

03-31-2000

02/23/00

FORM PTO-1594 (Rev. 6-93)

RE



SHEET

U.S. DEPARTMENT, Patent and

101302202

Y

OMB No. 0651-0011 (exp. 4/94)

Tab settings

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

1. Name of conveying party(ies): OPR/FINANCE
AARON INDUSTRIES, INC.

- Individual(s) Association
General Partnership Limited Partnership
Corporation-State
Other

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

3. Nature of conveyance:

- Assignment Merger
Security Agreement Change of Name
Other

Execution Date: February 2, 2000

2. Name and address of receiving party(ies)

Name: GENERAL ELECTRIC CAPITAL CORPORATION

Internal Address:

Street Address: 6100 Fairview Rd., Suite 350

City: Charlotte State: NC ZIP: 28210

- Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State
Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2044940
1762389

Additional numbers attached? Yes No

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

Name: Deborah L. Scudder

Internal Address: c/o Carruthers & Roth, P.A.

Street Address: 235 N. Edgeworth St.

City: Greensboro State: NC ZIP: 27401

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed
Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

08/30/2000 DNGUYEN 00000127 2044940

FC:481
FC:482

40.00 OP
25.00 OP

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.

Deborah L. Scudder
Name of Person Signing

CARRUTHERS & ROTH, P.A.
By: Deborah L. Scudder
Signature

February 21, 2000
Date

Total number of pages including cover sheet, attachments, and documents



TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), is made and entered into this 2nd day of February, 2000, between AARON INDUSTRIES INC., a South Carolina corporation (the "Borrower"), and GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation (the "Lender").

WITNESSETH:

WHEREAS, Borrower and Lender are parties to a certain Loan and Security Agreement, dated on or about the date hereof (the Loan and Security Agreement, as it may hereafter be amended, modified, supplemented or restated from time to time, being herein called the "Loan Agreement"), with Lender pursuant to which Lender will make loans and extend credit to Borrower, all as more particularly described therein; and

WHEREAS, as a condition precedent to Lender's entering into the Loan Agreement and making loans and extending credit to Borrower pursuant thereto, Lender has required the execution of this Agreement by Borrower in favor of Lender.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Borrower agrees with Lender as follows:

1. Defined Terms. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement.

2. Grant of Security Interest. As security for the payment and performance of the Obligations, Borrower hereby assigns, grants, transfers and conveys to Lender, for security purposes, all of Borrower's right, title and interest in, to and under the following property, in each case whether now existing or hereafter acquired or arising and whether registered and unregistered and wherever the same may be located (the "Trademark Collateral"):

(a) all state (including common law), federal and foreign trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, domain names, designs and general intangibles of like natures, now existing or hereafter adopted or acquired, together with and including all licenses therefor held by Borrower (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of the termination or permitting termination of the license for breach and where the licensor has elected such termination remedy), and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the United States Patent and Trademark Office, any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation or any trademark law or regulation of any foreign country and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in the name of Borrower or in the name of Lender for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(b) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(c) all general intangibles related to or arising out of any of the Trademarks and all the goodwill of Borrower's business symbolized by the Trademarks or associated therewith; and

(d) all proceeds of any and all of the foregoing Trademark Collateral, including, without limitation, license royalties, rights to payment, accounts receivable, proceeds of infringement suits and all payments under insurance or any indemnity, warranty or guaranty payable by reason or loss or damage to or otherwise with respect to the foregoing Trademark Collateral.

3. Representations, Warranties and Covenants of Borrower. Borrower represents, warrants and covenants that:

(a) The Trademark Collateral is, to the best of its knowledge, subsisting and has not been judged invalid or unenforceable;

(b) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Trademark Collateral;

(c) Borrower has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademark Collateral;

(d) Borrower will maintain the quality of the products associated with the Trademark Collateral, generally at a level consistent with the quality as of the effective date of this Agreement, subject to the introduction of new products from time to time, and product modifications in the ordinary course of business; and

(e) Borrower has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

4. Visits and Inspections. Borrower hereby grants to Lender and its employees and agents the right on prior notice to Borrower to visit Borrower's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. Borrower shall do any and all acts required by Lender to ensure Borrower's compliance with paragraph 3(d) of this Agreement.

5. Restrictions on Future Agreements. Borrower agrees that, until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated in writing, it will not without Lender's prior written consent, enter into any agreement which is inconsistent with Borrower's duties under this Agreement, and Borrower further agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity and enforcement of the rights granted to Lender under this Agreement.

6. After-Acquired Trademark Rights. If, before the Obligations have been satisfied in full, Borrower shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark for any renewal of any Trademark, the provisions of paragraph 1 hereof shall automatically apply thereto, and Borrower shall give to Lender prompt notice thereof in writing. Borrower authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications which are Trademark Collateral under paragraph 1 hereof or this paragraph 6.

7. Borrower's Rights Prior to Event of Default. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Loan Agreement), Borrower shall continue to own, and may use and enjoy the Trademark Collateral in connection with its business operations, but only in a manner consistent with the presentation of their current substance, validity and registration.

8. Remedies Upon Event of Default. If an Event of Default shall have occurred and be continuing, Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and, specifically, those of a Lender under the Code. Notice of any sale or other disposition of the Trademark Collateral shall be deemed reasonable and sufficient if given Borrower at least ten (10) days before the time of any intended public or private sale or other disposition of any of the Trademark Collateral is to be made.

9. Power of Attorney. Borrower hereby makes, constitutes and appoints Lender and any officer or agent of Lender as Lender may select as Borrower's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use the Trademark Collateral, or to grant or issue any exclusive or nonexclusive license under the Trademark Collateral to anyone else as necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademark Collateral to 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 until all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated in writing.

10. Release of Security Interest. At such time as all of the Obligations shall have been satisfied and paid in full, Lender shall execute and deliver to Borrower all releases, termination statements, and other instruments as may be necessary or proper to release or reflect the release of Lender's security interest in the Trademark Collateral, including all documentation necessary to reflect such release in the United States Patent and Trademark Office.

11. Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the preparation of this 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 Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademark Collateral, shall be borne and paid by Borrower on demand by Lender and until so paid shall be added to the amount of the Obligations and shall bear interest at the rate prescribed in the Loan Agreement.

12. Litigation and Proceedings.

(a) Borrower shall have the duty, through counsel acceptable to Lender, to prosecute diligently any trademark application of the Trademarks pending as of the date of this Agreement or thereafter, other than those discontinued or abandoned in the ordinary course of business, until the Obligations shall have been paid in full and to preserve and maintain all rights in trademark applications and trademarks of the Trademarks in the ordinary course of business. Any expenses incurred in connection with such an application shall be borne by Borrower. Borrower shall not abandon any right to file a trademark application, or any pending trademark application or trademark, other than those discontinued or abandoned in the ordinary course of business without the consent of Lender, which consent shall not be unreasonably withheld.

(b) Lender shall have the right, but shall in no way be obligated, to bring suit in its own name, as the holder of a security interest in the Trademark Collateral, to enforce the Trademarks, and any license thereunder, in which event Borrower shall at the request of Lender do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Lender in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred in the exercise of its rights under this paragraph 12. Nothing herein shall be deemed to prohibit Borrower from bringing any such suit in its own name at any time that an Event of Default does not exist, if Lender declines to institute suit.

13. Lender May Perform. If Borrower fails to comply with any of its obligations hereunder, Lender may do so in Borrower's name or in Lender's name, but at Borrower's expense, and Borrower agrees to reimburse Lender in full for all expenses, including reasonable attorney's fees, incurred by Lender in prosecuting, defending or maintaining the Trademarks or Lender's interest therein pursuant to this Agreement.

14. Severability. 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. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6 hereof.

16. Binding Effect; Benefits. 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. Notices. Whenever any notice, demand, request or other communication shall or may be given to or served upon any party by any other party, or whenever any party desires to give or serve upon any other party any communication with respect to this Agreement, each such notice, demand, request or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and 3 days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 9.6), (c) 1 Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when hand-delivered, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated below or to such other address (or facsimile number) as may be substituted by notice given as herein provided.

(i) If to the Secured Party, at: General Electric Capital Corporation
6100 Fairview Road, Suite 350
Charlotte, North Carolina 28210
Attn: Aaron Industries, Inc. Account Manager
Facsimile: 704-553-4150

(ii) If to Borrower, at: Aaron Industries, Inc.
1784 Highway 72 West
Clinton, South Carolina 29325
Attn: John H. Pate
Facsimile: 864-833-5493

Any written notice or demand that is not sent in conformity with the provisions hereof shall nevertheless be effective on the date that such notice is actually received by the noticed party.

18. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICTS OF LAWS, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

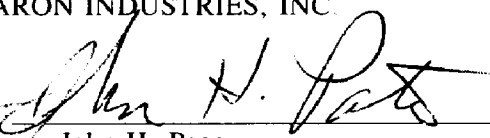
19. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. (A) BORROWER HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK SHALL

HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS ON OR DISPUTES BETWEEN BORROWER AND LENDER PERTAINING TO THIS AGREEMENT ON OR TO ANY MATTER ARISING OUT OF ON OR RELATED TO THIS AGREEMENT ON OR ANY OF THE OTHER LOAN DOCUMENTS; PROVIDED, THAT LENDER AND BORROWER ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK; AND FURTHER PROVIDED, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED ON OR OPERATE TO PRECLUDE LENDER FROM BRINGING SUIT ON OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO COLLECT THE OBLIGATIONS, TO REALIZE ON ANY SECURITY FOR THE OBLIGATIONS, ON OR TO ENFORCE A JUDGMENT ON OR OTHER COURT ORDER IN FAVOR OF LENDER. BORROWER EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION ON OR SUIT COMMENCED IN ANY SUCH COURT, AND BORROWER HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE ON OR FORUM NON CONVENIENS. BORROWER HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION ON OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED ON OR CERTIFIED MAIL ADDRESSED TO BORROWER ON OR SUCH CREDIT PARTY AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF BORROWER'S ACTUAL RECEIPT THEREOF ON OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAILED, PROPER POSTAGE PREPAID.

(B) THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, ON OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, ON OR OTHERWISE BETWEEN LENDER AND BORROWER ARISING OUT OF, CONNECTED WITH, RELATED ON OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THE LOAN DOCUMENTS ON OR THE TRANSACTIONS RELATED THERETO.

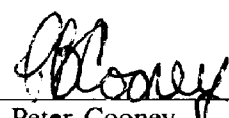
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

AARON INDUSTRIES, INC.

By: 
Name: John H. Page

Title: President

GENERAL ELECTRIC CAPITAL CORPORATION

By: 
Name: Peter Cooney

Title:  President

STATE OF NC

COUNTY OF Cabarrus

I, Pamela M. Wadford a Notary Public of the County and State aforesaid, certify that John H. Pate personally appeared before me ~~this~~ 2 day and acknowledged that he is President of AARON INDUSTRIES, INC., a South Carolina corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by him as its President.

WITNESS my hand and official stamp or seal, this 2 day of ~~January~~ February, 2000.

Pamela M. Wadford
Notary Public

My Commission Expires: My Commission Expires October 2, 2000

STATE OF NC

COUNTY OF Cabarrus

I, Pamela M. Wadford a Notary Public of the State and County aforesaid, certify that Peter Cooney personally appeared before me this day and acknowledged that he is Sp. Vice President of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by him as its SA Vice President.

WITNESS my hand and official stamp or seal, this 2 day of ~~January~~ FEBRUARY, 2000.

Pamela M. Wadford
Notary Public

My Commission Expires: My Commission Expires October 2, 2000

SCHEDULE A TO
TRADEMARK SECURITY AGREEMENT

<u>Registration No.</u>	<u>Registration Date</u>	<u>Description</u>
2044940	3/11/97	ISO-BLU
1762389	4/6/93	AARON BRANDS

36518-182907
CLTLIB01:571191.01

CARRUTHERS & ROTH, P.A.

ATTORNEYS AT LAW

GREENSBORO, NORTH CAROLINA

(336) 379-8651

FACSIMILE (336) 273-7885

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SELDON E. PATTY
THOMAS E. WAGG III
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RICHARD L. VANORE
KENNETH R. KELLER
L. WORTH HOLLEMAN, JR.
ARTHUR A. VREELAND
JACK B. BAYLISS, JR.
HOWARD L. BORUM
J. SCOTT DILLON
J. STANLEY ATWELL
KENNETH L. JONES
JUNE L. BASDEN

DESMOND G. SHERIDAN
MICHAEL J. ALLEN
PAMELA SANSFIELD FOX
GREGORY S. WILLIAMS
KEITH A. WOOD
JOHN M. FLYNN
CHRISTOPHER J. VAUGHN
NORMAN F. KLICK, JR.
JOE F. TEAGUE, JR.
GAVIN J. REARDON
JEFFREY L. OAKES
SHAIDA JARRAHI HORNER
JOSEPH FINARELLI

JOSEPH T. CARRUTHERS, JR. (1906-1992)

CHARLES E. ROTH (1917-1992)

WILLIAM L. TANKERSLEY III (OF COUNSEL)

THOMAS W. SINKS (RETIRED)

235 NORTH EDGEWORTH STREET
GREENSBORO, N.C. 27401

POST OFFICE BOX 540
GREENSBORO, N.C. 27402

February 21, 2000

Certified Mail
Return Receipt Requested

U.S. Patent and Trademark Office
Office of Public Records
Crystal Gateway 4, Room 335
Washington, D.C. 20231

Re: General Electric Capital Corporation - Aaron Industries, Inc.

Ladies and Gentlemen:

I am enclosing a Trademark Security Agreement, dated February 2, 2000, between Aaron Industries, Inc. and General Electric Capital Corporation. Also enclosed is the appropriate Trademarks Only Cover Sheet and our firm's check in the amount of \$65.00 to cover the recording fee for two trademarks.

I would appreciate you recording the enclosure as soon as possible and thereafter returning the original document to me at the above address. If you have any questions, or need anything further, please let me know.

Very truly yours,



Deborah L. Scudder
Paralegal

dls

Enclosures

cc: Angela Hinds Robinson (w/o enclosure)
Ms. Stacie Hall (w/o enclosure)
June L. Basden, Esq.

FINANCE/55324-1 007333-17165 DLS
2/21/00

RECORDED: 02/23/2000

TRADEMARK
REEL: 002041 FRAME: 0691