

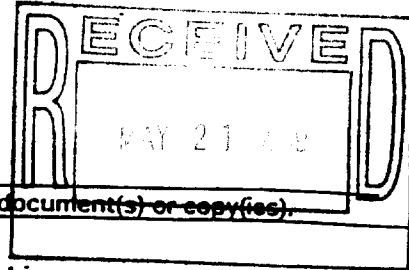
06-02-1999



101054705

5.21.99

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY



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
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

- Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership Association

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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.)

06/01/1999 DNGUYEN 00000022 1939404

FOR OFFICE USE ONLY

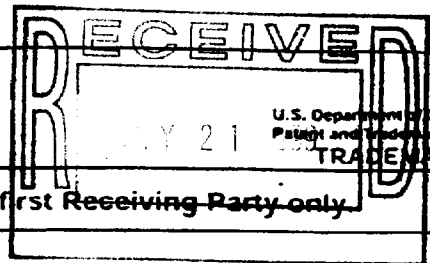
| | | |
|-----------|-------|----|
| 01 FC:481 | 40.00 | OP |
| 02 FC:482 | 25.00 | OP |
| 03 FC:998 | 25.00 | OP |

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 (0851-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0851-0027, 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, DC 20231

REEL: 001904 FRAME: 0652

06/01/1999 DNGUYEN 00000022



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"/> | <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="1939404"/> | <input type="text" value="2107327"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <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.

James F. Donato

Name of Person Signing

Signature

5/14/99

Date Signed

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is made as of April 20, 1999 by and between **Banner Aerospace, Inc.**, a Delaware corporation ("Grantor"), and **Citicorp USA, Inc.**, a Delaware corporation, as collateral agent for the "Lenders", the "Issuing Banks" and other "Holders" (in such capacity, the "Collateral Agent"), pursuant to that certain Credit Agreement dated as of April 20, 1999 by and among The Fairchild Corporation, a Delaware corporation, as borrower (the "Borrower"), the financial institutions from time to time parties thereto as Lenders and Issuing Banks, Citicorp, in its capacities as the Collateral Agent and an "Administrative Agent" for the Lenders and Issuing Banks, NationsBank, N.A., a national banking association, in its capacity as an "Administrative Agent" for the Lenders and Issuing Banks, and Credit Suisse First Boston, in its capacity as "Documentation Agent" (such Credit Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time, is hereinafter referred to as the "Credit Agreement").

WITNESSETH:

WHEREAS, the Borrower, Collateral Agent, Administrative Agents, Documentation Agent, Lenders and Issuing Banks have entered into the Credit Agreement pursuant to which the Lenders and Issuing Banks have agreed to make and extend certain loans and provide certain other financial accommodations to or for the benefit of the Borrower and its Subsidiaries;

WHEREAS, Grantor is a Subsidiary of the Borrower and acknowledges that it will derive direct and indirect benefit from such loans and other financial accommodations;

WHEREAS, Grantor has executed and delivered a certain Security Agreement of even date herewith (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the "Security Agreement") in favor of the Collateral Agent, for the benefit of the Collateral Agent, Lenders, Issuing Banks and other Holders, pursuant to which, among other things, Grantor has granted a security interest in the "Collateral" (as defined therein) to secure the payment of the Obligations;

WHEREAS, in order to secure the prompt and complete payment, observance and performance of all of the Obligations, the Lenders and the Issuing Banks have required as a condition, among others, to the making of loans and provision of other

financial accommodations to or for the account of the Borrower under the Credit Agreement, that Grantor execute and deliver this Agreement to the Collateral Agent for the benefit of the Collateral Agent, Lenders, Issuing Banks and other Holders on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree 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. Unless otherwise defined herein or in the Credit Agreement, each capitalized term used herein that is defined in the Security Agreement shall have the meaning specified for such term in the Security 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.

3. Incorporation of the Credit Agreement and the Security Agreement. The Credit Agreement, the Security Agreement 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, Grantor hereby grants to the Collateral Agent, for its benefit and the benefit of the Lenders, Issuing Banks and other 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 Section 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 Collateral Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and, subject to the provisions of Section 10 herein, 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 Collateral 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 Closing Date, (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 Collateral Agent, except those granted with the prior written consent of the Collateral 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 Section 4 above shall automatically apply thereto. Grantor shall give to the Collateral 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 Collateral 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 Section 4 above or under this Section 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. The Collateral Agent agrees to promptly notify Grantor upon taking any of the actions described in the immediately preceding sentence.

7. Royalties. Grantor hereby agrees that the use by the Collateral Agent of the Trademarks and Licenses as authorized hereunder in connection with the Collateral Agent's exercise of its rights and remedies under Section 15 hereof or pursuant to Section 8 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 Collateral Agent or any Lender or any Issuing Bank or any other Holder to Grantor.

8. Right to Inspect; Further Assignments and Security Interests. The Collateral 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 Collateral 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 Collateral Agent, or a conservator appointed by the Collateral 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 Collateral Agent (which consent will not be unreasonably withheld).

9. Nature and Continuation of the Collateral Agent's Security Interest; Termination of the Collateral 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 have been indefeasibly paid in full in cash and the Credit Agreement and the Security Agreement have been terminated or when the Trademarks and Licenses are released from the lien created hereby. When this Agreement has terminated or any Trademarks or Licenses are to be released from the lien created hereby in accordance with the terms of the Credit Agreement, the Collateral 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 Collateral Agent's security interest in the applicable Trademarks and Licenses, subject to any disposition thereof which may have been made by the Collateral Agent pursuant to this Agreement or the Security Agreement.

10. Duties of Grantor. Grantor shall have the duty, to the extent reasonable in the normal conduct of Grantor's business or where otherwise consistent with good business judgment, 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 Collateral Agent (which consent will not be unreasonably withheld), 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 business judgment. Any expenses incurred in connection with the foregoing shall be borne by Grantor. Neither the Collateral Agent nor any Lender nor any Issuing Bank nor any other Holder shall have any duty with respect to the Trademarks and Licenses. Without limiting the generality of the foregoing, neither the Collateral Agent nor any Lender nor any Issuing Bank nor any other Holder shall be under any obligation to take any steps necessary to preserve rights in the Trademarks or Licenses against any other parties, but the Collateral 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 secured hereby.

11. The Collateral Agent's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, the Collateral 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 Collateral Agent shall commence any such suit, Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all proper documents required by the Collateral Agent in aid of such enforcement. Grantor shall, upon demand, promptly reimburse the Collateral Agent for all costs and expenses incurred by the Collateral Agent in the exercise of its rights under this Section 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Collateral Agent).

12. Waivers. The Collateral 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 Collateral Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Grantor and the Collateral 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 Collateral Agent unless such suspension or waiver is in writing signed by an officer of the Collateral 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 herein or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. Grantor hereby irrevocably designates, constitutes and appoints the Collateral Agent (and all Persons designated by the Collateral Agent in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes the Collateral Agent and any of the Collateral Agent's designees, in Grantor's or the Collateral Agent's name, to take any action and execute any instrument which the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement from and after the occurrence and during the continuance of an Event of Default. Upon such occurrence and during the continuance of an Event of Default and the giving by the Collateral Agent of notice to Grantor of the Collateral Agent's intention to enforce its rights and claims against Grantor, the Collateral Agent shall have the right to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Collateral 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 Collateral Agent deems in its own or the Lenders' or the Issuing Banks' or other 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 this Agreement terminates pursuant to Section 9 hereof. Grantor acknowledges and agrees that

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

The Collateral 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, and during the continuance, of an Event of Default and the election by the Collateral 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 Collateral Agent or any transferee of the Collateral Agent and to execute and deliver to the Collateral Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the Collateral Agent's sole discretion, to effect such assignment, conveyance and transfer. All of the Collateral 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 and during the continuance of an Event of Default, the Collateral Agent may exercise any of the rights and remedies provided in this Agreement, the Credit Agreement, the Security Agreement and any of the other Loan Documents. The Collateral Agent agrees that it will notify Grantor of the intended disposition of any Trademarks or Licenses within a commercially reasonable time prior to such intended disposition, the time of delivery of which notice the parties hereto agree shall in no event be required to be greater than five (5) Business Days.

16. Effectiveness; Successors and Assigns. This Agreement shall become effective on the Effective Date, shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of the Collateral Agent, the Lenders, the Issuing Banks and other Holders and their respective 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 Collateral Agent's prior written consent.

17. Governing Law. This Agreement has been executed and delivered by the parties hereto in New York, New York. Any dispute between the Collateral Agent and Grantor arising out of or related to the relationship established between them in connection with this Agreement, and whether arising in contract, tort, equity, or otherwise, shall be resolved in accordance with the laws of the State of New York.

18. Notices. All notices, requests and other communications required or desired to be served, given or delivered hereunder shall be given in the manner specified in Section 15.08 of the Credit Agreement and to the addresses specified on the signature pages thereof or such other addresses as may be substituted therefor from time to time as provided in such Section 15.08.

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. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

21. Merger. This Agreement represents the final agreement of 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 Grantor and the Collateral Agent or any Lender or any Issuing Bank or any other Holder.

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

BANNER AEROSPACE, INC.

By Eugene W. Juris
Eugene W. Juris
Vice President

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

CITICORP USA, INC.,
as Collateral Agent

By Suzanne Crymes
Suzanne Crymes
Vice President

Schedule A
to
Trademark Security Agreement

Dated as of April 20, 1999

Trademarks

None, except:

(See attached Schedule A-1)

Trademark and Service Mark Applications

None.

Schedule A-1

| <u>Trademark</u> | <u>Reg. No.</u> |
|---|-----------------|
| "The Right Part, Right Now" | 1939404 |
| "Today's Quality is Tomorrow's Reputation" | 2107327 |

Schedule B
to
Trademark Security Agreement

Dated as of April 20, 1999

License Agreements

None.

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

The foregoing Trademark Security Agreement was acknowledged before me this 15 day of April, 1999, by Eugene W. Juris, a Vice President of Banner Aerospace, Inc., a Delaware corporation, on behalf of such corporation.

Catherine A. Harrison
Notary Public

My commission expires: 8/19/99

CATHERINE A HARRISON
Notary Public, State of New York
No. 41-4985444, Qualified in Queens County
Certificate Filed in New York County
Commission Expires August 19, 1999

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

The foregoing Trademark Security Agreement was acknowledged before me this 20 day of April, 1999, by Suzanne Crymes, a Vice President of Citicorp USA, Inc., a Delaware corporation, on behalf of such corporation.

CRYSTAL L. SMITH
Notary Public, State of New York
No. 01SM5064974
Qualified in Kings County
Commission Expires August 26, ~~1998~~ 2000


Notary Public

My commission expires: _____