

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Tab settings

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

1. Name of conveying party(ies): Douglas Publications, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State VA 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: 10/23/02

2. Name and address of receiving party(ies)

Name: Citizens Bank of Massachusetts

Internal Address:

Street Address: 53 State Street

City: Boston State: MA Zip: 02109

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other Massachusetts State Chartered Bank

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)

B. Trademark Registration No.(s) 2121164 0772860 2356532 1732219 1404010 1404013

Additional number(s) attached Yes No

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

Name: Christopher E. Kondracki

Internal Address:

Street Address: 2001 Jefferson Davis, Hwy.

Suite 505

City: Arlington State: VA Zip: 22202

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41) \$ 165.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

19-3545

DO NOT USE THIS SPACE

9. Signature.

Christopher E. Kondracki Name of Person Signing

Signature

10/31/02 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

TRADEMARK AND TRADEMARK APPLICATION SECURITY AGREEMENT

This Trademark and Trademark Application Security Agreement (the "TM Security Agreement") is made as of the 23rd day of October, 2002 by Douglas Publications, Inc., a Virginia corporation with its principal offices at 2807 North Parham Road, Suite 200, Richmond, Virginia 23294 (the "Debtor"), and CITIZENS BANK OF MASSACHUSETTS, a Massachusetts state chartered bank with an office at 53 State Street, Boston, Massachusetts 02109 (the "Secured Party").

RECITALS

WHEREAS, pursuant to a certain loan arrangement of even date herewith between the Debtor and Secured Party, evidenced by, among other documents, a certain Loan and Security Agreement of even date herewith (hereinafter, the "Loan Agreement"), between the Debtor and the Secured Party, the Secured Party has agreed to make certain loans (hereinafter, the "Revolving Credit Loans") available to the Debtor; and

WHEREAS, under the Loan Agreement, the Debtor has granted a security interest in the Debtor's assets to secure the Obligations of the Debtor to the Secured Party (as defined in the Loan Agreement);

WHEREAS, as a condition, among others, to the extension of the credit facility contemplated by the Loan Agreement, and as to further secure the Obligations, the parties hereto shall execute this Agreement.

NOW THEREFORE, for value received, the receipt of which is hereby acknowledged, including, without limitation, enabling the Debtor to obtain credit or other financial accommodations from the Secured Party, the Debtor hereby agrees as follows:

1. **Definitions:** Capitalized terms used herein without definition shall have the respective meanings provided therefor in the Loan Agreement.

2. **Grant of Security Interest:** To secure the Obligations, Debtor hereby confirms and acknowledges that it has granted and created (and, to the extent not previously granted under the Loan Agreement, does hereby irrevocably grant and create) a security interest in favor of the Secured Party, with power of sale to the extent permitted by law (which power of sale shall be exercisable only following the occurrence of an Event of Default) in and to the following and all proceeds thereof:

(a) All of the Debtor's now owned or existing or hereafter acquired or arising 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 **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks or service mark applications.

(b) All renewals of any of the foregoing.

(c) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

(d) The right to sue for past, present and future infringements and dilutions of any of the foregoing.

(e) All of Debtor's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 2.(a), together with the items respectively described in Subsections 2.(b) through and including 2.(e) are hereinafter individually and/or collectively referred to as the "Trademarks".

3. Protection of Trademarks By Debtor: Debtor shall undertake the following with respect to each Trademark:

(a) Pay all renewal fees and other fees and costs associated with maintaining the Trademarks and with the processing of the Trademarks.

(b) At Debtor's sole cost, expense, and risk, pursue the prompt, diligent, processing of each Application for Registration which is the subject of the foregoing assignment and not abandon or delay any such efforts.

(c) At Debtor's sole cost, expense, and risk, take any and all action which Debtor deems desirable to protect the Trademarks, including, without limitation, but subject to Debtor's discretion, the prosecution and defense of infringement actions.

(d) At Debtor's sole cost, expense, and risk, register with the United States Trademark Office all unfiled trademarks created or purchased by the Debtor which the Debtor deems to be material.

4. Debtor's Representations and Warranties: Debtor represents and warrants that:

(a) The Trademarks listed on Exhibit A include all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by the Debtor.

(b) No liens, claims or security interests have been granted by the Debtor to any person or entity in such Trademarks other than to the Secured Party or as otherwise permitted pursuant to the Loan Agreement.

(c) Debtor shall give the Secured Party written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:

(i) The Debtor obtains rights to any new trademarks, registered service marks or service mark applications, service marks, registered service marks or service mark applications (other than Debtor's right to sell products containing the trademarks of others in the ordinary course of Debtor's business)

(ii) The Debtor becomes 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 (other than Debtor's right to sell products containing the trademarks of others in the ordinary course of Debtor's business).

(iii) The Debtor enters into any new trademark license agreement or service mark license agreement.

5. Agreement Applies to Future Trademarks:

(a) The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in 4.(a), above, all of which shall be deemed to be and treated as "Trademarks" within the meaning of this TM Security Agreement.

(b) The Debtor hereby authorizes the Secured Party to modify this agreement by amending Exhibit A to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, written notice of which shall be given, provided, however, the modification of said *EXHIBIT* shall not be a condition to the creation or perfection of the security interest and TM Security Agreement created hereby.

6. Debtor's Rights To Enforce Trademarks: Prior to the Secured Party's giving of notice to Debtor following the occurrence of an Event of Default, Debtor shall have the exclusive right to sue for past, present and future infringement of the Trademarks including the right to seek injunctions and/or money damages, in an effort by Debtor to protect the Trademark against encroachment by third parties, *provided, however:*

(a) Debtor first provides the Secured Party with written notice of Debtor's intention to so sue for enforcement of any Trademark.

(b) Any money damages awarded or received by Debtor on account of such suit (or the threat of such suit) shall constitute Trademarks.

(c) Following the occurrence of any Event of Default, the Secured Party, by notice to Debtor may terminate or limit Debtor's rights under this Section 6.

7. Secured Party's Actions To Protect Trademarks: In the event of

(a) Debtor's failure to cure any failure by Debtor to perform any of Debtor's obligations hereunder; and/or

(b) the occurrence of any other Event of Default,

the Secured Party, acting in its own name or in that of Debtor, may (but shall not be required to) act in Debtor's place and stead and/or in the Secured Party's own right in connection therewith.

8. Rights Upon Default: Upon the occurrence of and during the continuation of any Event of Default, the Secured Party may exercise all rights and remedies of a secured party under the UCC, with respect to the Trademarks, in addition to which the Secured Party, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Trademarks together with the goodwill with which it is associated. Any person may conclusively rely upon an affidavit of an officer of the Secured Party that an Event of Default has occurred and is continuing and that the Secured Party is authorized to exercise such rights and remedies.

9. Secured Party As Attorney In Fact:

(a) Debtor hereby irrevocably constitutes and designates the Secured Party as and for Debtor attorney in fact, exercisable after the occurrence of any Event of Default:

(i) To exercise any of the Debtor's rights and powers referenced herein.

(ii) To execute all such instruments, documents, and papers as the Secured Party determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Trademarks.

(b) The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until this Agreement is terminated by a duly authorized officer of the Secured Party.

(c) The Secured Party shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a) herein, but if the Secured Party elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Debtor for any act or omission to act except for any act or omission to act as to which there is a final determination made in a judicial proceeding (in which proceeding the Secured Party has had an opportunity to be heard) which determination includes a specific finding that the subject act or omission to act had been grossly negligent or in actual bad faith.

10. Secured Party's Rights:

(a) Any use by the Secured Party of the Trademarks, as authorized hereunder in connection with the exercise of the Secured Party's rights and remedies under this Agreement and under the Loan Agreement shall be coextensive with Debtor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

(b) None of this Agreement or any other Loan Document, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Secured Party any rights in and to the Trademarks, which rights are only effective following the occurrence of any Event of Default.

11. **Intent:** This TM Security Agreement is intended to be supplemental of the Loan Agreement. All provisions of the Loan Agreement shall apply to the Trademarks and the Secured Party shall have the same rights with respect to any and all Trademarks granted the Secured Party to secure the Obligations hereunder as thereunder. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Trademarks, and the Loan Agreement shall control with respect to all other collateral.

12. **Choice of Laws:** It is intended that this TM Security Agreement take effect as a sealed instrument and that all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of The Commonwealth of Massachusetts.

13. **Miscellaneous:**

(a) Following the payment and satisfaction of all Obligations, and the termination of any obligation of the Secured Party to provide loans or financial accommodations under the credit facility contemplated by the Loan Agreement, this TM Security Agreement shall terminate and the Secured Party shall execute and deliver to Debtor all such instruments as the Debtor reasonably may request to re-vest in Debtor full title to the Trademarks and the associated goodwill, subject to any disposition thereof which may have been made by Secured Party pursuant hereto or pursuant to the Loan Agreement.

(b) The Debtor shall, at the request of the Secured Party, do any and all acts and execute any and all documents required by the Secured Party in connection with the protection, preservation, and enforcement of the Secured Party's rights hereunder.

(c) The Debtor shall, upon demand, reimburse the Secured Party for all reasonable costs and expenses incurred by the Secured Party in the exercise of any rights hereunder (including, without limitation, reasonable fees and expenses of counsel).

IN WITNESS WHEREOF, the Debtor and the Secured Party respectively have caused this TM Security Agreement to be executed by officers duly authorized so to do on the date first above written.

(The "Debtor")
Douglas Publications, Inc.

(The "Secured Party")
Citizens Bank of Massachusetts

By: *Alan M. Douglas*
Name: Alan M. Douglas
Title: President

By: _____
Name: _____
Title: _____

(b) None of this Agreement or any other Loan Document, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Secured Party any rights in and to the Trademarks, which rights are only effective following the occurrence of any Event of Default.

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(b) The Debtor shall, at the request of the Secured Party, do any and all acts and execute any and all documents required by the Secured Party in connection with the protection, preservation, and enforcement of the Secured Party's rights hereunder.

(c) The Debtor shall, upon demand, reimburse the Secured Party for all reasonable costs and expenses incurred by the Secured Party in the exercise of any rights hereunder (including, without limitation, reasonable fees and expenses of counsel).

IN WITNESS WHEREOF, the Debtor and the Secured Party respectively have caused this TM Security Agreement to be executed by officers duly authorized so to do on the date first above written.

(The "Debtor")
Douglas Publications, Inc.

(The "Secured Party")
Citizens Bank of Massachusetts

By: _____

By: Joanne P. O'Keefe

Name: _____

Name: JOANNE P. O'KEEFE

Title: _____

Title: VICE PRESIDENT

STATE OF Virginia

Hentico Co., ss

10-17, 2002

Then personally appeared the above named ALAN M. DOUGLAS, the President of Douglas Publications, Inc. and acknowledged the foregoing to be the free act and deed of Douglas Publications, Inc., before me,



Susan Sink
Notary Public
My Commission Expires: 2/28/05

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss

_____, 2002

Then personally appeared the above named _____, the _____ of Citizens Bank of Massachusetts and acknowledged the foregoing to be the free act and deed of Citizens Bank of Massachusetts, before me,

Notary Public
My Commission Expires:

STATE OF _____

_____, ss _____, 2002

Then personally appeared the above named _____, the _____ of Douglas Publications, Inc. and acknowledged the foregoing to be the free act and deed of Douglas Publications, Inc., before me,

Notary Public
My Commission Expires:

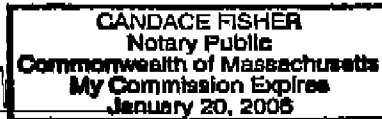
COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss

October 23, 2002

Then personally appeared the above named Jeanne P. O'Keefe the Vice President of Citizens Bank of Massachusetts and acknowledged the foregoing to be the free act and deed of Citizens Bank of Massachusetts, before me,

Candace Fisher



Notary Public
My Commission Expires:

EXHIBIT A

<u>Trade Mark</u>	<u>Registration Number</u>
American Paint & Coatings Journal	2121164
American Painting Contractor	0772860
Compliance Magazine	2356532
Sales and Marketing Strategies & News	1732219
Robotics World	1404010
Robotics World	1404013