

02-10-2000



101264740

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  
\_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Name McCRACKIN INDUSTRIES, INC. Execution Date  
Month Day Year  
10 | 7 | 99

Formerly \_\_\_\_\_

Individual  General Partnership  Limited Partnership  Corporation  Association

Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization Georgia

Receiving Party

Mark if additional names of receiving parties attached

Name FINOVA CAPITAL CORPORATION

DBA/AKATA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 111 West 40th Street

Address (line 2) \_\_\_\_\_

Address (line 3) New York

New York

10018

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership  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.)

Corporation  Association

Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization Delaware

FOR OFFICE USE ONLY

02/10/2000 DCDATES 00000019 75362348

01 FC:481 40.00 OP  
02 FC:482 375.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 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

TRADEMARK  
REEL: 002021 FRAME: 0056

MWD  
2.3.00

**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

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.

#

**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)		
<input type="text" value="75/362348"/>	<input type="text" value="75/362347"/>	<input type="text"/>	<input type="text" value="722036"/>	<input type="text" value="0807437"/>	<input type="text" value="1632751"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1917343"/>	<input type="text" value="1667647"/>	<input type="text" value="1032318"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1303487"/>	<input type="text" value="1264818"/>	<input type="text" value="1356634"/>

**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.

Melissa Schneck  
Name of Person Signing

Melissa Schneck  
Signature

10/25/99  
Date Signed

Attachment to Trademark Recordation Form  
Cover Sheet (Form PTO-1618A)

Additional Trademark Registration Numbers

Conveying Party: McCrackin Industries, Inc.  
Receiving Party: FINOVA Capital Corporation

Registration Numbers

2099782

1495108

1402172

1352815

1480805

## TRADEMARK SECURITY AGREEMENT

THIS AGREEMENT is made as of the 7th day of October, 1999 between Stone Mountain Accessories, Inc., McCrackin Industries, Inc., and Broadway Blues, Inc., each a Georgia corporation, and Stone Mountain Accessories International Ltd., a corporation formed in the Republic of Mauritius, each having an address at 4963 South Royal Atlanta Drive, Tucker, Georgia (individually or collectively, the "Borrower") and FINOVA Capital Corporation, a Delaware corporation with an address at 111 West 40<sup>th</sup> Street, New York, New York ("FINOVA").

WHEREAS, Borrower and FINOVA have or shall enter into a certain financing arrangement (the "Financing") which shall be evidenced in part by a certain Loan and Security Agreement dated the date hereof by and between Borrower and FINOVA (the "Security Agreement"). In order to induce FINOVA to enter into the Financing, Borrower has agreed to grant to FINOVA a security interest in and mortgage on certain intent-to-use trademark applications (the "Trademark Applications") and trademarks ("Trademarks"). This Trademark Security Agreement is being executed contemporaneous with the Security Agreement under which FINOVA is granted a lien on and security interest in, among other things, accounts receivable, inventory, machinery, equipment formulations, manufacturing procedures, quality control procedures, product specifications, deposits, contract rights and general intangibles ("Other Assets") relating to products sold by the Borrower, whereby FINOVA shall have the right to foreclose on the Trademark Applications, Trademarks and the Other Assets in the event FINOVA alleges the occurrence of an Event of Default under the Security Agreement.

NOW, THEREFORE, in consideration of the premises, the Financing, and other good and valuable consideration the sufficiency of which is hereby acknowledged, Borrower hereby agrees with FINOVA as follows:

1. To secure the complete and timely satisfaction of all of the Obligations (as such term is defined in the Security Agreement), Borrower hereby grants to FINOVA a security interest in and mortgage on the entire right, title and interest in and to the Trademark Applications and Trademarks listed in Schedule A annexed hereto and made a part hereof (as the same may be amended pursuant hereto from time to time), including without limitation all renewals thereof, all proceeds of infringement suits), the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world and the good will of the business relating thereto.
2. Borrower represents, covenants and warrants that:
  - (a) The Trademark Applications and Trademarks are subsisting;
  - (b) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademark Applications and Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by Borrower not to sue third persons except as identified in the Security Agreement; and
  - (c) Borrower has the unqualified right to enter into this Agreement and perform its terms;
3. Borrower agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) without prior written consent of FINOVA which shall not be unreasonably withheld.

4. If, before the Obligations shall have been satisfied in full, Borrower shall obtain rights to any new Trademark Applications and Trademarks, the provisions of paragraph 1 shall automatically apply thereto and Borrower shall give FINOVA prompt written notice thereof.

5. Borrower authorizes FINOVA to modify this Agreement by amending Schedule A to include any future Trademark Applications and Trademarks covered by paragraphs 1 and 4 hereof.

6. In the Event of Default under the Security Agreement after notice under paragraph 7.2 of the Security Agreement (if required), FINOVA shall have, in addition to all other rights and remedies given it by this Security Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademark Applications and Trademarks or Trademarks may be deemed located and, without limiting the generality of the foregoing, FINOVA may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Borrower, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in New York, or elsewhere, all or from time to time any of the Trademark Applications and Trademarks, or any interest which the Borrower may have therein, and after deducting from the proceeds of sale or other disposition of the Trademark Applications and Trademarks all expenses (including all expenses for broker's fees and legal services), shall apply the residue of such proceeds after payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Borrower. Notice of any sale or other disposition of the Trademark Applications and Trademarks shall be given to Borrower at least five (5) days before the time of any intended public or private sale or other disposition of the Trademark Applications and Trademarks is to be made, which Borrower hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of any Notice (as defined in the Security Agreement) or FINOVA may, to the extent permissible under applicable law, purchase the whole or any part of the Trademark Applications and Trademarks free from any right of redemption on the part of Borrower, which right is hereby waived and released.

7. At such time as Borrower shall completely satisfy all of the Obligations and this Security Agreement shall terminate and FINOVA shall execute and deliver to Borrower all documents and other instruments as may be necessary or proper to terminate this Security Agreement and re-vest in Borrower full encumbered rights in and to the Trademark Applications and Trademarks, subject to any disposition thereof which may have been made by FINOVA pursuant hereto.

8. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses actually incurred by FINOVA in connection with the preparation of this Security Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademark Applications and Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Borrower on demand by FINOVA and until so paid shall become part of the Obligations.

9. Borrower shall have the duty, through counsel acceptable to FINOVA, to prosecute diligently any Trademark Applications and Trademarks pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to file and prosecute opposition and cancellation proceedings and to

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do any and all acts which are commercially necessary or desirable to preserve and maintain all rights in the Trademark Applications and Trademarks. Any expenses incurred in connection with the Trademark Applications and Trademarks shall be borne by Borrower. The Borrower shall not abandon any Trademark Applications and Trademarks without the consent of FINOVA, which consent shall not be unreasonably withheld.

10. Borrower shall have the right, with the prior written consent of FINOVA, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the trademarks or Trademark Applications and Trademarks, in which event FINOVA may, if necessary, be joined as a nominal party to such suit if FINOVA shall have been satisfied that it is not thereby incurring any right of liability because of such joinder. Borrower shall promptly, upon demand, reimburse and indemnify FINOVA for all damages, costs and expenses, including attorney's fees, incurred by FINOVA in the fulfillment of the provisions of this paragraph 10.

11. In the Event of Default under the Security Agreement after notice under paragraph 7.2 of the Security Agreement (if required), Borrower hereby authorizes and empowers FINOVA to make, constitute and appoint any officer or agent of FINOVA as FINOVA may select, in its exclusive direction, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, documents, papers and instruments necessary for FINOVA to use the trademarks, or to grant or issue any exclusive or nonexclusive license under the trademarks to anyone else, or necessary for FINOVA to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Applications and Trademarks to FINOVA or anyone else. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

12. If Borrower fails to comply with any of its obligations hereunder, FINOVA may do so in Borrower's name or in FINOVA's name, but at Borrower's expense, and Borrower hereby agrees to reimburse FINOVA in full for all expenses, including attorney's fees, incurred by FINOVA in protecting, defending and maintaining the Trademark Applications and Trademarks

13. No course of dealing between Borrower and FINOVA, nor any failure to exercise, nor any delay in exercising, on the part of FINOVA, any right power or privilege hereunder or under the 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. All of FINOVA's rights and remedies with respect to the Trademark Applications and Trademarks, whether established hereby or by the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

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

15. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 5.

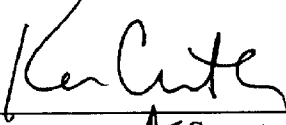
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16. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

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

IN WITNESS WHEREOF, the execution hereof as of the day and year first above written.

ATTEST:

  
\_\_\_\_\_  
\*Secretary


MCCRACKIN INDUSTRIES, INC..

By:   
\_\_\_\_\_  
Kenneth R. Orr, President

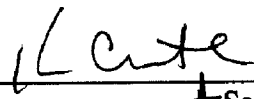
ATTEST:

  
\_\_\_\_\_  
\*Secretary

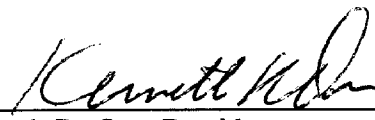
STONE MOUNTAIN ACCESSORIES, INC..

By:   
\_\_\_\_\_  
Kenneth R. Orr, President

ATTEST:

  
\_\_\_\_\_  
\*Secretary

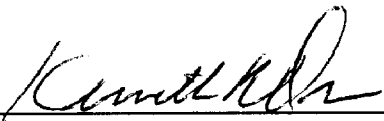
BROADWAY BLUES, INC.

By:   
\_\_\_\_\_  
Kenneth R. Orr, President

ATTEST:

  
\_\_\_\_\_  
\*Secretary

STONE MOUNTAIN ACCESSORIESINTERNATIONAL LTD.

By:   
\_\_\_\_\_  
Kenneth R. Orr, President

FINOVA CAPITAL CORPORATION

By:   
\_\_\_\_\_  
Melissa Schneck, Vice President

STATE OF NEW YORK        )  
                                  ss.:  
COUNTY OF NEW YORK    )

On this 7th day of October, in the year 1999, before me, the undersigned, a Notary Public in and for said state, personally appeared Kenneth Orr personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

Barbara Cannova  
Notary Public

BARBARA CANNOVA  
NOTARY PUBLIC, State of New York  
No. 01CA4695053  
Qualified in Nassau County  
Expires 12/31/99



**Schedule A**  
to  
**Trademark Security Agreement Between Stone Mountain Accessories, Inc.,  
McCrackin Industries, Inc., Broadway Blues, Inc.,  
Stone Mountain Accessories International Ltd. and FINOVA Capital Corporation**  
**Dated October 7, 1999**

<u>Name of Mark</u>	<u>Registration No/ Serial No.</u>	<u>Country</u>	<u>Registration Date/ Filing Date</u>	<u>Expiration Date</u>
Stone Mountain	1722036	USA	10/06/92	10/06/02
Mark Allen	0807437	USA	04/26/66	04/26/06
Stone Mountain	1632751	USA	01/22/91	01/22/01
Saddle River and Design	1917343	USA	09/05/95	09/05/05
Stone Mountain	1667647	USA	12/10/91	12/10/01
Stone Mountain Craftmen's Guild	1032318	USA	02/03/76	02/03/06
Stone Mountain	1303487	USA	11/06/84	11/06/04
Pebbles	1264818	USA	01/24/84	01/24/04
Spilene	1356634	USA	08/27/85	08/27/05
Redwood Falls	2099782	USA	9/23/97	9/23/07
Saddle River and Design	1495108	USA	7/5/88	7/5/08
Saddle River	1402172	USA	7/22/86	7/22/06
Smoke Valley	1352815	USA	8/6/85	8/6/05
Ande	1480805	USA	3/15/88	3/15/08
Gramercy by Stone Mountain	75/706439	USA	5/13/99	Pending
Greenwich by Stone Mountain	75/599786	USA	12/4/98	Pending
Stone Mountain	75/622545	USA	1/14/99	Pending
Stone Mountain	75/521779	USA	7/20/98	Pending
Rivers Edge by Stone Mountain	75/759392	USA	7/26/99	Pending
Harmony Bay	75/362348	USA	9/24/97	Pending
Stone Mountain Sport	75/362347	USA	9/24/97	Pending
Bridgehampton by Stone Mountain	75/759391	USA	7/26/99	Pending

**SPECIAL POWER OF ATTORNEY**

STATE OF NEW YORK )

ss.:

COUNTY OF NEW YORK)

KNOW ALL MEN BY THESE PRESENTS, that, Stone Mountain Accessories, Inc., McCrackin Industries, Inc., and Broadway Blues, Inc., each a Georgia corporation, and Stone Mountain Accessories International Ltd., a corporation formed in the Republic of Mauritius, each having an address at 4963 South Royal Atlanta Drive, Tucker, Georgia (collectively the "Borrower"), pursuant to a Trademark and Security Agreement, dated the date hereof (the "Security Agreement"), hereby appoint and constitutes FINOVA, a Delaware corporation, with an address at 111 West 40th Street, New York, New York 10018 ("FINOVA"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform after notice under paragraph 7.2 of the Loan and Security Agreement of even date herewith (if required) the following acts on behalf of Borrower:

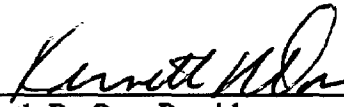
1. Assigning, selling or otherwise disposing of all right, title and interest of Borrower in and to the patents and trademarks listed on Schedule A of the Security Agreement, and including those patents and trademarks which are added to the same subsequent hereto, and all registrations and recordings thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing, and to execute and deliver any and all agreements, documents, instruments of assignment or other writings necessary or advisable to effect such purpose;
2. To execute any and all documents, statements, certificates or other writings necessary or advisable in order to effect the purposes described above as FINOVA may in its sole discretion determine.

This power of attorney is made pursuant to the Security Agreement, dated the date hereof, between Borrower and FINOVA and may not be revoked until the payment in full of all Obligations as defined in the Security Agreement.

ATTEST:

STONE MOUNTAIN ACCESSORIES, INC.

  
\_\_\_\_\_  
Secretary

By:   
\_\_\_\_\_  
Kenneth R. Orr, President

ATTEST:

K. Orr  
Secretary

MCCRACKIN INDUSTRIES, INC.

By: K. Orr  
Kenneth R. Orr, President

ATTEST:

K. Orr  
Secretary

BROADWAY BLUES, INC.

By: K. Orr  
Kenneth R. Orr, President

ATTEST:

K. Orr  
Secretary

STONE MOUNTAIN ACCESSORIES  
INTERNATIONAL LTD.

By: K. Orr  
Kenneth R. Orr, President

STATE OF NEW YORK        )  
                                  ss.:  
COUNTY OF NEW YORK    )

On this 7th day of October, in the year 1999, before me, the undersigned, a Notary Public in and for said state, personally appeared Kenneth R. Orr personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

Barbara Cannova  
Notary Public

BARBARA CANNOVA  
NOTARY PUBLIC, State of New York  
No. 01CA4695053  
Qualified in Nassau County  
Commission Expires 12/31/99