

06-26-2002

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Three Dog Bakery, Inc. 06/19/02
Individual(s) Association
General Partnership Limited Partnership
[X] Corporation-State MO
Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Manchester Commercial Finance LLC
Internal Address: 450 One Corporate Plaza
Street Address: 7400 Metro Blvd
City: Edina State: MN Zip: 55439-2326
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State
[X] Other Limited Liability Company
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
[X] Security Agreement Change of Name
Other
Execution Date: 5/15/00

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s)
2363797 2373039 2363209
2490486 2567033 2471083
2535404 2467206 2481545
2542926
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Manchester Commercial Finance LLC
Internal Address: 450 One Corporate Plaza

6. Total number of applications and registrations involved: 10
7. Total fee (37 CFR 3.41): \$ 265.00
[X] Enclosed
Authorized to be charged to deposit account:

06/25/2002 TDIQZ1 00000062 2363797
01 FC=481 40.00 DP
02 FC=482 225.00 DP

Street Address: 7400 Metro Blvd
City: Edina State: MN Zip: 55439-2326

8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

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.
John E. Hoagberg, EVP
Name of Person Signing Signature Date 6/14/02

Total number of pages including cover sheet, attachments, and document: 8

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002531 FRAME: 0566

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS AGREEMENT is made on the 15th day of May, 2000 between THREE DOG BAKERY, INC., a Missouri corporation, having a mailing address at 1627 Main Street, Suite 700, Kansas City, MO 64108 ("Assignor") and MANCHESTER COMMERCIAL FINANCE LLC, a Minnesota limited liability company, having a mailing address at 7400 Metro Boulevard, Suite 450, Minneapolis, MN 55439-2326 ("Lender").

STATEMENT OF FACTS

Assignor has executed and delivered a certain Financing Agreement dated 5/15/00 between Assignor and the Lender providing for financing in the maximum amount of \$500,000 (as amended from time to time, the "Financing Agreement"). In order to induce the Lender to execute and deliver the Financing Agreement, Assignor has agreed to assign to Lender certain trademark rights. This Trademark Collateral Assignment and Security Agreement is being executed contemporaneously with a Security Agreement under which the Lender is granted a lien on and security interest in machinery, equipment, manufacturing procedures, quality control procedures and product specifications ("Other Assets") relating to products sold under the Trademarks, whereby Lender shall have the right to foreclose on the Trademarks and the Other Assets in the event of the occurrence and continuance of an Event of Default under the Financing Agreement, in order that the owner of the Trademarks may continue the manufacture of products to be sold under the Trademarks and maintain substantially the same product specifications and quality as maintained by Assignor.

NOW, THEREFORE, in consideration of the premises, Assignor hereby agrees with Lender as follows:

1. To secure the complete and timely satisfaction of all obligations and liabilities of the Assignor under the Financing Agreement (collectively the "Liabilities"), Assignor hereby grants, assigns and conveys to Lender the entire right, title and interest in and to the trademark applications and trademarks listed on Schedule A hereto (as the same may be amended pursuant hereto from time to time), including without limitation all renewals thereof, all proceeds of infringement suits, the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademarks"), and the good will of the business to which each of the Trademarks relates.
2. Assignor covenants and warrants that:
 - (a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;
 - (b) To the best of Assignor's knowledge, each of the Trademarks is valid and enforceable;
 - (c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;
 - (d) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by Assignor not to sue third persons;
 - (e) Assignor has the unqualified right to enter into this Agreement and perform its terms;

(f) Assignor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks; and

(g) Assignor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

3. Assignor hereby grants to Lender and its employees and agents the right to visit Assignor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. Assignor shall do any and all acts required by Lender to ensure Assignor's compliance with paragraph 2(g) above.

4. Assignor agrees that, until all of the Liabilities shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Assignor's obligations under this Agreement, without Lender's prior written consent.

5. If, before the Liabilities shall have been satisfied in full, Assignor shall obtain rights to any new trademarks, the provisions of paragraph 1 shall automatically apply thereto and Assignor shall give Lender prompt written notice thereof.

6. Assignor authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications covered by paragraphs 1 and 5 hercof.

7. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Financing Agreement), Lender hereby grants to Assignor the exclusive, nontransferable right and license to use the Trademarks on and in connection with products sold by Assignor, for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Assignor in this paragraph 7, without the prior written consent of Lender.

8. If any such Event of Default shall have occurred and be continuing, Assignor's license under the Trademarks, as set forth in paragraph 7 above, shall terminate forthwith, and the Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Minnesota or in any jurisdiction in which the Trademarks may be located and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Assignor, all of which are hereby expressly waived, sell at public or private sale or otherwise realize upon, in Minncapolis, Minnesota, or elsewhere, all or from time to time any of the Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds to payment of the Liabilities. Any remainder of the proceeds after payment in full of the Liabilities shall be paid over to the Assignor or to the party otherwise entitled to such proceeds. The Assignor shall be liable for any deficiency. Notice of any sale or other disposition of the Trademarks shall be given to Assignor at least ten (10) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Lender (or any assignee of the Lender) may, to the extent permissible under applicable law, by applying all or any part of the Liabilities or by using other consideration, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of Assignor.

9. At such time as Assignor shall completely satisfy all of the Liabilities, this Agreement shall terminate and Lender shall execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to the Trademarks, subject to any disposition thereof which may have been made by Lender pursuant hereto.
10. Any and all fees, costs and expenses, of whatever kind or nature, including fees for the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, the payment of encumbrances affecting the Trademarks, or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Assignor on demand by Lender and until so paid shall be added to the principal amount of the Liabilities and shall bear interest at the highest rate prescribed in the Financing Agreement.
11. Assignor shall have the duty, through counsel acceptable to Lender, to prosecute diligently any trademark applications of the Trademarks pending as of the date of this Agreement or thereafter until the Liabilities shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Assignor. The Assignor shall not abandon any Trademark without the consent of the Lender, which consent shall not be unreasonably withheld.
12. Assignor shall have the right, with the prior written consent of Lender, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks, in which event Lender may, if necessary, be joined as a nominal party to such suit if Lender shall be satisfied that it is not thereby incurring any risk of liability because of such joinder. Assignor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including attorney's fees, incurred by Lender in the fulfillment of the provisions of this paragraph 12.
13. In the event of the occurrence of an Event of Default under the Financing Agreement, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for Lender to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.
14. If Assignor fails to comply with any of its obligations hereunder, Lender may do so in Assignor's name or in Lender's name, but at Assignor's expense, and Assignor hereby agrees to reimburse Lender in full for all expenses, including reasonable attorney's fees, incurred by Lender in protecting, defending and maintaining the Trademarks.
15. No course of dealing between Assignor and Lender, nor any failure to exercise, or any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Financing Agreement 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 further exercise thereof or the exercise of any other right, power or privilege.
16. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

17. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

18. Except as provided in paragraph 6, this Agreement is subject to modification only by a writing signed by the parties.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

20. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of Minnesota.

WITNESS the execution hereof under seal as of the day and year first above written.

LENDER:

MANCHESTER COMMERCIAL
FINANCE LLC

By

Title EXECUTIVE Vice President

ASSIGNOR:

THREE DOG BAKERY, INC.

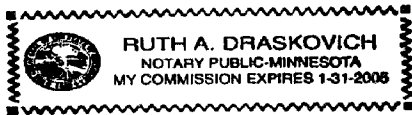
By

Title President

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF MINNESOTA)
) ss:
COUNTY OF Hennepin)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 15th day of May, 2000, personally appeared JOHN E. HOAGBERG to me known personally, and who, being by me duly sworn, deposes and says that he is the EXEC. VICE PRES. of MANCHESTER COMMERCIAL FINANCE LLC, a Minnesota limited liability company, and that said instrument was signed and sealed on behalf of said company by authority of its board of directors, and said EVP acknowledged said instrument to be the free act and deed of said corporation.

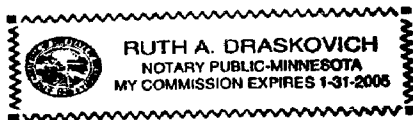


Ruth A. Draskovich
Notary Public
My commission expires: 1-31-05

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF MINNESOTA)
) ss:
COUNTY OF Hennepin)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 15th day of May, 2000, personally appeared RONALD H. BUTLER to me known personally, and who, being by me duly sworn, deposes and says that he is the PRESIDENT of THREE DOG BAKERY, INC., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said PRESIDENT acknowledged said instrument to be the free act and deed of said corporation.



Ruth A. Draskovich
Notary Public
My commission expires: 1-31-05

SCHEDULE A

to **Trademark Collateral Assignment and Security Agreement** dated 5/15/00,
between **THREE DOG BAKERY, INC.**, and **Manchester Commercial Finance LLC**, as Lender.

<u>Application Or Mark No.</u>	<u>Country</u>	<u>Registration or Filing Date</u>	<u>Expiration Date</u>
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Exhibit E: Intellectual Properties

Mark	Application Date	Docket Number	Serial Number	Registration Date	Registration Number
Bakery Blend	08/24/98	26774	75/541,486	07/04/00	2,363,797
Lickety-Split	10/17/98	26847	75/554,843	06/27/00	2,363,209
We Pity The Kitties	11/22/00	27108	76/169,675	05/07/02	2,567,033
Itty Bitty Scary Kitties	10/18/99	27109	75/824,358	07/10/01	2,467,206
Itty Bitty Bones	10/18/99	27110	75/824,351	07/24/01	2,471,083
Itty Bitty Bagels	10/18/99	27111	75/825,773	08/28/01	2,481,545
Dottie S Spots	10/18/99	27112	75/823,610	08/01/00	2,373,039
Dottie's Dipped Delights	07/24/00	27115	76/094,012	09/18/01	2,490,486
Nature's Raw Rewards	10/18/99	27671	75/824,408	02/05/02	2,535,404
Tummy Rub Club	04/18/01	31510	76/242,070	02/26/02	2,542,926