

08-14-2000



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To the Honorable Commissioner of Patents and Trademark

Documents or copy thereof

1. Name of conveying party(ies):

Earl Campbell Foods, Inc.

MKS 7.17.00

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):

Name: First State Bank, Moulton, Texas
 Internal Address: P.O. Drawer A
 Street Address: 100 S. Main Street
 City: Moulton State: TX ZIP: 77975

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from Assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: March 22, 2000

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)

2,005,610 dated October 8, 1996

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Jeff R. Steinhauser
 Internal Address: P.o. Drawer D

 Street Address: 107 East North Main

 City: Flatonia State: TX ZIP: 77975

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41):..... \$ 40.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

08/14/2000 HTHAI1 00000061 2005610
 01 FC:481 40.00 DP

DO NOT USE THIS SPACE

9. 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.

Jeff Steinhauser Jeff Steinhauser July 14, 2000
 Name of Person Signing Signature Date

Total number of pages comprising cover sheet: 1

TRADENAME PLEDGE AGREEMENT

THIS TRADENAME PLEDGE AGREEMENT (the "*Pledge*") is made as of March 22, 2000, by Earl Campbell Foods, Inc., a Delaware Corporation, ("*Pledgors*" whether one or more) and First State Bank, Moulton, Texas, a Texas corporation ("*Pledgees*" whether one or more).

1. **Grant of Pledge.** To secure the prompt and full payment and complete performance of all the obligations of Pledgors to one or more of Pledgees evidenced by the following documents (collectively, "*Obligations*"):

- a) That certain Real Estate Lien Note dated September 30, 1999 in the original principal amount of \$650,000.00 by and between Earl Campbell Foods, Inc. as Maker and First State Bank, Moulton, Texas as payee.
- b) That certain Real Estate Lien Note dated December 2, 1999 in the original principal amount of \$300,000.00 by and between Earl Campbell Foods, Inc. as Maker and First State Bank, Moulton, Texas as payee.
- c) That certain Real Estate Mortgage Note dated March 22, 2000, given in renewal and extension of the notes described in (a) and (b) herein, in the original principal sum of \$1,800,000.00 by and between Earl Campbell Foods, Inc. as Maker and First State Bank, Moulton, Texas as payee.
- d) That certain Real Estate Mortgage Note dated March 22, 2000 in the original principal sum of \$400,000 by and between Earl Campbell Foods, Inc. as Maker and First State Bank, Moulton, Texas as Payee.

Pledgors, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grant to Pledgees a security interest in all of Pledgors' rights, titles and interests, howsoever arising, in and to all of its now-owned or existing tradenames and federal tradenames and federal trademark registrations as more particularly described and listed on Exhibit A attached hereto, and any complete or partial renewals, reissues or extensions thereof, including each of the foregoing and all income, royalties, damages and payments now and hereafter due and/or payable under said tradenames and federal trademark registrations including, without limitation, the right to sue for past infringement of any of the foregoing property rights, including property rights, including the right to receive all royalties, damages and payments for past or further infringements thereof (all of the foregoing tradenames and federal trademark registrations and renewals, reissues or extensions thereof, are sometimes hereinafter individually and/or collectively referred to as the "*Tradenames*".) This instrument shall further grant and convey to Pledgees such property rights as shall be necessary for the constructive notice to be obtained by the filing of this Agreement in the U.S. Patent and Trademark Office.

2. Defeasance. Upon payment in full of all the Obligations, this Pledge shall terminate and be of no further force and effect; and in such event, Pledges shall, at the expense of the Pledgors, take all such action necessary to terminate the property rights of Pledges in the Tradename.

3. Covenants, Representations and Warranties. Pledgors covenant, represent and warrant Pledges that:

i.) To the best of Pledgors' knowledge, each of the Tradenames is valid and enforceable throughout the territory of current use as of the date of execution of this Agreement, and no such Tradename is subject to any pending or, threatened challenge, claim or right;

ii.) To the best of Pledgors' knowledge, the entire rights, title and interests of Pledgors in and to each of the Tradenames is free and clear of any liens (other than liens created by any judgement or tax lien), charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights, registered user agreements and covenants by Pledgors not to sue third persons, other than the interests created hereunder; and

iii.) To the best of Pledgors' knowledge, Pledgors have good and marketable title to the Tradenames owned or acquired by it, the interests created by any subsequent assignment or license granted to any customer, supplier or licensee for the purpose of facilitating the business of or generating revenue for Pledgors.

iv.) Pledgors shall not further assign or license any right, title or interest in the Tradenames or the goodwill associated therewith save and except that existing two (2) year license granted by Earl Campbell Foods, Inc. to J- Bar B Foods, without the prior written consent of Pledges.

4. Duty to Maintain. Any and all fees, costs and expenses of whatever kind or nature incurred in connection with any application or in connection with the maintenance, filing or recording of any documents, payment of taxes, defense of or otherwise defending, protecting, preserving and enforcing the Tradename and other property assigned hereunder shall be borne by Pledgors. Pledgors and Pledges hereby agree that Pledges shall have no future liability under this Pledge for such fees, costs and expenses, including without limitation and royalty, fee, expense, cost or charge to Pledges or any other person, and Pledgors hereby hold each of Pledges harmless and indemnify each of Pledges from all such liabilities. The parties further agree that Pledges shall not be obligated to take any action with respect to the prosecution, maintenance, preservation or filing of any of the Tradenames or other property pledged hereunder.

5. Events of Default: Security Party's Rights Upon Default.

5.1. Event of Default. There shall exist an event of default (an "*Event of Default*") hereunder if any one or more of the following occurs:

5.1.1. A default occurs under any of the material Obligations and/or related loan documents.

5.1.2. Any material representation or warranty made herein proves to have been false or misleading in any material respect when made.

5.1.3. Any Pledgees fails to have valid and enforceable perfected property rights in the Tradenames (other than through his or her own failure to properly document or perfect its interest.)

5.1.4. Pledgors default in the due observance or performance of any covenant, condition agreement to be observed or performed by the Pledgors pursuant to the terms of this Pledge.

5.2 Remedies. If any Event of Default shall have occurred, Pledgees shall have, in addition to all rights and remedies given it by this Pledge, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Texas and, without limiting the generality of the foregoing, Pledgees may immediately, without demand of performance and without other notice (except notice of sale as set forth below) or demand whatsoever to Pledgors, all of which are hereby expressly waived, sell at public or private sale the whole or from time to time any part of the Tradenames, or any interest which Pledgors may have therein, and after deducting from the proceeds of sale or other disposition of Tradenames all expense (including all reasonable expense for broker's fees and legal services) shall apply the residue of such proceeds toward the payment of the Obligations. Any remainder of the proceeds after payment in full of expenses and the Obligations shall be paid over to Pledgors. Notice any sale of the Tradenames shall be given to Pledgors at least fifteen (15) days before the time any intended public or private sale of the Tradenames is to be made, which Pledgors hereby agree shall be reasonable notice of such sale. At any such public sale, the holder of the Obligations may, to the extent permissible under applicable law, purchase the whole or any part of the Tradenames sold, free from any right of redemption on the part of Pledgors, which right is hereby waived and released.

6. Duties of Pledgors. Pledgors shall have the duty to prosecute diligently any renewals, declarations, and registrations of the Tradenames required as of the date of this Pledge or thereafter until the Obligations shall have been paid in full, and to preserve and maintain all rights in tradename applications and tradenames included in the Tradenames. Any expenses incurred in connection with such renewals, declarations and registrations shall be borne by Pledgors.

7. Right to Enforce Tradenames. In the event Pledgors fail to enforce the Tradenames against any actual infringement, Pledgees shall have the right but shall in no way be obligated to bring suit in each of their own names to enforce the Tradenames and any license thereunder, in which event Pledgors shall at the request of any of the Pledgees do any and all lawful acts and execute any and all proper documents required by Pledgees in aid for such enforcement and Pledgors shall promptly, upon demand, reimburse and indemnify Pledgees for all costs and expenses incurred by Pledgees in the exercise of his or her rights under this paragraph.

8. Modification and Amendments. No course of dealing between Pledgors and Pledges, nor any failure to exercise, nor any delay in exercising, on the party of Pledges, any right, power or privilege hereunder or under any of the Obligations and related loan documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

9. Effect on Loan Documentation. Pledgors acknowledge and agree that this Pledge is not intended to limit or restrict in any way the rights and remedies of any of Pledges under the Obligations or any of the related security documents but rather is intended to facilitate the exercise of such rights and remedies.

10. Binding Effect: Benefits and Pledge. This Pledge shall be binding upon Pledgors and their respective successors and assigns, and shall inure to the benefit of Pledges and their respective heirs, personal representatives, successors and assigns; provided, however, that the rights and obligations of Pledgors hereunder cannot be assigned by Pledgors without the prior written consent of all of the Pledges except as hereinbefore provided. All obligations of Pledgors under this Pledge shall be joint and several obligations of each of Pledgors.

11. Governing Law. This Pledge has been executed and delivered in Texas, and shall be governed by and construed in accordance with the laws of the United States applicable to tradename and tradename rights and the laws of the State of Texas applicable to contracts executed in or to be performed in the State of Texas, and exclusive venue for any legal action brought under the terms of this Agreement or to enforce the terms of this Agreement shall be in Lavaca County, Texas.

12. Expenses. All costs associated with the filing of this Pledge with the United State Patent and Trademark Office shall be borne by Pledgors.

IN WITNESS WHEREOF, the parties hereto have duly executed this Pledge as of the date first above written.

PLEDGORS

EARL CAMPBELL FOODS, INC.

By: 

Printed: Earl C. Campbell

Its: President

PLEDGEE

FIRST STATE BANK, MOULTON, TEXAS

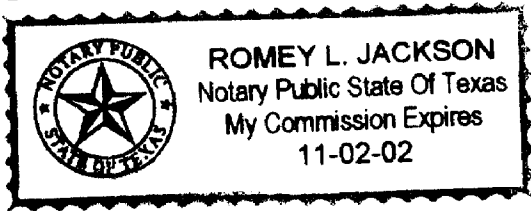
By: David R. Kapavik

Printed: David R. Kapavik

Its: President

THE STATE OF TEXAS §
§
COUNTY OF BEXAR §

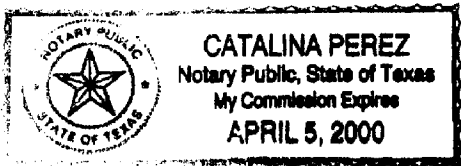
This instrument was acknowledged before me on the 22 day of March, 2000, by **Earl C. Campbell**, President of **EARL CAMPBELL FOODS, INC.**, a Delaware corporation, on behalf of said corporation.



Romey L. Jackson
NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS §
§
COUNTY OF Lavaca §

This instrument was acknowledged before me on the 20 day of March, 2000, by **David R. Kapavik**, President of **FIRST STATE BANK, MOULTON, TEXAS**, a Texas corporation, on behalf of said corporation.



Catalina Perez
NOTARY PUBLIC, STATE OF TEXAS

Exhibit "A"

The Tradename or trademark "Earl Campbell" for food products, which is registered in the United States Patent and Trademark Office, Registration No. 2,005,610, dated October 8, 1996, and filed thereon.