

08-12-1998



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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)
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.)

FOR OFFICE USE ONLY

08/12/1998 DNGUYEN 00000029 75250655

01 FC:481 40.00 OP
02 FC:482 150.00 OP

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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
REEL: 1766 FRAME: 0668

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

(212) 486-8200

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" value="75250655"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1952679"/>	<input type="text" value="1951280"/>	<input type="text"/>
<input type="text" value="75334827"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1531397"/>	<input type="text" value="1949128"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1918618"/>	<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.

Phillip E. Sloan

August 4, 1998

Name of Person Signing

Signature

Date Signed

INTELLECTUAL PROPERTY MORTGAGE AGREEMENT

INTELLECTUAL PROPERTY MORTGAGE AGREEMENT dated as of June 1, 1998 made by FAMILY BOOKSTORES COMPANY, INC., a Michigan corporation having an address at 5300 Patterson, S.E., Grand Rapids, Michigan 49530 (the "Company"), and BANK OF SCOTLAND, having an address at 565 Fifth Avenue, New York 10017, as agent for the financial institutions (the "Banks") from time to time party to the Loan Agreement referred to below (Bank of Scotland, as such agent, together with its successors and assigns, the "Agent"), in favor of the Agent and the Banks;

W I T N E S S E T H:

WHEREAS, the Company, the Banks and the Agent are parties to a Loan Agreement dated as of October 31, 1994 (herein, as heretofore and hereafter from time to time amended, extended, restated, renewed or modified, the "Loan Agreement"), pursuant to which the Banks have made certain Loans to the Company;

WHEREAS, subsequent to the closing under the Loan Agreement the Company became the owner of the registered trademarks, together with the goodwill of the business associated with such trademarks, set forth in Schedule A annexed hereto and made a part hereof, and the trademarks in respect of which applications for registration have been made, together with the goodwill of the business associated with such trademarks, set forth on Schedule B annexed hereto and made a part hereof (all such registered trademarks and trademarks for which application for registration has been made, collectively the "New Trademarks");

WHEREAS, the Security Documents (as defined in the Loan Agreement) require that the Company execute such instruments as the Agent shall deem appropriate to perfect, preserve or protect its interest in Collateral (as defined in the Loan Agreement);

WHEREAS, it is a condition to the effectiveness of Amendment # 8 to the Loan Agreement that the Company enter into this Mortgage Agreement;

NOW THEREFORE, in order to secure the indebtedness evidenced by the Notes (as defined in the Loan Agreement), including interest thereon, and the performance of all obligations and agreements of the Company herein, in the Loan Agreement, in the IFA Lease and in the Security Documents and for other good and valuable consideration, the receipt and adequacy of which by the Company is hereby acknowledged, the Company confirms that the New Trademarks together with the goodwill of the business associated with such trademarks constitutes Collateral for the referenced indebtedness and the performance of the referenced obligations and agreements and, in furtherance thereof, the Company hereby irrevocably grants, bargains, mortgages, pledges and sells, creates a security interest in, conveys, transfers, assigns, sets over and confirms, as and by a

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TRADEMARK

REEL: 1766 FRAME: 0670

first mortgage and security interest unto the Agent on behalf of the Banks, with power of sale to the extent permitted by law, all of the Company's right, title and interest in and to the New Trademarks, together with the goodwill of the business associated with the New Trademarks (the New Trademarks and the goodwill of such associated business being collectively called the "General Intangibles");

TO HAVE AND TO HOLD the same unto the Agent on behalf of the Banks and its and their successors and assigns forever; provided, however, that these presents are upon the express condition that if the Company shall pay and discharge all sums due under, and perform all its obligations under, the Loan Agreement, the IFA Lease, the Notes and the Security Documents, this Mortgage Agreement and the estate and rights hereby granted shall cease, determine and be void, and the entire right, title and interest in the General Intangibles shall be reassigned, revert to and be vested in the Company; otherwise this Mortgage Agreement shall remain in full force and effect.

The Company agrees that, upon the occurrence of any Event of Default (as defined in the Loan Agreement), the Agent shall have the rights and remedies of a secured party under the Uniform Commercial Code as adopted in the State of New York. For such purposes and in the event of the Company's default hereunder or the occurrence of an Event of Default, the Company hereby makes, constitutes and appoints the Agent as the Company's true and lawful attorney-in-fact, with the power to endorse the Company's name on all applications, documents, papers and instruments necessary for the Agent to use the General Intangibles or to grant or issue any exclusive or non-exclusive license under the registered trademarks, trademark applications or common law trademarks and trade names, together with the goodwill of the business associated with such trademarks and trade names, to anyone else, or necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of the General Intangibles to anyone else. The Company hereby ratifies all action that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Mortgage Agreement, the Loan Agreement and until all the Company's liabilities and obligations to the Agent and the Banks are satisfied in full.

The Company hereby represents and warrants to the Agent and the Banks that Schedule A hereto sets forth true and complete list of all of its U.S. registered trademarks acquired since October 31, 1994, that Schedule B hereto sets forth a true and complete list of all applications for registration of trademarks not listed on Schedule A which have been made since October 31, 1994, and that except for the trademarks listed on Schedules A and B no common law trademarks or tradenames have been acquired by the Company since October 31, 1994.

The Company further agrees (a) while a secured party mortgagee, the Agent shall have no obligation or responsibility to protect or defend the General Intangibles or the right of use thereof, and the Company shall at its expense protect, defend and

maintain the same, and (b) if the Company fails to comply with the foregoing, the Agent may do so in the Company's name or in the Agent's name, but at the Company's expense, and the Company hereby agrees to reimburse the Agent in full for all expenses, including reasonable attorney's fees, incurred by the Agent in protecting, defending and maintaining the General Intangibles.

The Agent shall suffer the Company to repossess, control and manage the General Intangibles, including any and all rights granted by said registered trademarks, trademark applications and common law trademarks and trade names, together with the goodwill of the business associated with such trademarks and trade names, to have any pending registration applications issued in the Company's name and to receive and use the income, revenue, and profits arising from the General Intangibles in the same manner and with the same effect as if this Mortgage Agreement had not been made so long as no Event of Default has occurred under the Loan Agreement.

This Mortgage Agreement shall be binding upon the Company, its successors and assigns, and shall be binding upon and inure to the benefit of the Agent and its successors and assigns.

IN WITNESS WHEREOF, the Company has caused this Mortgage Agreement to be duly executed as of the date and year first above written.

FAMILY BOOKSTORES COMPANY, INC.

By [Signature]
Name: *Craig E. Wassenaar*
Title: *Senior Vice President*

Consented to:

BANK OF SCOTLAND, as Agent

By [Signature]
Name: **ANNIE CHIN TAT**
Title: **SENIOR VICE PRESIDENT**

SCHEDULE A

Registered U.S. Trademarks

<u>Description</u>	<u>Information</u>
	U.S. Reg. No.
1. Joshua's Christian Stores	1,952,679
2. Joshua's Christian Stores	1,531,397
3. Lord's Vineyard	1,918,618
4. Family Perks	1,951,280
5. Pastor's Perks	1,949,128

SCHEDULE B

U.S. TRADEMARK APPLICATIONS

<u>Description</u>	<u>Application Number</u>
1. Family Christian Stores	75/250655
2. Family Christian Press	75/334827