

MRD 7-26-99

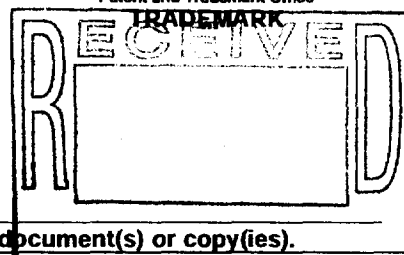
FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

07-29-1999



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U.S. Department of Commerce
Patent and Trademark Office



RECORDATION FORM COVER SHEET 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
- ☐ Change of Name
- ☐ Other

Effective Date
Month Day Year
4 7 99

Conveying Party

☐ Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year
4 30 99

Formerly

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☐ Corporation ☐ Association
- ☐ Other
- ☐ Citizenship/State of Incorporation/Organization

Receiving Party

☐ Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- ☐ Individual ☐ General Partnership ☐ Limited Partnership
- ☒ Corporation ☐ Association
- ☐ Other
- ☒ Citizenship/State of Incorporation/Organization

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.)

07/28/1999 NTHAI1 00000220 852627

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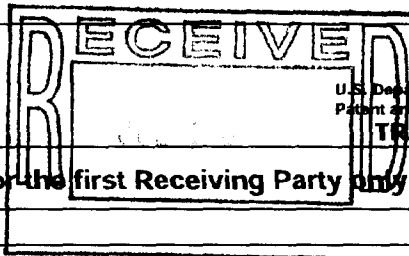
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40.00 DP

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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: 001936 FRAME: 0152



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 (404) 881-7000

Name

Jay E. Sloman

Address (line 1)

Alston & Bird LLP

Address (line 2)

One Atlantic Center

Address (line 3)

1201 West Peachtree Street

Address (line 4)

Atlanta, Georgia 30309-3424

Pages

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

25

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)

852,627		

Number of Properties

Enter the total number of properties involved.

1

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 40.00

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.

Jay E. Sloman

Name of Person Signing

Signature

July 23, 1999

Date Signed

TRADEMARK COLLATERAL SECURITY AGREEMENT

THIS AGREEMENT dated as of April 7, 1999 by and between GEORGIAN ART (1999), INC., a Delaware corporation having a mailing address at 222 Islington Avenue, Toronto, Ontario, Canada M8V 3W7 ("Debtor") and BNY FINANCIAL CORPORATION having a mailing address at 1290 Avenue of the Americas, New York, New York ("BNY").

BACKGROUND

Debtor and BNY have entered into a Purchase Agreement of even date herewith pursuant to which Debtor purchased certain personal property assets (as amended and supplemented from time to time, the "Purchase Agreement"). In connection with the Purchase Agreement, Debtor has executed and delivered a certain Promissory Note dated as of the date hereof in favor of BNY (the "Note"). In order to induce BNY to execute and deliver the Purchase Agreement and to secure its obligations under the Note, Debtor agreed to execute and deliver to BNY this Trademark Collateral Security Agreement ("Security Agreement"). This Security Agreement, covering Trademarks (as hereinafter defined), is being executed contemporaneously with that certain BNY Financial Corporation General Security Agreement dated as of the date hereof under which BNY is granted a lien on and security interest in the Collateral as defined therein ("Other Assets") relating to products sold under the Trademarks, whereby BNY shall have the right to foreclose simultaneously on the Trademarks and the Other Assets in the event of the occurrence of a default hereunder or an Event of Default under the Purchase Agreement, the Note or the General Security Agreement.

NOW, THEREFORE, in consideration of the premises, Debtor and BNY hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Purchase Agreement shall have their defined meanings when used herein and the following terms shall have the following meanings, unless the context otherwise requires:

"Code" shall mean the Uniform Commercial Code as the same may from time to time be in effect in the State of New York.

"Collateral" shall have the meaning assigned to it in Section 2 of this Security Agreement.

"Event of Default" shall have the meaning assigned to it in the General Security Agreement.

"Licenses" shall mean the trademark license agreements of Debtor designated on Schedule I hereto, as any of the same may from time to time be amended or supplemented.

"Obligations" shall have the meaning assigned to it in the General Security Agreement.

"Proceeds" shall have the meaning assigned to it under Section 9-306 of the Code, and in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to Debtor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority), and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Receivables" shall have the meaning assigned to it in the General Security Agreement.

"Security Agreement" shall mean this Security Agreement, as the same may from time to time be amended or supplemented.

"Trademarks" shall mean the U.S. registered trademarks and pending applications shown in the attached Schedule A, and those trademarks which are hereafter adopted or acquired by Debtor, and all right, title and interest therein and thereto, and all registrations, applications, and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, all whether now owned or hereafter acquired by Debtor.

2. Grant of Security Interest. As collateral security for the prompt payment of the Obligations, Debtor hereby grants and conveys to BNY a security interest in and to (a) the entire right, title and interest of Debtor in and to the Trademarks, including the registrations and applications appurtenant thereto, listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), and in and to any and all trademarks, and registrations and applications appurtenant thereto, hereafter acquired or filed by Debtor, including without limitation all renewals thereof, all proceeds of infringement suits, the rights to sue for past, present and future infringements and all rights corresponding thereto in the United States and the goodwill of the business to which each of the Trademarks relates and (b) all of Debtor's right, title and interest in, to and under the following:

- (i) all Licenses;
- (ii) all Receivables and contract rights arising under or relating to each and every License (including, without limitation, (A) all moneys due and to become due under any License, (B) any damages arising out of or for breach or default in respect of any such License, (C) all other amounts from time to time paid or payable under or in connection with any such License, and (D)

the right of Debtor to terminate any such License or to perform and to exercise all remedies thereunder); and,

(iii) to the extent not otherwise included, all Proceeds and products of any or all of the foregoing. All of the property referred to in this paragraph 2 is hereinafter collectively called the "Collateral."

3. Representations and Warranties. Debtor covenants and warrants that as of the date of this Security Agreement:

(a) Debtor has the right to enter into this Security Agreement and perform its terms;

(b) Debtor has used, and will continue to use for the duration of this Security Agreement, proper statutory notice, where appropriate, in connection with its use of the Trademarks; and

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

4. Right of Inspection. Debtor hereby grants to BNY and its employees and agents the right to visit Debtor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control relating thereto at reasonable times during regular business hours. Debtor shall use its best efforts to do any and all acts reasonably required by BNY to ensure Debtor's compliance with paragraph 3(c) above.

5. New Trademarks. (a) If, before the Obligations shall have been paid in full, Debtor shall obtain rights to any new trademarks, the provisions of paragraph 2 shall automatically apply thereto and Debtor shall give BNY prompt written notice thereof. (b) Debtor grants BNY a power-of-attorney, irrevocable so long as the Note is in existence, to modify this Security Agreement by amending Schedule A to include any future trademarks, including trademark registrations or applications appurtenant thereto covered by this Security Agreement.

6. Covenants. Debtor covenants and agrees with BNY that from and after the date of this Security Agreement and until the Obligations are fully satisfied:

(a) Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of BNY, Debtor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as BNY may reasonably deem desirable in obtaining the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Code with respect to the liens and security interests granted hereby. Debtor also hereby authorizes BNY to file any such financing or continuation statement

without the signature of Debtor to the extent permitted by applicable law. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged to BNY hereunder, duly endorsed in a manner satisfactory to BNY.

(b) Maintenance of Trademarks. Debtor will not do any act, or omit to do any act, whereby the Trademarks or any registration or application appurtenant thereto, may become abandoned, invalidated, unenforceable, avoided, avoidable, or will otherwise diminish in value, and shall notify BNY immediately if it knows of any reason or has reason to know of any ground under which this result may occur. Debtor shall take appropriate action at its expense to halt the infringement of the Trademarks and shall properly exercise its duty to control the nature and quality of the goods offered by any licensees in connection with the Licenses set forth in Schedule I.

(c) Indemnification. (A) Debtor assumes all responsibility and liability arising from the use of the Trademarks, and Debtor hereby indemnifies and holds BNY harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of Debtor's operations of its business from the use of the Trademarks. (B) In any suit, proceeding or action brought by BNY under any License for any sum owing thereunder, or to enforce any provisions of such License, Debtor will indemnify and keep BNY harmless from and against all expense, loss or damage suffered by reason of any defense, set off, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder, arising out of a breach of Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Debtor, and all such obligations of Debtor shall be and remain enforceable against and only against Debtor and shall not be enforceable against BNY.

(d) Limitation of Liens on Collateral. Debtor will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove any lien, security interest, encumbrance, claim or right, in or to the Collateral, and will defend the right, title and interest of BNY in and to any of Debtor's rights under the Licenses and to the Proceeds thereof against the claims and demands of all persons whomever.

(e) Limitations on Modifications of Licenses. Debtor will not (i) amend, modify, terminate or waive any provision of any License in any manner which might materially adversely affect the value of such License or the Trademarks as Collateral, without the written consent of BNY, (ii) fail to exercise promptly and diligently each and every material right which it may have under each License (other than any right of termination), without the prior written consent of BNY, or (iii) fail to deliver to BNY a copy of each material demand, notice or document sent or received by it relating in any way to any License or Trademark.

(f) Notices. Debtor will advise BNY promptly, in reasonable detail, (i) of any lien or claim made or asserted against any of the Collateral, (ii) of any material change in the composition of the Collateral, and (iii) of the occurrence of any other event which would have a material adverse effect on the value of any of the Collateral or on the security interests created hereunder.

(g) Limitation on Further Uses of Trademarks. Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Collateral, without prior written consent of BNY.

7. BNY's Appointment as Attorney-in-Fact.

(a) Debtor hereby irrevocably constitutes and appoints BNY and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor and in the name of Debtor or in its own name, from time to time in BNY's discretion, for the purposes of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, hereby gives BNY the power and right, on behalf of Debtor, to do the following:

(i) Upon the occurrence and continuance of an Event of Default, to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any License and, in the name of Debtor or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any License and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by BNY for the purpose of collecting any and all such moneys due under any License whenever payable;

(ii) To pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iii) Upon the occurrence and continuance of an Event of Default, (A) to direct any party liable for any payment under any of the Licenses to make payment of any and all moneys due and to become due thereunder directly to BNY or as BNY shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (D) to defend any suit, action or proceeding brought against Debtor with respect to any Collateral; (E) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as BNY may deem appropriate; and (F) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though BNY were the absolute owner thereof for all purposes, and to do, at BNY's option all acts and things which BNY deems necessary to protect, preserve or realize upon the Collateral and BNY's security

interest therein, in order to effect the intent of this Security Agreement, all as fully and effectively as Debtor might do.

This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, Debtor further agrees to execute any additional documents which BNY may require in order to confirm this power of attorney, or which BNY may deem necessary to enforce any of its rights contained in this Security Agreement.

(b) The powers conferred on BNY hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. BNY shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to Debtor for any act or failure to act, except for its own gross negligence or willful misconduct.

(c) Debtor also authorizes BNY to execute, in connection with the sale provided for in paragraph 10(b) of this Security Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

8. Execution of Power of Attorney. Concurrently with the execution and delivery hereof, Debtor is executing and delivering to BNY, in the form of Schedule II hereto, ten (10) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Trademarks pursuant to paragraph 7 hereof.

9. Performance by BNY of Debtor's Obligations. If Debtor fails to perform or comply with any of its agreements contained herein and BNY, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of BNY incurred in connection with such performance or compliance shall be payable by Debtor to BNY on demand and shall constitute Obligations secured hereby.

10. Remedies, Rights Upon Event of Default.

(a) If an Event of Default shall occur and be continuing:

(i) All payments received by Debtor under or in connection with any of the Collateral shall be held by Debtor in trust for BNY, shall be segregated from other funds of Debtor and shall forthwith upon receipt by Debtor, be turned over to BNY, in the same form as received by Debtor (duly indorsed by Debtor to BNY, if required); and

(ii) Any and all such payments so received by BNY (whether from Debtor or otherwise) may, in the sole discretion of BNY, be held by BNY as collateral security for, and/or then or at any time thereafter applied in whole or in part by BNY against all or any part of the Obligations in such order as BNY shall elect. Any balance of such payments held by BNY and remaining after payment in full of all the Obligations shall be paid over to Debtor or to whomsoever may be lawfully entitled to receive the same.

(b) If any Event of Default shall occur and be continuing, BNY may exercise in addition to all other rights and remedies granted to it in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Uniform Commercial Code. Debtor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which BNY is entitled. Debtor shall also be liable for the reasonable fees of any attorneys employed by BNY to collect any such deficiency and also as to any reasonable attorney's fees incurred by BNY with respect to the collection of any of the Obligations and the enforcement of any of BNY's respective rights hereunder.

11. Termination. At such time as Debtor shall completely pay in full all of the Obligations and the BNY Agreement is terminated, this Security Agreement shall terminate and BNY shall execute and deliver to Debtor all such releases, deeds, assignments and other instruments as may be necessary or proper to revest in Debtor full title to the Trademarks, subject to any disposition thereof which may have been made by BNY pursuant hereto.

12. Notices. Notices, requests and other communications required or permitted hereunder shall be given in accordance with the applicable terms of the Security Agreement.

13. No Waiver. No course of dealing between Debtor and BNY, nor any failure to exercise, nor any delay in exercising, on the part of BNY, any right, power or privilege hereunder or under the Purchase Agreement, the Note or the General Security 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 or further exercise thereof or the exercise of any other right, power or privilege.

14. Cumulative Remedies. All of BNY's rights and remedies with respect to the Collateral, whether established hereby or by the Purchase Agreement, the Note or the General Security Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

15. Severability. The provisions of this Security 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.

16. No Modification Except in Writing. This Security Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraphs 5 and 7.

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

16. No Modification Except in Writing. This Security Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraphs 5 and 7.

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

18. Governing Law. The validity and interpretation of this Security Agreement and the rights and obligations of the parties shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESS:

GEORGIAN ART (1999), INC.

By: M. Hoel
Its: PRESIDENT

WITNESS:

BNY FINANCIAL CORPORATION

By: _____
Its: _____

16. No Modification Except in Writing. This Security Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraphs 5 and 7.

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

18. Governing Law. The validity and interpretation of this Security Agreement and the rights and obligations of the parties shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

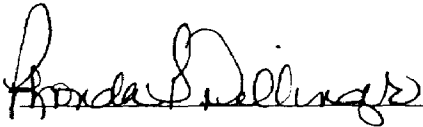
WITNESS:

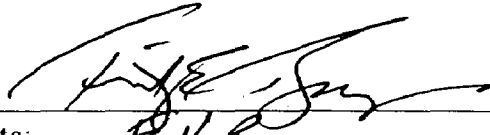
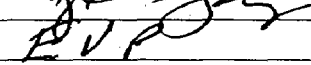
GEORGIAN ART (1999), INC.

By: _____
Its: _____

WITNESS:

BNY FINANCIAL CORPORATION

_____

By: _____
Its: _____

SCHEDULE A

Schedule A to a Trademark Collateral Security Agreement dated as of April 7, 1999 by and between GEORGIAN ART (1999), INC. and BNY FINANCIAL CORPORATION.

	<u>Reg. No. or Application No.</u>	<u>Mark</u>	<u>Reg. Or Filing Date</u>
1.	852,627	GEORGIAN ART and Design	July 16, 1968
2.		Georgian Art Lighting Designs	
3.		Savannah Art Lighting	

City OF Toronto
: SS:
Province OF Ontario

Before me, the undersigned, on this 30 day of April 1999 personally appeared MORRIS HUCK, to me known personally, and who being by me duly sworn, deposes and says that he is the PRESIDENT of Georgian Art (1999), Inc., and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.



Notary Public
My Commission Expires: UNLIMITED

City OF Toronto
: SS:
Province OF Ontario

Before me, the undersigned, on this ____ day of April 1999 personally appeared _____, to me known personally, and who being by me duly sworn, deposes and says that (s)he is a _____ of BNY Financial Corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

My Commission Expires:

____ OF _____)
: ss:
____ OF _____)

Before me, the undersigned, on this ____ day of April 1999 personally appeared _____, to me known personally, and who being by me duly sworn, deposes and says that he is the _____ of Georgian Art (1999), Inc., and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public
My Commission Expires:

City OF (Charlotte)
: ss:
County OF Mecklenburg

Before me, the undersigned, on this ____ day of April 1999 personally appeared Timothy A. Tysen, to me known personally, and who being by me duly sworn, deposes and says that (s)he is a ~~Executive Vice President~~ of BNY Financial Corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged said instrument to be the free act and deed of said corporation.

Elizabeth Stone
Notary Public

My Commission Expires: 6/13/2001

SCHEDULE I

Trademark License Agreement dated as of April 7, 1999 by and between the Borrower and American Lantern (1998), Inc.

**TRADEMARK LICENSE AGREEMENT
BETWEEN GEORGIAN ART (1999), INC.,
AND AMERICAN LANTERN (1998), INC.**

This Agreement is entered into as of this 7th day of April, 1999 ("Effective Date"), by and between Georgian Art (1999), Inc., a Delaware corporation ("GA"), and American Lantern (1998), Inc., a Delaware corporation ("ALC").

RECITALS

WHEREAS, GA is the owner of the trademarks and tradenames listed on Exhibit A hereto and used in connection with consumer lighting fixtures and associated accessories in International Class 11, and common law rights in the same trademarks and tradenames (collectively, the "GA Marks"); and

WHEREAS, ALC desires to use the GA Marks and name with GA's permission in connection with the marketing and selling of GA products and ALC products;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

- 1.1. "ALC products" means consumer lighting fixtures and associated accessories heretofore or hereafter sold at wholesale or retail by ALC, and whether or not now existing or developed hereafter.
- 1.2. "BNY" means BNY Financial Corporation, a New York corporation, and its subsidiaries, parent company, and affiliates.
- 1.3. "Field of Use" means the marketing and sale of GA products and ALC products, and the provision of management services to GA by ALC under that certain Management Services Agreement of even date herewith.
- 1.4. "GA products" means consumer lighting fixtures and associated accessories sold by BNY to GA on or after April 7, 1999.

- 1.5. "Net Revenue" shall mean with respect to ALC, for any period of computation thereof, the net income (or loss) of ALC for such period determined in accordance with generally accepted accounting principles.
- 1.6. "MSA" means that certain Management Services Agreement of even date herewith.
- 1.7. "Notice" means delivery of written notice as provided in Section 18.
- 1.8. "Quality Standards" mean standards of quality customary and accepted in the industry for the GA products and the ALC products and other like products. In no case shall any such Quality Standard be less than that reasonably necessary to protect GA's goodwill, reputation, and trademark rights.

All dollar references in this Agreement are in United States dollars.

2. GRANT OF LICENSE, AND ROYALTY TERMS

- 2.1. GA grants to ALC an exclusive, worldwide license, nontransferable but sublicensable, to use the GA Marks as trademarks and tradenames in connection with the Field of Use; provided, that any sublicensee shall first agree to abide by the provisions of Sections 3, 4, and 5 of this Agreement.
- 2.2. As consideration for the license granted in this Agreement, ALC shall pay to GA royalties equal to three percent (3%) of amount by which the Net Revenue of ALC for each fiscal year exceeds (i) \$3,333,333.00 in the first fiscal year of ALC ending after the Effective Date, (ii) \$5,000,000 in the second fiscal year of ALC ending after the Effective Date, and (iii) if this license then remains in force, \$6,666,667 in each of the subsequent six fiscal year periods of ALC; provided, however, that royalties shall be not less than \$100,000 in the first 12-month period following the Effective Date, \$150,000 in the next 12-month period, and \$200,000 in each of the six subsequent 12-month periods, if applicable; and further provided, that royalties otherwise due from the Effective Date to October 31, 1999, shall be accrued and deferred, and the amount thus accrued paid in six equal installments with the payments otherwise due on November 1, 1999, and the first day of each of the succeeding five months. Thereafter, payments due hereunder shall be payable annually, within 90 days of the end of each ALC fiscal year.

3. MAINTENANCE OF STANDARDS AND INSPECTION

- 3.1. GA is fully aware of the present standards of quality exercised by ALC in the operation of its business, which standards are in compliance with GA's standards of quality. ALC agrees that the operation of its business will be maintained at its present standards of quality.
- 3.2. GA shall have the right of periodic inspection of ALC and each of its facilities to review compliance with ALC's present standards. GA or its duly authorized representatives shall have the right, during regular business hours and upon reasonable prior notice to ALC, to examine all documents, materials, and records in the possession or under the control of ALC relating to compliance with the standards maintained by ALC. Should GA notice ALC that its business operations fail in any material manner to comply with the standards, ALC shall promptly correct such defects in accordance with instructions from GA with respect thereto.

4. TRADEMARK USAGE

ALC shall follow the guidelines for the proper usage of the GA Marks which are communicated to ALC from time to time by GA, and shall promptly modify any materials not complying with such guidelines. ALC shall mark the first prominent use of the GA Marks in all marketing and related materials with the statutory ® notice.

5. PROTECTION OF RIGHTS

- 5.1. GA Continued Ownership of GA Marks GA is the sole owner of the GA Marks and all goodwill associated therewith, and ALC's use of the GA Marks inures solely to the benefit of GA. ALC shall not challenge GA's right in, or attempt to register, the GA Marks, or any other name or mark containing any GA trademark or any mark that is confusingly similar to the GA Marks. ALC has no rights in the GA Marks except as expressly licensed hereunder.
- 5.2. Maintenance of Trademarks GA shall use commercially reasonable efforts to maintain the registration for the registered trademark shown on Exhibit A for the maximum legal periods, including legally available renewals of registration(s). If GA fails to perform this obligation, in addition to and without limiting any other remedy for ALC under this Agreement, ALC shall have the right to make any and all necessary or appropriate filings in GA's name and as GA's attorney-in-fact.

- 5.3. Enforcement of Trademarks ALC shall assist GA to the extent necessary to protect and maintain protection of the GA Marks, and shall promptly give Notice to GA of any known or potential infringement of the GA Marks. GA may at its option commence, prosecute, or defend any action or claim concerning the GA Marks in the name of GA or ALC, or join ALC as a party thereto. GA shall have the right to control any such litigation. ALC shall also have the right to commence any action in defense of or regarding the GA Marks, but shall give GA Notice promptly of the commencement of any such action.

6. INDEMNIFICATION

6.1. Indemnification By ALC

ALC shall hold harmless and indemnify GA against any loss, liability, damage, cost or expense, including reasonable attorneys' fees, arising out of any claim or action (except for a claim of trademark or tradename infringement relating to the GA Marks where ALC is in compliance with this Agreement) which may be brought against GA arising from any act or omission of ALC or its sublicensees, regardless of whether such act or omission is contrary to this Agreement. If a suit within the scope of this provision is brought against GA, ALC shall defend GA in such suit and provide qualified attorneys at its own expense to conduct GA's defense.

6.2. Indemnification By GA

(a) GA shall indemnify and hold harmless ALC and its sublicensees from and against any damages, costs, and expenses, including without limitation attorneys' fees, if any, finally awarded in any suit or the amount of the settlement thereof resulting from a claim by a third party that the GA Marks infringe any trademark in the United States or any foreign country in which the GA Marks are registered or recognized, provided that GA is promptly notified of any and all threats, claims and proceedings related thereto. The foregoing obligation of GA does not apply with respect to GA Marks or portions or components thereof (i) that are combined with other products, processes or materials where the alleged infringement relates to such combination or (ii) where ALC or its sublicensees continue allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement. GA may defend at its own expense against any alleged threats, claims, or proceedings affecting the GA Marks, provided that ALC shall also have the right to defend and offset the expense of doing so against any other obligations of ALC to GA. If ALC chooses to defend, GA shall provide ALC and any sublicensees of ALC with all reasonable assistance in such defense.

(b) GA and ALC agree to work cooperatively regarding issues concerning the GA Marks and similar matters and to exercise reasonable business judgment in carrying out the objects of this Agreement to avoid exposing any party to liability under copyright, trademark or similar laws anywhere in the world.

7. TERM & TERMINATION

- 7.1. Term The initial term of this Agreement shall be through the end of the second fiscal year of ALC ending after the Effective Date, unless terminated early pursuant to Section 7. Thereafter, ALC may, at its option, renew this Agreement for a further fiscal year, by giving notice of its intent to do so not less than 30 days prior to the end of the then current fiscal year period. In like manner thereafter, ALC shall have a continuing option, but not obligation, to renew for further fiscal year period. Those rights and obligations that by their nature extend beyond the term of the Agreement, including specifically those in Sections 3, 5, 6, 9 and 10, shall survive any termination of this Agreement. Upon termination, ALC shall immediately cease all use of the GA Marks, except in connection with the subsequent sale of any GA products and ALC products in existence at the date of termination, for a period not to exceed 180 days from termination.
- 7.2. Purchase Option Upon Termination. Upon the termination of this Agreement, whether by expiration of a term without renewal by ALC or otherwise, ALC shall have the option to purchase the GA Marks at the then fair market value to obtain outright ownership of the GA Marks. The discounted future value of the average of the previous two years' royalty payments shall be considered, but not dispositive, in determining such fair market value. All or part of such value may be provided by assumption of GA's then existing indebtedness.
- 7.3. Termination Either party may terminate this Agreement for material breach by the other, including breach of the obligations set forth in Sections 2 through 6, upon thirty (30) days Notice providing sufficient detail to adequately advise the breaching party of the steps required to cure such breach, which if accomplished within such 30-day period shall avoid termination of the Agreement on account of such alleged breach.

- 7.4. Termination Upon Change of Control ALC may, at its option, terminate this Agreement upon the occurrence of any transfer (whether in one or more transactions, and including without limitation any transfer by operation of law, or death or disability of any shareholder) of ownership of common stock of GA which results in a change in the controlling share ownership from that on the Effective Date of this Agreement. Alternatively, upon the occurrence of such a change of control ALC shall have a right of first refusal to purchase the GA Marks, within thirty (30) days of receiving notice of such transfer, at the then fair market value to obtain outright ownership of the GA Marks. The discounted future value of the average of the previous two years' royalty payments shall be considered, but not dispositive, in determining such fair market value. All or part of such value may be provided by assumption of GA's then existing indebtedness.
- 7.5. Termination Upon Insolvency This Agreement shall automatically terminate, except to the extent stayed by operation of law, without any requirement of notice to any other person if the other becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition, or comparable proceeding, or if any such proceeding is instituted against the other and not dismissed within forty-five (45) days.
- 7.6. Effect Of Termination Upon any termination of this Agreement by either party (except as provided in clause (iv) below and as otherwise provided herein), (i) all rights and licenses granted to ALC under this Agreement and all other rights and obligations hereunder shall terminate, (ii) all sublicenses granted to sublicensees shall terminate unless GA, in its sole discretion, agrees to renew such sublicenses directly with any sublicensee, (iii) ALC will promptly cease using the GA Marks, and (iv) Sections 7.1, 10, 12, and of this Agreement will continue in accordance with their terms.
- 7.7. Termination Absolute Each party understands that the rights of termination hereunder are absolute. Neither party shall incur any liability whatsoever for any damage, loss, or expenses of any kind suffered or incurred by the other (or for any compensation to the other) arising from or incident to any termination of this Agreement by such party which complies with the terms of the Agreement whether or not such party is aware of any such damage, loss, or expenses, except damages incurred by reason of those provisions which continue post-termination as provided in Section 7.6 hereof.

8. INCIDENTAL AND CONSEQUENTIAL DAMAGES EXCLUDED

NEITHER GA NOR ALC WILL BE LIABLE UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER THEORY FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS) WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT.

9. ACCOUNTING RECORDS

ALC shall maintain accounting records adequate for the determination of royalties payable under this Agreement. GA may inspect such accounting records, at its own expense, upon reasonable notice during normal business hours, not more often than quarterly.

10. NO JOINT VENTURE OR PARTNERSHIP

Nothing contained in this Agreement will be interpreted or construed to characterize the relationship between GA and ALC as a joint venture, partnership, franchise, or affiliate for any purpose. Neither party has the authority to, and neither party shall, make any representation, prepare documents or statements on behalf or in the name of the other party, give any warranties, enter into a contract on behalf of the other party, or obligate the other party in any manner, unless expressly authorized to do so in writing by the other party or as authorized under the MSA.

11. ASSIGNMENT

Neither party shall assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party, except that ALC may assign this Agreement to an affiliated company, and/or sublicense the GA Marks, without consent, and GA may assign for security its rights and obligations under this Agreement to BNY.

12. DISPUTE RESOLUTION

(a) Any action related to this Agreement will be governed by New York law, excluding choice of law rules. The parties hereby submit exclusively to the personal jurisdiction and venue of the State and Federal courts in New York, New York. (b) Except that either party may seek equitable or similar relief from a court, any dispute, controversy, or claim arising out of or in relation to this Agreement or at law, or the breach, termination, or invalidity thereof, that cannot be settled amicably by good faith

negotiation and agreement of the senior executives of the parties hereto within thirty (30) days, shall be finally settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association ("AAA") then in force, by one or more arbitrators knowledgeable in matters of trademark and commercial law appointed in accordance with said rules; provided, however, that arbitration proceedings may not be instituted until the party alleging breach of this Agreement by the other party has given the other party not less than sixty (60) days to remedy any alleged breach and the other party has failed to do so. The award rendered shall be final and binding upon both parties. Judgment upon the award may be entered in any court having jurisdiction, or application may be made to such court for judicial acceptance of the award and/or an order of enforcement as the case may be.

13. FORCE MAJEURE

Neither party hereto shall be responsible for any failure to perform its obligations under this Agreement if such failure is caused by acts of God, war, strikes, revolutions, lack or failure of transportation facilities, laws or governmental regulations, or other causes which are beyond the reasonable control of such party. Obligations hereunder, however, shall in no event be excused but shall be suspended only until the cessation of any cause of such failure, and the corresponding obligations of the other party (including, notwithstanding the above, payment obligations) shall be similarly suspended. In the event that such force majeure should obstruct performance of this Agreement for more than thirty (30) days, the parties hereto shall consult with each other to determine whether this Agreement should be terminated. The party facing an event of force majeure shall use its best endeavors to remedy that situation as well as to minimize its effects. The party facing such event of force majeure shall notify the other party by fax immediately after its occurrence.

14. SEVERABILITY

If any provision of this Agreement is held illegal, invalid, or unenforceable by a court of competent jurisdiction, through the arbitration process noted in Section 12 or the parties otherwise mutually agree that a provision is or becomes illegal or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

15. ATTORNEYS' FEES

The prevailing party in any action for breach of or to enforce or interpret this Agreement shall be entitled to recover from the other party its reasonable attorneys' fees

and expenses and expert witness fees incurred therein. The court, or arbitrator as the case may be, shall determine the prevailing party.

16. ENTIRE AGREEMENT

This Agreement, including all attachments incorporated by reference, is the parties' entire agreement relating to this subject matter and supersedes all prior or contemporaneous oral or written communications, proposals, and representations with respect to its subject matter. No modification to this Agreement will be binding, unless in writing and signed by an officer of each party.

17. WAIVER OR DELAY

Any waiver of any provision of this Agreement, or a delay by either party in the enforcement of any right hereunder, shall neither be construed as a continuing waiver, nor create an expectation of non-enforcement, of that or any other provision or right.

18. NOTICE AND CONTACT INFORMATION

All Notices must be in writing and delivered either in person or by certified or registered mail, return receipt requested, to the person and address specified below. Such Notice will be effective upon receipt.

Georgian Art (1999), Inc.
c/o 49 Borrows St.
Thornhill, Ontario L4J 2W4
Attn: Morris Hock
Phone: (905) 738-1393
Fax: (905) 738-1393

American Lantern (1998), Inc.
c/o Danbel, Inc.
222 Islington Avenue
Toronto, Ontario M8V 3W7
Canada
Attn: Michael Stein
Phone: (800) 268-0381 x-7300
Fax: (416) 201-7305

19. NO RELIANCE

Each party acknowledges that, in entering into this Agreement, each is not relying upon any statements or representations of the other party, other than those expressly made herein.

20. NO THIRD PARTY BENEFICIARIES

This Agreement is made between, and exclusively for the benefit of, the parties hereto, and their successors and assigns. This Agreement is not intended by the parties to, and shall not be construed as, providing any benefit to or being in any respect for the benefit of any third party.

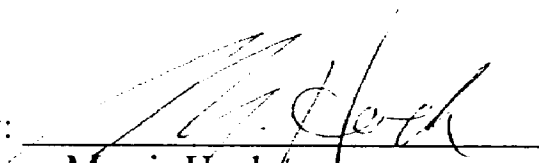
21. COUNTERPARTS


This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereby execute this Agreement through the authorized representatives who have signed their names below.

GEORGIAN ART (1999), INC.

AMERICAN LANTERN (1998), INC.

By: 
Morris Hock

By: 
Michael Stein


254971.06 .SF

SPECIAL POWER OF ATTORNEY

TRADEMARK
REEL: 001936 FRAME: 0177

City OF Toronto)
: SS.:
Province OF Ontario)

On this 30 day of April, 1999 before me personally came
MURRIK HOCK, to me known, who, being by me duly sworn, did depose and
say that (s)he is the PRESIDENT of Georgian Art (1999), Inc. the corporation described in
and which executed the foregoing instrument; and that (s)he signed his (her) name thereto by
order of the Board of Directors of said corporation.


Notary Public