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UNITED STATES PATENT AND TRADEMARK OFFICE

RECORDATION FORM COVER SHEET

TRADEMARKS ONLY

04-11-2000



101314933

To the Honorable Commissioner of Patents and Trademarks:

Please record the attached original document or copy thereof.

1. Name and address of conveying party:

Pameco Investment Company, Inc.
900 Market Street
Suite 200
Wilmington, DE 19801

A Delaware corporation

2. Name and address of receiving party:

International Comfort Products Corporation (USA), as Agent
650 Heil-Quaker Avenue
Post Office Box 128
Lewisburg, TN 37091

A Delaware corporation

3. Nature of conveyance: security agreement

Execution date: February 18, 2000

4. Application numbers or registration numbers:

A. Trademark application numbers:

See Attached Schedule A

04/11/2000 DNGUYEN 00000068 2037945

01 FC:481 40.00 OP
02 FC:482 175.00 OP

CTDOCS2:1358437.1

See Attached Schedule A

B. Trademark registration numbers:

See Attached Schedule B

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

Daniel I. Papermaster, Esq.
Bingham Dana LLP
One State Street
Hartford, Connecticut 06103

6. Total number of applications and registrations involved: 8

7. Total fee enclosed: \$ 215.00

8. Deposit account number: [Not applicable]

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.

PAMECO INVESTMENT COMPANY, INC.

Its: 

Date: February 18, 2000

Total number of pages comprising cover sheet (including attached Schedules): 16

{110817.1} 000052-00275

TRADEMARK
REEL: 002050 FRAME: 0040

Schedule A

Trademark Application Numbers
(Continuation of Item 4A)

<u>Trademark</u> or <u>Service Mark</u>	Pending Applications -- United States Patent and Trademark Office <u>Serial No.</u>	<u>Filing Date</u>
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None

Schedule B

Trademark Registration Numbers
(Continuation of Item 4B)

Trademark	Owner	Status in Trademark Office	Country	Application or Registration Number	Registration Date
POWER LINK	Pameco Investment Company, Inc.	Registered	USA	2,037,945	2/11/97
THE PAMECO FIRST AID KIT and design	Pameco Investment Company, Inc.	Registered	USA	1,880,827	2/28/95
PAMECO CORP. FIRST AID and design	Pameco Investment Company, Inc.	Registered	USA	1,869,910	12/27/94
THE PAMECO TOOL KIT and design	Pameco Investment Company, Inc.	Registered	USA	1,869,909	12/27/94
PAMECO and design	Pameco Investment Company, Inc.	Registered	USA	1,856,081	9/27/94
PAIN NO-PAIN RECLAIM and design	Pameco Investment Company, Inc.	Registered	USA	1,789,662	8/24/93
THERMAL ZONE and design	Pameco Investment Company, Inc.	Registered	USA	1,709,886	8/25/92
THERMAL ZONE and design	Pameco Investment Company, Inc.	Registered	USA	1,709,632	8/25/92

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is made this 18th day of February, 2000, between **INTERNATIONAL COMFORT PRODUCTS CORPORATION (USA)**, a Delaware corporation having an office at 650 Heil-Quaker Avenue, P.O. Box 128, Lewisburg, Tennessee 37091, in its capacity as collateral agent for the Purchasers (as hereinafter defined)(together with its successors in such capacity, "Agent"), and **PAMECO INVESTMENT COMPANY, INC.**, a Delaware corporation having its principal place of business at 900 Market Street, Suite 200, Wilmington, Delaware 19801 (the "Company").

Recitals:

Pameco Corporation ("Borrower") desires to issue notes to those various corporations (collectively, "Purchasers") as are parties from time to time to that certain Note Agreement dated the date hereof among Borrower, Agent and Purchasers (as at any time amended, the "Note Agreement").

Pursuant to the terms of that certain Continuing Guaranty Agreement dated the date hereof, the Company has guaranteed the payment and performance of the obligations owing by Borrower to Agent and Purchasers under the Note Agreement, and to secure such guaranty have granted to Agent, for the benefit of Purchasers, a lien upon and security interest in the Company's now existing or hereafter acquired machinery, equipment, equipment formulations, manufacturing procedures, quality control procedures and product specifications relating to products sold and services rendered under the Trademarks (as hereinafter defined).

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby agrees with Agent as follows:

1. All capitalized terms used herein, including those used in the Recitals hereto, unless otherwise defined shall have the meanings ascribed to them in the Note Agreement.

2. To secure the prompt payment and performance of the Obligations, the Company hereby pledges, assigns and grants to Agent, for the benefit of Purchasers, a continuing security interest in and Lien upon all of the following property of the Company, whether now owned or existing or hereafter acquired (the "Collateral"):

(a) all trademarks, service marks, trademark registrations, service mark registrations, trade names, trademark applications, and service mark applications including, without limitation, each registered trademark and application or registered service mark and application listed on Exhibit A attached hereto and made a part hereof (as the same may be amended from time to time), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements or dilution thereof or injury to the associated goodwill, (iii) the right to sue for past, present and future infringements or dilution thereof or injury to the associated goodwill, and (iv) all rights corresponding thereto throughout the world (all of the

foregoing trademarks, service marks, trademark registrations, service mark registrations, trade names and applications, together with the items described in clauses (i)-(iv), are hereinafter collectively referred to as the "Trademarks");

(b) the goodwill of the Company's business connected with and symbolized by each Trademark; and

(c) all proceeds and products of the foregoing.

3. The Company represents and warrants to Agent and Purchasers that:

(a) Each of the Trademarks is subsisting and has not been adjudged invalid or unenforceable;

(b) Upon filing of this Agreement in the United States Patent and Trademark Office, and filing of applicable UCC financing statements, this Agreement will create a legal and valid perfected lien upon and security interest in the Collateral, enforceable against Borrower and all third Persons in accordance with its terms;

(c) To the knowledge of the Company, no claim has been made that the use of any of the Trademarks does or may violate the rights of any third Person;

(d) The Company has corporate power and authority to enter into this Agreement and perform its terms;

(e) Each of the registered Trademarks is valid and enforceable; and

(f) The Company is the sole and exclusive owner of the entire right, title and interest in and to all of the Collateral, free and clear of any Liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by the Company not to sue third Persons, other than licenses granted by the Company to Borrower in the ordinary course of business.

4. The Company covenants and agrees with Agent and Purchasers that:

(a) The Company will maintain the quality of the products and services associated with the Trademarks, at a level consistent with the quality at the time of this Agreement, and will provide Agent quarterly with a certificate to that effect in the form attached hereto as Exhibit B executed by an officer of the Company;

(b) The Company will not change the quality of the products and services associated with the Trademarks without Agent's prior written consent; and

(c) The Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of all pending and registered United States Trademarks and has made, and will continue to make, all appropriate filings with the United States Patent and Trademark Office to maintain the Trademark registrations in existence, including, without limitation, filing an affidavit of use with the United States Patent and Trademark Office for each Trademark as required by Applicable Law to maintain the registration thereof without loss of protection therefor;

provided, that as long as no Event of Default exists, the Company may abandon any Trademark in its reasonable judgment if such abandonment could not reasonably be expected to have a Material Adverse Effect.

5. The Company hereby grants to Agent and its employees and agents the right, from time to time, as often as may be reasonably requested, but only during normal business hours and (except when a Default or Event of Default exists) upon prior reasonable notice to the Company to visit the Company'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. The Company shall do any and all acts required by Agent to ensure the Company's compliance in all material respects with paragraph 4(a) of this Agreement.

6. The Company agrees that, until all of the Obligations have been satisfied in full, it will not enter into any agreement (including, without limitation, any license agreement) which is inconsistent with the Company's duties under this Agreement.

7. If at any time the Company shall obtain rights to any new trademarks, or becomes entitled to the benefit of any trademark application or trademark or any renewal of any Trademark, the provisions of paragraph 2 hereof shall automatically apply thereto, and the Company shall give to Agent prompt notice thereof in writing.

8. The Company authorizes Agent to modify this Agreement by amending Exhibit A to include any future trademarks, service marks, trademark applications and service mark applications within the definition of Trademarks under paragraph 2 or paragraph 7 hereof.

9. At any time an Event of Default exists, Agent shall have, in addition to all other rights and remedies given it by this Agreement, all rights and remedies under Applicable Law and all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Agent may immediately, for the benefit of Purchasers, without demand of performance and without notice (except as described in the next sentence, if required by Applicable Law), or demand, each of which the Company hereby expressly waives, and without advertisement (except as otherwise provided by Applicable Law) collect directly any payments due the Company in respect of the Collateral, or sell at public or private sale or otherwise realize upon all or, from time to time, any of the Collateral. The Company hereby agrees that ten (10) Business Days notice to the Company of any public or private sale or other disposition of any of the Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Agent may, to the extent permitted by Applicable Law, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of the Company, which right the Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Collateral all costs and expenses incurred by Agent in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Obligations for the benefit of Purchasers in accordance with the terms of the Note Agreement. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Company. If any deficiency shall arise, the Company and each guarantor of the Obligations shall remain jointly and severally liable to Purchasers therefor.

10. The Company hereby makes, constitutes and appoints Agent and any officer or agent of Agent as Agent may select as the Company'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 the Company's name on all applications, documents, papers and instruments necessary for Agent to continue the registration of or to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any other Person. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all of the Obligations shall have been satisfied in full and the Note Agreement shall have been terminated.

11. At such time as all of the Obligations shall have been satisfied finally and in full and the Commitments under the Note Agreement shall have been terminated, Agent shall execute and deliver to the Company, without representation, warranty or recourse and at the Company's expense, all releases and other instruments necessary to terminate Agent's security interest in the Collateral, subject to any disposition thereof which may have been made by Agent pursuant to the terms of this Agreement, the Note Agreement or any other Loan Document.

12. Any and all fees, costs and expenses, of whatever kind or nature (including, without limitation, reasonable attorneys' fees and legal expenses), actually incurred by Agent 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, without limitation, 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 Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be borne and paid by the Company (it being the intent of the Company and Agent that the Company shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all renewal fees with respect to the Trademarks) or, if paid by Agent, shall be paid by the Company **on demand** to Agent and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the rate per annum in effect from time to time under the Note Agreement.

13. The Company shall use reasonable efforts to detect any infringers of the Trademarks and shall notify Agent in writing of infringements detected. The Company shall have the duty, through counsel acceptable to Agent, to prosecute diligently any trademark application of the 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, to file and prosecute lawsuits to enforce the Trademarks and to do any and all acts which are deemed reasonably necessary or desirable by Agent to preserve and maintain all rights in the Trademarks, unless the failure to do any of the foregoing could not reasonably be expected to have a Material Adverse Effect. Any expenses incurred in connection with such applications or proceedings shall be borne by the Company.

14. If the Company at any time fails to promptly comply with the provisions of paragraph 13 hereof:

(a) Agent shall have the right, but shall in no way be obligated, to bring suit in its own name, to enforce the Trademarks and any license thereunder or to protect the rights of the parties thereunder, in which event the Company shall at the request of Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Agent to aid such enforcement, and the Company shall promptly,

upon demand, reimburse and indemnify Agent for all costs and expenses incurred in the exercise of Agent's rights under this paragraph 14(a); and

(b) Agent shall have the right, but in no way shall be obligated, to defend any suit or counterclaim in its own name in order to defend the Trademarks and any licenses thereunder, in which event the Company shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such defense and the Company shall promptly, **upon demand**, reimburse and indemnify Agent for all costs and expenses incurred by Agent in the exercise of its rights under this paragraph 14(b).

15. No course of dealing between the Company and Agent or any Purchaser, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under the Note 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.

16. All of Agent's rights and remedies with respect to the Collateral, whether established by this Agreement, by the Note Agreement, by any other agreements or by Applicable Law, shall be cumulative and may be exercised singularly or concurrently.

17. 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.

18. This Agreement constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supercedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 8 hereof.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Agent and upon the successors and permitted assigns of the Company. The Company shall not assign its rights or delegate its duties hereunder without the prior written consent of Agent.

20. The Company hereby waives notice of Agent's acceptance hereof.

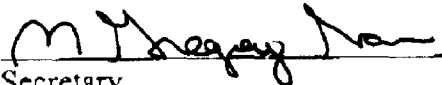
21. THIS AGREEMENT HAS BEEN NEGOTIATED, EXECUTED AND DELIVERED AT AND SHALL BE DEEMED TO HAVE BEEN MADE IN ATLANTA, GEORGIA. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

22. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE COMPANY AND AGENT EACH WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE COLLATERAL.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal in Atlanta, Georgia on the day and year first written above.

ATTEST:

**PAMECO INVESTMENT
COMPANY, INC.**
("Company.")



Secretary
[CORPORATE SEAL]

By:  _____

Title:  _____



Witness

STATE OF GEORGIA)
) ss.
COUNTY OF FULTON)

BEFORE ME, the undersigned authority, on this day personally appeared M. Gregory Sara, Rick Martin of Pameco Investment Company, Inc., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

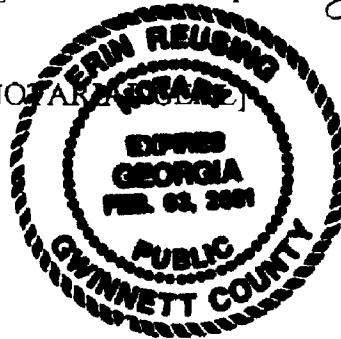
GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 18th day of February, 2000.

Erin D. Reusing

Notary Public

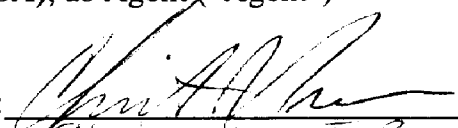
My Commission Expires: 2/3/2001

[NOTARY SEAL]



Accepted in Atlanta, Georgia

**INTERNATIONAL COMFORT
PRODUCTS CORPORATION
(USA), as Agent ("Agent")**

By: 
Title: Assistant Secretary

Connecticut
STATE OF GEORGIA)
Hartford) ss. Farmington
COUNTY OF FULTON)

BEFORE ME, the undersigned authority, on this day personally appeared Christopher J. Bryan of International Comfort Products Corporation (USA), known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 15th day of February, 2000.

Caroline A. Berkowski
Notary Public
My Commission Expires: 7-31-2004

[NOTARIAL SEAL]

EXHIBIT A

Trademark	Owner	Status in Trademark Office	Country	Application or Registration Number	Registration Date
POWER LINK	Pameco Investment Company, Inc.	Registered	USA	2,037,945	2/11/97
THE PAMECO FIRST AID KIT and design	Pameco Investment Company, Inc.	Registered	USA	1,880,827	2/28/95
PAMECO CORP. FIRST AID and design	Pameco Investment Company, Inc.	Registered	USA	1,869,910	12/27/94
THE PAMECO TOOL KIT and design	Pameco Investment Company, Inc.	Registered	USA	1,869,909	12/27/94
PAMECO and design	Pameco Investment Company, Inc.	Registered	USA	1,856,081	9/27/94
PAIN NO-PAIN RECLAIM and design	Pameco Investment Company, Inc.	Registered	USA	1,789,662	8/24/93
THERMAL ZONE and design	Pameco Investment Company, Inc.	Registered	USA	1,709,886	8/25/92
THERMAL ZONE and design	Pameco Investment Company, Inc.	Registered	USA	1,709,632	8/25/92

EXHIBIT B

CERTIFICATE

PAMECO INVESTMENT COMPANY, INC. (the "Company"), DOES HEREBY CERTIFY to **INTERNATIONAL COMFORT PRODUCTS CORPORATION (USA)** ("Agent") as agent for itself and certain other corporations ("Purchasers") that are parties from time to time to the Note Agreement among Pameco Corporation, Agent, and Purchasers, that the quality of the products associated with the Trademarks listed on Exhibit A of the Trademark Security Agreement dated February 18, 2000, between the Company and Agent (as amended from time to time to include future trademarks and trademark applications, the "Agreement"), has been maintained at a level consistent with the quality of such products at the time of the execution of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, this ___ day of _____, 200__.

**PAMECO INVESTMENT
COMPANY, INC.**
("Company")

By: _____

Title: _____