

07-03-2001



101766700

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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

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

1. Name of conveying party(ies):

6-2501

AVIATION SALES COMPANY

- 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: June 4, 2001

2. Name and address of receiving party(ies)

Name: CITICORP USA, INC.

Internal

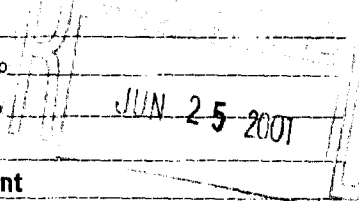
Address:

Street Address: 388 Greenwich Street

City: New York State: NY Zip: 10013

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

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)

Please see Schedule A attached hereto

B. Trademark Registration No.(s)

Please see Schedule A attached hereto

Additional number(s) attached Yes No

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

Name: Debra A. Kozlowski

Internal Address: Sidley Austin Brown & Wood

Street Address: Bank One Plaza

10 S. Dearborn Street

City: Chicago State: IL Zip: 60603

6. Total number of applications and registrations involved: 20

7. Total fee (37 CFR 3.41): \$ 515.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

Please charge any deficiencies or overages to: 19-2165

(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.

Debra A. Kozlowski

Name of Person Signing

Debra A. Kozlowski

Signature

June 25, 2001

Date

18

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

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

07/02/2001 TDIAZI 00000096 2317390

01 FC:481 02 FC:482

40.00 DP 475.00 DP

Schedule A

to

Trademark Security Agreement

Dated as of June 4, 2001

**Registered Trademarks and Service Marks  
or  
Trademarks and Service Marks Applications**

None, except:

Service Mark	Registration No./Serial No.
TOTAL INVENTORY MANAGEMENT	2317390
TOTAL INVENTORY MANAGEMENT	2322610
TOTAL INVENTORY MANAGEMENT	2317391
TOTAL INVENTORY MANAGEMENT	2327450
TIM	2311686
TIM	2309261
TIM	2311687
TIM	2309267
TOTAL AIRCRAFT MAINTENANCE	2317389
TOTAL AIRCRAFT MAINTENANCE	2334004
TOTAL AIRCRAFT MAINTENANCE	2317392
TOTAL AIRCRAFT MAINTENANCE	2336888
TAM	2311691
TAM	2309262

TAM	2311688
TAM	2309260
TIM TAM	2419853
TIM TAM	75/612609
TIM TAM	75/612242
TIM TAM	75/611869

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") dated as of June 4, 2001 is executed by and between AVIATION SALES COMPANY, a Delaware corporation having its chief executive office at 3601 Flamingo Road, Miramar, Florida, 33027 (the "Grantor"), and Citicorp USA, Inc., a Delaware corporation, as agent (the "Agent") for the "Holders" (as such term is defined in the "Credit Agreement" defined below).

PRELIMINARY STATEMENT. The Grantor has entered into a certain Fourth Amended and Restated Credit Agreement dated as of May 31, 2000 among Aviation Sales Distribution Services Company, a Delaware corporation ("Distribution"), Aerocell Structures, Inc., an Arkansas corporation ("Aerocell"), AVS/M-2, Inc. (formerly known as AVS/Kratz-Wilde Machine Company), a Delaware corporation ("Kratz-Wilde"), Whitehall Corporation, a Delaware corporation ("Whitehall"), Triad International Maintenance Corporation, a Delaware corporation ("TIMCO"), AVS/M-3, Inc. (formerly Apex Manufacturing, Inc.), an Arizona corporation ("Apex"), AVS/CAI, Inc. (formerly Caribe Aviation Inc.), a Florida corporation ("Caribe"), Aircraft Interior Design, Inc., a Florida corporation ("Design"), Aviation Sales Leasing Company, a Delaware corporation ("Leasing"), and TIMCO Engine Center, Inc., a Delaware corporation ("TIMCO Engine") (Distribution, Aerocell, Kratz-Wilde, Whitehall, TIMCO, Apex, Caribe, Design, Leasing, and TIMCO Engine being collectively referred to as the "Borrowers"), the Grantor, the Agent, the institutions from time to time party thereto as Lenders and the institutions from time to time party thereto as Issuing Banks (as the same has heretofore been and may hereafter be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; unless otherwise defined herein, capitalized terms are used herein as therein defined) providing for the making of Loans, advances and other financial accommodations to or for the benefit of, and the issuance of Letters of Credit for the account of, the Borrowers and their Subsidiaries. Grantor has entered into a certain Amended and Restated Guaranty dated as of October 17, 1997 in favor of the Lenders, the Issuing Banks and other Holders under the Credit Agreement (the "Guaranty") pursuant to which Grantor guarantees the Obligations of the Borrowers. It is a condition precedent to the making of additional Loans, advances and other financial accommodations by the Lenders and the issuance of Letters of Credit by the Issuing Banks under the Credit Agreement that the Grantor shall have granted the security interest contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises set forth herein and in order to induce the Lenders to make Loans, advances and other financial accommodations and the Issuing Banks to issue Letters of Credit under the Credit Agreement, the Grantor hereby agrees with the Agent, for its benefit and the benefit of the other Holders, as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof and reaffirmed in their entirety.

3. Incorporation of the Credit Agreement and the Security Agreement. The Credit Agreement, the Amended and Restated Security Agreement dated as of October 17, 1997 among the Grantor and the Agent (the "Security Agreement"), the Guaranty and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Obligations and the Grantor's obligations under the Guaranty, Grantor hereby grants to the Agent, for the benefit of the Holders, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of Grantor's now owned or existing and hereafter acquired or arising:

(i) trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) the goodwill of Grantor's business symbolized by the foregoing and connected therewith, and (e) all of Grantor's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in clauses (a)-(e) in this paragraph 4(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(ii) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether Grantor is a licensee or licensor under any such license agreement, including, without limitation, those trademark license

agreements and service mark license agreements listed on Schedule B attached hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by Grantor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses").

5. Restrictions on Future Agreements. Grantor will not, without the Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Agent under this Agreement or the rights associated with the Trademarks or Licenses.

6. New Trademarks and Licenses. Grantor represents and warrants that, from and after the date hereof, (a) the Trademarks listed on Schedule A include all of the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications now owned or held by Grantor, (b) the Licenses listed on Schedule B include all of the trademark license agreements and service mark license agreements under which Grantor is the licensee or licensor and (c) no liens, claims or security interests in such Trademarks and Licenses have been granted by Grantor to any Person other than the Agent. If, prior to the termination of this Agreement, Grantor shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, the provisions of paragraph 4 above shall automatically apply thereto. Grantor shall give to the Agent written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence promptly after the occurrence thereof, but in any event not less frequently than on a quarterly basis. Grantor hereby authorizes the Agent to modify this Agreement unilaterally (i) by amending Schedule A to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and by amending Schedule B to include any future trademark license agreements and service mark license agreements, which are Trademarks or Licenses under paragraph 4 above or under this paragraph 6, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, and trademark license agreements and service mark license agreements.

7. Royalties. Grantor hereby agrees that the use by the Agent of the Trademarks and Licenses as authorized hereunder in connection with the Agent's exercise of its rights and remedies under paragraph 15 or pursuant to Section 12 of the Security Agreement shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent or the other Holders to Grantor.

8. Right to Inspect; Further Assignments and Security Interests. The Agent may at all reasonable times (and at any time when an Event of Default exists) have access to, examine, audit, make copies (at Grantor's expense) and extracts from and inspect Grantor's premises and examine Grantor's books, records and operations relating to the Trademarks and Licenses; provided, that in conducting such inspections and examinations, the Agent shall use reasonable efforts not to disturb unnecessarily the conduct of Grantor's ordinary business operations. From and after the occurrence of an Event of Default, Grantor agrees that the Agent, or a conservator appointed by the Agent, shall have the right to establish such reasonable additional product quality controls as the Agent or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks and the Licenses or in connection with which such Trademarks and Licenses are used. Grantor agrees not to sell or assign its respective interests in, or grant any license under, the Trademarks or the Licenses without the prior and express written consent of the Agent.

9. Nature and Continuation of the Agent's Security Interest; Termination of the Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall terminate only when the Obligations and the Grantor's obligations under the Guaranty have been paid in full in cash and the Credit Agreement, the Guaranty and the Security Agreement have been terminated. When this Agreement has terminated, the Agent shall promptly execute and deliver to Grantor, at Grantor's expense, all termination statements and other instruments as may be necessary or proper to terminate the Agent's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by the Agent pursuant to this Agreement or the Security Agreement.

10. Duties of Grantor. Grantor shall have the duty, to the extent desirable in the normal conduct of Grantor's business, to: (i) prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, and (ii) make application for trademarks or service marks that are or shall be necessary or economically desirable in the operation of Grantor's business as determined by Grantor in Grantor's reasonable judgement. Grantor further agrees (i) not to abandon any Trademark or License without the prior written consent of the Agent, and (ii) to use its best efforts to maintain in full force and effect the Trademarks and the Licenses that are or shall be necessary or economically desirable in the operation of Grantor's business as determined by Grantor in Grantor's reasonable judgement. Any expenses incurred in connection with the foregoing shall be borne by Grantor. Neither the Agent nor any of the Holders shall have any duty with respect to the Trademarks and Licenses. Without limiting the generality of the foregoing, neither the Agent nor any of the Holders shall be under any obligation to take any steps necessary to preserve rights in the Trademarks or Licenses against any other parties, but the Agent may do so at its option from and after the occurrence of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of Grantor and shall be added to the Obligations and the Grantor's obligations under the Guaranty secured hereby.

11. The Agent's Right to Sue. From and after the occurrence of an Event of Default, the Agent shall have the right, but shall not be obligated, to bring suit in its own name to

enforce the Trademarks and the Licenses and, if the Agent shall commence any such suit, Grantor shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement. Grantor shall, upon demand, promptly reimburse the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Agent).

12. Waivers. The Agent's failure, at any time or times hereafter, to require strict performance by Grantor of any provision of this Agreement shall not waive, affect or diminish any right of the Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Grantor and the Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of Grantor contained in this Agreement shall be deemed to have been suspended or waived by the Agent unless such suspension or waiver is in writing signed by an officer of the Agent and directed to Grantor specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but 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 hereof, 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. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraph 6 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. Grantor hereby irrevocably designates, constitutes and appoints the Agent (and all Persons designated by the Agent in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes the Agent and any of the Agent's designees, in Grantor's or the Agent's name, to take any action and execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement from and after the occurrence of an Event of Default and the giving by the Agent of notice to Grantor of the Agent's intention to enforce its rights and claims against Grantor, to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use of the Trademarks or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Trademarks or the Licenses as the Agent deems in its own or the Holders' best interest. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations and the Grantor's obligations under the Guaranty shall have been paid in full in cash and the Credit Agreement and the Guaranty shall have been terminated. Grantor acknowledges and agrees that



this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent or the other Holders under the Credit Agreement, the Security Agreement, the Guaranty or any of the other Loan Documents, but rather is intended to facilitate the exercise of such rights and remedies.

The Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies 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 or the Licenses may be located or deemed located. Upon the occurrence of an Event of Default and the election by the Agent to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code with respect to the Trademarks and Licenses, Grantor agrees to assign, convey and otherwise transfer title in and to the Trademarks and the Licenses to the Agent or any transferee of the Agent and to execute and deliver to the Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Agent's sole discretion, to effect such assignment, conveyance and transfer. All of the Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by the Security Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of an Event of Default, the Agent may exercise any of the rights and remedies provided in this Agreement, the Security Agreement and any of the other Loan Documents. Grantor agrees that any notification of intended disposition of any of the Trademarks and Licenses required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; provided, however, that the Agent may give any shorter notice that is commercially reasonable under the circumstances.

16. Successors and Assigns. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of each of the Holders and its nominees, successors and assigns. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however, that Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without the Agent's prior written consent.

17. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the laws and decisions of the State of New York.


18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Credit Agreement.

19. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. Merger. This Agreement represents the final agreement of the Grantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Grantor and the Agent or any other Holder.

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

AVIATION SALES COMPANY

By   
Name: Michael C Grant  
Title: Vice President CFO

Accepted and agreed to as of the day and year first above written.

CITICORP USA, INC., as Agent

By \_\_\_\_\_  
Keith R. Gerding  
Vice President

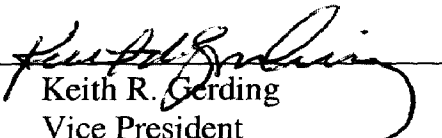
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

AVIATION SALES COMPANY

By \_\_\_\_\_  
Name:  
Title:

Accepted and agreed to as of the day and year first above written.

CITICORP USA, INC., as Agent

By   
Keith R. Gerding  
Vice President

Schedule A

to

Trademark Security Agreement

Dated as of June 4, 2001

**Registered Trademarks and Service Marks  
or  
Trademarks and Service Marks Applications**

None, except:

Service Mark	Registration No./Serial No.
TOTAL INVENTORY MANAGEMENT	2317390
TOTAL INVENTORY MANAGEMENT	2322610
TOTAL INVENTORY MANAGEMENT	2317391
TOTAL INVENTORY MANAGEMENT	2327450
TIM	2311686
TIM	2309261
TIM	2311687
TIM	2309267
TOTAL AIRCRAFT MAINTENANCE	2317389
TOTAL AIRCRAFT MAINTENANCE	2334004
TOTAL AIRCRAFT MAINTENANCE	2317392
TOTAL AIRCRAFT MAINTENANCE	2336888
TAM	2311691
TAM	2309262

TAM	2311688
TAM	2309260
TIM TAM	2419853
TIM TAM	75/612609
TIM TAM	75/612242
TIM TAM	75/611869

Schedule B

to

Trademark Security Agreement


Dated as of June 4, 2001

**License Agreements**

None.

STATE OF FLORIDA        )  
                                  ) SS  
COUNTY OF BROWARD    )

The foregoing Trademark Security Agreement was acknowledged before me this  
14<sup>TH</sup> day of June, 2001, by MICHAEL BRANT, an OFFICER (CFO) of  
Aviation Sales Company, a Delaware corporation, on behalf of such corporation.

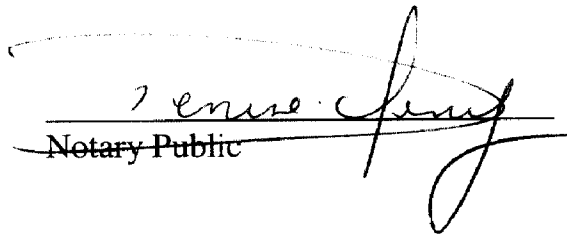
 AnneMarie Caruso  
My Commission CC983615  
Expires November 26, 2004

  
Notary Public

My commission expires: 11/26/04

STATE OF NEW YORK     )  
                                  ) SS  
COUNTY OF NEW YORK    )

The foregoing Trademark Security Agreement was acknowledged before me this 5 day of June, 2001, by Keith R. Gerding, a Vice President of Citicorp USA, Inc., a Delaware corporation, on behalf of such corporation.

  
\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**DENISE C. PERRY**  
Notary Public State Of New York  
No. 01PE6045304  
Qualified in Nassau County  
Commission Expires: 07/31/20 02