

9-15-98

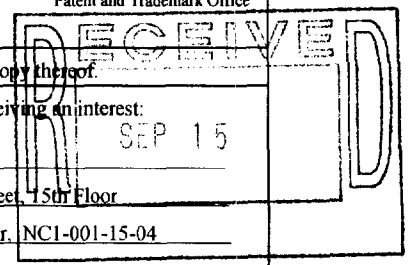
09-17-1998



100831153

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

BT



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

1. Name of Party(ies) conveying an interest:

PCA International, Inc.  
815 Matthews - Mint Hill Road  
Matthews, North Carolina 28105

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation North Carolina  
 Other

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

2. Name and Address of Party(ies) receiving an interest:

Name: NationsBank, N.A., As Agent  
Street Address: 101 North Tryon Street, 15th Floor  
Internal Address: Independence Center, NC1-001-15-04  
City: Charlotte State: North Carolina Zip: 28255

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation \_\_\_\_\_  
 Other National Banking Association

Additional name(s) & address(es) attached?  Yes  No

3. Nature of Conveyance:

Assignment                               Merger  
 Security Agreement                       Change of Name  
 Other Notice of Grant of Security Interest In Trademarks

Execution Date: August 24, 1998

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

A. Trademark Application No.(s): See Attached

Additional numbers attached?  Yes  No

B. Trademark Registration No.(s): See Attached

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

Name: Mark H. Webbink, Esq.  
Internal Address: Moore & Van Allen, PLLC  
Street Address: 2200 West Main Street, Suite 800  
City: Durham State: NC ZIP: 27705

6. Total number of applications and registrations involved: 24

7. Total fee (37 CFR 3.4): \$ 615.00  
 Enclosed  
 Authorized to be charged to deposit account  
(Any Deficiency)

8. Deposit account number:  
13-4365  
(Attach duplicate copy of this form 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.*

Mark H. Webbink, Esq.                      [Signature]                      9/8/98  
Name of Person Signing                      Signature                      Date

Total number of pages including cover sheet, attachments and document: 4

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

CERTIFICATE OF MAILING

I hereby certify that this paper is being deposited with the United States Postal Service as first class mail in an envelope addressed to the Commissioner Of Patent And Trademarks, Washington, DC 20231, BOX ASSIGNMENTS.

TIM KROLL  
(Typed or printed name of person signing the certificate)

Tim Kroll  
(Signature of the person signing the certificate)

9/8/98  
(Date of Signature)

09/16/1998 SSMITH 00000121 75421519  
01 FC:481 40.00 OP  
02 FC:482 575.00 OP

Schedule A

U.S. Trademarks

PCA International, Inc.

Pending Applications

<u>App. Serial No.</u>	<u>Mark</u>	<u>Filing Date</u>
75/421,519	PORTRAIT NET	App. 1-22-98
75/421,518	E-PORTRAITNET	App. 1-22-98
75/421,517	E-PORTRAITS	App. 1-22-98
75/421,516	DIGITAL PORTRAIT NETWORK	App. 1-22-98
75/421,515	DIGITAL PORTRAIT NET	App. 1-22-98
75/421,493	PCA PORTRAIT ADVANTAGE	App. 12-22-97
75/376,659	PCA PORTRAIT WORKS	App. 10-21-97
75/376,658	PORTRAIT WORKS	App. 10-21-97
75/365,086	SMILING FACES	App. 9-26-97
75/363,764	PORTRAIT SCREEN SAVER	App. 9-26-97
75/363,762	PCA PORTRAIT SCREEN SAVER	App. 9-26-97

Registered Marks

<u>Reg. No.</u>	<u>Mark</u>	<u>Reg. Date</u>
2,109,875	A WHOLE NEW WAY TO GET PORTRAITS YOUR WAY	Reg. 10-28-97
1,958,904	THE CHOICE OF PROUD PARENTS EVERYWHERE	Reg. 2-27-96
1,958,037	INSTANT DIGITAL PORTRAIT SYSTEM	Reg. 2-20-96
1,939,801	NOW YOU DECIDE IF THE EXPRESSION IS RIGHT... INSTANTLY	Reg. 12-5-95
1,867,847	MY CUSTOM PORTRAITS	Reg. 12-13-94
1,863,373	WHERE YOU CALL THE SHOTS!	Reg. 11-15-94
1,870,876	PORTRAITS CERTAIN TO MAKE YOU PROUD	Reg. 12-27-94
1,863,372	A NEW WAY TO SHARE ONE OF YOUR PROUDEST MOMENTS	Reg. 11-15-94
1,897,212	INSTANT DIGITAL IMAGE	Reg. 5-30-95
1,900,243	INSTANT DIGITAL IMAGES	Reg. 6-13-95
1,459,748	CHURCH FAMILY ALBUMS (Sty.)	Reg. 9-29-87
1,459,761	CHURCH FAMILY ALBUMS	Reg. 9-29-87
938,234	PCA & Design	Reg. 7-18-72

Canada:

**NOTICE  
OF  
GRANT OF SECURITY INTEREST  
IN  
TRADEMARKS**

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security Agreement dated as of August 24, 1998 (the "Security Agreement") by and among the Obligors party thereto (each an "Obligor" and collectively, the "Obligors") and NationsBank, N.A., as Agent (the "Agent") for the Lenders referenced therein (the "Lenders"), the undersigned Obligor has granted a continuing security interest in and continuing lien upon, the trademarks and trademark applications shown below to the Agent for the ratable benefit of the Lenders:

TRADEMARKS

*PCA INTERNATIONAL, INC.*

<u>Reg. No.</u>	<u>Trademark</u>	<u>Reg. Date</u>
2,109,875	A WHOLE NEW WAY TO GET PORTRAITS YOUR WAY	Reg. 10-28-97
1,958,904	THE CHOICE OF PROUD PARENTS EVERYWHERE	Reg. 2-27-96
1,958,037	INSTANT DIGITAL PORTRAIT SYSTEM	Reg. 2-20-96
1,939,801	NOW YOU DECIDE IF THE EXPRESSION IS RIGHT... INSTANTLY	Reg. 12-5-95
1,867,847	MY CUSTOM PORTRAITS	Reg. 12-13-94
1,863,373	WHERE YOU CALL THE SHOTS!	Reg. 11-15-94
1,870,876	PORTRAITS CERTAIN TO MAKE YOU PROUD	Reg. 12-27-94
1,863,372	A NEW WAY TO SHARE ONE OF YOUR PROUDEST MOMENTS	Reg. 11-15-94
1,897,212	INSTANT DIGITAL IMAGE	Reg. 5-30-95
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1,459,748	CHURCH FAMILY ALBUMS (Sty.)	Reg. 9-29-87
1,459,761	CHURCH FAMILY ALBUMS	Reg. 9-29-87
938,234	PCA & Design	Reg. 7-18-72

*AMERICAN STUDIOS, INC.*

<u>Reg./App. No.</u>	<u>Trademark</u>	<u>Reg./App. Date</u>
74-713,596	Eye Design	App. 8/10/95
74-713,317	PICTURE IT YOUR WAY	App. 8/9/95
1,976,759	Eye Design	Reg. 5/28/96
683,301	AMERICAN STUDIOS & Design	Reg. 8/11/59

TRADEMARK APPLICATIONS

PCA INTERNATIONAL, INC.

<u>App. Serial No.</u>	<u>Trademark</u>	<u>Filing Date</u>
75/421,519	PORTRAIT NET	App. 1-22-98
75/421,518	E-PORTRAITNET	App. 1-22-98
75/421,517	E-PORTRAITS	App. 1-22-98
75/421,516	DIGITAL PORTRAIT NETWORK	App. 1-22-98
75/421,515	DIGITAL PORTRAIT NET	App. 1-22-98
75/421,493	PCA PORTRAIT ADVANTAGE	App. 1-22-98
75/376,659	PCA PORTRAIT WORKS	App. 10-21-97
75/376,658	PORTRAIT WORKS	App. 10-21-97
75/365,086	SMILING FACES	App. 9-26-97
75/363,764	PORTRAIT SCREEN SAVER	App. 9-26-97
75/363,762	PCA PORTRAIT SCREEN SAVER	App. 9-26-97
	PORTRAIT GALLERY	App. 8-98
	THE PORTRAIT GALLERY	App. 8-98
	PCA PORTRAIT GALLERY	App. 8-98
	PCA	App. 8-98

The Obligors and the Agent, on behalf of the Lenders, hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Security Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

PCA INTERNATIONAL, INC.

By: John Grosso  
Name: John Grosso  
Title: President

AMERICAN STUDIOS, INC.

By: John Grosso  
Name: John Grosso  
Title: President

Acknowledged and Accepted:

NATIONSBANK, N.A., as Agent

By: John E. Ball  
Name: John E. Ball  
Title: Senior Vice President

# MOORE & VAN ALLEN, PLLC

ATTORNEYS AT LAW

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P. O. BOX 3843  
DURHAM, NORTH CAROLINA 27702-3843  
<http://www.mvalaw.com>

OTHER OFFICES:  
CHARLOTTE, NC  
RALEIGH, NC  
CHARLESTON, SC

September 8, 1998

Commissioner of Patents and Trademarks  
**BOX ASSIGNMENTS**  
Washington, D.C. 20231

**Via Certified Mail**  
**Z 032 466 371**

**Re: Recordation Of Notice of Grant of Security Interest In Trademarks.**

Dear Sir/Madam:

Please find enclosed the following documents for recordation with the Patent and Trademark Office.

1. Recordation Form Cover Sheet - Trademarks;
2. Notice of Grant of Security Interest In Trademarks, executed August 24, 1998 between PCA International, Inc. and NationsBank, N.A., As Agent;
3. Check No. 26769 in the amount of Six Hundred Fifteen Dollars (\$615.00);
4. Post Card acknowledgment of filed Notice of Grant of Security Interest In Trademarks documents.

Sincerely yours,

MOORE & VAN ALLEN, PLLC



Mark H. Webbink

#### CERTIFICATE OF MAILING

I hereby certify that this paper is being deposited with the United States Postal Service as first class mail in an envelope addressed to the Commissioner of Patent And Trademarks, BOX ASSIGNMENTS, Washington, DC 20231.

TIM KROLL  
(Typed or printed name of person signing the certificate)

Tim Kroll  
(Signature of the person signing the certificate)

9/8/98  
(Date of Signature)