

08-13-2003



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

Submission Type

New 7-31-03

Resubmission (Non-Recordation)  
Document ID#

Correction of PTO Error  
Reel #  Frame #

Corrective Document  
Reel #  Frame #

Conveyance Type

Assignment  Security Agreement

License  Change of Name

Merger  Other

U.S. Government  
(For Use ONLY by U.S. Government Agencies)

Departmental File  Secret File

Conveying Party(ies)

Mark if additional names of conveying parties attached Execution Date  
Month Day Year

Name (line 1)

Name (line 2)

Execution Date  
Month Day Year

Second Party

Name (line 1)

Name (line 2)

Receiving Party

Mark if additional names of receiving parties attached

Name (line 1)

Name (line 2)

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 is attached. (Designation must be a separate document from Assignment.)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

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)

FOR OFFICE USE ONLY

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Public burden reporting for this collection of information is estimated to average approximately 0 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

**Correspondent Name and Address** Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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

**Application Number(s) or Patent Number(s)**  Mark if additional numbers attached

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

<b>Patent Application Number(s)</b>			<input type="text" value="6339893"/>	<b>Patent Number(s)</b>	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor. Month Day Year

**Patent Cooperation Treaty (PCT)**

Enter PCT application number **only if a U.S. Application Number has not been assigned.**

PCT  PCT  PCT

PCT  PCT  PCT

**Number of Properties** Enter the total number of properties involved. #

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account


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.*

Walter Solomon  07-10-03

Name of Person Signing Signature Date

**Deed of Trust  
Security Agreement - Financing Statement**

**Terms**

**Date:** July 10, 2003

**Grantor:** Walter L. Solomon and Carolyn E. Solomon, husband and wife

**Grantor's Mailing Address:**

Walter L. Solomon and Carolyn E. Solomon  
2006 Fairway Lane  
Marshall, Texas 75672  
Harrison County

**Trustee:** Wes White

**Trustee's Mailing Address:**

P.O. Box 998  
Marshall, Texas 75670  
Harrison County

**Lender:** Austin Bank, Texas N.A., a Texas bank

**Lender's Mailing Address:**

P.O. Box 998  
Marshall, Texas 75671  
Harrison County

**Obligation**

Note

Date: July 10, 2003

Original principal amount: \$544,611.12

Borrower: Walter L. Solomon and Carolyn E. Solomon

Lender: Austin Bank, Texas N.A.

Maturity date: October 10, 2004

Terms of Payment: As provided in the note.

Other Debt:

None.

**Property (including any improvements):**

**TRACT I**

**All of my one half interest in all that certain lot, tract or parcel of land situated in Marion County, Texas, within the Corporate Limits of the City of Jefferson; being 0.287 acres of the Allen Urquhart Survey, A-378; being a part of Lots 5 and 6, Block 7, of the Allen Urquhart Addition as shown by the Plat of said Addition recorded in Vol. 1, Page 194, Deed Records of said Marion County, and being more particularly described as follows:**

**BEGINNING at a corner of a masonry wall in the Northeast margin of Walnut Street at its point of intersection with the Northwest margin of Bateman's Alley; said beginning corner being the South corner of said Lot 6;**

**THENCE North 38 deg. 46 min. West with said Northeast margin, 99.63 feet, to a corner in same and at the south corner of a brick building now used as a Doctor's office;**

**THENCE North 50 deg. 07 min. East, 50.67 feet, to the East corner of said brick building;**

**THENCE North 39 deg. 31 min. West, along the Northeast face of said building, 50.61 feet to the North corner of said building and in the Southeast margin of LaFayette Street;**

**THENCE North 50 deg. 07 min. East, with said Southeast margin, 49.1 feet to a corner in same and in a fence and at the North corner of said Lot 5;**

**THENCE South 39 deg. 46 min. East, with the Northeast line of said Lot 5, 150.91 feet to a steel fence corner post at the East corner of said Lot 5 and in the Northwest margin of said Bateman's Alley;**

**THENCE South 50 deg. 30 min. West, with said Northwest margin, 100.0 feet to the place of beginning and containing 0.287 acres of land.**

**TRACT II**

**All that certain lot, tract or parcel of land situated in Harrison County, Texas within the Corporate Limits of the City of Marshall; being a part of the James Harris Survey, being all of Lot 1, Block 4 of the Subdivision of Lots 30 through 46, inclusive, of the Nacirema Addition to said City as shown by the Plat of said Subdivision recorded in Volume 460, Page 350, Deed Records of said County, and being more particularly described as follows:**

**BEGINNING at an iron stake for corner at the Northwest corner of said Block 4; said beginning corner being in the South margin of Forest Trail at its point of intersection with the East margin of Caddo Street;**

**THENCE North 77 deg. 21' East with the South margin, 83.7 feet to an iron stake for corner at the Northwest corner of Lot 2, Block 4;**

**THENCE no deg. 25' East with the West line of said Lot 2, 135.7 feet to an iron stake for corner at the Southwest corner of said Lot 2 and at the Northeast corner of Lot 10;**

**THENCE South 79 deg. 17' West, with the North line of said Lot 10, 83.3 feet to an iron stake for corner at the Northwest corner of said Lot 10 and in said East margin of Caddo Street;**

**THENCE North no deg. 21' West with said East margin, 132.85 feet to the place of beginning.**

### **TRACT III**

**All that certain lot, tract or parcel of land situated in Harrison County, Texas, within the Corporate Limits of the City of Marshall; being a part of the Peter Whetstone Survey; being a part of Block 16 of the Gillium Addition to said City as shown by the Plat of said Addition Recorded in Vol 15, Page 509, Deed Records of said County; being a part of that certain tract described in a Correction Deed from B.R. Sessions and wife, to Homer Sessions recorded in Vol. 630, Page 615, Deed Records of said County, being a 0.88 acre tract of land, more or less, more particularly described as follows;**

**BEGINNING at a corner in the South margin of Beauregard Street and its point of intersection with the East margin of Price Street; said beginning corner being the Northwest corner of said tract described in said Correction Deed;**

**THENCE South 89 deg. 45 min. East, with said South margin, 275.0 feet to an iron stake for corner in same and in the center of Stephens Street (now closed);**

**THENCE South no deg. 20 min. West, 140.34 feet, to a corner on the concrete curb and at the Northeast corner of that certain tract described in deed to J.F. Presley Oil Company, dated March 26, 1975, recorded in Volume 763, Page 227, said County Deed Records; aid corner being 96.5 feet, North, from the North margin of East Grand Avenue as widened;**

**THENCE West, 150.0 feet, to an iron stake for corner at the Northwest corner of said Presley Oil Company lot and in the Est line of said second tract described in deed to Tom C. Solomon, III and wife, Margaret L. Solomon, dated February 8, 1977, recorded in Vol. 811, Page 83, said County Deed Records;**

**THENCE North no deg. 20 min. East 3.5 feet, to an iron stake for corner at the Northeast corner of said second tract;**

**THENCE West, with the North line of said Solomon tracts, 125.0 feet, to an iron stake for corner at the Northwest corner of the First Tract in said deed to said Tom C. Solomon and in said East margin of Price Street;**

**THENCE North no deg. 20 min. East, with said East margin, 138.01 feet, to the place of beginning and containing 0.88 acres of land more or less.**

**SAVE AND EXCEPT**

**The South 50 feet of the above described property that adjoins the property described in the above referenced deed to Tom C. Solomon, III and wife, Margaret L. Solomon.**

**ALSO SAVE AND EXCEPT**

**The South 53.5 feet of the above described property that adjoins the J.F. Presley Oil Company tract and Stephens Street (now closed) as described above.**

**TRACT IV**

**All that certain lot, tract or parcel of land, situated in Harrison County, Texas, within the Corporate Limits of the City of Marshall; being a part of the Peter Whetstone Survey; being a part of LOTS THREE (3) and FOUR (4), in BLOCK NO. TWELVE (12) of the Gillium (a/k/a Railroad Addition), and being more particularly described as follows:**

**BEGINNING at the Northeast corner of what was the homestead of Mrs. Betty B. Carter about 1925, and on the West line of North Price Street;**

**THENCE West, 125 feet, to the Northwest corner of said homestead;**

**THENCE South, 60 feet, to a stake for corner;**

**THENCE East, 125 feet, to the West line of North Price Street;**

**THENCE North, with said West line , 60 feet to the place of beginning, which is also the Southeast corner of the property formerly belonging to Walter Weathersby, and being the same land conveyed by Mrs. Betty B. Carter to S.R. Burnett Lumber Co., by deed dated August 29, 1925, recorded in Vol. 136, Page 467, Deed Records, Harrison County, Texas.**

Personal Property: The property constituting personal property located in or on and used in the enjoyment of the

Property.

**DESCRIPTION OF COLLATERAL COVERED BY SECURITY AGREEMENT/FINANCING STATEMENT:**

Four United States of America Patents in the name of Walter Solomon patent numbers: 6339894, 6321480, 6339893, 5809683 and All of the debtor's patents and inventory, including all goods, merchandise, raw materials, good in process, finished goods, supplies and other tangible personal property now owned or hereafter acquired and held for sale or lease or finished or to be finished under contract or service or used or consumed in debtor's business and all documents now or at any time or times hereafter obtained or acquired by debtor covering or representing any of said goods; all of debtor's accounts, notes, drafts, acceptances, instruments, chattel paper and general intangibles, and all guaranties and suretyship agreements relating thereto and all security for the payment or performance thereof, whether now existing or hereafter arising; all proceeds, monies, income, benefits, collections and products thereof and thereon and attributable an accruing thereto, including the right of stoppage in transit; and all right of debtor, whether or not earned by performance under contracts to sell or lease goods or render services and proceeds thereof. All equipment of debtor, whether nor or hereafter acquired; together with all increases, parts, fittings, accessories, special tools and accessions now or hereafter attached thereto or used in connection therewith, and any and all replacements and all or any part thereof and any and all products and proceeds of any of the foregoing.

In addition to creating a deed-of-trust lien on all the real and other property described above, Grantors also grant to Lender a security interest in all of the above-described personal property pursuant to and to the extent permitted by the Texas Uniform Commercial Code.

In the event of a foreclosure sale under this deed of trust, Grantors agree that all the Property may be sold as a whole at Lender's option and that the Property need not be present at the place of sale.

**Prior Lien:** None

**Other Exceptions to Conveyance and Warranty:** None.

For value received and to secure payment of the Obligation, Grantors convey the Property to Trustee in trust. Grantors warrant and agree to defend the title to the Property, subject to the Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantors' expense.

**Clauses and Covenants**

## **A. Grantors' Obligations**

Grantors agree to-

1. keep the Property in good repair and condition;
2. pay all taxes and assessments on the Property before delinquency;
3. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;
4. maintain, in a form acceptable to Lender, an insurance policy that-
  - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Lender approves a smaller amount in writing;
  - b. contains an 80 percent coinsurance clause;
  - c. provides all-risk coverage;
  - d. protects Lender with a standard mortgage clause;
  - e. provides flood insurance at any time the Property is in a flood hazard area; and
  - f. contains such other coverage as Lender may reasonably require;
5. comply at all times with the requirements of the 80 percent coinsurance clause;
6. deliver the insurance policy to Lender within ten days of the date of this deed of trust and deliver renewals to Lender at least fifteen days before expiration;
7. obey all laws, ordinances, and restrictive covenants applicable to the Property;
8. keep any buildings occupied as required by the insurance policy; and
9. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments.

## **B. Lender's Rights**

1. Lender may appoint in writing a substitute trustee, succeeding to all rights and responsibilities of Trustee.



2. If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.

3. Lender may apply any proceeds received under the insurance policy either to reduce the Obligation or to repair or replace damaged or destroyed improvements covered by the policy. If the Property is Grantors' primary residence and Lender reasonably determines that repairs to the improvements are economically feasible, Lender will make the insurance proceeds available to Grantors for repairs.

4. Notwithstanding the terms of the Note to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantors with respect to the Obligation or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to amounts due and payable to Lender with respect to the Obligation, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.

5. If Grantors fail to perform any of Grantors' obligations, Lender may perform those obligations and be reimbursed by Grantors on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

6. If there is a default on the Obligation or if Grantors fail to perform any of Grantors' obligations and the default continues after any required notice of the default and the time allowed to cure, Lender may-

a. declare the unpaid principal balance and earned interest on the Obligation immediately due;

b. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and

c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

7. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

### **C. Trustee's Rights and Duties**

If directed by Lender to foreclose this lien, Trustee will-

1. either personally or by agent give notice of the

foreclosure sale as required by the Texas Property Code as then in effect;

2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantors, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;

3. from the proceeds of the sale, pay, in this order-

a. expenses of foreclosure, including a reasonable commission to Trustee;

b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;

c. any amounts required by law to be paid before payment to Grantors; and

d. to Grantors, any balance; and

4. be indemnified, held harmless, and defended by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

#### **D. General Provisions**

1. Grantors agree to deliver to Lender, at Lender's request from time to time, internally prepared financial statements of Grantors and each guarantor of the Note prepared in accordance with generally accepted accounting principles consistently applied, in detail reasonably satisfactory to Lender and certified to be true and correct by Grantors.

2. If any of the Property is sold under this deed of trust, Grantors must immediately surrender possession to the purchaser. If Grantors fail to do so, Grantors will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

3. Recitals in any trustee's deed conveying the Property will be presumed to be true.

4. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

5. This lien will remain superior to liens later created even if the time of payment of all or part of the Obligation is

extended or part of the Property is released.

6. If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.

7. Grantors assign to Lender all amounts payable to or received by Grantors from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantors or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantors will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.

8. Grantors assign to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Grantors warrant the validity and enforceability of the assignment. Grantors may as Lender's licensee collect rent and other income and receipts as long as Grantors are not in default with respect to the Obligation or this deed of trust. Grantors will apply all rent and other income and receipts to payment of the Obligation and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due with respect to the Obligation and deed of trust, Grantors may retain the excess. If Grantors default in payment of the Obligation or performance of this deed of trust, Lender may terminate Grantors' license to collect rent and other income and then as Grantors' agent may rent the Property and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Lender's rights and remedies and then to Grantors' obligations with respect to the Obligation and this deed of trust in the order determined by Lender. Lender is not required to act under this paragraph, and acting under this paragraph does not waive any of Lender's other rights or remedies. If Grantors become a voluntary or involuntary debtor in bankruptcy, Lender's filing a proof of claim in bankruptcy will be deemed equivalent to the appointment of a receiver under Texas law.

9. Interest on the debt secured by this deed of trust will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such

excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.

10. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

11. When the context requires, singular nouns and pronouns include the plural.

12. The term *Note* includes all extensions, modifications, and renewals of the Note and all amounts secured by this deed of trust.

13. Grantors represent to Lender that no part of the Property is exempt as homestead from forced sale under the Texas Constitution or other laws.

All real estate constituting Grantors' homestead exempt from forced sale under the Texas Constitution or other laws consists of the following: 2006 Fairway Lane, Marshall, Texas 75672 also known as Lot 4 Fairway Oaks Unit 1, Harrison County, Texas..

14. Grantors agree to furnish on Lender's request evidence satisfactory to Lender that all taxes and assessments on the Property have been paid when due.

15. Lender may declare the debt secured by this deed of trust immediately payable and invoke any remedies provided in this deed of trust for default if Grantors transfer any of the Property to a person who is not a permitted transferee without Lender's consent or, if Grantors are not natural persons, if any person owning a direct or indirect interest in Grantors transfers such interest to a person that is not a "permitted transferee" without Lender's consent. "Permitted transferee" for a natural person means that person's spouse or children, any trust for that person's benefit or the benefit of the person's spouse or children, or any corporation, partnership, or limited liability company in which the direct and beneficial owner of all the equity interest is a natural person or that person's spouse or children or any trust for the benefit of them; and the heirs, beneficiaries, executors, administrators, or personal representatives of a natural person on the death of that person or on the incompetency or disability of that person for purposes of the protection and management of that person's assets; and for a person that is not a natural person, any other person controlling, controlled by, or under common control with that person.

16. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.

17. If Grantors and Borrowers are not the same person, the

term Grantors includes Borrowers.

18. Grantors and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

19. Grantors agree to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.

20. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.

21. Grantors represent that this deed of trust and the Note are given for the following purposes:

1.) The Note renews and extends the balance of \$542,539.99 that Grantors owe on a prior note in the original principal amount \$400,000.00, which is dated June 22, 2000, executed by Walter Solomon, and payable to the order of Fredonia State Bank. The prior note is secured by a deed of trust on the Property from Walter Solomon to Janet Wells, Trustee, dated June 22, 2000 and recorded in Volume 2109, Page 137 of the real property records of Harrison County, Texas, as Modified in that certain Modification Agreement to the Promissory Note and to a Deed of Trust dated July 14, 2000 recorded in Volume 2127, Page 316, Official Public Records, Harrison County, Texas, said Modification modified in the Modification to the Modification Agreement to the Promissory Note and to a Deed of Trust dated November 30, 2000, recorded in Volume 2184, Page 234, Official Public Records, Harrison County, Texas.

2.) The Note also represents Two Thousand Seventy-One and Thirteen Hundredths DOLLARS (\$2,071.13) in cash that Lender advanced to Grantors on July 10, 2003 at Grantors' request.

Grantors acknowledge receipt of the amount advanced. Grantors acknowledge that the lien securing the prior note is valid, that it subsists against the Property, and that by this deed of trust it is renewed and extended in full force until the Note secured by this deed of trust is paid.

Walter L. Solomon  
Walter L. Solomon

Carolyn E. Solomon  
Carolyn E. Solomon

STATE OF TEXAS )

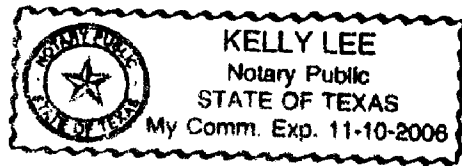
COUNTY OF HARRISON )

This instrument was acknowledged before me on July 10  
2003, 2003, by Walter L. Solomon and Carolyn E. Solomon, husband and wife.

[Signature]  
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Austin Bank, Texas N.A.  
P.O. Box 998  
Marshall, Texas 75671



**ADDENDUM TO SECURITY AGREEMENT  
(Accounts, Inventory, Documents, Chattel Paper,  
General Intangibles)**

**Date:** July 10, 2003

**Debtor:** Walter Solomon and Carolyn E. Solomon

**Secured Party:** Austin Bank Texas, N.A.

**Date of Security Agreement:** July 10, 2003

The collateral includes one or more of these classifications: accounts, inventory, documents, chattel paper, and general intangibles; this addendum covering that collateral applies to and is incorporated into the security agreement to which it is attached.

**Debtor's Warranty**

No account debtors or other obligor whose debts or obligations are part of the collateral have any right to setoffs, counterclaims, or adjustments or any defenses in connection with their debts or obligations.

**Debtor's Covenants**

1. **Information and Inspection.** At the time and in the form specified by Secured Party, Debtor will furnish Secured Party any requested information related to the collateral, which may include:

- a. all information necessary to identify any of the collateral; and
- b. shipping and delivery receipts evidencing the shipment of goods, and invoices evidencing receipt of and payment for inventory in collateral.

Debtor will also allow Secured Party to inspect the collateral at any time and place and to inspect and copy all records relating to the collateral and the obligation, as long as these are accomplished without breach of the peace.

2. **Parties Liable on the Collateral.** Debtor will preserve the liability of all obligors on the collateral, preserve the priority of all security for the collateral, and deliver to Secured Party the original certificates of title on all motor vehicles included in the collateral.

3. **Modification of Collateral.** Without the written consent of Secured Party, Debtor will not agree to any modification of terms in any writing related to the collateral.

4. **Delivery of Receipts to Secured Party.** On Secured Party's demand Debtor will

deposit all payments received as proceeds of collateral in a special bank account designated by Secured Party, who alone will have power of withdrawal. Debtor will deposit the payments on receipt, in the form received, and with any necessary endorsements as security for the obligation. Secured Party may make any endorsements in Debtor's name and behalf. Between receiving and depositing these payments, Debtor will not mingle them with any of Debtor's other funds or property but will hold them separate and in an express trust for Secured Party. Secured Party shall apply all or part of these funds against the obligation.

5. **Rejected Goods and Unpaid Accounts.** Unless notified otherwise in writing by Secured Party, Debtor will:

- a. inform Secured Party immediately of the rejection of goods, delay in delivery or performance, or claim made in regard to any collateral;
- b. as trustee for Secured Party, keep returned goods segregated from Debtor's other property until Secured Party has been paid the amount loaned against the related account and deliver the goods on demand to Secured Party; and
- c. pay Secured Party the unpaid amount of any account in collateral under any of these conditions: if the account is not paid when due; if purchaser rejects the goods or services covered by the account; or if Secured Party rejects the account as unsatisfactory. Secured Party may retain the account in collateral and may charge any deposit account of Debtor with the unpaid amount.

6. **Records of Collateral.** Debtor will maintain accurate books and records covering the collateral and showing the assignment of accounts in collateral to Secured Party. Only undisputed and unpaid amounts will be shown as owed to Debtor on the books and any assignment schedule.

7. **Disposition of Collateral.** If the collateral includes inventory but not accounts, Debtor will immediately notify Secured Party of the disposition of any inventory and at Debtor's expense will either assign to Secured Party a first-priority security interest in any resulting account, chattel paper, or instrument or deliver to Secured Party cash in the amount of the sale price. Debtor will not sell, lease, or otherwise dispose of any collateral except in the ordinary course of business without the prior written consent of Secured Party.

8. **Accounts.** Each account in the collateral will represent the valid, legally enforceable obligation of third parties and will not be evidenced by any instrument or chattel paper.

9. **Location of Accounts and Inventory.** Debtor will notify Secured Party in writing of the location of records of accounts in collateral, of the locations of inventory in collateral, and, prior to the change, of any change in these locations. Absent this notice, Debtor's records of accounts and inventory will be kept at Debtor's mailing address specified in this agreement.



10. **Consumer Credit.** If any collateral or proceeds include obligations of third parties to Debtor, the transactions creating those obligations will conform in all respects to applicable state and federal consumer credit law.

11. **Chattel Paper.** By means satisfactory to Secured Party, Debtor has perfected or will perfect a security interest in goods covered by chattel paper in collateral.

12. **Possession of Collateral.** By delivering a copy of this agreement to the broker, seller, or other person in possession of collateral that is chattel paper or documents, Secured Party will effectively notify that person of Secured Party's interest in the collateral. Delivery of the copy of the agreement will also constitute Debtor's instruction to deliver to Secured Party certificates or other evidence of the collateral as soon as it is available. Debtor will immediately deliver to Secured Party all chattel paper and documents that are collateral in Debtor's possession. If that collateral is hereafter acquired, Debtor will deliver it to Secured Party immediately following acquisition and either endorse it to Secured Party's order or give Secured Party appropriate executed powers.

13. **Uncertificated Securities.** If the collateral is uncertificated securities, Secured Party's delivery of a copy of this agreement to the financial intermediary on whose books the Debtor's interest in the collateral appears will effectively notify the financial intermediary of Secured Party's interest in the collateral and will constitute Debtor's instruction that the issuer of the securities register their pledge to Secured Party. Debtor agrees to do everything required by Secured Party to complete the transfer and perfection of this security interest.

### **Rights and Remedies of Secured Party**

1. **General.** Before or after default Secured Party may exercise any or all of these rights and remedies:

- a. contact account debtors directly to verify information furnished by Debtor;
- b. notify obligor on the collateral to pay Secured Party directly;
- c. take control of all proceeds of and payments on any collateral and apply them against the obligation; and
- d. as Debtor's agent endorse any documents or chattel paper that is collateral or that represents proceeds of collateral.

2. **Liability.** Secured Party has no obligation to collect any account and will not be liable for failure to collect any account or for any act or omission on the part of Secured Party or Secured Party's officers, agents, or employees, except willful misconduct.

*Walter L. Solomon*

Walter Solomon

*Carolyn E. Solomon*

Carolyn E. Solomon  
Austin Bank Texas, N.A.

*Wes White*

Wes White

PREPARED IN THE OFFICE OF:

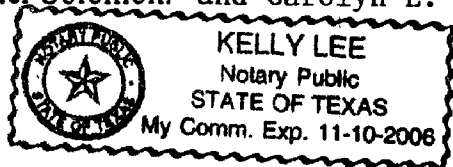
Royce H. Brown  
Attorney-at-Law  
P.O. Box 269  
Marshall, Texas 75671

THE STATE OF TEXAS

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COUNTY OF HARRISON

This instrument was acknowledged before me this the 10 day of July, 2003 by Walter Solomon. and Carolyn E. Solomon.



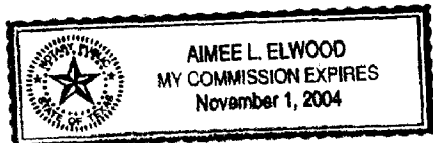
*Kelly Lee*  
\_\_\_\_\_  
Notary Public, State of Texas

THE STATE OF TEXAS

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COUNTY OF HARRISON

This instrument was acknowledged before me this the 10 day of July, 2003 by wes White, Sr Vice President Of Austin Bank Texas, N.A. on behalf of said nationla bank association



*Aimee Elwood*  
\_\_\_\_\_  
Notary Public, State of Texas