and appoint the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Debtors or in the Secured Party's own name, for the purpose of carrying out the terms of this Agreement to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, such power of attorney shall give said attorneys the power and right, on behalf of the Debtors, without notice to or assent by them, to do the following:

(a) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or

deal with any of the Collateral in such manner as is consistent with the UCC of the State and as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Debtors' expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary or useful to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein, in order to effect the intent of this Agreement, all at least as fully and effectively as the Debtors might do, including, without limitation, (i) the filing and prosecuting of registration and transfer applications with the appropriate federal, state, local or other agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, and (ii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) to the extent that the Debtors' authorization given herein is not sufficient, to file such financing statements with respect hereto, with or without the Debtors' signature, or a photocopy of this Agreement in substitution for a financing statement, as the Secured Party may deem appropriate and to execute in the Debtors' name such financing statements and amendments thereto and continuation statements which may require the Debtors' signature.

13.2 Ratification by Debtors. To the extent permitted by law, the Debtors hereby ratify all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

13.3 No Duty on Secured Party. The powers conferred on the Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtors for any act or failure to act, except for the Secured Party's own gross negligence or willful misconduct.

14. Rights and Remedies.

14.1 If an Event of Default shall have occurred and be continuing, the Secured Party, without any other notice to or demand upon the Debtors have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC of the State and any additional rights and remedies which may be provided to a secured party in any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose the Secured Party may, so far as the Debtors can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Secured Party may in its discretion require the Debtors to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of the Debtors' principal business office(s) or at such other locations as the Secured Party may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party shall give to the Debtors at least five Business Days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. The Debtors hereby acknowledge that five Business

Days prior written notice of such sale or sales shall be reasonable notice. In addition, the Debtors waive any and all rights that they may have to a judicial hearing in advance of the enforcement of any of the Secured Party's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

14.2 If an Event of Default shall have occurred and be continuing and in addition to any other rights and remedies, as a matter of right and without notice to Debtors [or the Subsidiaries or anyone claiming under any of them, and without regard to the then value of the Collateral or the interest of Debtors therein, or the solvency of Debtors, Secured Party may seek the appointment of a receiver for Debtors, or any of them, and/or the Collateral. Debtors waive any right to a hearing or notice of hearing prior to the appointment of a receiver and irrevocably consents to such appointment. Such receiver shall have all of the usual powers and duties of receivers in like or similar cases and all of the powers and duties of Secured Party and shall continue as such and exercise all such powers until the later of the date of confirmation of sale of the Collateral or the date of expiration of any redemption period, unless such receivership is sooner terminated. All expenses incurred by the receiver or its agents, including obligations to repay funds borrowed by the receiver, shall constitute a part of the Obligations. Any revenues collected by the receiver shall be applied first to the expenses of the receivership, including reasonable attorneys' fees incurred by the receiver and Secured Party, together with interest thereon at the Default Rate from the date incurred until paid, and the balance shall be applied toward the Obligations or in such other manner as the court may direct.

15. Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on the Secured Party to exercise remedies in a commercially reasonable manner, the Debtors acknowledge and agree that it is not commercially unreasonable for the Secured Party (a) to fail to incur expenses reasonably deemed significant by the Secured Party to prepare Collateral for disposition, (b) fail to remove liens or encumbrances on or any adverse claims against Collateral, (c) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (d) to contact other persons, whether or not in the same business as the Debtors, for expressions of interest in acquiring all or any portion of the Collateral, (e) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (f) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (g) to dispose of assets in wholesale rather than retail markets, or (h) to the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the disposition of any of the Collateral. The Debtors acknowledge that the purpose of this Section 16 is to provide non-exhaustive indications of what actions or omissions by the Secured Party would fulfill the Secured Party's duties under the UCC or other law of the State or any other relevant jurisdiction in the Secured Party's exercise of remedies against the Collateral and that other actions or omissions by the Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section 16. Without limitation upon the foregoing, nothing contained in this Section 16 shall be construed to grant any rights to the Debtors or to impose any duties on the Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 16.

16. No Waiver by Secured Party, Etc. The Secured Party shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by the Secured Party. No delay or omission on the part of the Secured Party in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of the Secured Party with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Secured Party deems expedient.

17. Suretyship Waivers by Debtors. The Debtors waive demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, the Debtors assent to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. The Secured Party shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto. The Debtors further waive any and all other suretyship defenses.

18. Marshaling. The Secured Party shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, the Debtors hereby agree that they will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of the Secured Party's rights and remedies under this Collateral Security Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each of the Debtors hereby irrevocably waives the benefits of all such laws.

19. Proceeds of Dispositions; Expenses. The Debtors shall pay to the Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Secured Party in protecting, preserving or enforcing the Secured Party's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale or other disposition of the Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Secured Party may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required

by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the UCC of the State, any excess shall be returned to the Debtors. In the absence of final payment and satisfaction in full of all of the Obligations, the Debtors shall remain liable for any deficiency.

20. Overdue Amounts. Until paid, all amounts due and payable by the Debtors hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the Default Rate of interest provided in the Loan Agreement.

21. Governing Law; Consent to Jurisdiction. THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA (WITHOUT REFERENCE TO THE CHOICE OF LAW PRINCIPLES THEREOF) AND DEBTORS HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, OR ANY OTHER COURT HAVING PERSONAL JURISDICTION OVER THEM OR THE COLLATERAL, IN CONNECTION WITH ANY CONTROVERSY RELATED TO THIS AGREEMENT, THE LOAN AGREEMENT OR THE OTHER LOAN DOCUMENTS, WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT AND AGREES THAT ANY LITIGATION IN CONNECTION HERewith OR THEREwith SHALL BE VENUED IN SUCH FEDERAL OR STATE COURTS.

22. Waiver of Defenses and Release of Claims. Each of the undersigned hereby (i) represents that, as of the date hereof, neither they nor any Affiliates or principals has any defenses to, or setoffs against, any Obligations owing by the Debtors, or by the Debtors' Affiliates or principals, to Secured Party or Secured Party's Affiliates, nor any claims against Secured Party or Secured Party's Affiliates, officers, directors, employees or agents for any matter whatsoever, related or unrelated to the Obligations, and (ii) releases Secured Party and Secured Party's Affiliates, officers, directors, employees and agents from all claims, causes of action, and costs, in law or equity, known or unknown, whether or not matured or contingent, existing as of the date hereof, that any of the undersigned has or may have by reason of any matter of any conceivable kind or character whatsoever, related or unrelated to the Obligations, including the subject matter of this Agreement. The foregoing release does not apply, however, to claims for future performance of express contractual obligations that mature after the date hereof that are owing to the undersigned by Secured Party or Secured Party's Affiliates. As used in this paragraph, the word "undersigned" does not include Secured Party or any individual signing on behalf of Secured Party. The undersigned acknowledge that Secured Party has been induced to enter into, or continue the Obligations by, among other things, the waivers and releases in this paragraph.

23. DISPUTE RESOLUTION. This section contains a jury waiver, arbitration clause, and a class action waiver. READ IT CAREFULLY. This dispute resolution provision shall supersede and replace any prior "Jury Waiver," "Judicial Reference," "Class Action Waiver," "Arbitration," "Dispute Resolution," or similar alternative dispute agreement or provision between or among the parties.

(a) Jury Trial Waiver: Class Action Waiver. As permitted by applicable law, each party waives their respective rights to a trial before a jury in connection with any Dispute (as "Dispute" is hereinafter defined), and Disputes shall be resolved by a judge sitting without a jury. If a court determines that this provision is not enforceable for any reason and at any time prior to trial of the Dispute, but not later than 30 days after entry of the order determining this provision is unenforceable, any party shall be entitled to move the court for an order compelling arbitration and staying or dismissing such litigation pending arbitration ("Arbitration Order"). If permitted by applicable law, each party also waives the right to litigate in court or an arbitration proceeding any Dispute as a class action, either as a member of a class or as a representative, or to act as a private attorney general.

(b) Arbitration. If a claim, dispute, or controversy arises between us with respect to this Agreement, any of the other Loan Documents, or any other agreement or business relationship between any of us whether or not related to the subject matter of this Agreement (all of the foregoing, a "Dispute"), and only if a jury trial waiver is not permitted by applicable law or ruling by a court, any of us may require that the Dispute be resolved by binding arbitration before a single arbitrator at the request of any party. By agreeing to arbitrate a Dispute, each party gives up any right that party may have to a jury trial, as well as other rights that party would have in court that are not available or are more limited in arbitration, such as the rights to discovery and to appeal.

(i) Arbitration shall be commenced by filing a petition with, and in accordance with the applicable arbitration rules of, JAMS or National Arbitration Forum ("Administrator") as selected by the initiating party. If the parties agree, arbitration may be commenced by appointment of a licensed attorney who is selected by the parties and who agrees to conduct the arbitration without an Administrator. Disputes include matters (i) relating to a deposit account, application for or denial of credit, enforcement of any of the obligations we have to each other, compliance with applicable laws and/or regulations, performance or services provided under any agreement by any party, (ii) based on or arising from an alleged tort, or (iii) involving either of our employees, agents, affiliates, or assigns of a party. However, Disputes do not include the validity, enforceability, meaning, or scope of this arbitration provision and such matters may be determined only by a court. If a third party is a party to a Dispute, we each will consent to including the third party in the arbitration proceeding for resolving the Dispute with the third party. Venue for the arbitration proceeding shall be at a location determined by mutual agreement of the parties or, if no agreement, in Phoenix, Arizona.

(ii) After entry of an Arbitration Order, the non-moving party shall commence arbitration. The moving party shall, at its discretion, also be entitled to commence arbitration but is under no obligation to do so, and the moving party shall not in any way be adversely prejudiced by electing not to commence arbitration. The arbitrator: (i) will hear and rule on appropriate dispositive motions for judgment on the pleadings, for failure to state a claim, or for full or partial summary judgment; (ii) will render a decision and any award applying applicable law; (iii) will give effect to any limitations period in determining any Dispute or defense; (iv) shall enforce the doctrines of compulsory counterclaim, res judicata, and collateral estoppel, if applicable; (v) with regard to motions and the arbitration hearing, shall apply rules of evidence governing civil cases; and (vi) will apply the law of the state specified in the agreement giving rise to the Dispute. Filing of a petition for arbitration shall not prevent any party from (i)

seeking and obtaining from a court of competent jurisdiction (notwithstanding ongoing arbitration) provisional or ancillary remedies, including, but not limited to, injunctive relief, property preservation orders, foreclosure, eviction, attachment, replevin, garnishment, and/or the appointment of a receiver, (ii) pursuing non judicial foreclosure, or (iii) availing itself of any self-help remedies such as setoff and repossession. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration.

(iii) Judgment upon an arbitration award may be entered in any court having jurisdiction except that, if the arbitration award exceeds \$4,000,000, any party shall be entitled to a de novo appeal of the award before a panel of three arbitrators. To allow for such appeal, if the award (including Administrator, arbitrator, and attorneys' fees and costs) exceeds \$4,000,000, the arbitrator will issue a written, reasoned decision supporting the award, including a statement of authority and its application to the Dispute. A request for de novo appeal must be filed with the arbitrator within 30 days following the date of the arbitration award; if such a request is not made within that time period, the arbitration decision shall become final and binding. On appeal, the arbitrators shall review the award de novo, meaning that they shall reach their own findings of fact and conclusions of law rather than deferring in any manner to the original arbitrator. Appeal of an arbitration award shall be pursuant to the rules of the Administrator or, if the administrator has no such rules, then the JAMS arbitration appellate rules shall apply.

(iv) Arbitration under this provision concerns a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1, et seq. This arbitration provision shall survive any termination, amendment, or expiration of this Agreement. If the terms of this provision vary from the Administrator's rules, this arbitration provision shall control.

(c) Reliance. Each party (i) certifies that no one has represented to such party that the other party would not seek to enforce jury and class action waivers in the event of suit, and (ii) acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, the mutual waivers, agreements, and certifications in this section.

24. Miscellaneous. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Debtors and their respective successors and assigns, and shall inure to the benefit of the Secured Party and its successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Debtors acknowledge receipt of a copy of this Agreement.

25. Limitation on Amount Obligated; Contribution by Other Persons. Anything contained in this Agreement to the contrary notwithstanding, if any Fraudulent Transfer Law (as hereinafter defined) is determined by a court of competent jurisdiction to be applicable to the obligations of any Debtors under this Agreement, such obligations shall be limited to a maximum aggregate amount equal to the largest amount that would not render such Debtors' obligations under this Agreement subject to avoidance as a fraudulent transfer or conveyance

under Section 548 of Title 11 of the United States Code or any applicable provisions of comparable state law (collectively, the "Fraudulent Transfer Laws"), in each case after giving effect to all other liabilities of such Debtors, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Debtors in respect of intercompany indebtedness, if any, to any other Debtor or any Subsidiary (as defined in the Loan Agreements) of the Debtors to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Debtors under any agreement pursuant to which the liability of such Debtors thereunder is included in the liabilities taken into account in determining such maximum amount) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification, or contribution of such Debtor pursuant to applicable law or pursuant to the terms of any agreement.

26. Errors, Omissions and Corrections. The Debtors hereby agree that they will, within ten (10) days of a request by the Secured Party, comply with any request by the Secured Party to correct documentation errors, omissions or oversights, if any, that occur in connection with this Agreement or any other documentation relating to the Loans.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

LENDER:

NATIONAL BANK OF ARIZONA, a national banking association

By _____
Name _____
Title _____

DEBTORS:

Z'TEJAS HOLDINGS, INC., a Delaware corporation

By Steven Micheletti
Name Steven Micheletti
Title Vice President

Z'TEJAS, INC., a Delaware corporation

By Steven Micheletti
Name Steven Micheletti
Title President and CEO

Z'TEJAS GP, LLC, a Texas limited liability company

By _____
Name _____
Title _____

Z'TEJAS LP, LLC, a Nevada limited liability company

By _____
Name _____
Title _____

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

LENDER:

NATIONAL BANK OF ARIZONA, a national banking association

By _____
Name _____
Title _____

DEBTORS:


Z'TEJAS HOLDINGS, INC., a Delaware corporation

By _____
Name _____
Title _____


Z'TEJAS, INC., a Delaware corporation

By _____
Name _____
Title _____

Z'TEJAS GP, LLC, a Texas limited liability company

By  _____
Name Allen Arroyo
Title President


Z'TEJAS LP, LLC, a Nevada limited liability company

By  _____
Name Allen Arroyo
Title President


Z'TEJAS RESTAURANT HOLDINGS, LP, a Delaware limited partnership

By: Z'Tejas GP, LLC, a Texas limited liability company


Its: General Partner

By 
Name Allen Arroyo
Title President


Z'TEJAS 6TH STREET, LLC, a Texas limited liability company

By 
Name Allen Arroyo
Title President


Z'TEJAS SCOTTSDALE, LLC, an Arizona limited liability company

By 
Name Allen Arroyo
Title President

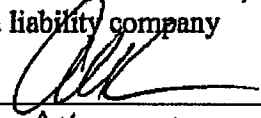
Z'TEJAS OF ARBORETUM, LLC, a Texas limited liability company

By 
Name Allen Arroyo
Title President

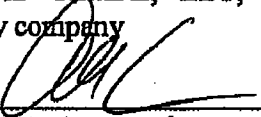
Z'TEJAS GRILL GATEWAY, LLC, an Arizona limited liability company

By 
Name Allen Arroyo
Title President

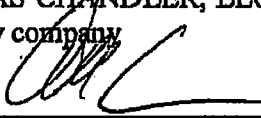
Z'TEJAS SUMMERLIN, LLC, an Arizona limited liability company

By 
Name Allen Arroyo
Title President

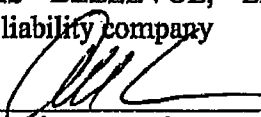
Z'TEJAS TEMPE, LLC, an Arizona limited liability company

By 
Name Allen Arroyo
Title President

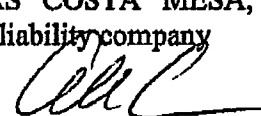
Z'TEJAS CHANDLER, LLC, an Arizona limited liability company

By 
Name Allen Arroyo
Title President

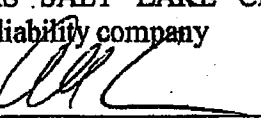
Z'TEJAS BELLEVUE, LLC, a Washington limited liability company

By 
Name Allen Arroyo
Title President

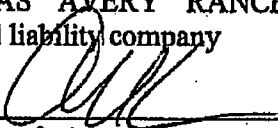
Z'TEJAS COSTA MESA, LLC, a California limited liability company

By 
Name Allen Arroyo
Title President


Z'TEJAS SALT LAKE CITY, LLC, a Utah limited liability company

By 
Name Allen Arroyo
Title President

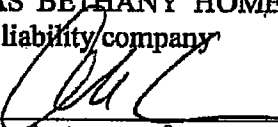
Z'TEJAS AVERY RANCH, LLC, a Texas limited liability company

By 
Name Allen Arroyo
Title President

Z'TEJAS LA CANTERA, LLC, a Texas limited liability company

By 
Name Allen Arroyo
Title President

Z'TEJAS BETHANY HOME, LLC, an Arizona limited liability company

By 
Name Allen Arroyo
Title President

SCHEDULE A
LIST OF SUBSIDIARIES

<u>Name</u>	<u>Organizational Form</u>	<u>State of Formation</u>	<u>Addresses of Principal Place of Business and Operations</u>
Z'Tejas, Inc.	Corporation	Delaware	6909 E. Greenway Parkway, Suite 295 Scottsdale, AZ 85254
Z'Tejas GP, LLC	Limited Liability Company	Texas	6909 E. Greenway Parkway, Suite 295 Scottsdale, AZ 85254
Z'Tejas LP, LLC	Limited Liability Company	Nevada	6909 E. Greenway Parkway, Suite 295 Scottsdale, AZ 85254
Z'Tejas Restaurant Holdings, LP	Limited Partnership	Delaware	6909 E. Greenway Parkway, Suite 295 Scottsdale, AZ 85254
Z'Tejas 6 th Street, LLC	Limited Liability Company	Texas	1110 W. 6 th Street Austin, TX 78759
Z'Tejas Scottsdale, LLC	Limited Liability Company	Arizona	7014 E. Camelback Road Scottsdale, AZ 85251
Z'Tejas of Arboretum, LLC	Limited Liability Company	Texas	9400 A. Arboretum Blvd. Austin, TX 78759
Z'Tejas Grill Gateway, L.L.C.	Limited Liability Company	Arizona	10625 N. Tatum Blvd. Phoenix, AZ 85028
Z'Tejas Summerlin, LLC	Limited Liability Company	Arizona	6909 E. Greenway Parkway, Suite 295 Scottsdale, AZ 85254
Z'Tejas Tempe, LLC	Limited Liability Company	Arizona	20 W. 6 th Street Tempe, AZ 85281
Z'Tejas Chandler, LLC	Limited Liability Company	Arizona	7221 W. Ray Road Chandler, AZ 85226
Z'Tejas Bellevue, LLC	Limited Liability Company	Washington	535 Bellevue Square Bellevue, WA 98004
Z'Tejas Costa Mesa, LLC	Limited Liability Company	California	South Coast Plaza 3333 Bristol St., Suite 1876 Costa Mesa, CA 92626

<u>Name</u>	<u>Organizational Form</u>	<u>State of Formation</u>	<u>Addresses of Principal Place of Business and Operations</u>
Z'Tejas Salt Lake City, LLC	Limited Liability Company	Utah	191 S. Rio Grande Salt Lake City, UT 84101
Z'Tejas Avery Ranch, LLC	Limited Liability Company	Texas	10525 W. Parmer Lane Austin, TX 78717
Z'Tejas La Cantera, LLC	Limited Liability Company	Texas	15900 La Cantera Parkway, Suite 25100 San Antonio, TX 78256
Z'Tejas Bethany Home, LLC	Limited Liability Company	Arizona	6909 E. Greenway Parkway, Suite 295 Scottsdale, AZ 85254

SCHEDULE B

TRADEMARKS

DEBTOR: Z'TEJAS, INC.

<u>Registration No.</u>	<u>Registration Date</u>	<u>Registered Owner</u>	<u>Mark</u>
1722784	10/06/1992	Original owner: Z Tejas Grill Arizona, Inc.; subsequently assigned to Z'Tejas, Inc.	Z Tejas Grill
2517339	12/11/2001	Original owner: Z Tejas Grill Arizona, Inc.; subsequently assigned to Z'Tejas, Inc.	Z
2645640	11/05/2002	Original owner: Z Tejas Grill Arizona, Inc.; subsequently assigned to Z'Tejas, Inc.	Z'Tejas Southwestern Grill
2711156	4/29/2003	Z'Tejas, Inc.	Voo Doo Tuna
2731350	7/01/2003	Original owner: Z Tejas Grill Arizona, Inc.; subsequently assigned to Z'Tejas, Inc.	Z'Tejas Southwestern Grill
2755202	08/26/2003	Z'Tejas, Inc.	Z'Tejas Grill

SCHEDULE C

REGISTERED COPYRIGHTS

None

SCHEDULE D

COPYRIGHT REGISTRATIONS

None

SCHEDULE E

PATENTS

None

800582

Schedule E-1

RECORDED: 11/16/2011

TRADEMARK
REEL: 004661 FRAME: 0774