

04-18-2000



101323659

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

MRD
3-20-00

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
2 17 00

Conveying Party

Mark if additional names of conveying parties attached

Name SJI Wholesale, Inc.

Execution Date
Month Day Year
2 17 00

Formerly

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

Receiving Party

Mark if additional names of receiving parties attached

Name FINOVA Capital Corporation

DBA/AKA/TA

Composed of

Address (line 1) 111 West 40th Street

Address (line 2)

Address (line 3) New York

City

New York/USA

State/Country

10018

Zip Code

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

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.)

FOR OFFICE USE ONLY

04/18/2000 DNGUYEN 00000013 75084590

01 FC:481
02 FC:482

40.00 OP
200.00 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: 002053 FRAME: 0272

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="75/084590"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="2,136,120"/>	<input type="text" value="2,092,730"/>	<input type="text" value="2,062,126"/>
<input type="text" value="2,082,480"/>	<input type="text" value="2,050,423"/>	<input type="text" value="2,082,479"/>
<input type="text" value="2,080,156"/>	<input type="text" value="2,176,732"/>	<input type="text"/>

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.

Name of Person Signing

MARK J Picillo V.P.

Signature

MARK J Picillo

Date Signed

03/08/00

EXHIBIT "D"

TRADEMARK SECURITY AGREEMENT

THIS AGREEMENT is made as of the 17th day of February, 2000 between SJI Wholesale, Inc., a Tennessee corporation, having an address at 6312 Baum Drive, Knoxville, Tennessee 37950 (collectively, the "Borrower") and FINOVA Capital Corporation, a Delaware corporation with an address at 111 West 40th Street, New York, New York 10018 ("Lender" or "FINOVA").

WHEREAS, Borrower and Lender have or shall enter into a certain financing arrangement (the "Financing") which shall be evidenced in part by a certain Trademark Purchase Agreement and the exhibits annexed thereto, including a Promissory Note, dated the date hereof by and between Borrower and FINOVA (hereinafter collectively the "Financing Agreements"). 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 trademarks and associated logos, commercial symbols, labeled designs, trade names and copyrights associated therewith ("Trademarks") and the goodwill of the business thereof. This Trademark Security Agreement is being executed contemporaneously with the Security Agreement, pursuant to which the Borrower is to pay certain monies to FINOVA under the Promissory Note and FINOVA is granted certain rights upon the event of a default by Borrower, and it is the intention of the parties that FINOVA shall also have a lien upon and security interest in the Trademarks and the right to foreclose on the Trademarks in the event FINOVA alleges the occurrence of an uncured Event of Default under the Financing Agreements.

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 Financing Agreements), Borrower hereby grants to FINOVA a security interest in and mortgage on the entire right, title and interest in and to the 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 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 Trademarks (including the goodwill of the business thereof), 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; 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) which is inconsistent with Borrower's obligations under this Agreement, without FINOVA's prior written consent which consent FINOVA may not be unreasonably withheld.

4. If any Event of Default shall have been alleged by FINOVA, 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 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 and Trademarks, or any interest which the Borrower may have therein, and after deducting from the proceeds of sale or other disposition of the 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 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 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 one or more of the Trademarks (and its associated goodwill) free from any right of redemption on the part of Borrower, which right is hereby waived and released.

5. 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 Trademarks, subject to any disposition thereof which may have been made by FINOVA pursuant hereto.

6. Any and all fees, costs and expenses, of whatever kind or nature, including the attorney's fees and legal expenses 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 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.

7. Borrower shall have the duty, through counsel acceptable to FINOVA, to prosecute diligently any trademark application for any 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 and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Borrower. The Borrower shall not abandon any of the Trademarks without the consent of FINOVA, which consent shall not be unreasonably withheld.

8. 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, 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.

9. In the Event of Default under the Financing Agreements, 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 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.

10. 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 Trademarks

11. 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 Financing Agreements 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.

12. All of FINOVA's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

13. 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.

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

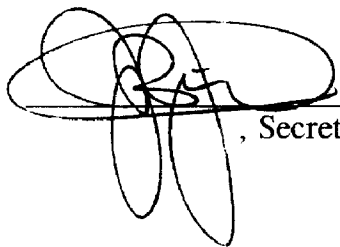
15. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

16. 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 New York.

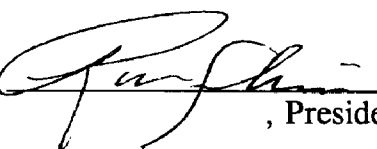
IN WITNESS WHEREOF, the execution hereof as of the day and year first above written.

ATTEST:

SJI WHOLESALE, INC.

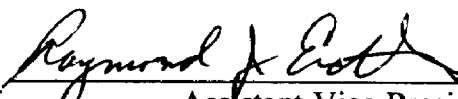


, Secretary

By: 

, President

FINOVA CAPITAL CORPORATION

By: 

, Assistant Vice President
RAYMOND J EICHLER

STATE OF TENNESSEE)
 ss.:
COUNTY OF Knox)

On this 14th day of February, in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared Ronald Jenkins personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Cynthia S. Allen
Notary Public
Expires: 12/5/00

Schedule "A" to Trademark Security Agreement dated February 17, 2000, by and between
SJI WHOLESALE, INC. and FINOVA CAPITAL CORPORATION.

<u>Trade/Service Name</u>	<u>Registration or (Application) No.</u>	<u>Country</u>	<u>Registration or (Filing) Date</u>	<u>Expiration Date</u>
CELESTINO VEGA	2,136,120	USA	2/10/98	
CELESTINO VEGA & DESIGN C.V.	2,092,730	USA	9/2/97	
MORRO CASTLE	2,062,126	USA	5/13/97	
RUM RUNNER	2,082,480	USA	7/22/97	
DOMINO PARK	2,050,423	USA	4/8/97	
CALLE OCHO	2,082,479	USA	7/22/97	
FUN	2,080,156	USA	7/15/97	
FREE CUBA	2,176,732	USA	7/28/98	
	(75,084,590)	USA	(4/5/96)	