

12-30-1999

U.S. Department of Commerce
Patent and Trademark Office



TRADEMARK

RECEIVED

101234566

1999 DEC 10 AM 9:04

RECORDATION FORM COVER SHEET

OPR/FINANCE

TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)
Document ID # _____

Correction of PTO Error
Reel # _____ Frame # _____

Corrective Document
Reel # _____ Frame # _____

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger

Effective Date
Month Day Year
12 07 1999

Change of Name

Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name SCHLOTZKY'S, INC. Execution Date Month Day Year 12 07 1999

Formerly _____

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization Texas

Receiving Party

Mark if additional names of conveying parties attached

Name WELLS FARGO BANK (TEXAS), NATIONAL ASSOCIATION

DBA/AKA/TA _____

Composed of _____

Address (line 1) 111 Congress

Address (line 2) Suite 300

Address (line 3) Austin TX 78701
City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization Texas

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

12/29/1999 TTUN11 00000123 1150667

FOR OFFICE USE ONLY

01 FC:481 40.00 DP/
02 FC:482 75.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002004 FRAME: 0816

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

(214) 745-5374

Name

James J. Murphy, Esq.

Address (line 1)

Winstead Sechrest & Minick P.C.

Address (line 2)

5400 Reaissance Tower

Address (line 3)

1201 Elm Street

Address (line 4)

Dallas, TX 75270

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

5

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

1150687	2235917	
1337033		
1775366		

Number of Properties

Enter the total number of properties involved.

4

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 115.00

Method of Payment:

Deposit Account

Enclosed

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

James J. Murphy

Name of Person Signing



Signature

12/13/99

Date Signed

SECURITY INTEREST ASSIGNMENT OF TRADEMARKS

THIS SECURITY INTEREST ASSIGNMENT OF TRADEMARKS (this "Assignment"), dated as of December 7, 1999, is executed by SCHLOTZSKY'S, INC., a Texas corporation (the "Debtor"), 203 Colorado Street, Austin, Texas 78701, in favor of WELLS FARGO BANK (TEXAS), NATIONAL ASSOCIATION, a national banking association, as agent (in such capacity, together with its successors in such capacity, the "Agent"), 111 Congress, Suite 300, Austin, Texas 78701.

RECITALS:

A. The Debtor, Wells Fargo Bank (Texas), National Association, as the Issuing Bank, the banks and the other lending institutions which are or may from time to time become a signatory thereto (collectively, the "Lenders"), and the Agent have entered into that certain Credit Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or modified from time to time, being hereinafter referred to as the "Credit Agreement").

B. Pursuant to the Credit Agreement, the Debtor and the Agent have entered into that certain Borrower Security Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or modified from time to time, the "Security Agreement"), pursuant to which the Debtor has granted to the Agent for the benefit of the Agent, the Issuing Bank and the Lenders a lien on and security interest in certain collateral described therein, including all trademarks, service marks and trademark and service mark registrations and applications, both foreign and domestic, at any time owned by Debtor, including without limitation those described on Exhibit A hereto (collectively, the "Trademarks"), and the goodwill represented thereby.

C. It is a condition precedent to the Agent's, the Issuing Bank's and the Lenders' obligations under the Credit Agreement that the parties hereto execute this Assignment to memorialize the granting of the security interest in and to the Trademarks in a form suitable for recording in the United States Patent and Trademark Office.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Security Agreement, the parties hereto agree as follows:

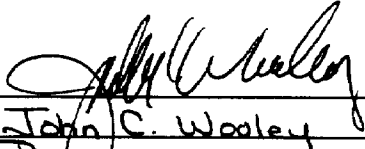
1. Debtor hereby grants and assigns a security interest, and ratifies and confirms the grant of security interest pursuant to the Security Agreement to, Agent for the benefit of the Agent, the Issuing Bank and the Lenders, as security for the payment and performance of the Obligations (as defined in the Credit Agreement), in and to

Debtor's entire right, title and interest in the Trademarks, including without limitation all renewals thereof, all proceeds thereof (including, but not limited to, all license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, and the goodwill represented thereby.

2. At such time as all of the Obligations have been completely paid and performed in full, the Agent shall release its security interest in Debtor's entire right, title and interest in the Trademarks, including without limitation all renewals thereof, all proceeds thereof (including, but not limited to, all license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, and the goodwill represented thereby.
3. Except as otherwise provided in the Security Agreement, Debtor represents and warrants that it has the full right and power to make the assignment of the Trademarks made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment of or encumbrance on the Trademarks.
4. This Assignment cannot be altered, amended or modified in any way, except by a writing signed by Agent and Debtor. This Assignment shall be binding upon Debtor and its respective successors and permitted assigns, and shall inure to the benefit of Agent and its respective successors and assigns. **THIS ASSIGNMENT SHALL, EXCEPT TO THE EXTENT THAT THE LAWS OF ANOTHER STATE APPLY TO THE TRADEMARKS OR ANY PART THEREOF, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND THE APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.** By receiving this Assignment, Agent is entitled to receive all of the benefits and none of the obligations and liabilities which may arise from the Trademarks.

IN WITNESS WHEREOF, this Assignment has been executed as of the day and year first written above.

SCHLOTZSKY'S, INC.

By: 
Name: John C. Wooley
Title: President

WELLS FARGO BANK (TEXAS),
NATIONAL ASSOCIATION,
as Agent

By: Keith Smith
Name: Keith Smith
Title: Vice President

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me Tricia Jackson Hastings on this day personally appeared John C. Wooley,
President of SCHLOTZSKY'S, INC., a Texas corporation, known to me to
be the person whose name is subscribed to the foregoing instrument and acknowledged to me that
he executed the same, on behalf of said corporation, for the purposes and consideration therein
expressed.

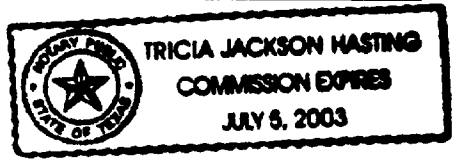
Given under my hand and seal this 7th day of December, 1999.

[S E A L]

My Commission Expires:

Tricia Jackson Hastings
Notary Public - State of Texas

Tricia Jackson Hastings
Printed Name of Notary Public



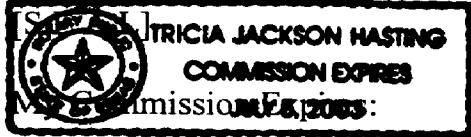
THE STATE OF TEXAS

§
§
§

COUNTY OF TRAVIS

Before me Tricia Jackson Hastings on this day personally appeared Keith Smith.
Vice President of WELLS FARGO BANK (TEXAS), NATIONAL ASSOCIATION, a national banking association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same, on behalf of said association, for the purposes and consideration therein expressed.

Given under my hand and seal office this 7th day of December, 1999.



[Signature]
Notary Public - State of Texas

Printed Name of Notary Public

3202402
333-4839-262

EXHIBIT A

United States Trademark Registrations and Applications

<u>Trademark</u>	<u>Application Serial No. or Registration No.</u>	<u>Filing/Registration Date</u>	<u>Goods or Services</u>
1. Schlotzsky's Deli	Reg. #2235917	March 30, 1999	Restaurant and take-away food service IC 42
2. Schlotzsky's	Reg. #1775366	June 8, 1993	Potato chips IC 29
3. Schlotzsky's	Reg. #1337033	May 21, 1985	Sandwiches for consumption on or off the premises IC 30
4. Schlotzsky's	Reg. #1150687	April 7, 1981	Restaurant services specializing in the sale of sandwiches IC 42

·
·