



06-07-2001

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

05-25-2001

U.S. Patent & TMOs/TM Mail Rcpt Dt. #57

Commissioner of Patents & Trademarks
101741572

1 original documents or copy thereof.

1. Name of conveying party(ies):

GC Investment Holdings, Inc.

S-7501

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

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: May 14, 2001

2. Name and address of receiving party(ies)

Name: Southern Management Development, Inc.

Internal Address:
Street:
Address: 241 Ralph McGill Boulevard, NE
City: Atlanta State GA Zip 30308

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Georgia
- 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 registration number(s):

A. Trademark Application No.(s)

75/412,381; 75/412,177; 75/745,649; 75/746,226; 75/733,944;
75/733,959; 75/744,492; 75/733,622; 75/733,687; 75/733,941;
75/733,946; 75/739,513; 75/739,502; 75/751,368; 75/738,955

B. Trademark Registration No.(s)

1,742,017; 1,740,433; 2,373,361; 2,269,771; 2,250,519; 2,341,743;
2,373,362; 2,347,535; 2,267,718; 2,373,405; 1,787,257; 1,278,459;
2,234,569; 2,198,786; 2,441,963; 1,111,117; 2,420,775; 2,198,787;
2,198,781; 2,371,579; 1,726,584; 1,726,583; 1,413,807; 1,390,330;
1,459,926; 1,462,604; 1,459,925; 1,459,927; 1,459,930; 1,459,928;
1,459,929

Additional number(s) attached Yes No

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

Name: Peter J. Pawlak, Jr., Esq.

Internal Address: Troutman Sanders, LLP

Street Address: 600 Peachtree Street, Suite 5200

City: Atlanta State GA Zip: 30308

6. Total number of applications and registrations involved:..... 46

7. Total fee (37 CRT \$ 1,165.00 3.41).....
 Enclosed

8. Deposit account number:
20-1507

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

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.

Peter J. Pawlak, Jr.

May 25, 2001

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 11

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

**CONDITIONAL ASSIGNMENT AND
TRADEMARK SECURITY AGREEMENT**

THIS CONDITIONAL ASSIGNMENT AND TRADEMARK SECURITY AGREEMENT (the "Agreement") is made as of the 14 day of May, 2001, by GC INVESTMENT HOLDINGS, INC. ("GC"), a Georgia corporation, in favor of SOUTHERN MANAGEMENT DEVELOPMENT, INC. f/k/a SOUTHERN COMPANY ENERGY SOLUTIONS, INC. ("Energy Solutions"), a Georgia corporation.

WHEREAS, GC and Energy Solutions have entered into an Asset Purchase Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"; capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Purchase Agreement), pursuant to which Energy Solutions has agreed to make certain financial accommodations available to GC (the "Financing"); and

WHEREAS, in order to induce Energy Solutions to enter into the Purchase Agreement and to make Financing, GC has agreed to assign to Energy Solutions certain trademark rights as described herein.

NOW, THEREFORE, in consideration of the premises, GC hereby agrees with Energy Solutions as follows:

1. Grant of Security Interest.

To secure the complete and timely payment and performance of all Obligations, GC hereby grants, assigns and conveys to Energy Solutions a security interest in GC's entire world-wide right, title and interest in and to the trademarks and their respective registrations and applications for registration listed in **Schedule A** attached hereto and by reference made a part hereof, together with the goodwill of the business symbolized by the trademarks, all licenses relating thereto, and all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements (all of which trademarks, trademark registrations, applications for registration, goodwill, licenses, proceeds, and other rights are collectively called the "Trademarks").

2. Obligations.

GC shall pay Energy Solutions (1) \$100,000 on May 14, 2001; (2) \$311,492.18 on or before December 17, 2001; (3) an additional \$25,000, if Cardinal IG renewed or agreed to become a licensee or sponsor of Good Cents programs on or before December 31, 2001; and (4) an additional \$25,000, if H2 Technologies renewed or agreed to become a licensee or sponsor of Good Cents programs on or before December 31, 2001 (collectively the "Obligations").

3. Conditional Grant of Security Interest in Additional Trademarks.

If, before the Obligations shall have been satisfied in full and Energy Solutions' commitment to finance under the Purchase Agreement shall have been terminated, GC shall have or obtain ownership of any trademark, including any registration or application therefor, with respect to goods sold (the "Goods") and services rendered (the "Services") in GC's business, the provisions of Paragraph 1 shall automatically apply thereto, and also to any composite marks or other marks of GC which are confusingly similar to such mark, and GC shall give to Energy Solutions as soon as practicable written notice thereof. This Paragraph 3 shall not apply to trademarks which are owned by others and licensed to GC. GC shall perform all acts and execute all documents reasonably requested (including any amendments hereto) by Energy Solutions at any time and from time to time to evidence, perfect, maintain, record and enforce Energy Solutions's security interest in the Trademarks, including, without limitation, any trademarks falling under this Paragraph 3.

4. Modification of Agreement.

GC authorizes Energy Solutions to modify this Agreement by amending Schedule A to include any additional trademarks, registrations and applications for registration thereof which are Trademarks under Paragraph 1 or Paragraph 3 hereof, and to have this Agreement, as amended, or any other document evidencing the security interest granted therein, recorded in the U.S. Patent and Trademark Office.

5. Covenants of Borrower.

(a) GC covenants as follows: (i) it will maintain the high standard of quality which has become associated with the Trademarks consistent with commercially reasonable business practices; (ii) Energy Solutions from time to time and upon reasonable request shall have the right to inspect samples of the Goods, the procedures and facilities used to provide Services, the premises at which the Goods are produced and at which the Services are performed and records relating to the Trademarks at the premises where such records are kept; and (iii) Energy Solutions shall have the right to prevent use of the Trademarks on Goods and Services which are not of high quality, all so as to preserve the goodwill symbolized by the Trademarks.

(b) GC further agrees that: (i) it will use and not abandon or do any act or omit to do any act that may cause or contribute to the abandonment of any Trademark, or permit the expiration of any registration of any Trademark listed on Schedule A, provided, however, GC may cease to use, abandon, or permit the expiration of any registration of any such Trademark that is not material to its business with the prior written consent of Energy Solutions (which consent shall not be unreasonably withheld); (ii) it shall give Energy Solutions written notice, and a complete copy, of any sublicense of any Trademark (but the failure to do so shall not constitute a default hereunder); and (iii) all uses of the Trademarks by it or its permitted sublicensees will include such notices of registration as are required or authorized from time to time under applicable law.

(c) With respect to each Trademark listed on Schedule A, GC agrees to take all necessary steps, including, without limitation, in the U.S. Patent and Trademark Office or in any court, to (i) maintain each such Trademark, and (ii) pursue each such application for trademark registration, now or hereafter included in the Trademarks under this Agreement, including, without limitation, the filing of responses to office actions issued by the U.S. Patent and Trademark Office, the filing of applications for renewal, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, the participation in opposition, cancellation and infringement and misappropriation proceedings and the payment of fees and taxes incurred in connection therewith. Notwithstanding the foregoing, if GC determines that any such Trademark is not material to GC's business, GC may, with the prior written consent of Energy Solutions, elect not to pursue any such infringement action. GC agrees to take corresponding steps with respect to each new or acquired trademark, trademark registration, or application therefor covered by Paragraph 3 hereof. Any expenses incurred in connection with such activities shall be borne by GC, and GC agrees to as soon as practicable provide Energy Solutions with written notice of any such actions or proceedings.

(d) GC shall perform all acts and execute all documents reasonably requested by Energy Solutions at any time and from time to time to evidence, perfect, maintain, record and enforce Energy Solutions' security interest in the Trademarks, including, without limitation, any trademarks falling under Paragraph 3.

(e) Until all of the Obligations shall have been satisfied in full and Energy Solutions' Financing commitment under the Purchase Agreement shall have been terminated, GC will not enter into any agreement which is inconsistent with GC's obligations under this Agreement without Energy Solutions's prior written consent.

6. Remedies Upon Default: Power of Attorney.

(a) ^{Material} In addition to the grant of the security interest contained in Paragraphs 1 and 3 hereof, if any Event of Default under the Purchase Agreement shall have occurred and be continuing, ~~or if GC fails to perform any agreement~~ or to meet any of its obligations hereunder, which failure shall continue for a period of thirty (30) days after written notice thereof has been given to GC by Energy Solutions, upon the election of Energy Solutions, all right, title and interest in and to the Trademarks shall be automatically granted, assigned, conveyed and delivered to Energy Solutions or its designee. GC hereby irrevocably constitutes and appoints Energy Solutions and any officer, agent or employee 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 GC and in the name of GC or Energy Solutions' own name or the name of Energy Solutions's designee, all acts of said attorney being hereby ratified and confirmed, upon the occurrence and during the continuance of an Event of Default: (i) to complete, date, execute and file, or cause to be filed, the Assignment attached hereto as Exhibit A and incorporated hereby by reference (the "Assignment") in the U.S. Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, including, without limitation, the right (but not the obligation) to prosecute applications in the name of GC or Energy Solutions, and to take any other actions deemed necessary by Energy Solutions to

maintain such registrations in effect; (ii) to collect proceeds from the Trademarks (including, by way of example, license royalties and proceeds of infringement suits); (iii) to convey in any transaction authorized by the Purchase Agreement, any Goods covered by the registrations applicable to the Trademarks to any purchaser thereof; and (iv) to make payment or to discharge taxes or liens levied or placed upon or threatened against any goods covered by the Trademarks, the legality or validity thereof and the amounts necessary to discharge the same to be determined by Energy Solutions in its sole discretion, and such payments made by Energy Solutions to become the obligations of GC to Energy Solutions, due and payable immediately without demand. Such power, being coupled with an interest, is irrevocable until the Obligations have been paid in full.

(b) Energy Solutions shall have, in addition to all other rights and remedies given it by this 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 enforceable, and, without limiting the generality of the foregoing, Energy Solutions may, if any Event of Default under the Purchase Agreement shall have occurred and be continuing, immediately, without demand or performance and without other notice (except as set forth below) or demand whatsoever to GC, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the Trademarks, together with the goodwill of the business symbolized by the Trademarks, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds in accordance with the terms of the Purchase Agreement. Notice of any sale or other disposition of the Trademarks shall be given to GC at least five (5) business days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which GC hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Energy Solutions may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of GC, which right is hereby waived and released. GC hereby agrees to execute any documents reasonably requested by Energy Solutions in connection with any disposition hereunder.

(c) Upon the occurrence of the conditional assignment provided for herein, GC shall have no right, title, or interest in or to any of the Trademarks and GC shall cease and desist in the use of the Trademarks and of any colorable imitation thereof, and shall, upon written demand of Energy Solutions, or pursuant to the terms of the Purchase Agreement, deliver to Energy Solutions all Goods bearing the Trademarks.

7. Termination of Agreement.

At such time as GC shall completely satisfy all of the Obligations and Energy Solutions' commitment to finance under the Purchase Agreement shall have been terminated, Energy Solutions shall execute and deliver to GC all deeds, assignments and other instruments as may be necessary or proper to re-vest in GC title to the Trademarks and the goodwill of the business symbolized by the Trademarks, subject to any disposition thereof which may have been made by Energy Solutions pursuant hereto.

8. Limitation of Liability and Indemnification.

GC hereby releases Energy Solutions from, and agrees to hold Energy Solutions free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to the Trademarks (except to the extent of Energy Solutions's gross negligence or willful misconduct), and GC agrees to indemnify Energy Solutions from and against any and all claims, demands, suits, losses, damages or other expenses (including reasonable attorneys' fees) arising from or in any way related to the Trademarks and any trademark infringement claim.

9. Waiver and Amendment.

(a) No course of dealing between GC and Energy Solutions nor any failure to exercise, nor any delay in exercising, on the part of Energy Solutions, any right, power or privilege hereunder or thereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) This Agreement is subject to modification only by a writing signed by the parties hereto.

10. Cumulative Rights.

All of Energy Solutions' rights and remedies with respect to the Trademarks, whether established hereby or under the Purchase Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

11. 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.

12. Survival.

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 hereto.

13. Counterparts.

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.


14. Choice of Law.

The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties hereto shall be governed by the laws of the State of Georgia regardless of any choice of law or other provision that would result in the application of the laws of any other jurisdiction.

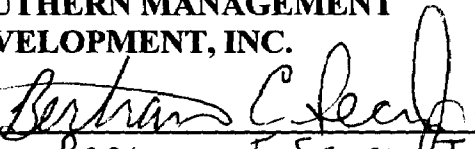
15. Authority. GC has the unqualified right, power and authority to execute, deliver and perform this Agreement.

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

GC INVESTMENT HOLDINGS, INC.

By: 
Name: CANDIA J STEEN
Title: PRESIDENT + CEO

**SOUTHERN MANAGEMENT
DEVELOPMENT, INC.**

By: 
Name: Bertram E. Sears Jr.
Title: President

SCHEDULE A

LISTING OF TRADEMARK REGISTRATIONS AND APPLICATIONS

<u>Intellectual Property</u>	<u>Serial/Registration No.</u>	<u>Filing/Registration Date</u>
<u>TRADEMARKS</u>		
COMMERCIAL GOOD CENTS	1,742,017	12/22/1992
COMMERCIAL GOOD CENTS & Design	1,740,433	12/15/1992
GOOD CENTS	2,373,361	08/01/2000
GOOD CENTS	2,269,771	08/10/1999
GOOD CENTS	2,250,519	06/01/1999
GOOD CENTS	2,341,743	04/11/2000
GOOD CENTS	2,373,362	08/01/2000
GOOD CENTS	2,347,535	05/02/2000
GOOD CENTS	2,267,718	08/03/1999
GOOD CENTS	2,373,405	08/01/2000
GOOD CENTS	75/412,381	12/30/1997
GOOD CENTS	75/412,177	12/30/1997
GOOD CENTS	1,787,257	08/10/1993
GOOD CENTS & Design	1,278,459	05/15/1984
GOOD CENTS COOLING & Design	75/745,649	07/08/1999
GOOD CENTS COOLING & Design	75/746,226	07/08/1999
GOOD CENTS ENVIRONMENTAL HOME	2,234,569	03/23/1999

<u>Intellectual Property</u>	<u>Serial/Registration No.</u>	<u>Filing/Registration Date</u>
GOOD CENTS ENVIRONMENTAL HOME & Design	2,198,786	10/20/1998
GOOD CENTS HEATING & Design	2,441,963	04/10/2001
GOOD CENTS HEATING & Design	75/733,944	06/22/1999
GOOD CENTS HOME Stylized	1,111,117	01/09/1979
GOOD CENTS LIVING & Design	75/733,959	06/22/1999
GOOD CENTS LIVING & Design	75/744,492	07/07/1999
GOOD CENTS LIVING & Design	2,420,775	01/16/2001
GOOD CENTS PREMIER HOME	2,198,787	10/20/1998
GOOD CENTS PREMIER HOME & Design	2,198,781	10/20/1998
GOOD CENTS SELECT	2,371,579	07/25/2000
GOOD CENTS SUMMER & Design	75/733,622	06/22/1999
GOOD CENTS SUMMER & Design	75/733,687	06/22/1999
GOOD CENTS WINTER & Design	75/733,941	06/22/1999
GOOD CENTS WINTER & Design	75/733,946	06/22/1999
SUPER GOOD CENTS	1,726,584	10/20/1992
SUPER GOOD CENTS & Design	1,726,583	10/20/1992
GOOD CENTS ENERGY	75/739,513	06/29/1999
GOOD CENTS ENVIRONMENTAL	75/739,502	06/29/1999
GOOD CENTS HOME	75/751,368	06/29/1999
GOOD CENTS ONLINE	75/738,955	06/29/1999
CENTSABLE CONTRACTOR	1,413,807	10/14/1986
CENTSABLE ENERGY CHECK	1,390,330	04/15/1986

0726024.02
Trademark Security Agreement

<u>Intellectual Property</u>	<u>Serial/Registration No.</u>	<u>Filing/Registration Date</u>
RBEP-PC	1,459,926	10/06/1987
UVALUPDT	1,462,604	10/27/1987
RESCALC	1,459,925	10/06/1987
GLASUPDT	1,459,927	10/06/1987
RESENRGY	1,459,930	10/06/1987
RATEUPDT	1,459,928	10/06/1987
RESECON	1,459,929	10/06/1987

EXHIBIT A

ASSIGNMENT OF TRADEMARKS AND GOODWILL

THIS ASSIGNMENT dated the ___ day of _____, 200_, from **GC INVESTMENT HOLDINGS, INC.**, a Georgia corporation (the "Assignor"), to **SOUTHERN MANAGEMENT DEVELOPMENT, INC. f/k/a SOUTHERN COMPANY ENERGY SOLUTIONS, INC.**, a Georgia corporation (the "Assignee"), recites and provides:

WHEREAS, the Assignor is the owner of certain trademarks and service marks and the registrations and applications to register therefor listed in **Schedule A** hereto (the "Trademarks"); and

WHEREAS, the Assignee desires to obtain, pursuant to the _____, 2001, Conditional Assignment and Trademark Security Agreement between the Assignor and the Assignee, all of the Assignor's right, title and interest in all such Trademarks.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Assignor hereby grants, assigns and conveys to the Assignee, its successors and assigns, the entire right, title and interest of the Assignor in and to the Trademarks, including without limitation all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements, together with the goodwill of the business symbolized by the Trademarks. The Assignor acknowledges that it has granted the Assignee the right to secure the assets of the Assignor associated with the business symbolized by the Trademarks under separate agreement.

The Assignor further agrees to execute such further instruments and documents and perform such further acts as the Assignee may deem necessary to secure to the Assignee the rights herein conveyed.

The Assignor warrants and represents that it is the sole owner of the interest conveyed hereunder and that such interest is not the subject of any prior transfer, assignment, lien, mortgage or other transaction which would affect the Assignor's ability to transfer such interest.

The Assignor further agrees to indemnify the Assignee for any breach of the above warranty.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the day and year first above written.

GC INVESTMENT HOLDINGS, INC

By: _____
Name: _____
Title: _____