

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

Quarterly Report under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 1999 Commission file number 0-18761

HANSEN NATURAL CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware 39-1679918
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization Identification No.)

2380 Railroad Street, Suite 101,
Corona, California 92880-5471
(Address of principal executive offices) (Zip Code)

(909) 739 - 6200
Registrant's telephone number, including area code:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

The registrant had 10,002,084 shares of common stock outstanding as of November 1, 1999

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES
September 30, 1999

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 1999 AND DECEMBER 31, 1998 (Unaudited)

	September 30, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,825,772	\$ 3,806,089
Accounts receivable (net of allowance for doubtful accounts, sales returns and cash discounts of \$415,520 in 1999 and \$378,641 in 1998 and promotional allowances of \$2,218,635 in 1999 and \$1,608,123 in 1998)	4,421,682	1,827,544
Inventories, net	7,826,073	5,211,077
Prepaid expenses and other current assets	590,069	244,318
	-----	-----
	15,663,596	11,089,028
PROPERTY AND EQUIPMENT, net	591,169	601,523
INTANGIBLE AND OTHER ASSETS:		
Trademark license and trademarks (net of accumulated amortization of \$2,912,362 in 1999 and \$2,687,462 in 1998)	10,738,663	10,003,417
Note receivable from director		20,861
Deposits and other assets	643,739	211,903
	-----	-----
	11,382,402	10,236,181
	-----	-----
	\$ 27,637,167	\$ 21,926,732
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,295,852	\$ 1,870,253
Accrued liabilities	485,770	403,864
Accrued compensation	313,249	476,001
Current portion of long-term debt	1,167,792	2,072,818
Income taxes payable	122,342	1,269,185
	-----	-----
	8,385,005	6,092,121
LONG-TERM DEBT, less current portion	766,317	1,334,967
DEFERRED INCOME TAX LIABILITY	756,986	557,461
SHAREHOLDERS' EQUITY:		
Common stock - \$.005 par value; 30,000,000 shares authorized; 10,002,084 and 9,911,905 shares issued and outstanding in 1999 and 1998, respectively	50,010	49,560
Additional paid-in capital	11,235,096	11,207,765
Retained earnings	6,443,753	2,684,858
	-----	-----
Total shareholders' equity	17,728,859	13,942,183
	-----	-----
	\$ 27,637,167	\$ 21,926,732
	=====	=====

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE-MONTHS AND NINE-MONTHS ENDED SEPTEMBER 30, 1999 AND 1998 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
NET SALES	\$ 20,491,265	\$ 16,589,368	\$ 54,862,616	\$ 41,804,753
COST OF SALES	11,060,928	8,703,684	29,044,061	21,326,455
GROSS PROFIT	9,430,337	7,885,684	25,818,555	20,478,298
OPERATING EXPENSES:				
Selling, general and administrative	7,121,372	5,975,153	19,373,804	15,537,504
Amortization of trademark license and trademarks	76,604	73,800	224,900	221,400
Other expenses		29,719	30,000	59,719
Total operating expenses	7,197,976	6,078,672	19,628,704	15,818,623
OPERATING INCOME	2,232,361	1,807,012	6,189,851	4,659,675
NONOPERATING EXPENSE (INCOME)				
Interest and financing expense	34,651	82,347	137,763	301,055
Interest income	(40,758)	(31,707)	(90,781)	(38,758)
Net nonoperating expense (income)	(6,107)	50,640	46,982	262,297
INCOME BEFORE PROVISION FOR INCOME TAXES	2,238,468	1,756,372	6,142,869	4,397,378
PROVISION FOR INCOME TAXES	901,700	624,000	2,457,000	1,544,123
NET INCOME	\$ 1,336,768	\$ 1,132,372	\$ 3,685,869	\$ 2,853,255
NET INCOME PER COMMON SHARE:				
Basic	\$ 0.13	\$ 0.12	\$ 0.37	\$ 0.31
Diluted	\$ 0.13	\$ 0.11	\$ 0.35	\$ 0.28
NUMBER OF COMMON SHARES USED IN PER SHARE COMPUTATIONS:				
Basic	9,975,976	9,356,804	9,950,566	9,210,360
Diluted	10,625,105	10,549,988	10,544,156	10,302,057

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 1999 AND 1998 (Unaudited)

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 3,685,869	\$ 2,853,255
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of trademark license and trademarks	224,900	221,400
Depreciation and other amortization	139,939	161,759
Compensation expense related to issuance of stock options	73,026	40,577
Deferred income taxes	199,525	
Effect on cash of changes in operating assets and liabilities:		
Accounts receivable	(2,594,138)	(962,141)
Inventories	(2,614,996)	(291,641)
Prepaid expenses and other current assets	(345,751)	(311,718)
Accounts payable	4,425,599	1,056,839
Accrued liabilities	81,906	73,493
Accrued compensation	(162,752)	246,261
Income taxes payable	(1,146,843)	1,532,790
Net cash provided by operating activities	1,966,284	4,620,874
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(129,585)	(357,802)
Increase in trademark license and trademarks	(960,146)	(87,867)
Decrease in note receivable from director	20,861	29,291
Increase in deposits and other assets	(431,836)	(13,451)
Net cash used in investing activities	(1,500,706)	(429,829)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(1,904,926)	(378,112)
Increase in long-term debt	431,250	
Issuance of common stock	27,781	75,957
Net cash used in financing activities	(1,445,895)	(302,155)

NET (DECREASE) INCREASE IN CASH	(980,317)	3,888,890
CASH, beginning of period	3,806,089	395,231
CASH, end of period	\$ 2,825,772	\$ 4,284,121
SUPPLEMENTAL INFORMATION Cash paid during the year for:		
Interest	\$ 152,701	\$ 286,447
Income taxes	\$ 3,370,000	\$ 2,400

NONCASH TRANSACTIONS:

During the nine-month period ended September 30, 1999, the Company issued 67,876 shares of common stock to employees in connection with a net exercise of options to purchase 92,800 shares of common stock.

HANSEN NATURAL CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 1999 AND YEAR-ENDED DECEMBER 31, 1998

1. BASIS OF PRESENTATION

Reference is made to the Notes to Consolidated Financial Statements, in the Company's Form 10-K for the year ended December 31, 1998, which is incorporated by reference, for a summary of significant policies utilized by Hansen Natural Corporation ("Hansen" or "Company") and its subsidiaries, Hansen Beverage Company ("HBC") and CVI Ventures, Inc. The information set forth in these interim financial statements is unaudited and may be subject to normal year-end adjustments. The information reflects all adjustments, which include only normal recurring adjustments, which in the opinion of management are necessary to make the financial statements not misleading. Results of operations covered by this report may not necessarily be indicative of results of operations for the full fiscal year.

2. INVENTORIES

Inventories consist of the following at:

	September 30, 1999	December 31, 1998
Raw materials	\$2,934,538	\$1,815,040
Finished goods	5,054,584	3,664,270
	7,989,122	5,479,310
Less inventory reserves	(163,049)	(268,233)
	\$7,826,073	\$5,211,077

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

During the quarter ended September 30, 1999 the Company continued to make progress towards achieving its goal of expanding both the Hansen's(R) brand product range and distribution of such products into new markets outside of California.

During the quarter ended September 30, 1999, the Company introduced two new lines of children's multi-vitamin juice products in 8.5-ounce aseptic packages.

During the quarter ended September 30, 1999, net sales increased by 23.5% to \$20.5 million over the comparable period in 1998. The increase in net sales was primarily attributable to sales of the Company's new children's multi-vitamin juice products as well as the Company's Signature Soda line, which was introduced in the first quarter of 1999, and increased sales of Hansen's energy and other functional drinks in 8.2-ounce slim cans. The increase in net sales was also attributable to sales of two flavors of Hansen's Smoothies in 64-ounce P.E.T. plastic bottles, which package was introduced in the fourth quarter 1998, increased sales of the Healthy Start(TM) juice line, and to a lesser extent, increased sales of Smoothies in cans, apple juice lines, and spring water. The increase in net sales was partially offset by decreased sales of teas, lemonades and juice cocktails and Smoothies in 13.5-ounce bottles. Sales of Natural Sodas in cans were level with the comparable quarter of 1998.

The Company is currently in the process of introducing its new line of premium functional Smoothies in cans and anticipates introducing such products in bottles at the end of the year.

The Company continues to incur expenditures in connection with the development and introduction of new products and flavors.

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Results of Operations for the Three-Months Ended September 30, 1999 Compared to the Three-Months Ended September 30, 1998

Net Sales. For the three-months ended September 30, 1999, net sales were \$20.5 million, an increase of \$3.9 million or 23.5% over the \$16.6 million net sales for the three-months ended September 30, 1998. The increase in net sales was primarily attributable to sales of the Company's new children's multi-vitamin juice products as well as the Company's Signature Soda line, which was introduced in the first quarter of 1999, and increased sales of Hansen's energy and other functional drinks in 8.2-ounce slim cans. The increase in net sales was also attributable to sales of two flavors of Hansen's Smoothies in 64-ounce P.E.T. plastic bottles, which package was introduced in the fourth quarter 1998, increased sales of the Healthy Start(TM) juice line, and, to a lesser extent, increased sales of Smoothies in cans, apple juice lines, and spring water. The increase in net sales was partially offset by decreased sales of teas, lemonades and juice cocktails and Smoothies in 13.5-ounce bottles. Sales of Natural Sodas in cans were level with the comparable quarter of 1998.

Gross Profit. Gross profit was \$9.4 million for the three-months ended September 30, 1999, an increase of \$1.5 million or 19.6% over the \$7.9 million gross profit for the three-months ended September 30, 1998. Gross profit as a percentage of net sales decreased to 46.0% for the three-months ended September 30, 1999 from 47.5% for the three-months ended September 30, 1998. The increase in gross profit was primarily attributable to increased net sales. The decrease in gross profit as a percentage of net sales was primarily attributable to lower margins achieved as a result of a change in the Company's product mix.

Total Operating Expenses. Total operating expenses were \$7.2 million for the three-months ended September 30, 1999, an increase of \$1.1 million or 18.4% over total operating expenses of \$6.1 million for the three-months ended September 30, 1998. Total operating expenses as a percentage of net sales decreased to 35.1% for the three-months ended September 30, 1999 from 36.6% for the three-months ended September 30, 1998. The increase in total operating expenses was primarily attributable to increased selling, general and administrative expenses. The decrease in total operating expenses as a percentage of net sales was primarily attributable to the increase in net sales and the comparatively smaller increase in selling, general and administrative expenses from the comparable period in 1998 and a decrease in other expenses.

Selling, general and administrative expenses were \$7.1 million for the three-months ended September 30, 1999, an increase of \$1.1 million or 19.2% over selling, general and administrative expenses of \$6.0 million for the three-months ended September 30, 1998. Selling, general and administrative expenses as a percentage of net sales decreased to 34.8% for the three-months ended September 30, 1999 from 36.0% for the three-months ended September 30,

1998. The increase in selling expenses was primarily attributable to increases in distribution (freight) expenses, advertising, promotional expenditures, particularly coupons, point of sale materials, samples and merchandise displays. The increase in selling expenses was partially offset by a decrease in promotional allowances, slotting expenses, and a slight decrease in in-store demonstrations. The increase in general and administrative expenses was primarily attributable to increased payroll and other costs in connection with the Company's expansion activities into additional states and operating activities to support the increase in net sales.

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Amortization expense was \$76,600 for the three-months ended September 30, 1999 and \$73,800 for the three-months ended September 30, 1998.

There were no other expenses for the three-months ended September 30, 1999 as compared to \$30,000 for the three-months ended September 30, 1998.

Operating Income. Operating income was \$2,232,000 for the three-months ended September 30, 1999, an increase of \$425,000 or 23.5% over operating income of \$1,807,000 for the three-months ended September 30, 1998. Operating income as a percentage of net sales was 10.9% for the three-months ended September 30, 1999, which was about the same as in the comparable period in 1998. The increase in operating income was attributable to the \$1.5 million increase in gross profit which was partially offset by the increase of \$1.1 million in operating expenses.

Net Nonoperating Expense (Income). Net nonoperating income was \$6,000 for the three-months ended September 30, 1999, as compared to net nonoperating expense of \$51,000 for the three-months ended September 30, 1998. Interest income was \$41,000 for the three-months ended September 30, 1999, as compared to interest income of \$32,000 during the comparable period in 1998. The increase in interest income is attributable to an increase in cash invested in interest bearing securities. Interest and financing expense was \$35,000 for the three-months ended September 30, 1999 as compared to \$82,000 for the comparable period in 1998. The decrease in interest and financing expense was attributable to the fact that the principal amounts outstanding on the Company's term loan were lower in 1999 than during the comparable period in 1998.

Provision for Income Taxes. Provision for income taxes was \$902,000, for the three-months ended September 30, 1999, an increase of \$278,000 over the provision for income taxes of \$624,000 for the comparable period in 1998. The effective tax rate for the three-months ended September 30, 1999 was 40.3% as compared to 35.5% for the comparable period in 1998. The increase in provision for income taxes was attributable to the increase in income before provision for income taxes and the increase in the effective tax rate for the three-months ended September 30, 1999. Certain net operating loss carryforwards resulted in a lower effective tax in 1998. Such net operating loss carryforwards were not available in 1999.

Net Income. Net income was \$1,336,000 for the three-months ended September 30, 1999, compared to net income of \$1,132,000 for the three-months ended September 30, 1998. The \$204,000 increase in net income consists of an increase in operating income of \$425,000 and a decrease of \$57,000 in net interest and financing expense which was partially offset by a \$278,000 increase in provision for income taxes.

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Results of Operations for the Nine-months Ended September 30, 1999 Compared to The Nine-months Ended September 30, 1998

Net Sales. For the nine-months ended September 30, 1999, net sales were approximately \$54.9 million, an increase of \$13.1 million or 31.2% over the \$41.8 million net sales for the nine-months ended September 30, 1998. The increase in net sales was primarily attributable to sales of the Company's new Signature Soda line, which was introduced in the first quarter of 1999, sales of Healthy Start(TM) juice line, which was introduced during the second quarter of 1998, sales of two flavors of Smoothies in 64-ounce P.E.T. plastic bottles, which package was introduced in the fourth quarter of 1998, increased sales of

the Hansen's energy and other functional drinks in 8.2-ounce slim cans, sales of the Company's new children's multi-vitamin juice products, which were introduced during the third quarter of 1999, increased sales of Smoothies in cans and apple juice product lines, and, to a lesser extent, sales of the Company's new Gold Standard Premium functional tea line which was introduced in the second quarter of 1999. The increase in net sales was partially offset by decreased sales of Smoothies in 13.5-ounce bottles, and teas, lemonades and juice cocktails.

Gross Profit. Gross profit was \$25.8 million for the nine-months ended September 30, 1999, an increase of \$5.3 million or 26.1% over the \$20.5 million gross profit for the nine-months ended September 30, 1998. Gross profit as a percentage of net sales decreased to 47.1% for the nine-months ended September 30, 1999 from 49.0% for the nine-months ended September 30, 1998. The increase in gross profit was primarily attributable to increased net sales. The decrease in gross profit as a percentage of net sales was primarily attributable to lower margins achieved as a result of a change in the Company's product mix.

Total Operating Expenses. Total operating expenses were \$19.6 million for the nine-months ended September 30, 1999, an increase of \$3.8 million or 24.1% over total operating expenses of \$15.8 million for the nine-months ended September 30, 1998. Total operating expenses as a percentage of net sales decreased to 35.8% for the nine-months ended September 30, 1999 from 37.8% for the nine-months ended September 30, 1998. The increase in total operating expenses was primarily attributable to increased selling, general and administrative expenses. The decrease in total operating expenses as a percentage of net sales was primarily attributable to the increase in net sales and the comparatively smaller increase in selling, general and administrative expenses from the comparable period in 1998.

Selling, general and administrative expenses were \$19.4 million for the nine-months ended September 30, 1999, an increase of \$3.8 million or 24.7% over selling, general and administrative expenses of \$15.5 million for the nine-months ended September 30, 1998. Selling, general and administrative expenses as a percentage of net sales decreased to 35.3% for the nine-months ended September 30, 1999 from 37.2% for the comparable period in 1998. The increase in selling expenses was primarily attributable to increases in distribution (freight) expenses, advertising, promotional allowances and expenditures, particularly in-store demonstrations and coupons, sampling, and point of sale materials. The increase in selling expenses was partially offset by a decrease in expenditures incurred for slotting and merchandise displays. The increase in general and administrative expenses was primarily attributable to increased payroll and other costs in connection with the Company's expansion activities into additional states and operating activities to support the increase in net sales.

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Amortization expense was \$225,000 for the nine-months ended September 30, 1999 and \$221,400 for the nine-months ended September 30, 1998.

Other expenses were \$30,000 for the nine-months ended September 30, 1999 and \$60,000 for the nine-months ended September 30, 1998.

Operating Income. Operating income was \$6,190,000 for the nine-months ended September 30, 1999, an increase of \$1,530,000 or 32.8% over operating income of \$4,660,000 for the nine-months ended September 30, 1998. Operating income as a percentage of net sales increased to 11.3% for the nine-months ended September 30, 1999 from 11.1% in the comparable period in 1998. The increase in operating income was attributable to a \$5.3 million increase in gross profit which was partially offset by an increase of \$3.8 million in operating expenses.

Net Nonoperating Expense (Income). Net nonoperating expense was \$47,000 for the nine-months ended September 30, 1999, a decrease of \$215,000 from net nonoperating expense of \$262,000 for the nine-months ended September 30, 1998. Interest and financing expense was \$138,000 for the nine-months ended September 30, 1999 as compared to \$301,000 for the comparable period in 1998. The decrease in interest and financing expense was attributable to a reduction in financing fees that were fully amortized in 1998 and to the fact that the principal amounts outstanding on the Company's term loan were lower in 1999 than during the comparable period in 1998. Interest income was \$91,000 for the nine-months ended September 30, 1999, as compared to interest income of \$39,000 during the comparable period in 1998. The increase in interest income is attributable to an

increase in cash invested in interest bearing securities.

Provision for Income Taxes. Provision for income taxes was \$2,457,000 for the nine-months ended September 30, 1999, an increase of \$913,000 over the provision for income taxes of \$1,544,000 for the comparable period in 1998. The effective tax rate for the nine-months ended September 30, 1999 was 40.0% as compared to 35.1% for the comparable period in 1998. The increase in provision for income taxes was attributable to the increase in income before provision for income taxes and the increase in the effective tax rate for the nine-months ended September 30, 1999. Certain net operating loss carryforwards resulted in a lower effective tax in 1998. Such net operating loss carryforwards were not available in 1999.

Net Income. Net income was \$3,686,000 for the nine-months ended September 30, 1999 compared to net income of \$2,853,000 for the nine-months ended September 30, 1998. The \$833,000 increase in net income consists of an increase in operating income of \$1,530,000 and a decrease of \$215,000 in net interest and financing expenses which was partially offset by a \$913,000 increase in provision for income taxes.

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Liquidity and Capital Resources

As of September 30, 1999, the Company had working capital of \$7,279,000 compared to working capital of \$4,997,000 as of December 31, 1998. The increase in working capital was primarily attributable to net income earned after adjustments for certain noncash expenses, primarily amortization of trademark license and trademarks, depreciation and other amortization, and deferred income taxes. The increase in working capital was partially offset by repayments made in reduction of HBC's term loan, increases in trademark licenses and trademarks, increases in deposits and other assets, and acquisitions of property and equipment.

Net cash provided by operating activities decreased to \$1,966,000 for the nine-months ended September 30, 1999 as compared to net cash provided by operating activities of \$4,621,000 for the comparable period in 1998. The decrease in net cash provided by operating activities was primarily attributable to increases in inventories and accounts receivable to support the increase in net sales and a decrease in income taxes payable, which were partially offset by an increase in accounts payable.

Net cash used in investing activities was \$1,501,000 for the nine-months ended September 30, 1999 as compared to net cash used in investing activities of \$430,000 for the comparable period in 1998. Net cash used in investing activities was primarily attributable to an increase in trademark license and trademarks, an increase in deposits and other assets, and purchases of property and equipment. Increase in trademark license and trademarks includes \$775,000 in respect of the cost of acquisition of the exclusive ownership of the Hansen's trademark and trade names which were previously held in trust for the benefit of HBC and The Fruit Juice Company of California, Inc. Deposits and other assets include certain graphic design expenses which are amortized over a number of years.

Net cash used in financing activities was \$1,446,000 for the nine-months ended September 30, 1999 as compared to net cash used in financing activities of \$302,000 for the comparable period in 1998. The increase in net cash used in financing activities was primarily attributable to principal payments made in reduction of HBC's term loan partially offset by portion of the cost of acquisition of the exclusive ownership of the Hansen's trademark and trade names, as described above.

As of September 30, 1999, \$1,499,000 was outstanding under the term loan, as compared to \$3,400,000 outstanding on December 31, 1998. Effective June 14, 1999, the Company's bank reduced the annual interest rate on the term loan from the bank's base rate ("prime") plus 1 1/2% to prime plus 1/2%.

HBC's revolving line of credit has been renewed by its bank until May 1, 2000. The effective borrowing rate under the revolving line of credit is prime plus 1/4%. HBC anticipates that the revolving line of credit will be renewed when it expires on May 1, 2000; however, there can be no assurance that it will in fact be renewed or, if renewed, that the terms of such renewal will not be disadvantageous to HBC and its business.

The acquisition of increased inventories and increases in accounts receivable, acquisition of property and equipment, increases in trademark licenses and trademarks, repayment of the Company's long-term debt, repurchase of the Company's common stock, as well as HBC's acquisition and development plans are, and for the foreseeable future are, expected to remain HBC's principle recurring use of cash and working capital funds. Although the Company has no current plans to incur any material capital expenditures, management, from time to time, considers the acquisition of capital equipment, particularly coolers, merchandise displays, vans and promotional vehicles, trademarks, and businesses compatible with the image of the Hansen's(R) brand as well as the development and introduction of new product lines. The Company may require additional capital resources in the event of any such transaction, depending upon the cash requirements relating thereto. Any such transaction will also be subject to the terms and restrictions of HBC's credit facilities.

Management believes that cash generated from operations and the Company's cash resources and amounts available under HBC's revolving line of credit, will be sufficient to meet its operating cash requirements in the foreseeable future, including purchase commitments for raw materials, debt servicing, expansion and development needs as well as any purchases of capital assets or equipment.

Year 2000 Compliance

Many currently installed computer systems and software products are coded to accept only two digit entries in the date code field. These date code fields will need to accept four digit entries or be modified in some fashion to distinguish twenty-first century dates from twentieth century dates. This problem could force computers to either shut-down or provide incorrect data. Incomplete or untimely resolution of Year 2000 issues by the Company, by critically important suppliers, co-packers or customers of the Company could have a material adverse impact on the Company's business, operations or financial condition in the future.

The Company's Year 2000 compliance efforts are ongoing and its overall plan, as well as the consideration of contingency plans, will continue to evolve, as new information becomes available. While the Company anticipates no major interruption of its business activities, this will be dependent in part, upon the ability of third parties to be Year 2000 compliant. Although the Company has implemented the actions described below to address third party issues, it has no direct ability to influence compliance actions by such third parties or to verify their representations that they are Year 2000 compliant. The Company's most significant potential risk is the temporary inability of certain key suppliers to supply raw materials and/or key co-packers to pack some of the Company's products in certain locations and/or certain of the Company's major customers to order and pay on a timely basis, should their systems not be Year 2000 compliant by January 1, 2000.

The Company is in the process of investigating its information technology ("IT") systems as well as its non-information technology ("NIT") systems. Based upon such investigation, the Company believes that the majority of its IT and NIT systems are Year 2000 compliant. However, certain systems such as the communication and voice mail system still require remediation. To date, the expenses incurred by the Company in order to become Year 2000 compliant, including computer software costs, have been approximately \$100,000 and the

current estimated cost to complete remediation is expected not to exceed \$20,000. Such costs, other than software, have been and will continue to be expensed as incurred. Remediation and testing activities are well underway with approximately 95% of the Company's systems already compliant. The Company estimates that it will complete the required remediation, including testing of all its IT and NIT systems, and be fully compliant, by the end of 1999.

An assessment of Year 2000 compliance issues by third parties with whom the Company has relationships, such as critically important suppliers,

co-packers, customers, banking institutions, payroll processors and others is ongoing. The Company has inquired and continues to inquire of such third parties as to their readiness with respect to Year 2000 compliance issues and has to date received indications from certain of them that their systems are compliant or in the process of remediation. The Company will continue to monitor these third parties to determine the possible impact of their non-compliance or otherwise on the business of the Company and the actions the Company can take, if any, in the event of non-compliance by any of these third parties. The Company believes there are multiple vendors of many of the goods and services it receives from its suppliers and thus Year 2000 compliance issue risks with respect to any particular supplier is mitigated by this factor. However, certain flavors and ingredients used by the Company are unique to certain suppliers and the Company does not have and may not be able to secure alternative suppliers therefor or alternatively, alternative suppliers that are able to supply flavors or ingredients of the same or similar quality and/or with the same and similar taste. The Company also is dependent on customers for sales and for cashflow. Interruptions in customers' operations due to Year 2000 issues could result in decreased revenue, increased inventory and cash flow reductions.

Contingency plans for Year 2000 related interruptions will be developed during 1999 where necessary and possible and will include, but not be limited to, the development of emergency back-up and recovery procedures, remediation of existing systems parallel with the installation of new systems, replacing electronic applications with manual processes, identification and securing of alternative suppliers and increasing raw material and finished goods inventory levels and alternative sales strategies. All plans are expected to be completed by the end of 1999.

The Company's plans, which continue to evolve, including estimated costs and dates for completion of Year 2000 remediation, are based in important part on numerous assumptions about future events. Certain of these assumptions, involving key matters such as the availability of certain resources, third party remediation plans and other factors, involve inherent uncertainties or are not within the Company's control. Given the numerous and significant uncertainties involved, there can be no assurance that these estimates will be achieved and therefore, actual results could differ materially. Specific factors that might cause material differences include, but are not limited to, the ability to identify and correct all relevant computer codes and imbedded chips, unanticipated difficulties or delays in the implementation of project plans and the ability of third parties to remediate their respective systems.

European Monetary Union

Within Europe, The European Economic and Monetary Union (the "EMU") introduced a new currency, the euro, on January 1, 1999. The new currency is in response to the EMU's policy of economic convergence to harmonize trade policy, eliminate business costs associated with currency exchange and to promote the free flow of capital, goods and services.

On January 1, 1999, the participating countries adopted the euro as their local currency, initially available for currency trading on currency exchanges and noncash transactions such as banking. The existing local currencies, or legacy currencies, will remain legal tender through January 1, 2002. Beginning on January 1, 2002, euro-denominated bills and coins will be used for cash transactions. For a period of up to six-months from this date, both legacy currencies and the euro will be legal tender. On or before July 1, 2002, the participating countries will withdraw all legacy currencies and exclusively use the euro.

The Company's transactions are recorded in U.S. Dollars and the Company does not currently anticipate future transactions being recorded in the euro. Based on the lack of transactions recorded in the euro, the Company does not believe that the euro will have a material effect on the financial position, results of operations or cash flows of the Company. In addition, the Company has not incurred and does not expect to incur any significant costs from the continued implementation of the euro, including any currency risk, which could materially affect the Company's business, financial condition or results of operations.

The Company has not experienced any significant operational disruptions to date and does not currently expect the continued implementation of the euro to cause any significant operational disruptions.

Forward Looking Statements

The Private Security Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral forward looking statements, including statements contained in this report and other filings with the Securities and Exchange Commission and in reports to shareholders and announcements. Certain statements made in this report, including certain statements made in management's discussion and analysis, may constitute forward looking statements (within the meaning of Section 27.A of the Securities Act 1933 as amended and Section 21.E of the Securities Exchange Act of 1934, as amended) regarding the expectations of management with respect to revenues, profitability, adequacy of funds from operations and the Company's existing credit facility, among other things. All statements which address operating performance, events or developments that management expects or anticipates will or may occur in the future including statements related to new products, volume growth, revenues, profitability, adequacy of funds from operations, and/or the Company's existing credit facility, earnings per share growth, statements expressing general optimism about future operating results and non-historical Year 2000 information, are forward looking statements within the meaning of the Act.

Management cautions that these statements are qualified by their terms and/or important factors, many of which are outside the control of the Company that could cause actual results and events to differ materially from the statements made including, but not limited to, the following:

- o Company's ability to generate sufficient cash flows to support capital expansion plans and general operating activities;
- o Changes in consumer preferences;
- o Changes in demand that are weather related, particular in areas outside of California;
- o Competitive products and pricing pressures and the Company's ability to gain or maintain share of sales in the marketplace as a result of actions by competitors;
- o The introduction of new products;
- o Laws and regulations, and/or any changes therein, including changes in accounting standards, taxation requirements (including tax rate changes, new tax laws and revised tax law interpretations) and environmental laws as well as the Federal Food Drug and Cosmetic Act, the Dietary Supplement Health and Education Act, and regulations made thereunder or in connection therewith, especially those that may affect the way in which the Company's products are marketed as well as laws and regulations or rules made or enforced by the Food and Drug Administration;
- o Changes in the cost and availability of raw materials and the ability to maintain favorable supply arrangements and relationships and procure timely and/or adequate production of all or any of the Company's products;
- o The Company's ability to achieve earnings forecasts, which may be based on projected volumes and sales of many product types and/or new products, certain of which are more profitable than others. There can be no assurance that the Company will achieve projected levels or mixes of product sales;
- o The Company's ability to penetrate new markets;

- o The marketing efforts of distributors of the Company's products, most of which distribute products that are competitive with the products of the Company;
- o Unilateral decisions by distributors, grocery chains, specialty chain stores, club stores and other customers to discontinue carrying all or any of the Company's products that they are carrying at any time;
- o The terms and/or availability of the Company's credit facilities and the actions of its creditors;
- o The effectiveness of the Company's advertising, marketing and promotional programs;
- o Adverse weather conditions, which could reduce demand for the Company's products;
- o The Company's customers', co-packers' and suppliers' ability to replace, modify or upgrade computer programs in ways that adequately address Year 2000 issues; and
- o The Company's project plans, which continue to evolve, including estimated costs and dates for completion of Year 2000 remediation, are based in important part on numerous assumptions about future events. Certain of these assumptions, involving key matters such as the availability of certain resources, third party remediation plans and other factors, involve inherent uncertainties or are not within the Company's control. Given the numerous and significant uncertainties involved, there can be no assurance that these estimates will be achieved and actual results could differ

materially. Specific factors that might cause material differences include, but are not limited to, the inability to identify and correct all relevant computer codes and imbedded chips, unanticipated difficulties or delays in the implementation of project plans and the ability of third parties to remediate their respective systems.

The foregoing list of important factors is not exhaustive.

Inflation

The Company does not believe that inflation has a significant impact on the Company's results of operations for the periods presented.

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PART II - OTHER INFORMATION

- Items 1 - 5. Not Applicable
- Item 6. Exhibits and Reports on Form 8-K
- (a) Exhibits - See Exhibit Index
 - (b) Reports on Form 8-K - None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HANSEN NATURAL CORPORATION
Registrant

Date: November 12, 1999

/s/ Rodney C. Sacks
Chairman of the Board
and Chief Executive Officer

Date: November 12, 1999

/s/ Hilton H. Schlosberg
Vice Chairman of the Board,
President, Chief Operating
Officer, Chief Financial
Officer and Secretary

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EXHIBIT INDEX

Exhibit 10 (lll) Assignment and Agreement dated as of September 22, 1999 by The Fresh Juice Company of California, Inc. and Hansen Beverage Company.

Exhibit 10 (mmm) Settlement Agreement dated as of September 1999 by and between

and among Rodney C. Sacks, as sole Trustee of The Hansen's Trust and Hansen Beverage Company The Fresh Juice Company of California, Inc.

Exhibit 10 (nnn) Trademark Assignment dated as of September 24, 1999 by and between The Fresh Juice Company of California, Inc. (Assignor) and Rodney C. Sacks as sole Trustee of The Hansen's Trust (Assignee).

Exhibit 10 (ooo) Settlement Agreement dated as of September 3, 1999 by and between The Fresh Juice Company of California, Inc., The Fresh Smoothie Company, LLC, Barry Lublin, Hansen's Juice Creations, LLC, Harvey Laderman and Hansen Beverage Company and Rodney C. Sacks, as Trustee of The Hansen's Trust.

Exhibit 10 (ppp) Royalty Agreement dated as of April 26, 1996 by and between Hansen's Juices, Inc. and Hansen's Juice Creations, Limited Liability Company.

Exhibit 10 (qqq) Royalty Agreement dated as of April 26, 1996 by and between Gary Hansen, Anthony Kane and Burton S. Rosky, as trustees of Hansen's Trust and Hansen's Juice Creations, a limited liability company.

Exhibit 10 (rrr) Letter Agreement dated May 14, 1996.

Exhibit 10 (sss) Amendment to Royalty Agreement as of May 9, 1997 by and between The Fresh Juice Company of California and Hansen's Juice Creations, Limited Liability Company.

Exhibit 10 (ttt) Assignment of License Agreements dated as of February 1999 by Hansen's Juice Creations, LLC (Assignor) to Fresh Smoothie, LLC (Assignee)

A S S I G N M E N T A N D A G R E E M E N T

The Assignment and Agreement, made this 22nd day of September, 1999 (the "Effective Date"), by THE FRESH JUICE COMPANY OF CALIFORNIA, INC. (hereinafter referred to as the "Assignor"), a Delaware corporation having its principal offices at 875 West Eighth Street, Azusa, California, and HANSEN BEVERAGE COMPANY (hereinafter referred to as the "Assignee"), a Delaware corporation having its principal offices at 2380 Railroad Street, Suite 101, Corona, California (each of the Assignor and Assignee being hereinafter referred to individually as a "Party" and collectively as the "Parties");

INTRODUCTION AND RECITALS

WHEREAS, Assignor, as the sole successor and/or sole assignee of HANSEN'S JUICES, INC. ("HJI"), owns, possesses and/or enjoys certain rights, titles and interests, whether as owner, exclusive licensee, or otherwise: (i) as a grantor and beneficiary under and pursuant to the terms of that certain Agreement of Trust made as of July 27, 1992, as amended (hereinafter referred to, together with its amendments, as the "Trust Agreement", annexed as Schedule 1 hereto) by, between and among HJI and Assignee as grantors/beneficiaries and Gary Hansen, Anthony Kane and Burton S. Rosky as trustees (said trustees hereinafter referred to collectively as the "Former Trustees") and predecessors of Rodney C. Sacks, the current trustee (the "Trustee") of a trust established by the Trust Agreement for the benefit of HJI and the Assignee (hereinafter, the "Trust"); and (ii) as exclusive Licensee pursuant to that certain Fresh Juices License Agreement, as amended (hereinafter referred to, together with its amendments, as the "Fresh Juices Agreement", annexed as Schedule 2 hereto) entered into on July 27, 1992 between HJI as Licensee and the Former Trustees on behalf of the Trust as Licensor; and (iii) as a party entitled, inter alia, to procure certain Third Party Licenses pursuant to that certain Royalty Sharing Agreement (hereinafter referred to as the "Royalty Sharing Agreement", annexed as Schedule 3 hereto) entered into on July 27, 1992 by, between and among the Former Trustees on behalf of the Trust, HJI and the Assignee; and (iv) as a licensor or sublicensor to Hansen's Juice Creations, Limited Liability Company ("Juice Creations") of certain rights and licenses granted to HJI by the Fresh Juices Agreement and/or the Royalty Sharing Agreement, said rights and licenses being licensed by HJI to Juice Creations pursuant to the Royalty Agreement dated April 26, 1996 between Juice Creations and HJI (the "Juices Royalty Agreement", annexed as Schedule 4 hereto), and a letter agreement dated May 14, 1996 (the "Letter Agreement", annexed as Schedule 5 hereto), as amended by HJI and Juice Creations' subsequent agreement to an amendment thereof dated May 9, 1997 (the "Juices Royalty Amendment", annexed as Schedule 6 hereto), entered into together with the Agreement of Purchase and Sale of Membership Interests and Amendment of Royalty Agreement (the "Membership Purchase Agreement") dated May 9, 1997 (the Juices Royalty Agreement, as amended by the Letter Agreement and the Juices Royalty Amendment and all of the terms and conditions of the Membership Purchase Agreement, and/or of such other agreement, as purport to govern Juice Creations' right and license in the Trademarks and/or Trade Names, being hereinafter referred to collectively as the "Fresh Juices Sublicense"); and (v) pursuant to the foregoing agreements, or otherwise, as the owner, registrant, or possessor of other rights, titles and/or interests in and to the common law and registered trademark "HANSEN'S", alone or in conjunction with other words, and in various forms, variations, or composites thereof, together with all registrations and applications for registration for said mark, including, without limitation, the U.S. trademark registration No. 1,258,780 for "HANSEN'S" (hereinafter referred to as the "Trademarks"), which are fully described in the annexed Schedule 7, incorporated as a part hereof; and (vi) pursuant to the foregoing agreements, or otherwise, as the owner, registrant, or possessor of rights, titles and/or interests in and to the common law and registered designation "HANSEN'S", alone or in conjunction with other words, and in various forms, variations or composites thereof, as a service mark, trade name, commercial name, company name, business name, corporate name or doing business name, together with all registrations and applications for registration thereof (hereinafter referred to as the "Trade Names"), each of which is fully described in the annexed Schedule 8, incorporated as a part hereof; (vii) pursuant to the foregoing agreements, or otherwise, as the owner, registrant, or possessor of rights, titles and/or interests in and to the trade dress and pictorial work herein entitled "HANSEN'S GIRL", depicted on the attached Schedule 9, and incorporated as a part hereof; all of the foregoing rights, titles and interests of Assignor hereinabove set forth in this paragraph being hereinafter referred to, collectively, as the "Intellectual Property"; and WHEREAS, the aforesaid rights, titles and interests of Assignor in the Intellectual Property include, without limitation, the entire

right, title and interest of Assignor and HJI in and to the Trademarks and the Trade Names, together with all registrations and applications for registration thereof; and WHEREAS, Assignee is desirous of hereby acquiring the entire right, title and interest of HJI and Assignor, HJI's sole successor and/or sole assignee, in and to the Intellectual Property, in whole and in part, together with the goodwill of the business associated with the Intellectual Property, including, without limitation, the entire right, title and interest of HJI and Assignor: (i) as grantor and beneficiary under and pursuant to the terms of the Trust Agreement; and (ii) as exclusive Licensee under and pursuant to the terms of the Fresh Juices Agreement; and (iii) as a party entitled, inter alia, to procure certain Third Party Licenses under and pursuant to the terms of the Royalty Sharing Agreement; and (iv) as Licensor under and pursuant to the terms of the Fresh Juices Sublicense; and WHEREAS, it is the primary intention and purpose of this Assignment and Agreement to transfer such rights, titles and interests to Assignee as will enable Assignee to assume full ownership, possession and enjoyment of all right, title and interest in and to the Trademarks and Trade Names, (including, without limitation, the entire, valid and exclusive ownership and title therein and in all registrations and applications for registration thereof, and all goodwill of the businesses directly associated therewith), by, among other means, enabling Assignee to cause the assignment and transfer by the Trust of all such right, title and interest to Assignee or Assignee's designee; NOW, THEREFORE, TO ALL WHOM IT MAY CONCERN, BE IT KNOWN, that, in consideration of the foregoing premises; the mutual covenants, agreements and understandings hereinafter contained; the sums set forth in Section 2 below; and other good and valuable consideration the validity, receipt and sufficiency of which Assignor does hereby acknowledge, the Parties acknowledge and agree as follows: Section 1: Assignment. The Assignor has sold, assigned, transferred, set over and conveyed, and by this Assignment and Agreement does hereby sell, assign, transfer, set over and convey, effective as of the Effective Date, unto the Assignee, Assignee's successors, representatives and assigns, the Assignor's and HJI's entire right, title and interest throughout the United States, world and universe in and to the Intellectual Property, together with the goodwill of the business associated therewith, including, without limitation, the Assignor's and HJI's entire right, title and interest in and to each of the following licenses and agreements: (A) the Fresh Juices Agreement; and (B) the Royalty Sharing Agreement; and (C) the Trust Agreement; and (D) the Fresh Juices Sublicense, provided and on condition, however, that the above assignment "(D)" of Assignor's right, title and interest in and to the Fresh Juices Sublicense shall not take effect unless and until Assignor finally resolves, pursuant to settlement and release and/or non-appealable judicial or arbitral award, order and/or judgment, its dispute with Juice Creations, the Fresh Smoothie Company, Limited Liability Company ("FSC"), Harvey Laderman and Barry Lublin and any of their purported agents, heirs, executors, successors or assigns, as set forth in Assignor's Cross-Demand for Declaratory Relief, dated August 11, 1999, filed with the American Arbitration Association and all claims, counterclaims or other matters relating thereto (the "Fresh Juices Sublicense Dispute"), and further provided, that the above assignments shall not include any goodwill of the business of Assignor or HJI not directly associated with the Intellectual Property and further provided, that the above assignments shall not include any words, graphics, designs and/or other trade dress features that Assignor is using as of the Effective Date other than the Trademarks, Trade Names and/or HANSEN'S GIRL, all right, title and interest in and to which Trademarks, Trade Names and HANSEN'S GIRL are herein assigned to Assignee, and none of which Trademarks, Trade Names and/or HANSEN'S GIRL shall henceforth be used by Assignor, in any manner or medium, including, without limitation, in any advertising, promotional, marketing, sales or other commercial materials, in, on, as or in connection with any trademark, service mark, trade dress, trade name, commercial name, corporate name, company name, business name or any other designation of source, association, affiliation, sponsorship or origin, except pursuant to such express written license as is herein, or as may hereafter be, granted by Assignee.

The Assignor further irrevocably agrees to complete the aforementioned assignment to Assignee, for the consideration herein stated, of the Fresh Juices Sublicense and Assignor's rights thereunder forthwith upon the final resolution of the Fresh Juices Sublicense Dispute pursuant to settlement and release and/or non-appealable judicial or arbitral award, order and/or judgment, in the event that the Fresh Juices Sublicense remains in force and effect, in whole or in part, after final resolution of such Dispute; provided, however, that neither the foregoing assignment, nor any other provision of this Assignment and Agreement, shall transfer or assign, or in any way be construed as transferring or assigning, to Assignee: (a) any rights to, or benefit of, the obligation or duty of Juice Creations or FSC or either of their successors, representatives or assigns (hereinafter all referred to collectively as "HJCL") to purchase its juice products or ingredients or any other products from Assignor; or (b) any obligation or duty to supply HJCL with said juice products or ingredients or any

other products; or (c) or any obligation or duty to refrain from or observe any restriction upon competition with HJCL; or (d) any obligation or duty not to unreasonably or otherwise withhold consent to any request by HJCL to advertise, promote, sell, manufacture or distribute any product in competition with any product advertised, promoted, sold, manufactured or distributed by Assignee; and (e) any obligations, duties or liabilities whatsoever that Assignor or HJI may at any past, present or future time have or incur to or in favor of HJCL, whether in terms of or pursuant to any sublicense between Assignor and HJCL, or HJI and HJCL, or otherwise.

Section 2: Consideration. The monetary consideration payable by Assignee to Assignor for the assignment herein of the Intellectual Property is to be allocated as follows: (A) the sum of \$200,000 (TWO HUNDRED THOUSAND U.S. DOLLARS) for the assignment set forth in Section 1(A); and (B) the sum of \$175,000 (ONE HUNDRED SEVENTY-FIVE THOUSAND U.S. DOLLARS) for the assignment set forth in Section 1(B); and (C) the sum of \$400,000 (FOUR HUNDRED THOUSAND U.S. DOLLARS) for the assignment set forth in Section 1(C); and (D) the sum of \$10 (TEN U.S. DOLLARS) for such assignment, if any, of the Fresh Juices Sublicense as may hereafter be completed by Assignor to Assignee pursuant to the terms and conditions of Assignor's assignment obligation set forth in Section 1 above.

Section 3: Terms of Payment. The foregoing consideration shall be paid by Assignee to Assignor as follows: (A) \$343,750 (THREE HUNDRED FORTY THREE THOUSAND SEVEN HUNDRED FIFTY U.S. DOLLARS) on the date of signing of this Assignment and Agreement; and (B) \$143,750 (ONE HUNDRED FORTY THREE THOUSAND SEVEN HUNDRED FIFTY U.S. DOLLARS) on each of the following dates: (i) August 1, 2000 (ii) August 1, 2001 (iii) August 1, 2002 Assignee may, at its option, prepay any of the amounts due pursuant to this Section 3(B); and (C) \$10 (TEN U.S. DOLLARS) within 30 (thirty) days after written notification to Assignee by Assignor that there has been a final resolution of the Fresh Juices Sublicense Dispute and that the Fresh Juices Sublicense remains in force and effect, in whole or in part, after such final resolution, which written notification Assignor hereby agrees to give to Assignee within 5 (five) days of such resolution; and (D) In the event Assignor has not received payment within three (3) business days of any due date set forth in Section 3(B) above, Assignor may give written notice of non-receipt in accordance with Section 11(D) of this Assignment and Agreement. Assignee shall then have thirty (30) days within which to deliver the full amount of the overdue payment to Assignor. If Assignee fails to deliver full payment within that period, Assignor may, at its option, terminate this Agreement by giving written notice of termination in accordance with the notice provisions set forth in Section 11(D) hereof.

Section 4: Non-Encumbrance. Upon the signing of this Assignment and Agreement, except for its performance of the assignments and transfers to Assignee set forth herein and the continuation of the pre-existing sublicense, if any, to Juice Creations and/or its permitted assigns, if any, under the Fresh Juices Sublicense, Assignor shall not cause or suffer any of the Intellectual Property, including, without limitation, any of the licenses, agreements or other subject matter set forth in Section 1(A) through 1(D) above, or any right, title or interest in or to any of the Intellectual Property, to be made subject to any grant, sale, assignment, transfer, set over, conveyance, license, sublicense, security interest, mortgage, pledge, hypothecation, lien, exception, claim, charge, imperfection in title, agreement, commitment, instrument, arrangement, understanding, undertaking, indenture, duty, obligation, indemnification, or encumbrance of any kind (hereinafter referred to collectively as "Impairments"); provided, however, that in the event any of such Impairments is the result of an involuntary lien or encumbrance created by attachment, execution or similar levy, Assignor shall have the opportunity to remove or cure said Impairment within thirty (30) days of the date on which Assignor receives notice thereof.

Section 5: Sublicense. Assignee shall, upon the effective date of the assignment of the Fresh Juices Agreement set forth in Section 1 above, grant to Assignor an exclusive, worldwide, royalty-free right and sublicense to use the Trademarks and Trade Names in connection with the sale of "Licensed Goods" as these are defined in the Fresh Juices Agreement, subject and pursuant to all the terms and conditions of the Fresh Juices Agreement, including the provisions of said Agreement regarding ownership and use of the "HANSEN'S" trademark and quality of goods; except and provided that: (i) the term of the sublicense granted by this Section 5 shall expire five (5) years from the Effective Date hereof or two (2) years from the date of receipt of the final payment prescribed by Section 3(B) (iii) above, whichever is later; (ii) Assignor shall not use any of the Trademarks or Trade Names that it is not currently using that constitutes a copy or colorable imitation of or is substantially or confusingly similar to the Trademarks and Trade Names used by Assignee as of the Effective Date or used first by Assignee thereafter, including, without limitation, HANSEN'S NATURAL; (iii) Assignor shall not cause or suffer the Fresh Juices Agreement or any of the other Intellectual Property, or any right, title or interest therein or thereto, to be made subject to any assignment, license, sublicense or other Impairment, provided, however, that Assignor's continued role as Licensor under

the Fresh Juices Sublicense as contemplated by Section 1 above shall not itself constitute an Impairment in violation of this Section, and further provided, that, in the event such Impairment is the result of an involuntary lien or encumbrance created by attachment, execution or similar levy, Assignor shall have the opportunity to remove or cure said Impairment within thirty (30) days of the date on which Assignor receives notice thereof, as set forth in Section 4 above; and (iv) Assignee shall, upon and after the Effective Date, be entitled to the receipt of all royalties, fees and other amounts accrued or accruing at any time in connection with any of the agreements listed in Sections 1A, 1B, 1C and 1D above, including, without limitation, the Fresh Juices Sublicense.

Section 6: Representation and Warranties of Assignor. Assignor hereby represents and warrants to Assignee as follows: (A) As of the date hereof and immediately prior to the Assignment and assignments to Assignee provided for by this Assignment and Agreement, Assignor is and shall remain the sole and exclusive owner and possessor of all rights, titles and interests in and to (including, without limitation all rights, titles and interests relating to or deriving from) the status of: (i) the sole and exclusive grantor and beneficiary (other than Assignee) under and pursuant to the terms of the Trust Agreement; and (ii) the sole and exclusive party to the Royalty Sharing Agreement (other than the Trust and Assignee) entitled under and pursuant to the terms of said Agreement, inter alia, to procure Third Party Licenses; and (iii) the sole and exclusive Licensor under and pursuant to the terms of the Fresh Juices Sublicense; and (iv) the sole and exclusive Licensee under and pursuant to the terms of the Fresh Juices Agreement; including, without limitation, all such rights, titles and interests in and to the Intellectual Property as are expressly or impliedly acknowledged in or accorded to HJI or Assignor by any of the agreements or sublicenses referred to in this Section 6(A), as well as the entire right, title and interest in and to the goodwill of the business associated with such Intellectual Property. (B) Each of the rights, titles and interests of Assignor set forth in Section 6(A), above, including, without limitation, each of Assignor's and HJI's rights, titles and interests in and to the Intellectual Property and any registration and registration applications relating thereto, with the sole exception of the registrations listed on the annexed Schedule 10 hereto, is valid and subsisting as of the date hereof, and will remain valid and subsisting immediately prior to and upon the assignment of such rights, titles and interests to Assignee pursuant to this Assignment and Agreement so as to vest and inure fully and immediately in and to the exclusive ownership, benefit, possession and enjoyment of the Assignee upon and after such assignment. (C) Assignor has provided to Assignee a complete and accurate list of all distributors of Assignor, a copy of which is annexed as Schedule 11 hereto. Assignor agrees that it will provide Assignee complete and accurate copies of all agreements Assignor or HJI entered into with such distributors, within two (2) business days of demand by Assignee. Assignor hereby represents and warrants that, other than the Trust Agreement, the Fresh Juices Agreement, the Royalty Sharing Agreement, the Fresh Juices Sublicense and Assignor's or HJI's agreements with the distributors listed in Schedule 12 hereto, it has not entered into any sublicense or other agreement concerning the use of the Intellectual Property, and that, other than the Fresh Juices Sublicense, Assignor has not entered into any sublicense or other agreement concerning the use of the Intellectual Property that is subject to the payment of any royalties or similar fees for the license to use the Trademarks or Trade Names. (D) Except for the Fresh Juices Sublicense and Assignor's agreements with the distributors listed in the annexed Schedule 12, all of which distributorship agreements shall at all times be subject to the provisions of Section 10 below, the Intellectual Property, including, without limitation, the licenses, agreements and/or other subject matter set forth in Section 1(A) through 1(D) above is not as of the date hereof, and will not immediately prior to or upon any assignment provided for by this Assignment and Agreement be, subject to any license, sublicense or Impairments of any kind and shall not thereafter be made subject to any license, sublicense or Impairments of any kind resulting from any acts or omissions of Assignor, other than such duties and obligations of the Parties as are created by and expressly set forth in this Assignment and Agreement. None of the Intellectual Property, including, without limitation, any of the subject matter set forth in Section 1(A) through 1(D) above, is as of the date hereof, or will immediately prior to or upon any assignment provided for by this Assignment and Agreement be, subject to any other requirement, limitation or restriction that would be inconsistent with, or that will impede, qualify or restrict, upon or after such assignment, the Assignee's acquisition, ownership, possession, use, benefit, enjoyment or disposition of HJI's and Assignor's entire right, title and interest therein and thereto and shall not thereafter, as the result of any acts or omissions of Assignor, be made subject to any other requirement, limitation or restriction that would be inconsistent with, or that will impede, qualify or restrict, upon or after such assignment, the Assignee's acquisition, ownership, possession, use, benefit, enjoyment or disposition of HJI's and Assignor's entire right, title and interest therein and thereto. (E) Upon and

after the Effective Date, Assignee shall possess and enjoy, without limitation, the sole and exclusive right in and to all claims, causes of action and rights to petition, sue or otherwise seek monetary, injunctive, declaratory or any other recovery or relief for any infringement, conversion, misappropriation or dilution of, or other injury, offense, violation, breach of duty or wrong to or relating to, any of the Intellectual Property (or any license, agreement or other matter relating thereto), which right accrued, accrues or might accrue, and/or which infringement, conversion, misappropriation, dilution, injury, offense, violation, breach of duty or wrong occurred, occurs or might occur, at any time whatsoever prior to, upon or after the Effective Date, provided however that Assignor shall have the right to prosecute and defend claims and causes of action arising out of the Fresh Juices Sublicense unless and until such time, if any, as the assignment of the Fresh Juices Sublicense to Assignee is completed pursuant to the terms of this Assignment and Agreement and further provided however that Assignor shall have the right to prosecute and defend any non-released claims brought by parties to the Arbitration (as defined in Section 7 below) other than Assignee or the Trustee of the Trust concerning indemnification or payment of attorneys' fees and/or costs incurred in connection with that proceeding. (F) The Assignor is not aware of any third party contesting the validity, enforceability, ownership, use, exercise or enjoyment of any of HJI's or Assignor's right, title or interest in or to any of the Intellectual Property, including, without limitation, any of the subject matter set forth in Sections 1(A) through 1(D) above. No third party has, or has claimed, any right, title or interest in or to any of the Intellectual Property, including, without limitation, any of the subject matter set forth above in Section 1(A) through 1(D) that would be inconsistent with or impede, in any country or jurisdiction whatsoever, the Assignee's sole, entire and exclusive title, ownership, possession, use and enjoyment thereof. With the sole exception of the Fresh Juices Sublicense Dispute, as of the date hereof there are no orders, proceedings, suits or claims pending or threatened that relate to any of the Intellectual Property, and Assignor is neither aware of nor has received any notice alleging any infringement, conversion, misappropriation or dilution of, or conflict with, any right, title or interest of any third party arising out of, by reason of, or in connection with HJI's or Assignor's past, Assignor's present or Assignee's herein contemplated, title, ownership, possession, use or enjoyment of the Intellectual Property, or any of HJI's, Assignor's or Assignee's right, title or interest therein or thereto. To Assignor's knowledge, neither HJI nor Assignor has: (i) breached any agreement, commitment, instrument, arrangement, contractual understanding, undertaking, indenture, license, sublicense, assignment, indemnification or any legal, equitable or other duty or obligation which relates to any of the Intellectual Property with the sole exception the allegations in connection with the Fresh Juices Sublicense Dispute, which Assignor expressly denies; or (ii) infringed, converted, misappropriated, diluted or otherwise conflicted with any intellectual property rights of any third party; or (iii) taken any action or permitted or suffered any omission that would adversely affect any right, title or interest of the Assignee in or to the Intellectual Property; nor is there any infringement, conversion, misappropriation, dilution or conflict that will occur as a result of the Assignee's use of the Intellectual Property or continued operation in accordance with the terms of the agreements and licenses assigned to it pursuant to Section 1 hereof. (G) The Assignor has the full authority, right and power to assign and transfer to Assignee all right, title and interest of HJI and Assignor in and to the Intellectual Property, including, without limitation, the subject matter set forth in Section 1(A) through 1(D) above without need to obtain the authorization, license or consent of any other person or entity. (H) All necessary steps have been, or promptly can be and will be, taken by the Assignor, at no cost or expense to Assignor other than Assignor's payment of its own attorneys' fees, to perfect, for the assignment to, and to the benefit of, Assignee, all of HJI's and Assignor's right, title and interest in and to the Intellectual Property, including, without limitation, all of the subject matter set forth in Section 1(A) through 1(D) above, and the right to enforce and to sue for the past, present and future misappropriation, conversion, infringement or dilution thereof or other conflict therewith or injury thereto.

(I) Assignor agrees that it will not directly or indirectly: (i) contest, or voluntarily assist or aid others in contesting, any right, title or interest of Assignee in or to any of the Intellectual Property, including, without limitation, any of the subject matter set forth in Section 1(A) through 1(D) above, or the validity or enforceability of any thereof, in whole or in part, in or with respect to any country or jurisdiction whatsoever, including, without limitation, any country or jurisdiction in which the Assignee at any time heretofore did, now does or hereafter seeks to, register, exercise or assert any such right, title or interest (provided however, that the foregoing prohibitions set forth in this subparagraph 6(I)(i) shall not bar or restrict Assignor from taking any action required by legal or governmental rules,

regulations or compulsory process); or (ii) use, or cause to be used, in any country or jurisdiction whatsoever, any trademark, trade name or other intellectual property that dilutes or infringes upon any of the Assignee's right, title or interest in or to any of the Intellectual Property, or constitutes a copy or colorable imitation of any of the Intellectual Property, or is substantially or confusingly similar thereto; in particular, but without limitation, Assignor agrees that it shall not adopt or use any word, name, symbol or device comprised of or incorporating stylized letters arrayed in a design or form identical or substantially similar to the stylized HANSEN'S trademark that was previously or is currently used by Assignor and depicted on the attached Schedule 13, in the location and/or manner in which it was previously or is currently used in Assignor's label and/or trade dress or in any other manner, medium or location as is likely to cause consumer confusion. Provided however, that this Section 6(I) shall not restrict the right of Assignor to use the Trademarks and/or Trade Names in accordance with the Sublicense set forth in Section 5 hereof.

(J) Assignor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Assignor has the full power and authority to own its property and carry on its business as now being conducted. The execution and delivery of this Assignment and Agreement by Assignor and the performance by Assignor of all of its obligations contemplated hereby have been duly authorized by all requisite corporate action. This Assignment and Agreement and all other agreements and written obligations entered into and undertaken in connection with the transactions contemplated hereby constitute the valid and legally binding obligations of Assignor enforceable against Assignor in accordance with their respective terms except as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of public policy. The execution and delivery of this Assignment and Agreement, the consummation of the transactions provided for herein, and the fulfillment of the terms hereof, will not result in the breach of any of the terms and provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation of Assignor under: (i) any agreement, indenture, or other instrument; (ii) the articles of incorporation or by-laws of Assignor; (iii) any judgment, decree, order or award of any court, governmental body or arbitrator, or (iv) any applicable rule, regulation or law.

Section 7: Agreement to Settle Arbitration.

Contemporaneously with the execution of this Assignment and Agreement, Assignor agrees to execute and cause to be delivered to Assignee and Assignee agrees to execute and cause to be delivered to Assignor (a) an original of the Settlement Agreement dated September __, 1999 between Assignee and Assignor in connection with the arbitration commenced by Assignee and the Trustee of the Trust against Assignor, Juice Creations, FSC and the Former Trustees, No. 72 Y 114 01292 98, pending before the American Arbitration Association in Los Angeles, California (the "Arbitration"), and (b) the Stipulated Final Dismissal of the Arbitration annexed to, and the Releases executed in connection with, said Settlement Agreement. Contemporaneously with the execution of this Assignment and Agreement, Assignor also agrees to execute, and cause to be delivered to Assignee, Assignor's consent to and approval of the terms and conditions of the Settlement Agreement dated September __, 1999 between Assignee, the Trustee of the Trust and Juice Creations, FSC, Barry Lublin and Harvey Laderman in connection with the Arbitration.

Section 8: Cooperation.

(A) Assignor acknowledges and agrees that the Trust is the exclusive owner of all right, title and interest in and to the Trademarks and Trade Names and all goodwill of the businesses directly associated therewith, subject only to such licenses to use the Trademarks and Trade Names as may properly have been granted by the Trust. Assignor further acknowledges and agrees that it is the primary intention and purpose of this Assignment and Agreement to transfer such rights, titles and interests to Assignee as will enable Assignee to assume full ownership, possession and enjoyment of all right, title and interest in and to the Trademarks, Trade Names and HANSEN'S GIRL (including, without limitation, the entire, valid and exclusive ownership and title therein and in all registrations and applications for registration thereof, and all goodwill of the businesses symbolized thereby), by, among other means, enabling Assignee to cause the assignment and transfer of all such right, title and interest by the Trust to Assignee or Assignee's designee. (B) Assignor, therefore, agrees that, upon and after the Parties' entry into this Assignment and Agreement, Assignor will, at Assignee's expense, provide such full and continuing cooperation and assistance to the Assignee as may be necessary or desirable: (i) to effect the assignment and transfer to Assignee or Assignee's designee, and their respective successors, representatives and assigns, of all right, title and interest in and to the Trademarks and other Intellectual Property and subject matter assigned to Assignee pursuant to Section 1 hereof (including, without limitation, all right,

title and interest in and to the Trademarks and other Intellectual Property held by the Trust), and all registrations and applications for registration thereof; and (ii) to secure, validate, register, perfect, defend, protect and/or enforce Assignee's right, title and interest in and to the Trademarks, other Intellectual Property and any subject matter assigned to Assignee pursuant to Section 1 hereof. Provided, however, that Assignor shall be responsible for payment of its own attorneys' fees incurred in rendering such cooperation or assistance. (C) Such cooperation and assistance shall include, without limitation, Assignor's receipt, preparation, execution and delivery to or on behalf of Assignee or Assignee's designee of all documents, instruments and materials (including, but not limited to, all assignments, affidavits and powers), and performance of all acts (including, but not limited to, the dissolution of the Trust, amendment of the Trust Agreement and/or participation as a party or witness to any action or proceeding), as may reasonably be requested by the Assignee for the purposes of: (i) effecting any of the assignments referred to in Section 8 (B), above; (ii) authorizing and requesting the Commissioner of Patents and Trademarks of the United States of America and the appropriate officers of all other jurisdictions in which the Trademarks are registered or in which applications included among and for registration of the Trademarks are pending, to record the title of Assignee or Assignee's designee, and their respective successors, representatives and assigns, as owner of all right, title and interest in and to the Trademarks, together with all good will of the businesses directly associated with the Trademarks, and to issue the Certificate of Registration resulting from any application for registration of the Trademarks or renewal of any existing registration of any of the Trademarks to Assignee or Assignee's designee and their respective successors, representatives and assigns; (iii) obtaining any other applications, registrations, recordations or other filings of or for any of the Trademarks and/or other Intellectual Property or subject matter assigned to Assignee pursuant to Section 1 hereof; (iv) initiating, prosecuting, defending or participating in any action or proceeding of or relating to any of the Trademarks and/or other Intellectual Property or subject matter assigned to Assignee pursuant to Section 1 hereof; or (v) establishing, evidencing or obtaining the validity, performance or enforcement of any of the transactions, rights or obligations provided for by this Assignment and Agreement. Section 9: Confidentiality. The existence, nature and content of this Assignment and Agreement and its terms and conditions shall remain confidential. Other than the Press Release provided for in Section 11(O) below, there shall be no publication, disclosure, dissemination, representation, or characterization to any third party of or concerning: this Assignment and Agreement or the nature and contents of this Assignment and Agreement, provided, however, that nothing herein shall be construed as to prohibit the Parties from disclosing the foregoing information (a) to independent auditors or legal counsel, (b) when required by legal or governmental, rules, regulations or compulsory process, or (c) when appropriate, to enforce, confirm or defend the disclosing Party's intellectual property rights and/or this Assignment and Agreement. Section 10: Assignor's Distribution Agreements. With the sole exception of the Fresh Juices Sublicense, Assignor agrees that, effective upon or before the expiration or earlier termination of the Sublicense provided for in Section 5 above, it shall modify, amend and supersede, and/or, if necessary, cancel, terminate, rescind, nullify or void, all such provisions of any distribution, license, sublicense or other agreement between Assignor or HJI and any other person or entity as grant, permit or entail any express or implied rights, titles or interests in or to any of the Trademarks or Trade Names (the "Distribution Agreements") so as to eliminate, terminate, rescind, nullify or void all rights, titles and interests in and to the Trademarks and Trade Names expressly or impliedly granted or created by, or which may arise from, the Distribution Agreements. Nothing contained in this Assignment and Agreement shall be construed (i) as a recognition or acknowledgment by Assignee or the Trustee of the Trust that any third parties, including, without limitation, any distributors of Assignor, have any rights, titles or interests in and to the Intellectual Property and/or (ii) as a waiver of any of Assignee's or the Trustee of the Trust's rights, titles or interests in and to the Intellectual Property and/or as a waiver of their rights to seek enforcement thereof. Section 11: Miscellaneous. (A) Binding Effect; Assignability. This Assignment and Agreement shall inure to the benefit of and be binding upon Assignor and Assignee, and each of their respective parents, subsidiaries and affiliated persons, companies and entities, and each of the foregoing persons', companies' and entities' respective officers, directors, shareholders, members, trustees, agents, employees, attorneys and accountants, and the foregoing persons', companies' and entities' heirs, successors, representatives, executors, administrators and assigns. No assignment or delegation of this Assignment and Agreement or any right, benefit or obligation hereunder shall relieve the assigning Party from any obligation hereunder without the express written acknowledgment and agreement of the other Party. (B) Writing Required. Neither this Assignment and Agreement nor any of the

provisions hereof shall be binding upon the Parties unless and until the instrument has been signed hereinbelow by or on behalf of each of the Parties by persons who are duly authorized by the respective Parties to execute this Assignment and Agreement and who warrant such authorization by signing hereinbelow. In such event this Agreement shall be effective as of the date first above written. (C) Interpretation; Captions. The captions of the various sections of this Assignment and Agreement have been inserted only for the purposes of convenience, and shall not be deemed in any manner to modify, define, enlarge or restrict any of the provisions of this Assignment and Agreement. Insofar as both Parties have been represented by able counsel in the negotiation of the terms of this document, no Party shall be considered to be the drafter of this Assignment and Agreement or any provision hereof for the purpose of any law or any rule of interpretation or construction that would cause this Assignment and Agreement or any provision hereof to be construed against the drafter. The Introduction and Recitals are hereby incorporated as part of this Assignment and Agreement. (D) Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or three (3) days after being sent by registered or certified mail, return receipt requested, postage prepaid, or transmitted by fax with oral confirmation, addressed as follows or to such other address of which the parties may be given notice in accordance with this paragraph: In the case of Assignor: Jeffrey Heavirland

Fresh Juice Company of

California, Inc.

875 West 8th Street

Azusa, California 91702

Telecopy: (818) 812-6077

copy to: Lawrence J. Hilton, Esq.

O'Melveny & Myers LLP

Suite 1700

610 Newport Center Drive

Newport Beach, California 92660-6429

Telecopy: (714) 659-6994

In the case of

Assignee: Rodney C. Sacks

Hansen Beverage Company

2380 Railroad Street, Suite 101

Corona, California 91720

Telecopy: (909) 739-6210

copy to: Benjamin M. Polk, Esq.

Whitman Breed Abbott & Morgan LLP

200 Park Avenue

New York, New York 10166

Telecopy: (212) 351-3131

(E) Remedies. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided at equity or at law. In the event of a breach or threatened breach by either Party of its obligations under this Assignment and Agreement, each Party acknowledges that the other Party may not have an adequate remedy at law and shall be entitled to seek specific performance of this Assignment and Agreement and such preliminary, permanent and mandatory equitable and injunctive relief as may be available to restrain the other Party from any actual or threatened violation of the provisions hereof. Accordingly, notwithstanding the Parties' agreement to submit to arbitration set forth in Section 11(F), below, either party may apply to any court situate in Los Angeles County (the "Court") to obtain any of the foregoing, or other, relief in connection with any dispute, controversy or claim arising out of or relating to this Assignment and Agreement in the event that the granting of any such relief is not within the authorization, power or policy of any arbitral authority selected by the Parties, or is not expressly denied by such arbitral authority but nevertheless cannot be obtained from such authority in time to avoid imminent, irreparable harm. The Parties hereby consent to the personal jurisdiction of the Court for the purposes of hearing and deciding such application. The prevailing Party in any action or proceeding seeking such relief shall be entitled to reimbursement from the other Party of any costs or expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with such proceeding. Nothing herein shall be construed as prohibiting either Party from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages.

(F) Arbitration/Alternative Dispute Resolution. The Parties hereby expressly agree that any dispute, controversy or claim arising out of, in connection with, or relating to this Assignment and Agreement, or the entry into, breach or termination hereof, shall be settled by binding arbitration conducted by JAMS/Endispute ("JAMS") in accordance with JAMS Comprehensive Arbitration Rules and Procedures (the "Rules"). The arbitration shall be heard by one (1) arbitrator to be selected in accordance with the Rules, in Orange

County, California. Judgment upon any award rendered may be entered in any court having jurisdiction thereof. Within seven (7) calendar days after appointment the arbitrator shall set the hearing date, which shall be within ninety (90) days after the filing date of the demand for arbitration unless a later date is required for good cause shown and shall order a mutual exchange of what he/she determines to be relevant documents, identifications of witnesses and information and the dates thereafter for the taking of up to a maximum of five (5) depositions by each Party to last no more than two (2) days per deponent. Both Parties waive the right, if any, to obtain any award for exemplary or punitive damages or any other amount for the purpose of imposing a penalty from the other in any arbitration or judicial proceeding or other adjudication arising out of or with respect to this Assignment and Agreement, or any breach hereof, including any claim that this Assignment and Agreement, or any part hereof, is invalid, illegal or otherwise voidable or void. In addition to all other relief that may be granted in the arbitration, including, without limitation, the relief set forth in Section 11(E) above, the arbitrator shall award reasonable attorneys' fees to the prevailing Party. The arbitrator shall make his or her award no later than seven (7) calendar days after the close of evidence or the submission of final briefs, whichever occurs later. The arbitration award shall be final and binding upon the parties and the parties hereto agree that they will accept such decision and award as binding and conclusive and will abide thereby. Service of any notice, process, motion or other document in connection with such arbitration proceeding and arbitration award may be made by personal service or by any means specified in Section 11(D) hereof. (G) Governing Law. This Assignment and Agreement, including, without limitation, the formation, validity, interpretation, performance and enforcement hereof, shall be governed by the laws of the State of California without giving effect to the laws, rules or principles of that State with regard to conflicts of law. (H) Independent Agents. The parties hereto are independent contractors and neither party is the agent, joint venturer, partner, or employee of the other. (I) No Third Party Beneficiaries. No third party beneficiary rights or interests are contemplated, intended or created by this Assignment and Agreement. (J) Modifications and Amendments. No amendment, modification, rescission, or waiver of, or consent to any departure from, this Assignment and Agreement, in whole or in part, shall be valid or binding upon any of the Parties unless made in writing and properly signed by or on behalf of the party to be charged therewith. (K) Waivers. No failure or delay of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Any waiver of or consent to any departure from the terms of this Assignment and Agreement, in whole or in part, shall be effective only in the specific instance and for the specific purpose for which it is given. (L) Severability. If any provision of this Assignment and Agreement or the application thereof shall to any extent be held invalid, illegal or unenforceable, the remainder of the Assignment and Agreement shall not be affected or impaired thereby, and each provision hereof shall be construed and enforced consistent with the intent of this Assignment and Agreement and shall be valid and enforceable to the fullest extent permitted by law. (M) Survival of Provisions. The assignments set forth in Section 1, the representations, warranties and obligations set forth in Section 6, and the rights and obligations set forth in Sections 7, 8, 9 10, 11(A), 11(E), 11(F) and 11(O) of this Assignment and Agreement, shall be of continuing duration and shall survive the execution, termination, expiration, cancellation, repudiation and/or rescission of this Assignment and Agreement for any reason.

(N) Entire Understanding. This Assignment and Agreement (including the Introduction and Recitals and annexed Schedules, which are incorporated and made a part hereof), sets forth the entire agreement and understanding between the Parties relating to the subject matter set forth herein, and merges, cancels and supersedes all prior and contemporaneous representations, discussions, communications, assignments and agreements between them with respect to the subject matter hereof. (O) Press Release. The Parties recognize that the public announcement of the assignments provided in this Assignment and Agreement may have a significant effect with each of the Parties' respective customers. For that reason, the Parties agree that the initial public announcement of the within assignments shall be made through a joint press release in a form to be mutually agreed upon by the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Assignment and Agreement to be executed by their duly authorized representatives as follows.

EXECUTED this 22nd day of September, 1999 at Assignor: The Fresh Juice Company of California, Inc.,

By: /s/ Jeffrey P. Heavirland
Chief Executive Officer
EXECUTED this 28th day of September, 1999
at
Assignee: Hansen Beverage Company

By: /s/ Rodney C. Sacks
Chief Executive Officer

A C K N O W L E D G M E N T S
State of California

ss.:

County of Los Angeles

On this 22nd day of September, 1999, personally before me came Jeffrey P. Heaverland, known to me, and known to me to be the Chief Executive Officer of The Fresh Juice Company of California, Inc. and who signed the annexed Assignment and Agreement, and being duly sworn, acknowledged that he executed the same.

/s/ Luz M. Garcia, Commission #1097368
Notary Public
State of California

ss.:

County of Riverside

On this 28th day of September, 1999, personally before me came Rodney C. Sacks, known to me, and known to me to be the Chief Executive Officer of Hansen Beverage Company and who signed the annexed Assignment and Agreement, and being duly sworn, acknowledged that he executed the same.

/s/ Barbara D. Verdugo, Commission #1227068
Notary Public

BEFORE THE AMERICAN ARBITRATION ASSOCIATION
LOS ANGELES, CALIFORNIA

- - - - - X Hansen
Beverage Company and Rodney C. Sacks, as Trustee of the Hansen's Trust,

Claimants,

-against-

Gary Hansen, Anthony Kane, Burton S. Rosky, Hansen's Juice Creations, LLC, and
The Fresh Juice Company of California, Inc., Respondents. : :

:
:

No. 72 Y 114 01292 98

SETTLEMENT AGREEMENT

- - - - - X

This Settlement Agreement (the "Settlement Agreement") is entered into effective the ___ day of September, 1999 by and between and among Hansen Beverage Company ("HBC") and Rodney C. Sacks, as sole Trustee (the "Trustee") of the Hansen's Trust (the "Trust"), a Trust created under that certain Agreement of Trust dated as of July 27, 1992, as amended from time to time (together with its amendments, the "Trust Agreement", annexed as Schedule 1 hereto) by, between and among Hansen's Juices, Inc. and HBC as grantors/beneficiaries and Gary Hansen, Anthony Kane and Burton S. Rosky as trustees (collectively, the "Former Trustees") and The Fresh Juice Company of California, Inc., as successor to and/or assignee of Hansen's Juices, Inc. (both hereinafter referred to as "HJI"). WHEREAS, HJI owns, possesses and/or enjoys certain rights, titles and interests, inter alia: (i) as a grantor and beneficiary under and pursuant to the terms of the Trust Agreement; and (ii) as licensee of the common law and registered trademark "HANSEN'S", alone or in conjunction with other words, and in various forms, variations and composites thereof (hereinafter, collectively, the "Trademarks"), and the service mark, trade name, company name, corporate name and doing business name "HANSEN'S", alone or in conjunction with other words, and in various forms, variations and composites thereof (hereinafter, collectively, the "Trade Names"), in connection with the manufacture, sale and distribution of fresh juice drinks and juices pursuant to that certain Fresh Juices License Agreement, as amended (hereinafter, together with its amendments, the "Fresh Juices Agreement", annexed as Schedule 2 hereto) entered into as of July 27, 1992 between HJI as Licensee and the Former Trustees on behalf of the Trust as Licensor; and WHEREAS, HBC owns, possesses and/or enjoys certain rights, titles and interests, inter alia: (i) as a grantor and beneficiary under and pursuant to the terms of the Trust Agreement; and (ii) as licensee of the Trademarks and Trade Names in connection with the manufacture, sale and distribution of all beverage products (other than the beverage products licensed exclusively to HJI under the Fresh Juices Agreement) and non-beverage products, pursuant to the Carbonated Beverage License Agreement, Other Beverage License Agreement, and Non-Beverage License Agreement, all entered into as of July 27, 1992 between HBC as licensee and the Former Trustees on behalf of the Trust as licensor; and WHEREAS, HJI and Hansen's Juice Creations, LLC ("Juice Creations") entered into a Royalty Agreement dated April 26, 1996 (the "Juices Royalty Agreement", annexed as Schedule 3 hereto), and a letter agreement dated May 14, 1996 (the "Letter Agreement" annexed as Schedule 4 hereto) as amended by their subsequent agreement to an amendment thereof dated May 9, 1997 (the "Juices Royalty Amendment", annexed as Schedule 5 hereto), entered into together with the Agreement of Purchase and Sale of Membership Interests and Amendment of Royalty Agreement (the "Membership Purchase Agreement") dated May 9, 1997 (the Juices Royalty Agreement, as amended by the Letter Agreement and the Juices Royalty Amendment, and all of the terms and conditions of the Membership Purchase Agreement and/or of such other agreement, as purport to govern Juice Creations' right and license in the Trademarks and/or Trade Names, being hereinafter referred to collectively, as the "Fresh Juices Sublicense"); and WHEREAS, according to the terms of the Fresh Juices Sublicense, HJI granted Juice Creations an exclusive license to use the designation "HANSEN'S" as a trademark, trade name and business name in connection with the manufacture, sale and distribution of "fresh juices and fresh juice products" as defined therein; and WHEREAS, Juice Creations further entered into a Royalty Agreement with the Former Trustees dated April 26, 1996 (the "Other Products Royalty Agreement", annexed as Schedule 6 hereto), by the terms of which the Trust, by the Former Trustees, purported to grant Juice Creations an exclusive license to use the designation "HANSEN'S" as a trademark, trade name and business name in

connection with the manufacture, sale and distribution of "fresh brewed coffee, coffee flavored drinks, coffee beans and/or ground coffee, food spreads and baked goods" as defined and limited by the terms of that Agreement; and WHEREAS, The Fresh Juice Company of California, Inc. by successorship to and/or assignment from Hansen's Juices, Inc., became the sublicensor to Juice Creations under and pursuant to the terms of the Fresh Juices Sublicense; and WHEREAS, according to the terms of an Assignment of License Agreements dated February, 1999 (the "Sublicense Assignment," annexed as Schedule 7 hereto), Juice Creations assigned to the Fresh Smoothie Company, LLC ("FSC") the Fresh Juices Sublicense, the Other Products Royalty Agreement, and all of Juice Creations' rights and licenses under these agreements; and WHEREAS, the Trustee and HBC, as Claimants, and HJI, as a Respondent, are parties to arbitration (the "Arbitration") pending before the American Arbitration Association ("AAA") in Los Angeles, California, No. 72 Y 114 01292 98 (each of HBC, the Trustee and HJI being hereinafter referred to, individually, as a "Party" and, collectively, as the "Parties" to this Settlement Agreement); and WHEREAS, HJI has submitted and moved for leave to file a Cross-Demand For Declaratory Relief dated August 11, 1999 (the "Cross-Demand") against FSC, Barry Lublin, Juice Creations and Harvey Laderman before the AAA (the "Fresh Juices Dispute"); and WHEREAS, the Parties wish to dismiss, with prejudice, all claims that they have, or could have, asserted against one another in the Arbitration and to avoid the expense, inconvenience and distraction of protracted litigation, without any admission of liability whatsoever by any of them and without the foregoing recitals constituting any evidence or admission as to the validity, force or effect of any of the agreements referred to therein; and WHEREAS, the Parties have agreed to settle this Arbitration between and among them on the terms and conditions set forth below; NOW, THEREFORE, in consideration of the premises, the mutual covenants and promises set forth herein, and for other good and valuable consideration, the validity, sufficiency and receipt of which are hereby acknowledged, IT IS STIPULATED AND AGREED by, between and among the Parties as follows: 1. Required Executions and Submissions. Contemporaneously with the execution of this Settlement Agreement, the Parties shall execute the Releases annexed as Exhibit A to the Settlement Agreement dated September __, 1999 by, between and among HBC, the Trustee of the Trust, FSC, FSC's Managing Partner, Barry Lublin, Juice Creations and Juice Creations' Managing Partner, Harvey Laderman (the "FSC Settlement Agreement"), annexed as Exhibit A hereto and, by their respective counsel, shall submit to the Arbitrator for signature and approval an executed original Stipulated Final Dismissal upon the terms of this Settlement Agreement, the FSC Settlement Agreement and the Releases annexed thereto, in the form annexed as Exhibit B hereto. 2. Consent to FSC Settlement Agreement. Subject to the non-waiver provisions of Section 7.3 below, HJI hereby consents to and approves of the terms and conditions of the FSC Settlement Agreement and agrees to abide by and implement such terms and conditions of the FSC Settlement Agreement to the extent that such terms and conditions affect or concern HJI or any agreement to which HJI is a party, including, without limitation, the Fresh Juices Sublicense, and HJI hereby further consents to and approves of the execution of and entry into the FSC Settlement Agreement by each of the parties thereto, including, without limitation, these parties' adoption of, and compliance with, the definitions, specifications and conditions set forth in the FSC Settlement Agreement with respect to the "Licensed Mark," "Licensed Goods," and "Licensed Uses," and to the supersedence by the FSC Settlement Agreement of the Fresh Juices Sublicense, Other Products Royalty Agreement and other instruments, arrangements and agreements referred to in Section 2.5 of the FSC Settlement Agreement as being superseded thereby. HJI agrees to execute the covenant not to sue the Releasees in respect of the FSC Settlement Agreement as set forth in the Release annexed as Exhibit A to the FSC Settlement Agreement. 3. Integration. This Settlement Agreement contains the full and complete settlement reached by the Parties with respect to the Arbitration and merges all prior and contemporaneous discussions, writings, promises, undertakings, representations and communications between them respecting the settlement of the Arbitration and the subject matter set forth herein. No modification, rescission or waiver of any of the terms and conditions of this Settlement Agreement shall be binding or effective for any purpose unless expressed in a writing signed by the Parties, and any such modification, rescission or waiver shall be effective only in the specific instance and for the specific purpose given. Binding Effect. This Settlement Agreement shall inure to the benefit of, and shall be binding upon, the undersigned Parties, their parent entities, controlled subsidiaries, affiliates, divisions, and departments, and each of the foregoing entities' principals, officers, directors, employees, representatives and agents, and all those acting under any of the foregoing persons' or entities' control, in concert with any of them or on any of their behalf, and each of their respective heirs, successors, representatives, administrators and assigns. Notices. Any notice, request, information or other document required to be provided hereunder shall be in writing and delivered personally or sent by certified mail or registered mail,

postage prepaid, to the following addressees or to such other addressees as may from time to time be designated in writing by the parties: In the case of

Trustee: Rodney C. Sacks

Trustee, Hansen's Trust
c/o Hansen Beverage Company
2380 Railroad Street
Suite 101
Corona, California 91720
Telecopy: (909) 739-6210

Copy to: Benjamin M. Polk, Esq.
Whitman Breed Abbott & Morgan LLP
200 Park Avenue
New York, New York 10166
Telecopy: (212) 351-3131

In the case of
HBC: Rodney C. Sacks
Hansen Beverage Company
2380 Railroad Street
Suite 101
Corona, California 91720
Telecopy: (909) 739-6210

Copy to: Benjamin M. Polk, Esq.
Whitman Breed Abbott & Morgan LLP
200 Park Avenue
New York, New York 10166
Telecopy: (212) 351-3131

In the case of
HJI: Jeffrey Heavirland
Fresh Juice Company of
California, Inc.
875 West 8th Street
Azusa, California 91702
Telecopy: (818) 812-6077
Copy to: Lawrence J. Hilton, Esq.
O'Melveny & Myers LLP
Suite 1700
610 Newport Center Drive
Newport Beach, California 92660-6429
Telecopy: (714) 659-6994

Authority. Each of the individual signatories hereto personally represents and warrants that he is a Party or an officer of a Party hereto, that his entry into this Settlement Agreement is authorized in the manner required by applicable law, and that he is empowered and authorized to sign on behalf of the Party on behalf of whom or which he sets forth his signature below. Non-admission; Non-Prejudice. 3.1 It is expressly understood and agreed that this Settlement Agreement and its contents are not and shall not be construed as an admission or denial by any of the Parties as to, or as any evidence of, the truth of any of the allegations or the validity of any of the claims asserted in the Arbitration. The Parties have agreed to compromise and settle the claims asserted in the Arbitration to avoid the expense and inconvenience that would be entailed in continuing this proceeding. 3.2 Nor shall the Parties' entry into this Settlement Agreement, or any of the provisions hereof, be with prejudice to, constitute a waiver of, or be construed as any evidence of, or any admission or denial by any of the Parties or any other person as to, the truth of any of the allegations or the validity of any of the claims that FSC, Juice Creations, Harvey Laderman and Barry Lublin on the one hand, and HJI on the other, may have or claim against one another, including, without limitation, any of the allegations and claims set forth in HJI's Cross-Demand, or any unreleased claim relating to the validity, force or effect of Juice Creations' assignment of its license rights to FSC, the validity, force, effect or termination of the Fresh Juices Sublicense, and/or HJI's claim for indemnification of attorneys' fees set forth in the Cross-Demand.. 3.3 Nor shall HJI's consent and approval of the terms and conditions of the FSC Settlement Agreement and/or of the execution of thereof, as set forth in Section 2 above, be with prejudice to, constitute a waiver of, or be construed as any evidence of, or any admission or denial by any of the Parties as to, the truth of any of the allegations or the validity of any of the claims that FSC, Juice Creations, Harvey Laderman and/or Barry Lublin, on the one hand, or HJI, on the other hand, may have or claim against one another, including, without limitation, any of the allegations and claims set forth in HJI's Cross-Demand, or any other claim relating to the validity, force or effect of Juice Creations' assignment of its license rights to FSC, the validity,

force, effect or termination of the Fresh Juices Sublicense, and/or HJI's claim for indemnification of attorneys' fees set forth in the Cross-Demand. Non-Exhaustive. The requirements and restrictions set forth in this Settlement Agreement shall be in addition to, and not in lieu of, any requirements or restrictions prescribed by law. Choice of Law. This Settlement Agreement shall be construed under and governed by the laws of the State of California without giving effect to principles of conflict of law. 4. Final Dismissal, Alternative Dispute Resolution and Remedies. 4.1 Final Dismissal. The Stipulated Final Dismissal shall be submitted to the Arbitrator for signature and approval. 4.2 Alternative Dispute Resolution. The Parties hereby expressly agree that any dispute, controversy or claim arising out of, in connection with, or relating to this Settlement Agreement, or the entry into, breach or termination hereof, shall be settled by binding arbitration conducted by JAMS/Endispute ("JAMS") in accordance with JAMS Comprehensive Arbitration Rules and Procedures (the "Rules"). The arbitration shall be heard by one (1) arbitrator to be selected in accordance with the Rules, within the boundaries of the United States District Court for the Central District of California. Judgment upon any award rendered may be entered in any court having jurisdiction thereof. Within seven (7) calendar days after appointment the arbitrator shall set the hearing date, which shall be within ninety (90) days after the filing date of the demand for arbitration unless a later date is required for good cause shown and shall order a mutual exchange of what he/she determines to be relevant documents, identifications of witnesses and information and the dates thereafter for the taking of up to a maximum of five (5) depositions by each Party to last no more than two (2) days per deponent. The Parties waive the right, if any, to obtain any award for exemplary or punitive damages or any other amount for the purpose of imposing a penalty from the other in any arbitration or judicial proceeding or other adjudication arising out of or with respect to this Settlement Agreement, or any breach hereof, including any claim that this Settlement Agreement, or any part hereof, is invalid, illegal or otherwise voidable or void. In addition to all other relief that may be granted in the arbitration, including, without limitation, the relief set forth in Section 10.3 below, the arbitrator shall award reasonable attorneys' fees to the prevailing Party or Parties. The arbitrator shall make his or her award no later than seven (7) calendar days after the close of evidence or the submission of final briefs, whichever occurs later. The arbitration award shall be final and binding upon the Parties and the Parties hereto agree that they will accept such decision and award as binding and conclusive and will abide thereby. Service of any notice, process, motion or other document in connection with such arbitration proceeding and arbitration award may be made by personal service or by any means specified in Section 5 hereof. The Parties further acknowledge, consent and agree that to the extent that any dispute, controversy or claim arising out of, in connection with, or relating to this Settlement Agreement refers or relates to, implicates, involves or concerns, in any manner whatsoever, the FSC Settlement Agreement, the Trust Agreement, the Fresh Juices Agreement, the Fresh Juices Sublicense, the Other Products Royalty Agreement or any other instrument, arrangement or agreement by and/or between and/or among HBC, the Trustee, the Former Trustees, FSC, Juice Creations, HJI, Barry Lublin and/or Harvey Laderman that provides for arbitration before the American Arbitration Association, the arbitration provisions of this Section 10 shall govern and control and the entire controversy, claim and dispute shall be conducted by JAMS in accordance with the provisions of this Section 10. To the extent that the provisions of the Trust Agreement, the Fresh Juices Agreement, the Fresh Juices Sublicense, the Other Products Royalty Agreement or any such other instrument, arrangement or agreement are in conflict or inconsistent with this Section 10, they are hereby superseded to the extent necessary to effectuate the intent of the Parties that any dispute, controversy or claim arising out of, in connection with, or relating to this Settlement Agreement be conducted in its entirety by JAMS in accordance with the provisions of this Section 10. 4.3 Remedies. In the event of a breach or threatened breach by any of the Parties of its obligations under this Settlement Agreement, each Party acknowledges that the other Parties may not have an adequate remedy at law and shall be entitled to seek specific performance of this Settlement Agreement and such preliminary, permanent and mandatory equitable and injunctive relief as may be available to restrain any other Party from any actual or threatened violation of the provisions hereof. Accordingly, notwithstanding the Parties' agreement to submit to arbitration set forth in Section 10.2 above, each Party may apply to any court situate in Los Angeles County (the "Court") to obtain any of the foregoing, or other, relief in connection with any dispute, controversy or claim arising out of or relating to this Settlement Agreement in the event that the granting of any such relief is not within the authorization, power or policy of any arbitral authority selected by the Parties, or is not expressly denied by such arbitral authority but nevertheless cannot be obtained from such authority in time to avoid imminent, irreparable harm. The Parties hereby consent to the personal jurisdiction of the Court for the purposes of hearing and deciding such application. The prevailing

Party or Parties in any action or proceeding seeking such relief shall be entitled to reimbursement from the other Party or Parties of any costs or expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with such proceeding. Nothing herein shall be construed as prohibiting any Party from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages.

WHEREFORE, each Party has caused his or its duly authorized signatory to execute and enter into this Settlement Agreement with effect as of the date first above written.

RODNEY C. SACKS, AS TRUSTEE
OF THE HANSEN'S TRUST
BY: /s/ Rodney C. Sacks
RODNEY C. SACKS, Trustee

HANSEN BEVERAGE COMPANY
BY: /s/ Rodney C. Sacks
RODNEY C. SACKS, as Chief Executive Officer

THE FRESH JUICE COMPANY OF CALIFORNIA, INC.

BY: /s/ Jeffrey Heavirland
JEFFREY HEAVIRLAND, as Chief Executive Officer

TRADEMARK ASSIGNMENT

WHEREAS, THE FRESH JUICE COMPANY OF CALIFORNIA, INC., as the sole successor and/or sole assignee of HANSEN'S JUICES, INC. ("HJI"), with a place of business at 875 West Eighth Street, Azusa, California (hereinafter "ASSIGNOR"), has adopted and used certain trademarks, which are registered in the United States Patent and Trademark Office and other Patent and Trademark offices, identified in Schedule A hereto (hereinafter the "MARKS"); and

WHEREAS, Rodney C. Sacks, as sole Trustee of the Hansen's Trust (the "Trust"), a Trust created under that certain Agreement of Trust dated as of July 27, 1992, as amended from time to time, with a place of business at 2380 Railroad Street, Suite 101, Corona, California 91720 (hereinafter "ASSIGNEE"), is desirous of acquiring all of ASSIGNOR'S rights, titles and interests in and to the MARKS, together with the registrations thereof and the goodwill of the business symbolized thereby;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises set for herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. ASSIGNOR hereby does assign, transfer and convey, effective as of the date hereof, to ASSIGNEE, its successors, legal representatives and assigns, all of ASSIGNOR'S rights, titles, and interests in and to the MARKS together with the goodwill of that portion of ASSIGNOR'S business symbolized thereby, including without limitation, the right to petition, sue or otherwise seek and recover damages, profits and any other remedy (monetary, injunctive, declaratory or other), for any past, present or future infringement, dilution, conversion or misappropriation of, or other injury, offense, violation, breach of duty or wrong relating to the MARKS. ASSIGNOR warrants that it has good title to the MARKS, free and clear of any liens, pledges, security interests and encumbrances, and has full and complete power and authority to sell, transfer and assign the MARKS to ASSIGNEE.

2. ASSIGNOR hereby agrees to authorize and request the Commissioner of Patents and Trademarks of the United States of America and the appropriate officers of all other jurisdictions in which the MARKS are registered or in which an application for registration of the MARKS are pending, to record the title of ASSIGNEE, its successors, legal representatives and assigns, as owner of all rights, titles and interests in and to the MARKS, together with all goodwill of the business associated with and symbolized by the MARKS, and to issue the Certificates of Registration resulting from any such application for registration of the MARKS or renewal of any existing registration of the MARKS to ASSIGNEE, its successors, legal representatives and assigns, in accordance with the terms of this instrument.

3. ASSIGNOR hereby further agrees that it shall execute and deliver, or cause to be executed and delivered, to ASSIGNEE or ASSIGNEE'S legal representatives, any other or additional assignments, powers and other appropriate documentation, and take all additional actions, necessary to effectuate, validate and record the Assignment of the MARKS to ASSIGNEE with the United States Patent and Trademark Office and the appropriate agencies and offices of all jurisdictions in which the MARKS are or may be registered or in which applications for registration of the MARKS are pending, under the relevant laws of the United States or any other jurisdictions. In all events such execution, delivery and/or action by ASSIGNOR shall be timely and, in the event that ASSIGNEE shall demand any such execution, delivery and/or action, ASSIGNOR shall undertake the same no later than seven days after such demand.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of this 24th day of September, 1999.

THE FRESH JUICE COMPANY OF CALIFORNIA, INC. (ASSIGNOR)

By: /s/ Jeffrey Heavirland
Name: Jeffrey Heavirland
Title: Chief Executive Officer

THE HANSEN'S TRUST (ASSIGNEE)

By: /s/ Rodney C. Sacks
Name: Rodney C. Sacks
Title: Trustee

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Settlement Agreement") is entered effective the 3rd day of September, 1999 by and between The Fresh Juice Company of California, Inc., as successor to and/or assignee of Hansen's Juice, Inc. (both hereinafter referred to as "HJI"), The Fresh Smoothie Company, LLC ("FSC") and its managing partner, Barry Lublin ("Lublin"), Hansen's Juice Creations, LLC ("Juice Creations"), and its managing partner, Harvey Laderman ("Laderman") (HJI, FSC, Lublin and Laderman shall collectively hereinafter be referred to as "the Parties").

WHEREAS, HJI owns, possesses and/or enjoys certain rights, title and interests, inter alia: (i) as a grantor and beneficiary under and pursuant to the terms of a Trust created under that certain Agreement of Trust dated as of July 27, 1992, as amended from time to time (the "Trust Agreement" or "Trust") by, between and among Hansen's Juices, Inc. and Gary Hansen, Anthony Kane and Burton S. Rosky (collectively, the "Former Trustees") as Trustees of the Trust; and (ii) as licensee of the common law and registered trademark "HANSEN'S", alone or in conjunction with other words, and in various forms, variations and composites thereof (hereinafter, collectively, the "Trademarks"), and the trade name, company name, corporate name and doing, business name "HANSEN'S", alone or in conjunction with other words, and in various forms, variations and composites thereof (hereinafter, collectively, the "Trade Names"), in connection with the manufacture, sale and distribution of fresh juice drinks and juices pursuant to that certain Fresh Juices License Agreement, as amended (hereinafter, together with its amendments, the "Fresh Juices Agreement") entered into as of July 27, 1992 between HJI as Licensee and the Former Trustees on behalf of the Trust as Licensor; and

WHEREAS, HJI and Juice Creations entered into a Royalty Agreement dated April 26, 1996, annexed as Exhibit "A" hereto (the "Juices Royalty Agreement"), which has been amended and supplemented pursuant to: (i) a letter agreement, dated May 14, 1996 annexed as Exhibit "B" hereto (the "Letter Agreement"), (ii) Amendment to Royalty Agreement, dated May 9, 1997 to the Juices Royalty Agreement annexed as Exhibit "C" hereto (the "Juices Royalty Amendment"), (iii) an Agreement of Purchase and Sale of Membership Interests and Amendment of Royalty Agreement dated May 9, 1997 annexed hereto as Exhibit "D" hereto (the "Membership Purchase Agreement"), and (iv) the Settlement Agreement dated September __, 1999 between Hansen Beverage Company ("HBC"), Rodney C. Sacks, as Trustee of the Trust, FSC, Juice Creations, Lublin and Laderman, annexed as Exhibit "E" hereto (the "HBC Settlement Agreement"). The Juices Royalty Agreement, as amended by the Letter Agreement, Juices Royalty Amendment, the Membership Purchase Agreement, the HBC Settlement Agreement, and the within Settlement Agreement (being hereinafter referred to, collectively, as the "Fresh Juices Sublicense"), shall govern FSC's rights and license in the Trademarks and/or Trade Names; and

WHEREAS, in accordance with to the terms of the Juices Royalty Agreement, HJI granted Juice Creations an exclusive license to use the designation "HANSEN'S" as a trademark, trade name and business name in connection with the manufacture, sale and distribution of "fresh juices and fresh juice products";

WHEREAS, The Fresh Juice Company of California, Inc. by successorship to and/or assignment from Hansen's Juices, Inc., became the sublicensor to Juice Creations under and pursuant to the terms of the Fresh Juices Sublicense; and

WHEREAS, pursuant to the terms of an Assignment of License Agreements dated February, 1999, Juice Creations assigned to FSC all of Juice Creations' rights, license, and interests under the Juices Royalty Agreement, as amended; and

WHEREAS, the Trustee and HBC, as Claimants, and Juice Creations, as Respondent, are parties to an arbitration (the "Arbitration") pending before the American Arbitration Association ("AAA") in Los Angeles California, No. 72 Y 114 01292 98, however, the Arbitration has been settled and dismissed pursuant to the HBC Settlement Agreement; and

WHEREAS, HJI has submitted to the AAA and moved for leave to file a Cross-Demand For Declaratory Relief, dated August 11, 1999 (the "Cross-Demand") against FSC, Lublin, Juice Creations, and Laderman before the AAA, and FSC, Lublin, Laderman and Juice Creations have DENIED the claims set forth in the Cross-Demand and have certain claims against HJI (the "Fresh Juices Dispute"); and

WHEREAS, the Parties wish to dismiss, with prejudice, all claims that they have, or could have, asserted against one another in the Cross-Demand and with respect

to the Fresh Juices Dispute, and to avoid the expense, inconvenience and distraction of protracted litigation, without any admission of liability whatsoever by any of them, and without the foregoing recitals constituting any evidence or admission as to the validity, force or effect of any of the agreements referred to therein; and

WHEREAS, the Parties have agreed to settle the Cross-Demand and the Fresh Juices Dispute between and among them on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the premises, the mutual covenants and promises set forth herein, and for other good and valuable consideration, the validity, sufficiency and receipt of which are hereby acknowledged, IT IS STIPULATED AND AGREED by and among the Parties as follows:

1. Required Submissions and Documents. Contemporaneously with the execution of this Settlement Agreement, HJI shall submit to the Arbitrator for signature and approval an executed original Stipulated Final Dismissal upon the terms of this Settlement Agreement in the form annexed as Exhibit "F."

2. Rescission of Termination Notices. Confirmation Validity of Fresh Juice Sublicense. HJI hereby acknowledges, agrees and confirms, that: (i) all prior notices and letters purporting to terminate the Juices Royalty Agreement, as amended, which were sent to FSC (or to Juice Creations) by HJI (or by HJI's legal counsel), including without limitation the letters dated March 1, 1999, April 2, 1999, and July 7, 1999 (copies of which are attached hereto as Exhibits "G-1," "G-2," and "G-3") are hereby rescinded and terminated and are of no further force and effect, (ii) the Fresh Juices Sublicense is valid, and in full force and effect pursuant to the terms and conditions contained therein, and as amended hereinbelow, and (iii) upon the execution of this Settlement Agreement by the Parties, FSC shall not be deemed to be in default under the Fresh Juices Sublicense.

3. Amendment To Juices Royalty Amendment. HJI and FSC hereby agree that the Juices Royalty Amendment is further hereby amended as follows: after the word "machine" contained in the last line of Paragraph I and on the last line of Paragraph 2.b., the following words shall be added in parenthesis: "(including blenders)."

4. Non-Competition.

(i) Nothing in this Agreement, or in any of the agreements comprising the Fresh Juices Sublicense as defined in this Settlement Agreement shall be construed to prohibit or restrict FSC from supplying, in any bottled, non-bottled or pre-bottled form, custom blend fresh juice-based products, including, without limitation, smoothies, which are designed to be sold for use at home or by the ultimate consumer in a Taylor machine, or similar machine (including blenders) ("Custom Blended Fresh Juice Products"), provided that neither the designation "'HANSEN" nor "HANSEN'S", alone or in combination with any other word(s), or any form, variation or composite thereof, is used in any manner whatsoever in connection with any such Custom Blended Fresh Juice Products as a trademark, service mark, trade name, company name, corporate name, doing business name or otherwise. Other than with respect to its supply obligations to FSC, HJI shall not manufacture, sell, distribute or supply any Custom Blended Fresh Juice Products.

(ii) In the event that at any time during the term of the Juices Royalty Agreement, as amended, that FSC elects (at its sole option) to sell, manufacture or distribute under a trademark not using the name "Hansens" any juice based product that is in competition to any product presently manufactured and distributed solely by HJI, then FSC must first obtain the prior consent of HJI, which consent shall not be unreasonably withheld by HJI. FSC shall give to HJI at least sixty (60) days prior written notice with respect to describing said product(s) and its intended uses (the "Notice"), and HJI shall respond within thirty (30) days from the receipt of the Notice. In the event that HJI rejects FSC's request contained in the Notice, then: (i) HJI's response to FSC shall set forth HJI's reasons why it is disapproving FSC's

request, and (ii) if FSC is of the opinion that HJI has unreasonably disapproved FSC's request, then FSC may, at its option, submit such dispute to Arbitration pursuant to the procedures set forth in Paragraph 17 hereinafter.

5. Payment by FSC to HJI of Certain Invoices. The Parties hereby acknowledge that there are certain outstanding invoices recently billed by HJI to FSC as follows (collectively, the "Invoices"):

Invoice No.	Amount
0227 367	\$ 117.60
0226 722	21,217.20
0229 175	22,811.90
Total:	\$ 44,146.70

HFI and FSC have agreed that FSC shall have up to November 1, 1999 to pay in full the Invoices. It is further agreed that FSC shall pay all future HJI invoices within thirty (30) days from receipt by FSC of the products ordered by FSC pursuant to such new invoices.

6. Payment of Legal Fees. It is hereby agreed and confirmed that neither Juice Creations, FSC, Barry Lublin, or Harvey Laderman shall have any liability or obligation to pay to HJI any legal fees or costs with respect to the indemnification provisions contained in Paragraph 9.01 of the Membership Purchase Agreement or contained in any other document.
7. Ratification of Fresh Juices Sublicense. The Parties hereby confirm, agree, and acknowledge that: (i) Fresh Juices Sublicense is in full force and effect, and (ii) the Parties shall comply with the terms and conditions of, and perform their obligation under, and be bound by all of the terms and conditions contained in the Fresh Juices Sublicense.
8. Mutual Releases.

(i) Except for the obligations created under this Settlement Agreement, FSC, Juice Creations, Lublin, and Laderman, jointly and severally, do hereby unconditionally, irrevocably and forever release and discharge HJI and its officers, directors, managers, attorneys, agents, servants, representatives, employees, and the successors and assigns of each of the foregoing from any and all claims, debts, liabilities, demands, obligations, costs, expenses, damages, lawsuits, actions and causes of action, of whatever kind or nature, whether known or unknown, based on, arising out of, or in connection with anything done or omitted or suffered to be done at any time prior to the date of this Settlement Agreement which pertains in any way to any of the events described in the Recitals to this Settlement Agreement, the Cross-Demand, and the Fresh Juices Dispute.

(ii) Except for the obligations created under this Settlement Agreement, HJI hereby unconditionally, irrevocably and forever releases and discharges (a) Juice Creations, FSC, and their respective members, principals, officers, directors, managers, attorneys, agents, servants, representatives, employees, and (b) Barry Lublin and Harvey Laderman, and their respective attorneys, agents, servants, representatives, employees, agents, heirs, successors, and assigns, from any and all claims, debts, liabilities, demands, obligations, costs, expenses, damages, lawsuits, actions and causes of action, of whatever kind or nature, whether known or unknown, based on, arising out of, or in connection with anything done or omitted or suffered to be done at any time prior to the date of this Settlement Agreement which pertains in any way to any of the events described in the Recitals to this Settlement Agreement, the Cross-Demand, or the Fresh Juices Dispute.

(iii) Except for as provided in this Settlement Agreement and its related documents, the release of the Parties contained in this Paragraph 7 of this Settlement Agreement includes the waiver and release of any and all rights under California Civil Code Section 1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

(iv) Each of the Parties hereto represents and warrants that such Party has not heretofore assigned or transferred, or purported to assign or transfer, to any person or other entity whatever, any claim or cause of action released or assigned pursuant to this Settlement Agreement.

9. Integration. This Settlement Agreement contains the full and complete settlement reached by the Parties with respect to the Cross-Demand and the Fresh Juices Dispute and the matters contained therein, and merges all prior and contemporaneous discussions, writings, promises, undertakings, representations and communications between them respecting the settlement of the Cross-Demand and the Fresh Juices Dispute and the subject matter set forth herein. No modification, rescission or waiver of any of the terms and conditions of this Settlement Agreement shall be binding or effective for any purpose unless expressed in a writing signed by the Parties, and any such modification, rescission or waiver shall be effective only in the specific instance and for the specific purpose given.

10. Binding Effect. This Settlement Agreement and the Juices Sublicense Agreement shall inure to the benefit of, and shall be binding upon, the undersigned Parties, their parent entities, controlled subsidiaries, members, shareholders, affiliates, divisions, and departments, and each of the foregoing entities' principals, officers, directors, employees, representatives and agents, and all those acting under any of the foregoing persons' or entities' control, in concert with any of them or on any of their behalf, and each of their respective heirs, successors, representatives, administrators and assigns, provided, however, nothing in this Settlement Agreement, except as expressly provided in this Settlement Agreement, shall expand, limit, or affect in any manner either the restrictions on competition or the supply obligations set forth in the Fresh Juices Sublicense.

11. Notices. Any notice, request, information or other document required to be provided hereunder shall be in writing and delivered personally or sent by certified mail or registered mail, postage prepaid, to the following addressees or to such other addressees as may from time to time be designated in writing by the parties:

In the case of HJI: The Fresh Juices Company of California, Inc.
875 West 8th Street
Azusa, California 91702
Telecopy: (818) 812-6077
Attention: Jeffrey Heavirland

In the case of FSC: Barry Lublin
The Fresh Smoothie Company, LLC
11640 San Vicente Blvd., Suite 205
Los Angeles, California 90049
Telecopy: (310) 820-0053

Copy to: Roger H. Howard, Esq.
Christensen, White, Miller, Fink,
F. Jacobs, Glaser & Shapiro, LLP
2121 Avenue of the Stars, 18th Floor
Los Angeles, California 90067-5010
Telecopy: (310) 556-2920
and
Dennis G. Martin
Blakely, Sokoloff, Taylor & Zafman
12400 Wilshire Blvd., Seventh Floor
Los Angeles, California 90025-1026
Telecopy: (310) 820-5988

In the case of
Juice Creations: Harvey Laderman
Hansen's Juice Creations, LLC
11640 San Vicente Blvd., Suite 205

Los Angeles, California 90049
Telecopy: (310) 820-0053

Copy to: Roger H. Howard, Esq.
Christensen, White, Miller, Fink,
F. Jacobs, Glaser & Shapiro, LLP
2121 Avenue of the Stars, 18th Floor
Los Angeles, California 90067-5010
Telecopy: (310) 556-2920.

In the case of
Barry Lublin: Barry Lublin
c/o The Fresh Smoothie Company, LLC
11640 San Vicente Blvd., Suite 205
Los Angeles, California 90049
Telecopy: (310) 820-0053

Copy to: Roger H. Howard, Esq.
Christensen, White, Miller, Fink,
F. Jacobs, Glaser & Shapiro, LLP
2121 Avenue of the Stars, 18th Floor
Los Angeles, California 90067-5010
Telecopy: (310) 556-2920.

In the case of
Harvey Laderman: Harvey Laderman
c/o Hansen's Juice Creations, LLC
11640 San Vicente Blvd., Suite 205
Los Angeles, California 90049
Telecopy: (310) 820-0053

Copy to: Roger H. Howard, Esq.
Christensen, White, Miller, Fink,
F. Jacobs, Glaser & Shapiro, LLP
2121 Avenue of the Stars, 18th Floor
Los Angeles, California 90067-5010
Telecopy: (310) 556-2920.

12. Authority. Each of the individual signatories hereto personally represents and warrants that he is a Party or an officer of a Party hereto, that his entry into this Settlement Agreement is authorized in the manner required by applicable law, and that he is empowered and authorized to sign on behalf of the Party on behalf of whom or which he sets forth his signature below.
13. Non-admission; Non-Prejudice. It is expressly understood and agreed that this Settlement Agreement and its contents are not and shall not be construed as an admission or denial by any of the Parties as to, or as any evidence of, the truth of any of the allegations or the validity of any of the claims asserted in the Cross-Demand. The Parties have agreed to compromise and settle the claims asserted in the Arbitration and Cross-Demand to avoid the expense and inconvenience that would be entailed in continuing this proceeding.
14. Non-Exhaustive. The requirements and restrictions set forth in this Settlement Agreement shall be in addition to, and not in lieu of, any requirements or restrictions prescribed by law.
15. Choice of Law. This Settlement Agreement shall be construed under and governed by the laws of the State of California without giving effect to principles of conflict of law.
16. Conflict. In the event of a conflict between the provisions of this Agreement and the HBC Settlement Agreement, the HBC Settlement Agreement will govern and control.
17. Final Dismissal. Alternative Dispute Resolution and Remedies
- 17.1 Final Dismissal. The Stipulated Final Dismissal of the Cross-Demand shall be submitted to the Arbitrator for signature and approval.

17.2. Alternative Dispute Resolution. The Parties hereby expressly agree that any dispute, controversy or claim arising out of, in connection with, or relating to this Settlement Agreement, or the * entry into, breach or termination hereof, shall be settled by binding arbitration conducted by JAMS/Endispute ("JAMS") in accordance with JAMS Comprehensive Arbitration Rules and Procedures (the "Rules"). The arbitration shall be heard by one (1) arbitrator to be selected in accordance with the Rules, within the boundaries of Los Angeles County, California. Judgement upon any award rendered may be entered in any court having jurisdiction thereof. Within seven (7) calendar days after appointment the arbitrator shall set the hearing date, which shall be within ninety (90) days after the filing date of the demand for arbitration unless a later date is required for good cause shown and shall order a mutual exchange of what he/she determines to be relevant documents, identifications of witnesses and information and the dates thereafter for the taking of up to a maximum of five (5) depositions by each Party to last no more than two (2) days per deponent. The Parties waive the right, if any, to obtain any award for exemplary or punitive damages or any other amount for the purpose of imposing a penalty from the other in any arbitration or judicial proceeding or other adjudication arising out of or with respect to this Settlement Agreement, or any breach hereof, including any claim that this Settlement Agreement, or any part hereof, is invalid, illegal or otherwise voidable or void. In addition to all other relief that may be granted in the arbitration, including, without limitation, the relief set forth in Section 17.3 below, the arbitrator shall award reasonable attorneys' fees to the prevailing Party or Parties. The arbitrator shall make his or her award no later than seven (7) calendar days after the close of evidence or the submission of final briefs, whichever occurs later. The arbitration award shall be final and binding upon the Parties and the Parties hereto agree that they will accept such decision and award as binding and conclusive and will abide thereby. Service of any notice, process, motion or other document in connection with such arbitration proceeding and arbitration award may be made by personal service or by any means specified in Section 11 hereof.

The Parties further acknowledge, consent and agree that to the extent that any dispute, controversy or claim arising out of, in connection with, or relating to this Settlement Agreement refers or relates to, implicates, involves or concerns, in any manner whatsoever, the Trust Agreement, the Fresh Juices Agreement, the Fresh Juices Sublicense, or any other instrument, arrangement or agreement by and/or between and/or among the Parties that provides for arbitration before the American Arbitration Association, the arbitration provisions of this Section 17 shall govern and control and the entire controversy, claim and dispute shall be conducted by JAMS in accordance with the provisions of this Section 17. To the extent that the provisions of the Trust Agreement and the Fresh Juices Sublicense, or any such other instrument, arrangement or agreement are in conflict or inconsistent with this Section 17, they are hereby superseded to the extent necessary to effectuate the intent of the Parties that any dispute, controversy or claim arising out of, in connection with, or relating to this Settlement Agreement be conducted in its entirety by JAMS in accordance with the provisions of this Section 17.

17.3 Remedies. In the event of a breach or threatened breach by any of the Parties of its obligations under this Settlement Agreement, each Party acknowledges that the other Parties may not have an adequate remedy at law and shall be entitled to seek specific performance of this Settlement Agreement and such preliminary, permanent and mandatory equitable and injunctive relief as may be available to restrain the any other Party from any actual or threatened violation of the provisions hereof. Accordingly, notwithstanding the Parties' agreement to submit to arbitration set forth in Section 17.2 above, each Party may apply to any court situate in Los Angeles County (the "Court") to obtain any of the foregoing, or other, relief in connection with any dispute, controversy or claim arising out of or relating to this Settlement Agreement in the event that the granting of any such relief is not within the authorization, power or policy of any arbitral authority selected by the Parties, or is not expressly denied by such arbitral authority but nevertheless cannot be obtained from such authority in time to avoid imminent, irreparable

harm. The Parties hereby consent to the personal jurisdiction of the Court for the purposes of hearing and deciding such application. The prevailing Party or Parties in any action or proceeding seeking such relief shall be entitled to reimbursement from the other Party or Parties of any costs or expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with such proceeding. Nothing herein shall be construed as prohibiting any Party from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages.

THE FRESH JUICE COMPANY OF CALIFORNIA, INC.

By: /s/Jeffrey Heavirland
Chief Executive Officer

THE FRESH SMOOTHIE COMPANY, LLC

By: /s/Barry Lublin
as Managing Partner

BARRY LUBLIN

By: /s/Barry Lublin
Individually

HANSEN'S JUICE CREATIONS, LLC

By: /s/Harvey Laderman
as Managing Partner

HARVEY LADERMAN

By: /s/Harvey Laderman
Individually

We, the undersigned, HANSEN BEVERAGE COMPANY and RODNEY C. SACKS, as Trustee of the Hansen's Trust, by our signatures below, hereby confirm our consent to and approval of the terms and conditions of the above Settlement Agreement

HANSEN BEVERAGE COMPANY

By: /s/Rodney C. Sacks
Chairman and Chief Executive Officer

RODNEY C. SACKS, as Trustee of the Hansen's Trust

By: /s/Rodney C. Sacks
Trustee

ROYALTY AGREEMENT

This AGREEMENT ("Agreement") made as of April 26, 1996, by and between HANSEN'S JUICES, INC., a California corporation (hereinafter referred to as "HJI") as "Licensor" and HANSEN'S JUICE CREATIONS, Limited Liability Company, as "Licensee."

HJI has obtained a license for the entire right, title and interest to the use of the "trademark" which is registered in the United States Patent and Trademark Office as set forth below, including the goodwill of the business in connection with which it is used and which is symbolized thereby, for fresh juices and fresh juice products:

Trademark: Hansen's (hereinafter referred to as the "Trademark.")

U.S. Trademark Registration Number: 1,258,780

Licensee desires to use, and to obtain from Licensor the right, license and privilege to use, the Trademark worldwide in conjunction with the manufacture, sale and distribution of fresh juices and fresh juice products, (all of such products are hereinafter sometimes referred to collectively as "Licensed Goods") and the Licensor is willing to grant such license on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and for other good and valuable consideration, receipt of which is hereby acknowledged by the Licensor, the parties hereto agree as follows:

1. License. Licensor grants to Licensee an exclusive worldwide right and license to use the Trademark, under the state and federal law and under the auspices and privileges provided by any registration covering said Trademark, on the Licensed Goods. It is expressly agreed between the parties that the Licensor retains the exclusive right to use or license the use of the "Hansen's" mark in connection with the manufacture, sale and/or distribution of goods other than the Licensed Goods.

Licensee, and any other entity organized by Licensee for the purpose of manufacturing, selling, and/or distributing the Licensed Goods shall be entitled to use the "Hansen's" name in its company name or any assumed or "doing business" name; provided, however, that Licensee's if its shares are publicly traded on a recognized stock market, shall not be entitled to use the words "beverage(s)" or "juice(s)" in conjunction with the "Hansen's" name 'in the name of such publicly traded company.

2. Term. The term of this license shall commence upon receipt by the Licensor of written notice from Licensee of Licensee's election to commence the manufacture, sale and/or distribution of any of the Licensed Goods, provided that such notice shall have been received by the Licensor within three years following the date hereof. (The date of such notice is hereinafter referred to as the "Effective Date"). The license granted hereby shall continue thereafter in perpetuity unless (i) terminated by Licensee upon written notice to Licensor given not less than ninety (90) day's prior to the end of any "License Year" or (ii) terminated by the Licensor if, after making the election referred to above, Licensee shall have failed to generate (a) a minimum of \$500,000.00 of aggregate "Net Sales" (as defined below) following the Effective Date, or (b) if Licensee shall have failed to generate a minimum of \$500,000.00 of aggregate Net Sales of Licensed Goods during any License Year thereafter. Notwithstanding the foregoing, however, if Licensee shall have failed to generate minimum aggregate Net Sales for any License Year, as required in the preceding sentence, but Licensee shall nonetheless elect to pay to Licensor an amount equal to the "Royalties" (as defined below) which would have been payable to Licensor had Licensee generated the required minimum aggregate net sales of Licensed Goods for such License Year, as provided above, then Licensee shall be deemed to have generated the minimum aggregate Net Sales for such License Years as required hereunder and Licensor shall have no right to terminate this license by reason of Licensee's failure to generate minimum aggregate Net Sales in such License Year.

For purposes of this License, a "License Year" shall mean the twelve (12) month period commencing on the Effective Date and each consecutive twelve (12) month thereafter.

3. Quality of Goods. Licensee agrees to maintain the quality of goods sold under

the Trademark commensurate with the business position of the parties involved. Licensor reserves the right, upon reasonable notice, to enter the premises of Licensee and inspect the quality of goods manufactured, sold and/or distributed by Licensee under the Trademark to insure that the quality of said Licensed Goods is maintained.

Licensee agrees to allow Licensor's authorized agents to inspect said Licensed Goods manufactured, sold and/or distributed by Licensee under the Trademark at any time desired by Licensor upon reasonable notice and during Licensee's regular business hours.

In the event that Licensor shall find that the quality of the Licensed Goods has not been maintained by Licensee as required in this Paragraph 3 above, Licensor shall notify Licensee in writing of any such dissatisfaction with the quality of said Licensed Goods and Licensee shall have thirty (30) days in which to bring the quality of such Licensed Goods up to a level reasonably satisfactory to Licensor. If Licensor's complaints are such that a remedy or cure cannot reasonably be completed within said thirty (30) day period, then Licensee shall commence to cure such dissatisfaction within such thirty (30) day period and shall thereafter diligently and continuously take all reasonable steps to effect such cure or remedy. In the event that Licensee shall fail to perform its obligation to maintain the quality of any Licensed Goods and shall fail to cure such failure as hereinabove provided, Licensor shall have the right to terminate or suspend Licensee's right to manufacture, sell and/or distribute such Licensed Goods so long as the quality thereof shall be below acceptable standards, but nothing herein shall be deemed to terminate, suspend or otherwise affect Licensee's continued right to manufacture, sell and/or distribute any other Licensed Goods which shall be of a quality which is consistent with Licensee's obligations hereunder.

4. Ownership of the Trademark. The parties agree that Licensor shall retain full ownership of all rights and title in and to said Trademark, subject only to the rights and license granted to Licensee hereunder or under any other license agreement between the parties.

5. Use of Trademark. Licensee shall, upon request, provide Licensor with representative samples of literature, brochures, signs and advertising materials prepared by the Licensee bearing the Trademark at least fifteen (15) days prior to the first use thereof. If Licensor reasonably finds any of said material objectionable, notice of objection citing specifics shall be given to Licensee within eight (8) days after receipt of the materials by Licensor. If the parties cannot resolve the objections among themselves, the matter shall be submitted to arbitration pursuant to Paragraph 18 hereof. When using the Trademark under this Agreement, Licensee shall use its best efforts to comply substantially with all laws pertaining to trademarks in force at any time in any country in which said Licensed Goods are sold. This provisions includes compliance with trademark marking requirements of the country in which said Licensed Goods are sold.

6. Covenants of Licensor and Licensee.

6.1. for a period of three (3) years following the date hereof and so long thereafter as this license shall remain in full force and effect. The Licensor shall not use or grant others the right to use the Trademark on or in connection with Licensed Goods in any area of the world. If Licensee shall not have served written notice upon Licensor of its election to commence the manufacture, sale and/or distribution of any Licensed Goods within three (3) years following the date hereof or if this License shall be terminated at any time following the Effective Date, Licensor may thereafter grant to others the right or license to use the Trademark on or in connection with Licensed Goods in any area of the world; provided, however, that if Licensor shall propose to grant a license with respect to the use of the Trademark on Licensed Goods to any third party as permitted above, Licensor shall first offer to grant a license upon the same terms and conditions to Licensee, and Licensee shall have the right, for a period of thirty (30) days following its receipt of notice thereof, to elect to enter into a new license agreement with Licensor upon such terms and conditions.

6.2 Licensor agrees to maintain at its sole cost and expense the federal registration of the Trademark in the United States in full force and effect, including the filing of any renewals, declarations or affidavits of use, or, if appropriate, to file new applications for registration. Upon written request of the

Licensee, Licensor shall use its best efforts to procure the registration of the Trademark or any other trademark (including any label or logo) relating to the Licensed Goods which incorporates or includes the Trademark in any jurisdiction outside of the United States in which Licensee shall have given written notice to Licensor of its bona fide intention to manufacture, sell and/or distribute the Licensed Goods, and shall maintain the same in full force and effect, including the filing of any renewals, declarations or affidavits of use; provided, however, that all reasonable costs and expenses associated with any such foreign registrations or other filings with respect to the Trademark shall be advanced by the Licensee for the account of Licensor and Licensee shall recoup such costs and expenses only by offsetting or deducting the same from any royalties which may be payable by Licensee to Licensor on account of the sale of any goods bearing the Trademark, or any related trademarks licensed by Licensor to Licensee under this and/or any other license agreement or arrangement between Licensor and Licensee, or from any other monies owing by Licensee to Licensor hereunder or under any other arrangement or agreement between the parties. Without limiting the generality of the foregoing, Licensor shall execute all documents reasonably requested by the Licensee for filing and prosecuting such applications for registration of the Trademark in any jurisdiction throughout the world in which Licensee has a bona fide intention to manufacture, sell and/or distribute the Licensed Goods. Licensor shall also give to Licensee all assistance Licensee reasonably requires including the giving of testimony in any suit, action or proceeding in order to obtain, maintain and protect the Licensee's rights therein and thereto. If Licensor shall not so execute or deliver any such instruments after reasonable opportunity to do so, Licensee shall have the right to do so in Licensor's name, place and stead and Licensee is hereby irrevocably appointed a Licensor's attorney in fact for such purpose, which power is coupled with an interest.

6.3 The Trust will take all steps necessary to defend, preserve and maintain all its rights 'in the Tradename. If the Trust shall fail to comply with the foregoing duties, the Company may so comply in the Trust's name to the extent permitted by law and to the extent necessary to defend or preserve such trademarks, tradenames, service marks or logos. If the Trust shall fail to comply with the foregoing duty, the Company may so comply in the Trust's name to the extent permitted by law and to the extent necessary to defend, preserve, and maintain the Tradename, but all at the Trust's expenses, and the Trust shall promptly reimburse the Company in full for all expenses incurred for the Trust in defending, preserving and maintaining the Tradename. In the event that the Trust Elects to abandon or discontinue the use of any Tradename in any territory, the Company shall have the right to Continue the usage of said Tradename in such abandoned territory, provided that the Company pays for all costs, expense, and legal fees with respect to the continued use of said Tradename.

7. Use of Confusingly Similar Marks. Licensee agrees not to adopt and use, without Licensor's written consent, any marks that are confusingly similar to the Trademark; provided, however, that Licensee may adopt any trademark, logo or label which includes or incorporates the Trademark in conjunction with its sale and distribution of Licensed Goods.

8. Royalties. Licensee shall pay to Licensor percentage royalties ("Royalties") based upon "Net Sales" of Licensed Goods sold by Licensee during each License Year at the percentage rates set forth on Schedule A annexed hereto or at such other percentage rates as may be agreed between Licensor and Licensee with respect to specific product categories. Royalties shall be payable quarterly within forty five (45) days following the end of each quarter during the License Year.

As used herein, the term "Net Sales" shall mean (i) the invoice price charged by Licensee on account of the sale of Licensed Goods to customers, sublicensees, distributors or others, less all credits and allowances granted for returned or defective goods, by customers against payment for Licensed Goods; or (ii) all royalties actually received from sublicensees pursuant to any sublicense agreement or arrangement with respect to the manufacturer, sale and/or distribution of the Licensed Goods.

9. Royalty Reports and Payments. Licensee agrees to make written reports and make royalty payments to Licensor quarterly during each License Year of the term hereof with respect to any Royalties payable to Licensor as provided in Paragraph 8 above. Such written reports shall include an accounting of all Net Sales of Licensed Goods during the preceding quarter and upon which Royalties are payable hereunder. Said reports shall accompany full payment for the Royalties due for the reporting quarter. Licensee also agrees to make a written report to Licensor within forty five (45) days after any expiration or termination of this license, stating in such report an accounting of all Net Sales upon which Royalties are payable hereunder, but which have not be previously reported to or paid to Licensor.

10. Records. Licensee shall obtain and keep records showing all Net Sales of Licensed Goods and any Royalties due and/or paid as set forth in Paragraph 8 of this license in sufficient detail to enable the Royalties payable to be determined and Licensee agrees to permit such records to be examined from time to time upon reasonable notice to the extent necessary to verify the reports provided for hereunder. Such examination to be made at the expense of Licensor by any auditor appointed by Licensor who shall be acceptable to Licensee, or, at the option and expense of Licensee by a certified independent public accountant appointed by Licensor and approved by Licensee, which approval shall not be unreasonable withheld.

11. Default and Termination. Licensor shall have the right to terminate this Agreement by reason of a material breach by Licensee of its duties and obligations hereunder provided that such material breach shall not have been remedied or cured within thirty (30) days following receipt by Licensee of written notice thereof from Licensor, or if Licensor's complaint of a material breach is such that remedy or cure cannot reasonably be completed within said thirty (30) day period, then Licensee shall have commenced to cure such material breach within such thirty (30) day period and shall thereafter have diligently and continuously taken all reasonable steps to effect such remedy or cure. Such termination shall be without prejudice to any rights that Licensor may otherwise have against Licensee for damages or otherwise.

In the event of a breach or threatened breach by either party of its obligations under this license, each party acknowledges that the other party may not have any adequate remedy at law and may be entitled to seek such equitable and injunctive relief as may be available to restrain the other party from any violation of the provisions hereof. The prevailing party in any such proceeding shall be entitled to reimbursement from the other party of any expenses (including, without limitation, reasonable attorney's fees) incurred in connection with such proceeding. Nothing herein shall be construed as prohibiting either party from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages.

12. Effect of Termination or Expiration. Upon and after the expiration or termination of this license, all rights granted to Licensee hereunder shall forthwith revert to Licensor and Licensee shall refrain from any further use of the Trademark on Licensed Goods pursuant to this Agreement; provided, however that Licensee may, for a period of one hundred eighty (180) days after the expiration and termination of this license, dispose of any Licensed Goods remaining in the Licensee's inventory or in process of manufactured at the date of termination of this license. In any such event, Licensee shall continue to pay Royalties and furnish statements with respect to any period subsequent to the termination of this license in accordance with the terms of this license as though the same were still in effect.

13. Infringement. In the event that either party shall learn or be advised that the Trademark is being infringed by a third party in connection with the sale of Licensed Goods or any other goods under circumstances in which there is created a likelihood of confusion with the Licensed Goods or which could diminish the value of the Trademark, the party having knowledge thereof shall promptly notify the other party of such infringement. Licensor shall have the right to commence an action for infringement, to select counsel and control the prosecution of such action (except that Licensee shall have the right to participate with its own counsel, at its own cost and expense). Should Licensor commence any such action for infringement, Licensor and Licensee shall share equally all damages recovered from that suit after Licensor's costs and expenses of suit have been recouped. In the event that Licensor does not desire to sue for infringement, it shall so notify Licensee promptly that it does not desire to sue, and Licensee shall thereafter have the right, but not the obligation, to sue for infringement in its own name or in the name of the Licensor and Licensee may retain all damages recovered therefrom. The party bringing the infringement suit shall be responsible for all costs and expenses of the suit and shall have

the right to select counsel and control and prosecution of such suit. Licensee and Licensor agree to cooperate in any such suit for infringement, at no expense to the other, and provide any needed assistance to the other party. The foregoing notwithstanding, the parties may otherwise agree in writing to share the costs of and recoveries from any such suit.

14. Indemnification. Licensor assumes no liability to Licensee or to third parties which respect to the sale of Licensed Goods by Licensee under the Trademark, and Licensee shall indemnify Licensor against losses incurred by claims of third parties against Licensor involving the sale by Licensee of Licensed Goods and obtain product liability insurance in the amount of \$1,000,000.00 naming Licensor as an insured party and excess liability insurance in the amount of \$5,000,000.00 applicable to product liability claims. Licensee shall provide written notice to Licensor of said product liability insurance and shall not cancel the same without thirty (30) days written Notice to Licensor prior to cancellation of the same.

15. Sublicenses. Licensee may sublicense and/or subcontract the manufacture, sale and/or distribution of Licensed Goods, provided that any sublicense shall be consistent with this license. However, Licensee shall not have the right to grant to third parties licenses relating to the Trademark on any products other than Licensed Goods without the express written permission of Licensor, except pursuant to any other license agreement or other arrangement between the parties.

16. Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or three (3) days after being sent by registered or certified mail, return receipt requested, postage prepaid, or transmitted by telecopy with oral confirmation, addressed as follows or to such other address of which the parties may be given notice in accordance with this paragraph:

In the case of the Licensor:

Gary Hansen, President
Hansen's Juices, Inc.
875 West 8th Street
Azusa, California 91702

Telecopy: (818) 812-6077

with a copy to: Burton S. Rosky, Esq.

Rosky, Landau, Stahl & Sheehy
8383 Wilshire Boulevard, Suite 528
Beverly Hills, California 90211
Telecopy: (213) 655-0412

In the case of Licensee:

Hansen's Juice Creations
11777 San Vicente Boulevard, Suite 860
Los Angeles, California 90049
Telecopy: (310) 826-1252

and to:

Harvey Laderman
11777 San Vicente Boulevard, Suite 860
Los Angeles, California 90049
Telecopy: (310) 826-1252

with a copy to:

Roger Howard, Esq.
Christensen, White, Miller, Fink, Jacobs,
Glaser & Shapiro, LLP
2121 Avenue of the Stars, 18th Floor
Los Angeles, California 90067-5010
Telecopy: (310) 556-2920

17. Assignability. It is mutually understood and agreed that this license shall inure to the benefit of and be binding upon Licensor, its successors and/or assigns, and on Licensee, its successors and/or assigns. This license and any of the rights or obligations created herein may be assigned, in whole or in part, by Licensee; provided, however, that without the written consent of the Licensor no such assignment shall be permitted to a direct competitor of HJI which manufactures and/or sells fresh juices and/or any other Licensed Goods (as defined in that certain Fresh Juices License Agreement between Licensor and HJI of even date hereof). Without limiting the generality

of the foregoing, it is specifically agreed that any bank, financial institution or other lender or any transferee of any such entity may be substituted for Licensee as a party to this license.

18. Arbitration. The parties hereby expressly agree that any controversy or claim arising out of or relating to this license, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") in Los Angeles, California, before three (3) arbitrators selected from the panels of arbitrators of the AAA. Any arbitration award shall be final, binding and conclusive upon the parties and judgment rendered thereon may be entered in any court having jurisdiction thereof. The prevailing party in any such arbitration shall be entitled to reimbursement from the other party of any expenses (including, without limitation, reasonable attorney's fees) incurred in the connection with such arbitration.

19. Miscellaneous. Nothing in this license shall be deemed to constitute or create between Licensor or Licensee a partnership, association, joint venture or agency nor shall either party have power or authority to obligate or bind the other in any manner whatsoever, except as expressly provided for herein and neither such party shall make any representation or warranty on behalf or for the other party.

No change, modification, amendment, addition to this license or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith.

This license constitutes the entire agreement between the parties and supersedes all prior understandings and agreements regarding the subject matter hereof. Each of the parties acknowledges and agrees that the other has not made and is not making and in executing this license neither party has relied upon any representations, promises or inducements except to the extent that the same are expressly set forth in this license.

If any clause, paragraph, sections or part of this license shall be held or declared to be void, invalid or illegal for any reason by any court of competent jurisdiction, such provision shall be ineffective but shall not in any way invalidate or affect any other clause, paragraph, section or part of this license.

This license shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed therein.

IN WITNESS WHEREOF, the parties have caused this license to be signed as of the date and year first above written,

Licensor: HANSEN'S JUICES, INC.
by: /s/ Gary Hansen, President
by: /s/ Jeffrey Heavirland, Secretary

Licensee: HANSEN'S JUICE CREATIONS, a LIMITED LIABILITY COMPANY
by: /s/ Timothy Kane, President
by: /s/ Harvey Laderman, Chairman

SCHEDULE A
Royalties:

One percent (1%) of Net sales:

ROYALTY AGREEMENT

This AGREEMENT ("Agreement") made as of April 26, 1996, by and between GARY HANSEN, ANTHONY KANE and BURTON S. ROSKY, as Trustees (hereinafter collectively referred to as the "Trustees") under that certain Trust Agreement dated as of July 27, 1992 for the benefit of Hansen's Juices, Inc., a California corporation (hereinafter referred to as "HJI") as "Licensor" and HANSEN'S JUICE CREATIONS, Limited Liability Company, as "Licensee."

The Trustees have obtained by assignment the entire right, title and interest in and to the trademark which is registered in the United States Patent and Trademark Office as set forth below, including the goodwill of the business in connection with which it is used and which is symbolized thereby:

Trademark: Hansen's (hereinafter referred to as the "Trademark.")

U.S. Trademark Registration Number: 1,258,780

Licensee desires to use, and to obtain from Licensor the right, license and privilege to use, the Trademark worldwide in conjunction with the manufacture, sale and distribution of fresh brewed coffee, coffee flavored drinks, coffee beans and/or ground coffee, food spreads, and baked goods (all of such products are hereinafter sometimes referred to collectively as "Licensed Goods") and the Licensor is willing to grant such license on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and for other good and valuable consideration, receipt of which is hereby acknowledged by the Licensor, the parties hereto agree as follows:

1. License. Licensor grants to Licensee an exclusive worldwide right and license to use the Trademark, under the state and federal law and under the auspices and privileges provided by any registration covering said Trademark, on the Licensed Goods. It is expressly agreed between the parties that the Licensor retains the exclusive right to use or license the use of the "Hansen's" mark in connection with the manufacture, sale and/or distribution of goods other than the Licensed Goods.

Licensee, and any other entity organized by Licensee for the purpose of manufacturing, selling, and/or distributing the Licensed Goods shall be entitled to use the "Hansen's" name in its company name or any assumed or "doing business" name; provided, however, that Licensee's if its shares are publicly traded on a recognized stock market, shall not be entitled to use the words "beverage(s)" or "juice(s)" in conjunction with the "Hansen's" name in the name of such publicly traded company.

2. Term. The term of this license shall commence upon receipt by the Licensor of written notice from Licensee of Licensee's election to commence the manufacture, sale and/or distribution of any of the Licensed Goods, provided that such notice shall have been received by the Licensor within three years following the date hereof (The date of such notice is hereinafter referred to as the "Effective Date"). The license granted hereby shall continue thereafter in perpetuity unless (i) terminated by Licensee upon written notice to Licensor given not less than ninety (90) days prior to the end of any "License Year" or (ii) terminated by the Licensor if, after making the election referred to above, Licensee shall have failed to generate (a) a minimum of \$500,000.00 of aggregate "Net Sales" (as defined below) following the Effective Date, or (b) if Licensee shall have failed to generate a minimum of \$500,000.00 of aggregate Net Sales of Licensed Goods during any License Year thereafter. Notwithstanding the foregoing, however, if Licensee shall have failed to generate minimum aggregate Net Sales for any License Year, as required in the preceding sentence, but Licensee shall nonetheless elect to pay to Licensor an amount equal to the "Royalties" (as defined below) which would have been payable to Licensor had Licensee generated the required minimum aggregate net sales of Licensed Goods for such License Year, as provided above, then Licensee shall be deemed to have generated the minimum aggregate Net Sales for such License Years as required hereunder and Licensor shall have no right to terminate this license by reason of Licensee's failure to generate minimum aggregate Net Sales in such License Year.

For purposes of this License, a "License Year" shall mean the twelve (12) month period commencing on the Effective Date and each consecutive twelve (12) month thereafter.

3. Quality of Goods. Licensee agrees to maintain the quality of goods sold under the Trademark commensurate with the business position of the parties involved. Licensor reserves the right, upon reasonable notice, to enter the premises of Licensee and inspect the quality of goods manufactured, sold and/or distributed by Licensee under the Trademark to insure that the quality of said Licensed Goods is maintained.

Licensee agrees to allow Licensor's authorized agents to inspect said Licensed Goods manufactured, sold and/or distributed by Licensee under the Trademark at any time desired by Licensor upon reasonable notice and during Licensee's regular business hours.

In the event that Licensor shall find that the quality of the Licensed Goods has not been maintained by Licensee as required in this Paragraph 3 above, Licensor shall notify Licensee in writing of any such dissatisfaction with the quality of said Licensed Goods and Licensee shall have thirty (30) days in which to bring the quality of such Licensed Goods up to a level reasonably satisfactory to Licensor. If Licensor's complaints are such that a remedy or cure cannot reasonably be completed within said thirty (30) day period, then Licensee shall commence to cure such dissatisfaction within such thirty (30) day period and shall thereafter diligently and continuously take all reasonable steps to effect such cure or remedy. In the event that Licensee shall fail to perform its obligation to maintain the quality of any Licensed Goods and shall fail to cure such failure as hereinabove provided, Licensor shall have the right to terminate or suspend Licensee's right to manufacture, sell and/or distribute such Licensed Goods so long as the quality thereof shall be below acceptable standards, but nothing herein shall be deemed to terminate, suspend or otherwise affect Licensee's continued right to manufacture, sell and/or distribute any other Licensed Goods which shall be of a quality which is consistent with Licensee's obligations hereunder.

4. Ownership of the Trademark. The parties agree that Licensor shall retain full ownership of all rights and title in and to said Trademark, subject only to the rights and license granted to Licensee hereunder or under any other license agreement between the parties.

5. Use of Trademark. Licensee shall, upon request, provide Licensor with representative samples of literature, brochures, signs and advertising materials prepared by the Licensee bearing the Trademark at least fifteen (15) days prior to the first use thereof. If Licensor reasonably finds any of said material objectionable, notice of objection citing specifics shall be given to Licensee within eight (8) days after receipt of the materials by Licensor. If the parties cannot resolve the objections among themselves, the matter shall be submitted to arbitration pursuant to Paragraph 18 hereof. When using the Trademark under this Agreement, Licensee shall use its best efforts to comply substantially with all laws pertaining to trademarks in force at any time in any country in which said Licensed Goods are sold. This provision includes compliance with trademark marking requirements of the country in which said Licensed Goods are sold.

6. Covenants of Licensor and Licensee.

6.1. for a period of three (3) years following the date hereof and so long there-after as this license shall remain in full force and effect the Licensor shall not use or grant others the right to use the Trademark on or in connection with Licensed Goods in any area of the world. If Licensee shall not have served written notice upon Licensor of its election to commence the manufacture, sale and/or distribution of any Licensed Goods within three (3) years following the date hereof or if this License shall be terminated at any time following the Effective Date, Licensor may thereafter grant to others the right or license to use the Trademark on or in connection with Licensed Goods in any area of the world; provided, however, that if Licensor shall propose to grant a license with respect to the use of the Trademark on Licensed Goods to any third party as permitted above, Licensor shall first offer to grant a license upon the same terms and conditions to Licensee, and Licensee shall have the right, for a period of thirty (30) days following its receipt of notice thereof, to elect to enter into a new license agreement with Licensor upon such terms and conditions.

6.2 Licensor agrees to maintain at its sole cost and expense the federal registration of the Trademark in the United States

in full force and effect, including the filing of any renewals, declarations or affidavits of use, or, if appropriate, to file new applications for registration. Upon written request of the Licensee, Licensor shall use its best efforts to procure the registration of the Trademark or any other trademark (including any label or logo) relating to the Licensed Goods which incorporates or includes the Trademark in any jurisdiction outside of the United States in which Licensee shall have given written notice to Licensor of its bona fide intention to manufacture, sell and/or distribute the Licensed Goods, and shall maintain the same in full force and effect, including the filing of any renewals, declarations or affidavits of use; provided, however, that all reasonable costs and expenses associated with any such foreign registrations or other filings with respect to the Trademark shall be advanced by the Licensee for the account of Licensor and Licensee shall recoup such costs and expenses only by offsetting or deducting the same from any royalties which may be payable by Licensee to Licensor on account of the sale of any goods bearing the Trademark, or any related trademarks licensed by Licensor to Licensee under this and/or any other license agreement or arrangement between Licensor and Licensee, or from any other monies owing by Licensee to Licensor hereunder or under any other arrangement or agreement between the parties. Without limiting the generality of the foregoing, Licensor shall execute all documents reasonably requested by the Licensee for filing and prosecuting such applications for registration of the Trademark in any jurisdiction throughout the world in which Licensee has a bona fide intention to manufacture, sell and/or distribute the Licensed Goods. Licensor shall also give to Licensee all assistance Licensee reasonably requires including the giving of testimony in any suit, action or proceeding in order to obtain, maintain and protect the Licensee's rights therein and thereto. If Licensor shall not so execute or deliver any such instruments after reasonable opportunity to do so, Licensee shall have the right to do so in Licensor's name, place and stead and Licensee is hereby irrevocably appointed a Licensor's attorney in fact for such purpose, which power is coupled with an interest.

6.3 The Trust will take all steps necessary to defend, preserve and maintain all its rights in the Tradename. If the Trust shall fail to comply with the foregoing duties, the Company may so comply in the Trust's name to the extent permitted by law and to the extent necessary to defend or preserve such trademarks, tradenames, service marks or logos. If the Trust shall fail to comply with the foregoing duty, the Company may so comply in the Trust's name to the extent permitted by law and to the extent necessary to defend, preserve, and maintain the Tradename, but all at the Trust's expenses, and the Trust shall promptly reimburse the Company in full for all expenses incurred for the Trust in defending, preserving and maintaining the Tradename. In the event that the Trust Elects to abandon or discontinue the use of any Tradename in any territory, the Company shall have the right to continue the usage of said Tradename in such abandoned territory, provided that the Company pays for all costs, expense, and legal fees with respect to the continued use of said Tradename.

7. Use of Confusingly Similar Marks. Licensee agrees not to adopt and use, without Licensor's written consent, any marks that are confusingly similar to the Trademark, provided, however, that Licensee may adopt any trademark, logo or label which includes or incorporates the Trademark in conjunction With its sale and distribution of Licensed Goods.

8. Royalties. Licensee shall pay to Licensor percentage royalties ("Royalties") based upon "Net Sales" of Licensed Goods sold by Licensee during each License Year at the percentage rages set forth on Schedule A annexed hereto or at such other percentage rates as may be agreed between Licensor and Licensee with respect to specific product categories. Royalties shall be payable quarterly within forty five (45) days following the end of each quarter during the License Year.

As used herein, the term "Net Sales" shall mean (i) the invoice price charged by Licensee on account of the sale of Licensed Goods to customers, sublicensees, distributors or others, less all credits and allowances granted for returned or defective goods, by customers against payment for Licensed Goods; or (ii) all royalties actually received from sublicensees pursuant to any sublicense agreement or arrangement with respect to the manufacturer, sale and/or distribution of the Licensed Goods.

9. Royalty Reports and Payments. Licensee agrees to make written reports and make royalty payments to Licensor quarterly during each License Year of the term hereof with respect to any Royalties payable to Licensor as provided in Paragraph 8 above. Such written reports shall include an accounting of all Net Sales of Licensed Goods during the preceding quarter and upon which Royalties are payable hereunder. Said reports shall accompany full payment for the Royalties due for the reporting quarter. Licensee also agrees to make a written report to Licensor within forty five (45) days after any expiration or termination of this license, stating in such report an accounting of all Net Sales upon which Royalties are payable hereunder, but which have not be previously reported to or paid to Licensor.

10. Records. Licensee shall obtain and keep records showing all Net Sales of Licensed Goods and any Royalties due and/or paid as set forth in Paragraph 8 of this license in sufficient detail to enable the Royalties payable to be determined and Licensee agrees to permit such records to be examined from time to time upon reasonable notice to the extent necessary to verify the reports provided for hereunder. Such examination to be made at the expense of Licensor by any auditor appointed by Licensor who shall be acceptable to Licensee, or, at the option and expense of Licensee by a certified independent public accountant appointed by Licensor and approved by Licensee, which approval shall not be unreasonable withheld.

Default and Termination. Licensor shall have the right to terminate this Agreement by reason of a material breach by Licensee of its duties and obligations hereunder provided that such material breach shall not have been remedied or cured within thirty (30) days following receipt by Licensee of written notice thereof from Licensor, or if Licensor's complaint of a material breach is such that remedy or cure cannot reasonably be completed within said thirty (30) day period, then Licensee shall have commenced to cure such material breach Within such thirty (30) day period and shall thereafter have diligently and continuously taken all reasonable steps to effect such remedy or cure. Such termination shall be without prejudice to any rights that Licensor may otherwise have against Licensee for damages or otherwise.

In the event of a breach or threatened breach by either party of its obligations under this license, each party acknowledges that the other party may not have any adequate remedy at law and may be entitled to seek such equitable and injunctive relief as may be available to restrain the other party from any violation of the provisions hereof The prevailing party in any such proceeding shall be entitled to reimbursement from the other party of any expenses (including, without limitation, reasonable attorney's fees) incurred in connection with such proceeding. Nothing herein shall be construed as prohibiting either party from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages.

12. Effect of Termination or Expiration. Upon and after the expiration or termination of this license, all rights granted to Licensee hereunder shall forthwith revert to Licensor and Licensee shall refrain from any further use of the Trademark on Licensed Goods pursuant to this Agreement; provided, however that Licensee may, for a period of one hundred eighty (180) days after the expiration and termination of this license, dispose of any Licensed Goods remaining in the Licensee's inventory or in process of manufactured at the date of termination of this license. In any such event, Licensee shall continue to pay Royalties and furnish statements with respect to any Period subsequent to the termination of this license in accordance with the terms of this license as though the same were still in effect.

13. Infringement. In the event that either party shall learn or be advised that the Trademark is being infringed by a third party in connection with the sale of Licensed Goods or any other goods under circumstances in which there is created a likelihood of confusion with the Licensed Goods or which could diminish the value of the Trademark, the party having knowledge thereof shall promptly notify the other party of such infringement. Licensor shall have the right to commence an action for infringement, to select counsel and control the prosecution of such action (except that Licensee shall have the right to participate with its own counsel, at its own cost and expense). Should Licensor

commence any such action for infringement, Licensor and Licensee shall share equally all damages recovered from that suit after Licensor's costs and expenses of suit have been recouped. In the event that Licensor does not desire to sue for infringement, if shall so notify Licensee promptly that it does not desire to sue, and Licensee shall thereafter have the right, but not the obligation, to sue for infringement in its own name or in the name of the Licensor and Licensee may retain all damages recovered therefrom. The party bringing the infringement suit shall be responsible for all costs and expenses of the suit and shall have the right to select counsel and control and prosecution of such suit. Licensee and Licensor agree to cooperate in any such suit for infringement, at no expense to the other, and provide any needed assistance to the other party. The foregoing notwithstanding, the parties may otherwise agree in writing to share the costs of and recoveries from any such suit.

14. Indemnification. Licensor assumes no liability to Licensee or to third parties which respect to the sale of Licensed Goods by Licensee under the Trademark, and Licensee shall indemnify Licensor against losses incurred by claims of third parties against Licensor involving the sale by Licensee of Licensed Goods and obtain product liability insurance in the amount of \$1,000,000.00 naming Licensor as an insured party and excess liability insurance in the amount of \$5,000,000.00 applicable to product liability claims. Licensee shall provide written notice to Licensor of said product liability insurance and shall not cancel the same without thirty (30) days written Notice to Licensor prior to cancellation of the same.

15. Sublicenses. Licensee may sublicense and/or subcontract the manufacture, sale and/or distribution of Licensed Goods, provided that any sublicense shall be consistent with this license. However, Licensee shall not have the right to grant to third parties licenses relating to the Trademark on any products other than Licensed Goods Without the express written permission of Licensor, except pursuant to any other license agreement or other arrangement between the parties.

16. Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or three (3) days after being sent by registered or certified mail, return receipt requested, postage prepaid, or transmitted by telecopy with oral confirmation, addressed as follows or to such other address of which the parties may be given notice in accordance with this paragraph:

In the case of the Licensor:

c/o Burton S. Rosky, Esq.
Rosky, Landau, Stahl & Sheehy
8383 Wilshire Boulevard, Suite 528
Beverly Hills, California 90211
Telecopy: (213) 655-0412

with a copy to:

Gary Hansen, President
Hansen's Juices, Inc.
875 West 8th Street
Azusa, California 91702
Telecopy: (818) 812-6077

In the case of the Licensee:

Hansen's Juice Creations
11777 San Vicente Boulevard, Suite 860
Los Angeles, California 90049
Telecopy: (310) 826-1252

and to:

Harvey Laderman
11777 San Vicente Boulevard, Suite 860
Los Angeles, California 90049
Telecopy: (310) 826-1252

with a copy to:

Roger H. Howard, Esq.
Christensen, White, Miller, Fink, Jacobs,
Glaser & Shapiro, LLP
2121 Avenue of the Stars, 18th Floor
Los Angeles, California 90067-5010
Telecopy: (310) 556-2920

17. Assignability. It is mutually understood and agreed that this license shall inure to the benefit of and be binding upon Licensor, its successors and/or assigns, and on Licensee, its successors and/or assigns. This license and any of the rights or obligations created herein may be assigned, in whole or in part, by Licensee; provided, however, that without the written consent of the Licensor no such assignment shall be permitted to a direct competitor of HJI which manufactures and/or sells fresh juices and/or any other Licensed Goods (as defined in that certain Fresh Juices- License Agreement between Licensor and HJI of even date hereof). Without limiting the generality of the foregoing, it is specifically agreed that any bank, financial institution or other lender or any transferee of any such entity may be substituted for Licensee as a party to this license.

18. Arbitration. The parties hereby expressly agree that any controversy or claim arising out of or relating to this license, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") in Los Angeles, California, before three (3) arbitrators selected from the panels of arbitrators of the AAA. Any arbitration award shall be final binding and conclusive upon the parties and judgment rendered thereon may be entered in any court having jurisdiction thereof. The prevailing party in any such arbitration shall be entitled to reimbursement from the other party of any expenses (including, without limitation, reasonable attorney's fees) incurred in the connection with such arbitration.

19. Miscellaneous. Nothing in this license shall be deemed to constitute or create between Licensor or Licensee a partnership, association, joint venture or agency nor shall either party have power or authority to obligate or bind the other in any manner whatsoever, except as expressly provided for herein and neither such party shall make any representation or warranty on behalf or for the other party.

No change, modification, amendment, addition to this license or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith.

This license constitutes the entire agreement between the parties and supersedes all prior understandings and agreements regarding the subject matter hereof. Each of the parties acknowledges and agrees that the other has not made and is not making and in executing this license neither party has relied upon any representations, promises or inducements except to the extent that the same are expressly set forth in this License.

If any clause, paragraph, sections or part of this license shall be held or declared to be void, invalid or illegal for any reason by any court of competent jurisdiction, such provision shall be ineffective but shall not in any way invalidate or affect any other clause, paragraph, section or part of this license.

This license shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed therein.

IN WITNESS WHEREOF, the parties have caused this license to be signed as of the date and year first above written

Licensor: HANSEN'S TRUST
By: /s/ Gary Hansen, as Trustee
by: /s/ Anthony Kane, as Trustee

By: /s/Burton S. Rosky, as Trustee

Licensee: HANSEN'S JUICE CREATIONS, a LIMITED LIABILITY COMPANY
By: /s/ Timothy Kane, President
by: /s/ Harvey Laderman, Chairman

Royalties:

One percent (1%) of Net sales:

Law Offices

ROSKY, LANDAU, STAHL & SHEEHY

8383 Wilshire Boulevard, Suite 828
Beverly Hills, California 90211

May 14, 1996

Hansen's Juice Creations
11777 San Vicente Boulevard Suite 860
Los Angeles, California 90049

RE: Royalty Agreements

Gentlemen:

Enclosed you will find the executed Operating Agreement of Hansen's Juice Creations, Limited Liability Company and the Royalty Agreements from Hansen's Juices, Inc. regarding the fresh juice royalties and from Hansen's Trust regarding all other products to be sold by Hansen's Juice Creations.

This letter is to specifically set forth the understanding of both Hansen's Juices, Inc. and Hansen's Trust regarding the Royalty Agreements and what products are covered therein and conditions the enclosed Royalty Agreements.

- I. Regarding Hansen's Juices, Inc. it is the understanding of Hansen's Juices, that all juice products, i.e., fresh juice, juices in bottles, drinks prepared as a fresh juice drink from bag in the box and any other juice product which is sold by Hansen's Creations will be covered by the Royalty Agreement. This is the case even though the Royalty Agreement particularly sets forth the statement that the product is fresh juice and fresh juice product.
2. That any and all other products sold by the Hansen's Creations, i.e., coffee, baked goods, spreads, candy bars, any product purchased from any third party, whether with the Hansen's name or not, sold through the Hansen's Creations or any store owned or operated by Hansen's Creations and any other person will bear the one percent (1%) royalty to the Hansen's Trust.

If this truly sets forth our understanding of all of the parties, please execute a copy of this letter and return it to this office. Said letter will become a part of the Royalty Agreements which are included herein.

Respectfully,

/s/ Burton S. Rosky
Rosky, Landau, Stahl & Sheehy

BSR/lyo
Enc.

cc: Hansen's Juices, Inc.
Christensen, White, Miller, Fink, Jacobs
Glaser & Shapiro, LAP

IT IS HEREBY AGREE TO AS SET FORTH ABOVE.

Dated: , 1996
Dated: , 1996

Timothy Kane
Harvey Laderman

AMENDMENT TO ROYALTY AGREEMENT
dated April 26, 1997

THE ROYALTY AGREEMENT dated April 26, 1996, by and between Hansen's Juices, Inc., a California corporation as "LICENSOR" and Hansen's Juice Creations, LLC, as "LICENSEE" is hereby amended to provide that notwithstanding anything to the contrary in the Royalty Agreement dated April 26, 1996:

1. Notwithstanding anything in this Amendment to the contrary, Licensor shall be permitted to continue to sell without restriction pre-bottled juices. Further, Licensor shall have the right to sell non-bottled fresh or frozen fruit, fresh juices ("fresh juice" shall have the same meaning as defined in Paragraph 10.02 of the annexed Agreement of Purchase and Sale of Membership Interest) and smoothies to any entity so long as Licensor does not have reason to know that the purchaser of such product(s) intends to use such product(s) in a Taylor machine or similar machine.

2. LICENSEE shall have the exclusive right to supply:

- a. any and all non pre-bottled juices or juice based drinks that are sold under the "Hansen's(R)" Tradename or designation whereby such juices or juice-based drinks are supplied in bulk or blended on-site and are dispensed into cups or containers, rather than the sale of bottled drinks that are pre-bottled at LICENSOR'S facility; and
- b. any and all fresh or frozen fruit, non-bottled fresh or frozen juices, juice ingredients, smoothies or any non-bottle' or pre-bottled custom-blended juice-based product sold under the Hansen's tradename or any other tradename to the extent that said product or products are for use in a Taylor machine or similar machine.

3. LICENSEE shall purchase all of its requirements for juices, smoothies and purees, and all ingredients thereof, from LICENSOR to the extent such products are intended for use in a Taylor machine or similar machine. Such purchases shall be made on terms and conditions which are no less favorable to LICENSEE (including as to price, quality and payment terms) than the most favorable terms available to an independent third party. In addition, LICENSOR agrees to sell all such products that LICENSEE may need in accordance with the terms described in this section; provided, however, that LICENSOR shall have no obligation to develop or create new products for LICENSEE.

IN WITNESS WHEREOF. the parties hereto have executed this Agreement as of this 9th day of May 1997.

The Fresh Juice Company of California, a Delaware corporation
By: /s/ Jeff Heavirland
Name: Jeff Heavirland
Title: PRES/CEO

Hansen's Juice Creations, Limited Liability Company,
a California limited liability company
By: /s/ Harvey Laderman
Chairman and Manager

ASSIGNMENT OF LICENSE AGREEMENTS

THIS ASSIGNMENT OF LICENSE AGREEMENTS (this "Assignment") is made as of February ___, 1999, by HANSEN'S JUICE CREATIONS, LLC, a California, limited liability company ("Assignor"), to FRESH SMOOTHIE, LLC, a California limited liability company ("Assignee").

RECITALS

A. Pursuant to the terms and conditions of that certain Royalty Agreement, dated April 26, 1996, attached hereto as Exhibit "A" and incorporated herein by this reference (the "Trust Royalty Agreement"), Gary Hansen, Anthony Kane and Burton S. Rosky, collectively as Trustees under that certain Trust Agreement dated as of July 27, 1992, for the benefit of Hansen's Juices, Inc., ("HJI"), granted to Assignor an exclusive worldwide right and license to use that certain "Hansen's" trademark, which is registered as Registration Number 1,258,780 in the United States Patent and Trademark Office (the "Trademark"), on or in connection with the manufacture, sale and distribution of fresh brewed coffee, coffee flavored drinks, coffee beans and/or ground coffee, food spreads and baked goods.

B. Pursuant to the terms and conditions of that certain Royalty Agreement, dated April 26, 1996, attached hereto as Exhibit "B" and incorporated herein by this reference (the "'HJI Royalty Agreement"), HJI granted to Assignor an exclusive worldwide right and license to use the Trademark on or in connection with the manufacture, sale and distribution of fresh juices, fresh juice products, and other products as described in the HJI Royalty Agreement.

C. The HJI Royalty Agreement was amended by that certain Amendment to Royalty Agreement, dated May 9, 1997, attached hereto as Exhibit "C" and incorporated herein by this reference.

D. The HJI Royalty Agreement and the Trust Royalty Agreement were amended by that certain letter agreement, dated May 14, 1996, attached hereto as Exhibit "D" and incorporated herein by this reference. As used hereinafter, the HJI Royalty Agreement, as amended, and the Trust Royalty Agreement, as amended, shall collectively be referred to as the "Royalty Agreements."

E. Assignor is a party to that certain Operating Agreement of Assignee, of even date herewith (the "Operating Agreement"), and Assignor wishes to contribute its rights under the Royalty Agreements to Assignee in exchange for, among other things, a membership interest in Assignee.

F. In furtherance of Assignor's contribution to the capital of Assignee described above, Assignor desires and has agreed to transfer all of its right, title and interest in and to the Royalty Agreements to Assignee, and Assignee desires and has agreed to assume all of the obligations and liabilities of Assignor with respect to the Royalty Agreement, upon the terms and conditions as set forth hereinafter.

In consideration of the foregoing and of the mutual covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Royalty Agreements, including, but not limited to, Assignor's duties, obligations and liabilities required under the Royalty Agreements.

2. Assumption. Assignee hereby assumes Assignor's right, title and interest in and to the Royalty Agreements. Assignee hereby further agrees to assume and perform all of Assignor's duties, obligations and liabilities created under the Royalty Agreements that accrue following the date of this Assignment.

3. Consideration.

4. Royalty Payments

Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that in order to accelerate the receipt by Assignor of the Royalty Payments, Assignor shall continue to exclusively market and sell products pursuant to the "bag in the box" program until such time that Assignor has received payment in full of the Royalty Payments, provided, however, it is

understood and agreed that the "net sales proceeds" (as defined hereafter) received by Assignor from Assignor's sale of "bag in the box" products shall be credited and offset against the Royalty Payments. Upon receipt by Assignor of payment in full of the Royalty Payments, then Assignee shall have the exclusive right to market and sell "bag in the box" products. The term "net sales proceeds," as used hereinabove shall mean the gross sales price of all "bag in the box" products sold by Assignor, less Assignor's direct costs for such products and the One Percent (1%) royalty fee due to Fresh Juice Company. Assignor shall submit to Assignee, on a monthly basis, an itemized schedule setting forth all "bag in the box" net sales proceeds (including the gross amount of such sales, the purchasers names, itemization of direct costs, etc), and such other back-up documentation as requested by Assignee.

5. Representations and Warranties of Assignor. Assignor represents and warrants to Assignee that the statements contained in this Paragraph 5 are correct and complete as of the date of this Assignment.

a. Authorization of Transaction. Assignor has the full power and authority to enter into this Assignment, Without limiting the generality of the foregoing, the members of Assignor has duty authorized the execution, delivery and performance of this Assignment by Assignor, which authorization is set forth in Schedule 1, attached hereto and incorporated herein by this reference. This Assignment constitutes the valid and legally binding obligation of Assignor, enforceable in accordance with its terms and conditions.

b. Compliance with Royalty Agreements. Assignor is in full compliance with all aspects of the Royalty Agreements. The execution and the delivery of this Assignment does not conflict with, result in a breach of, constitute a default under, terminate, modify, or cancel, or require any notice under the Royalty Agreements.

c. Consents. Assignor has obtained all necessary consents, authorizations, approvals and orders, and has made all registrations, qualifications, designations, declarations or filings with all federal, state or other relevant governmental authorities required on the part of Assignor in connection with the consummation of this Assignment.

d. Noncontravention. The execution and delivery of this Assignment does not violate any constitution, statute, regulations, rule, injunction, judgement, order, decree ruling, charge or other restriction of any government, governmental agency, or court to which Assignor is subject or any provision of Assignor's Operating Agreement.

e. Liabilities. Assignor does not have any liabilities or obligations (and there is no basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against Assignor giving rise to any liabilities or obligations), except for the liabilities and obligations expressly set forth in Schedule 2, attached hereto and incorporated herein by this reference. Except as set forth In Schedule 2, there are no liens or security interest on or related to any of Assignor's property, which liens and security interests shall be released on or before the execution of this Assignment by Assignor.

f. Legal Compliance. Assignor has complied with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local and foreign governments (and all agencies thereof, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against Assignor alleging any failure to so comply.

g. Taxes. Assignor has filed all tax returns that it is required to file. All such tax returns were correct and complete in all respects. Except as provided in Schedule 3, Assignor has no tax liabilities and all taxes owed by Assignor (whether or not shown on any tax return) have been paid. To Assignor's knowledge, there are no tax liens or security interests on or related to the Trademark or the Royalty Agreements in connection with any failure to pay any taxes by Assignor,

h. Trademark. Assignor has the right to use the Trademark on or in connection with the manufacturer, sale and distribution of fresh juices, fresh juice products, fresh brewed coffee, coffee flavored drinks, coffee beans, ground coffee, food spreads, and baked goods, pursuant to the Royalty Agreements. The Trademark shall be available for use by Assignee on identical terms and conditions pursuant to the Royalty Agreements immediately subsequent to this Assignment. Assignor has taken all necessary and desirable actions to

maintain and protect the Trademark granted by the Royalty Agreements. To Assignor's knowledge, there are no liens or security interests on or related to the Trademark. Assignor has not transferred any other rights, title or interests in the Trademark or the Royalty Agreements. To Assignor's knowledge, Assignor has not interfered with, infringed-upon, misappropriated, or otherwise come into conflict with, any rights of third parties with respect to the Trademark.

i. Royalty Agreements. Assignor has delivered to Assignee a correct and complete copy of the Royalty Agreements, as amended, which are attached hereto as Exhibits "A" through "D". To Assignor's knowledge, and except for the claims asserted by Hansen's Beverage Company and Rodney C. Sacks, a Trustee of the Hansen's Trust, Pursuant to that certain Demand for Arbitration with the American Arbitration Association, dated October 30, 1998, against (a) Gary Hansen, Anthony Kane and Burton Rosky, collectively as Trustees under that certain Trust Agreement dated July 27, 1992 for the benefit of HJI, (b) Hansen's Juice Creations, LLC, and (iii) The Fresh Juice Company of California, Inc.:

(i) The Royalty Agreements are legal, valid, binding, enforceable, and in full force and effect; (ii) The Royalty Agreements will continue to be legal, valid, binding, enforceable, and in full force and effect on identical

(iii) terms following the consummation of this Assignment; No party is in breach or default, and no event has occurred which with notice or lapse of time would cause to be a breach or default, or permit termination or modification under the Royalty Agreements;

(iv) No party has repudiated any provision of the Royalty Agreements; and (v) No party has a lien or security interest against the Royalty Agreements.

j. Solvency of Assignor. Assignor is not "insolvent" (as that term is defined in I I U.S.C. ss. 101 (32)) or the subject of an insolvency proceeding (including, without limitation, an assignment for the benefit of creditors, a voluntary or involuntary bankruptcy proceeding, or the appointment of a receiver, trustee or other custodian for Assignor's assets), and neither this Assignment or the Security Agreement (as described below) constitutes a "fraudulent transfer" (as defined in Title I I of the United States Code and the California Uniform Fraudulent Transfer Act, California Civil Code Section 3439 et seq.) or will have the effect of hindering, delaying or defrauding any creditors of Assignor.

k. Insurance. Assignor has in full force and effect insurance policies with coverage in sufficient amounts with respect to any liabilities created by its use of the Trademarks, the sale of products and such other insurance coverage as is customary in businesses like Assignor's business.

6. Survival of Representations and Warranties. All of the representations and warranties contained in this Assignment shall survive the execution of this Assignment and shall continue in full force and effect thereafter (subject to any applicable statutes of limitations).

7. Indemnity.

a. In the event Assignor breaches (or in the event any third party alleges facts that) if true, would mean Assignor has breached) any of its representations and warranties contained herein, then Assignor hereby agrees to indemnify and hold harmless Assignee from and against, any and all costs, expenses, judgments, liabilities, damages and losses of any type (including reasonable attorneys fees and costs) that Assignee may suffer as a result of any claim, demands, costs or judgments resulting from, arising out of, relating to, in the nature of, or caused by the breach (or of the alleged breach) by Assignor of its representations and warranties set forth in Paragraph 5 above.

b. In the event Assignor shall be obligated to indemnify Assignee pursuant to Paragraph 7(a) above, then Assignee shall deliver a written demand to Assignor describing the costs, expenses, judgments, liabilities, damages and losses suffered by Assignee, including the amount of the indemnification sought by Assignee (the "Indemnification Demand"). Assignor shall respond to Assignee within ten (10) business days after Assignor receives the Indemnification Demand, which response shall state Assignor's election to pay Assignee the amount of the indemnity sought. If Assignor elects not to pay Assignee the amount of the indemnity, or does not respond to the Indemnification Demand, then Assignee shall be entitled to exercise all of its rights and remedies as set forth in that certain Security Agreement, of even date herewith, attached hereto as Exhibit "E" and incorporated herein by this reference, including, but not

limited to the right offset the amount of the indemnification against any Royalty Payments, Cash Payments and Assignor's membership interest in Assignee.

c. If any third party shall notify Assignor with respect to any matter ("Third Party Claim") which may give rise to a claim for indemnification against Assignor under this Paragraph 7, then Assignor shall promptly notify Assignee in writing of such Third Party Claim. Assignee shall have the right to assume and thereafter conduct the defense of any Third Party Claim with counsel of Assignee's choice, unless and until Assignee assumes the defense of the Third Party Claim, Assignor shall defend the Third Party Claim in a reasonably appropriate manner. In no event shall Assignor or Assignee consent to the entry of judgement or enter into any settlement with respect to the Third Party Claim without the prior written consent of the other party. If Assignee shall pay any amounts in connection with the Third Party Claim, including attorneys fees, Assignee shall have the right to seek indemnification for all such amounts expended by Assignee, in the manner provided by Paragraph 7(b) above,

8. Miscellaneous.

a. Entire Agreement. This Assignment (including the documents referred to herein) constitutes the entire agreement between Assignor and Assignee, and supersedes any prior understandings, agreements, or representations by or between Assignor and Assignee, written or oral, to the extent that are related in any way to the subject matter hereof.

b. No Third Party Beneficiaries. This Assignment shall not confer any rights or remedies upon any party other than Assignor and Assignee, and their respective successors and assigns.

c. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

d. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

e. Headings. The section headings contained in this Assignment are inserted for convenience only and shall not in any way affect the meaning or interpretation of this Assignment.

f. Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing, Any notice, request, demand, claim or other communication hereunder shall be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to Assignor. Hansen's Juice Creations, LLC
468 North Camden Drive
Beverly Hills, California 90211
Attention: Harvey R. Laderman, Managing Member

If to Assignee: Fresh Smoothie, LLC
17064 Mooncrest Drive
Encino, California 91436
Attention: Barry Lublin, Managing Member

Any party hereto may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary-mail, or electronic mail), but no such notice, request, demand, claim or other communications shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party hereto may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

g. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California without giving effect to any choice or conflict of law, position or rule that would cause the application of the laws in any jurisdiction other than the State of California.

h. Amendments and Waivers. No amendment of any provision of this Assignment shall be valid unless the same shall be in writing and signed by both Assignor and Assignee. No waiver by either party of any default,

misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or effect in any way any rights arising by virtue of any prior or subsequent such occurrence.

i. Severability . Any term or provision of this Assignment that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in my other jurisdiction.

j. Time of Essence. Time is of the essence in this Assignment.

k. Arbitration. ANY DISPUTE OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY CLAIMS UNDER FEDERAL OR STATE SECURITIES LAWS, SHALL BE SUBJECT EXCLUSIVELY TO FINAL AND BINDING ARBITRATION BEFORE A SINGLE NEUTRAL ARBITRATOR IN LOS ANGELES, CALIFORNIA UNDER THE THEN APPLICABLE RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). THE PROVISIONS OF SECTION 1283.05 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE PERMITTING DISCOVERY IN ARBITRATIONS ARE HEREBY INCORPORATED HEREIN BY REFERENCE, PROVIDED THAT EACH SIDE OF THE ARBITRATION SHALL BE PERMITTED TO TAKE NO MORE THAN TWO DEPOSITIONS FOR DISCOVERY. EACH PARTY SHALL PAY ITS SHARE OF THE FEES AND COSTS OF THE AAA AND FOR THE ARBITRATOR, SUBJECT TO THE ARBITRATOR'S RIGHT TO REALLOCATE SAME IN FAVOR OF THE PREVAILING PARTY, PROVIDED THAT THE AAA SHALL BE EMPOWERED AND DIRECTED TO ENTER AN AWARD BY DEFAULT AGAINST ANY PARTY WHO DECLINES TO PAY WHEN REQUIRED BY THE AAA ITS SHARE OF SUCH FEES AND COSTS.

l. Attorneys' Fees. In the event a dispute should arise between Assignor or Assignee under this Assignment, the prevailing party in such dispute shall be entitled to recover from the other party all reasonable fees, costs and expenses including without limitation, reasonable attorneys' fees and expenses.

m. Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Assignment are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment by their duly authorized officers as of the date first written above.

ASSIGNOR: HANSEN'S JUICE CREATIONS, LLC,
a. California limited liability company
By: /s/Harvey Laderman
Title: Managing Partner

ASSIGNEE: FRESH SMOOTHIE, LLC,
a California limited liability company
By: /s/Barry Lublin
Title: Managing Partner

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

Exhibit 27

Financial Data Schedule

<ARTICLE>

5

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THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF INCOME FOUND ON PAGES 3 AND 4 OF THE COMPANY'S FORM 10Q FOR THE PERIOD PRESENTED, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENT.

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