

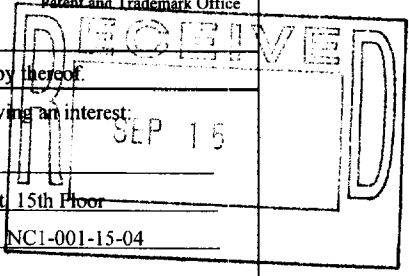
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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



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

1. Name of Party(ies) conveying an interest:

American Studios, Inc.
815 Matthews - Mint Hill Road
Matthews, North Carolina 28105

Individual(s) Association
 General Partnership Limited Partnership
 Corporation North Carolina
 Other

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

2. Name and Address of Party(ies) receiving an interest:

Name: NationsBank, N.A., As Agent
 Street Address: 101 North Tryon Street 15th Floor
 Internal Address: Independence Center, NC1-001-15-04
 City: Charlotte State: North Carolina Zip: 28255

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation _____
 Other National Banking Association

Additional name(s) & address(es) attached? Yes No

3. Nature of Conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other Notice of Grant of Security Interest In Trademarks

Execution Date: August 24, 1998

4. Application number(s) or registration number(s):

A. Trademark Application No.(s):
74/713,596 74/713,317

Additional numbers attached? Yes No

B. Trademark Registration No.(s):
1,976,759 683,301

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

Name: Mark H. Webbink, Esq.
 Internal Address: Moore & Van Allen, PLLC
 Street Address: 2200 West Main Street, Suite 800
 City: Durham State: NC ZIP: 27705

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.4): \$ 115.00
 Enclosed
 Authorized to be charged to deposit account (Any Deficiency)

8. Deposit account number:
13-4365
 (Attach duplicate copy of this form 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.

Mark H. Webbink, Esq. [Signature] 9/8/98
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments and document: 4

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
 Box Assignments
 Washington, D.C. 20231

CERTIFICATE OF MAILING

I hereby certify that this paper is being deposited with the United States Postal Service as first class mail in an envelope addressed to the Commissioner Of Patent And Trademarks, Washington, DC 20231, BOX ASSIGNMENTS.

TIM KROLL
 (Typed or printed name of person signing the certificate)

[Signature]
 (Signature of the person signing the certificate)

9/8/98
 (Date of Signature)

09/16/1998 SSM:TH 00000120 74713596

01 FC:481 40.00 OP
02 FC:482 75.00 OP

Schedule A

U.S. Trademarks

American Studios, Inc.

<u>Reg./App. No.</u>	<u>Mark</u>	<u>Reg./App. Date</u>
74-713,596	Eye Design	App. 8/10/95
74-713,317	PICTURE IT YOUR WAY	App. 8/9/95
1,976,759	Eye Design	Reg. 5/28/96
683,301	AMERICAN STUDIOS & Design	Reg. 8/11/59

**NOTICE
OF
GRANT OF SECURITY INTEREST
IN
TRADEMARKS**

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security Agreement dated as of August 24, 1998 (the "Security Agreement") by and among the Obligors party thereto (each an "Obligor" and collectively, the "Obligors") and NationsBank, N.A., as Agent (the "Agent") for the Lenders referenced therein (the "Lenders"), the undersigned Obligor has granted a continuing security interest in and continuing lien upon, the trademarks and trademark applications shown below to the Agent for the ratable benefit of the Lenders:

TRADEMARKS

PCA INTERNATIONAL, INC.

<u>Reg. No.</u>	<u>Trademark</u>	<u>Reg. Date</u>
2,109,875	A WHOLE NEW WAY TO GET PORTRAITS YOUR WAY	Reg. 10-28-97
1,958,904	THE CHOICE OF PROUD PARENTS EVERYWHERE	Reg. 2-27-96
1,958,037	INSTANT DIGITAL PORTRAIT SYSTEM	Reg. 2-20-96
1,939,801	NOW YOU DECIDE IF THE EXPRESSION IS RIGHT... INSTANTLY	Reg. 12-5-95
1,867,847	MY CUSTOM PORTRAITS	Reg. 12-13-94
1,863,373	WHERE YOU CALL THE SHOTS!	Reg. 11-15-94
1,870,876	PORTRAITS CERTAIN TO MAKE YOU PROUD	Reg. 12-27-94
1,863,372	A NEW WAY TO SHARE ONE OF YOUR PROUDEST MOMENTS	Reg. 11-15-94
1,897,212	INSTANT DIGITAL IMAGE	Reg. 5-30-95
1,900,243	INSTANT DIGITAL IMAGES	Reg. 6-13-95
1,459,748	CHURCH FAMILY ALBUMS (Sty.)	Reg. 9-29-87
1,459,761	CHURCH FAMILY ALBUMS	Reg. 9-29-87
938,234	PCA & Design	Reg. 7-18-72

AMERICAN STUDIOS, INC.

<u>Reg./App. No.</u>	<u>Trademark</u>	<u>Reg./App. Date</u>
74-713,596	Eye Design	App. 8/10/95
74-713,317	PICTURE IT YOUR WAY	App. 8/9/95
1,976,759	Eye Design	Reg. 5/28/96
683,301	AMERICAN STUDIOS & Design	Reg. 8/11/59

**TRADEMARK
REEL: 1788 FRAME: 0821**

TRADEMARK APPLICATIONS


PCA INTERNATIONAL, INC.

<u>App. Serial No.</u>	<u>Trademark</u>	<u>Filing Date</u>
75/421,519	PORTRAIT NET	App. 1-22-98
75/421,518	E-PORTRAITNET	App. 1-22-98
75/421,517	E-PORTRAITS	App. 1-22-98
75/421,516	DIGITAL PORTRAIT NETWORK	App. 1-22-98
75/421,515	DIGITAL PORTRAIT NET	App. 1-22-98
75/421,493	PCA PORTRAIT ADVANTAGE	App. 1-22-98
75/376,659	PCA PORTRAIT WORKS	App. 10-21-97
75/376,658	PORTRAIT WORKS	App. 10-21-97
75/365,086	SMILING FACES	App. 9-26-97
75/363,764	PORTRAIT SCREEN SAVER	App. 9-26-97
75/363,762	PCA PORTRAIT SCREEN SAVER	App. 9-26-97
	PORTRAIT GALLERY	App. 8-98
	THE PORTRAIT GALLERY	App. 8-98
	PCA PORTRAIT GALLERY	App. 8-98
	PCA	App. 8-98


The Obligors and the Agent, on behalf of the Lenders, hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Security Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

PCA INTERNATIONAL, INC.


By: 
Name: John Grosso
Title: President

AMERICAN STUDIOS, INC.

By: 
Name: John Grosso
Title: President

Acknowledged and Accepted:

NATIONSBANK, N.A., as Agent

By: 
Name: John E. Ball
Title: Senior Vice President