

08-21-2000

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



101438163

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

7-25-00

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
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)

City State/Country Zip Code

- Individual General Partnership Limited Partnership 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.)

08/18/2000 NTHAIL 00000107 75584305

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

40.00 OP
225.00 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: 002122 FRAME: 0921

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

404-572-4786

Name

Gerald T. Woods

Address (line 1)

King & Spalding

Address (line 2)

191 Peachtree Street

Address (line 3)

Address (line 4)

Atlanta, Georgia 30303

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

5

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)

75584385

75860804

75652754

75652734

75666398

75860805

75119932

75025139

74412279

73669160

Number of Properties

Enter the total number of properties involved.

#

10

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

265.00

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.

Gerald T. Woods

Name of Person Signing

Signature

7/21/00

Date Signed

**COLLATERAL ASSIGNMENT AND
SECURITY AGREEMENT (TRADEMARKS)**

THIS COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (TRADEMARKS) (the "Agreement"), dated as of June 30, 2000 by the undersigned (the "Company"), to and in favor of WACHOVIA BANK, N.A. ("Lender").

WITNESSETH:

RECITALS.

A. The Company owns certain trademarks which are registered in, or applications for registration which have been filed in, the United States Patent and Trademark Office, and rights under certain Trademark Licenses, all as more fully described on Schedule I attached hereto and by reference made part hereof; and

B. The Company and the Lender (among others) are parties to a Loan and Security Agreement of even date herewith (as it may be amended from time to time, the "Loan Agreement");

C. The Lender has proposed to make certain loans to the Company pursuant to the Loan Agreement; and

D. Pursuant to the Loan Agreement, the Company has assigned, conveyed, mortgaged, pledged, hypothecated and transferred to the Lender all of its right, title and interest in and to, and granted to the Lender a security interest in, the property described therein, including, without limitation, (a) all of the Company's Trademarks (as herein defined), whether presently existing or hereafter acquired or arising, or in which the Company now has or hereafter acquires rights and wherever located; (b) all of the Company's Trademark Licenses (as herein defined), whether presently existing or hereafter acquired or in which the Company now has or hereafter acquires rights and wherever located; and (c) all products and proceeds any of the foregoing, as security for all of the "Obligations" (as that term is defined in the Loan Agreement; herein, the "Obligations"); and

E. As a condition precedent to the extension of such financial accommodations pursuant to the Loan Agreement and in furtherance of the Loan Agreement, including, without limitation, for purposes of perfecting the security interests granted therein, the Lender has required that the Company grant to the Lender a security interest in and a collateral assignment of the Property (as herein defined);

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. For purposes of this Agreement and in addition to terms defined elsewhere in this Agreement, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

“Trademark License” means any written agreement now or hereafter in existence granting to the Company any right to use any Trademark, including, without limitation, the agreements listed on Schedule I attached hereto.

“Trademarks” means all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those listed on Schedule I attached hereto together with all the rights, benefits and privileges derived therefrom and the goodwill of the business symbolized thereby, (ii) all renewals thereof and (iii) all proceeds of the foregoing.

2. As security for all of the Obligations, the Company hereby grants and conveys a security interest to the Lender, in, and collaterally assigns to the Lender, all of its right, title and interest in, to and under the following (collectively, the “Property”):

(a) each Trademark now or hereafter owned by the Company or in which the Company now has or hereafter acquires rights and wherever located and the goodwill of the business of the Company relating thereto or represented thereby, including, without limitation, each Trademark referred to in Schedule I hereto; and

b) each Trademark License now or hereafter held by the Company or in which the Company now has or hereafter acquires rights, to the extent each of the Trademark Licenses does not prohibit assignment or the granting of a security interest in the rights thereunder, and wherever located, including, without limitation, the Trademark Licenses, if any, referred to in Schedule I hereto; and

(c) all products and proceeds of the foregoing, including, without limitation, any claim by the Company against third parties for past, present or future infringement of any Trademark or breach of Trademark Licenses, if any, including, without limitation, any Trademark or Trademark License referred to in Schedule I hereto.

Notwithstanding the foregoing or anything else contained in this Agreement to the contrary, the assignment set forth above shall not be effective as a transfer of title to the Property unless and until the Lender exercises the rights and remedies accorded to it under the Loan Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the

*and specifically elects, in writing, to effectuate the the assignment set forth above

Property,* and until such time the Company shall own, and may use and enjoy the Property in connection with its business operations, and exercise all incidents of ownership, including, without limitation, enforcement of its rights and remedies with respect to the Property, but with respect to all Property being used in the Company's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property.

3. The Company does hereby further acknowledge and affirm that the representations, warranties and covenants of the Company with respect to the Property and the rights and remedies of the Lender with respect to the security interest in and collateral assignment of the Property made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. This Agreement shall terminate upon termination of the Loan Agreement. At any time and from time to time prior to such termination, the Lender may terminate its security interest in or reconvey to the Company any rights with respect to any or all of the Property. Upon termination of this Agreement and following a request from the Company, the Lender shall, at the expense of the Company, execute and deliver to the Company all deeds, assignments and other instruments as may be necessary or proper in the reasonable judgment of the Company in order to evidence such termination, subject to any disposition of the Property which may have been made by the Lender pursuant hereto or pursuant to the Loan Agreement.

5. If at any time before the termination of this Agreement in accordance with Section 4, the Company shall obtain or acquire rights to any new Trademark or Trademark License, the provisions of Section 2 shall automatically apply thereto and the Company shall comply with the terms of the Loan Agreement with respect to such new Trademark or Trademark License. The Company authorizes the Lender to modify this Agreement by amending Schedule 1 to include any future Trademarks and Trademark Licenses covered by Section 2 or by this Section 5.

6. The Company further agrees that (a) the Lender shall not have any obligation or responsibility to protect or defend the Property and the Company shall at its own expense protect, defend and maintain the same in accordance with the terms and conditions set forth in the Loan Agreement, (b) the Company shall forthwith advise the Lender promptly in writing upon detection of infringements of any of the Property being used in the Company's business and (c) if the Company fails to comply with the requirements of the preceding clause (a), the Lender may do so in the Company's name or in its own name, but in any case at the Company's expense, and the Company hereby agrees to reimburse the Lender for all expenses, including attorneys' fees, incurred by the Lender in protecting, defending and maintaining the Property.

7. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF GEORGIA, EXCEPT TO THE EXTENT THAT PERFECTION (AND THE EFFECT OF PERFECTION AND NONPERFECTION) AND CERTAIN REMEDIES MAY BE GOVERNED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF GEORGIA.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed under seal by its duly authorized officers as of the date first above written.

ABC SCHOOL SUPPLY, INC.

By: [Signature]
Name: Carl G. Anderson Jr.
Title: President

STATE OF GEORGIA)
) ss.:
COUNTY OF FULTON)

On July 11, 2000 before me personally came Carl Anderson, to me personally known and known to me to be the person described in and who executed the foregoing instrument as the President of ABC School Supply, Inc., who being by me duly sworn, did depose and say that he is the President of ABC School Supply, Inc., the corporation described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public Mary L. Mitchell

My Commission Expires: [Signature]
Notary Public, Gwinnett County, Georgia
My Commission Expires March 4, 2002

[NOTARIAL SEAL]

SCHEDULE I

REGISTERED U.S. TRADEMARKS

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
1. ABC & Design	75/652,754	2/23/98
2. ABC School Supply	75/652,734	2/23/98
3. Where Education Meets Imagination ABC & Design	75/666,398	3/23/99
4. ABC-Drago	75/860,805	11/30/99
5. Green Light Lease	75/119,932	6/17/96
6. Where Little Things Mean A Lot	75/025,139	11/28/95
7. Korners For Kids	74/412,279	7/14/93
8. ABC School Supply Inc. & Design	73,669,160	6/29/87

PENDING U.S. TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
1. Where Education Meets Imagination	75/584,385	11/06/98
2. Drago Newton School Equipment & Supply	75/860,804	11/30/99