



REGISTRATION ADEA

10-14-1998

DEPARTMENT OF COMMERCE Patent and Trademark Office



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To the Hon

09-25-1998

U.S. Patent & TMO/TM Mail Rcpt Dt. #64

d Trademarks. Please record the assigned original documents or copy thereof.

1. Name of conveying party(ies):

PHOENIX COLOR CORP.

9.25.98

- Individual(s) Association
General Partnership Limited Partnership
Corporation-State DE
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: 9-15-98

2. Name and address of receiving party(ies)

Name: FIRST UNION NATIONAL BANK

Internal Address:

Street Address: 1345 CHESTNUT STREET

City: PHILADELPHIA State: PA ZIP: 19107

- Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State PA
Other

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 patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,138,992

Additional numbers attached? Yes No

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

Name: LINDA PEACOCK/CSC

Internal Address:

Street Address: 80 STATE STREET, 6TH FLOOR

10/09/1998 DNGUYEN 00000207 2138992

01 FC:481

40.00 00

City: ALBANY State: NY ZIP: 12207

966849-005/LJP

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page 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.

LINDA PEACOCK

Name of Person Signing

Linda Peacock

Signature

9/21/98

Date

Total number of pages including cover sheet, attachments, and document: 15

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement ("Agreement") dated this 15th day of September, 1998, is made by **Phoenix Color Corp.**, a Delaware corporation * ("Debtor") in favor of **First Union National Bank**, a national banking association, as collateral agent (in such capacity "Collateral Agent") for (i) **First Union National Bank**, as agent (in such capacity "Bank Agent"), for the lenders ("Lenders") and issuer ("Issuer") parties to the Credit Agreement, dated as of the date hereof (as amended, modified, restated or supplemented from time to time, "Credit Agreement"), among the borrowers ("Borrowers"), Bank Agent, Issuer and Lenders and (ii) **First Union Investors, Inc.** ("Purchaser") as purchaser of, and any other holder of the Bridge Notes and Exchange Notes as defined in, and issued under, the Bridge Securities Purchase Agreement (as amended, modified, restated or supplemented from time to time, "Purchase Agreement"), among Phoenix, PCC, Realty and Purchaser.

BACKGROUND

A. Borrowers, Issuer, Lenders and Bank Agent have entered into the Credit Agreement which, as set forth in the Background thereto (which Background is incorporated by reference as if fully set forth herein), inter alia, confirms and preserves the continued effect and operation of liens and security interests granted under the Existing Loan Agreement (as defined in the Credit Agreement).

B. Debtor and Purchaser have entered into the Purchase Agreement pursuant to which Debtor may issue, from time to time the Bridge Notes and Exchange Notes (as defined in the Purchase Agreement) and PCC and Realty (as defined in the Credit Agreement) have guaranteed, in accordance with the terms of the Purchase Agreement, the payment and performance of Debtor's obligations under the Purchase Agreement.

C. This Agreement is being executed contemporaneously with that certain Master Security Agreement of even date herewith among, inter alia, Debtor and Collateral Agent, under which Debtor is granting Collateral Agent, a lien on and security interest in certain assets of Debtor associated with or relating to products leased or sold under Debtor's trademarks and the goodwill associated therewith, and under which Collateral Agent is entitled to foreclose or otherwise deal with such assets, trademarks, servicemarks and tradenames under the terms and conditions set forth therein.

* located at 540 Western Maryland Parkway, Hagerstown, MD 21740

** located at 1345 Chestnut Street, Philadelphia, PA 19107

D. Debtor has adopted, used and is using (or has filed applications for the registration of) the trademarks, servicemarks and tradenames listed on Schedule "A" attached hereto and made part hereof (all such marks or names hereinafter referred to as the "Trademarks").

E. Pursuant to the Master Security Agreement, Collateral Agent, for the benefit of Secured Parties (as defined herein), is acquiring a lien on, and security interest in, the Trademarks and the registration thereof, together with all the goodwill of Debtor associated therewith and represented thereby, as security for all of Debtor's Obligations (as defined herein), and desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

F. It is a condition precedent to the effectiveness of the Credit Agreement that Debtor pledge the Collateral as provided herein in order to secure the Loan Obligations under, and as defined in, the Credit Agreement.

G. It is a condition precedent to the effectiveness of the Purchase Agreement that Debtor pledge the Collateral as herein provided in order to secure the Bridge Note Obligations and Exchange Note Obligations, each as defined in the Credit Agreement.

NOW THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement or by reference therein.

(b) The following terms shall have the following meanings:

Bridge Note Majority Holders - The holders of more than fifty percent (50%) of the outstanding principal amount of the Bridge Notes.

Collateral - As defined in Paragraph 2.

Default - Any Default under and as defined in the Credit Agreement or any Default under and as defined in the Purchase Agreement.

Event of Default - Any Event of Default under and as defined in the Credit Agreement or any Event of Default under and as defined in the Purchase Agreement.

Exchange Note Holders - Any holders of the Exchange Notes.

Obligations - The collective reference to (i) the Loan Obligations, (ii) the Bridge Note Obligations and (iii) the Exchange Note Obligations, in each case whether on account of principal, interest, fees, indemnities, costs, expenses or otherwise.

Secured Parties - Collectively, Bank Agent, Lenders, Issuer, Purchaser, Trustee, holders of the Bridge Notes and Exchange Note Holders, and any successors or assigns thereto.

Trustee - The trustee under the Exchange Indenture.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. As security for the prompt and complete payment and performance (whether at the stated maturity, by acceleration or otherwise) of all Obligations, Debtor grants a lien and security interest to Collateral Agent, for the benefit of Secured Parties, in all of its present and future right, title and interest in and to the Trademarks, together with all the goodwill of Debtor associated with and represented by the Trademarks, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits (collectively, "Collateral").

3. Debtor hereby covenants and agrees to maintain the Trademarks in full force and effect until all of Debtor's Obligations are satisfied in full and the Revolving Credit has terminated.

4. Debtor represents, warrants and covenants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) Each of the Trademarks is valid and enforceable;

(c) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Debtor not to sue third persons;

(d) Debtor has the corporate power and authority to enter into this Agreement and perform its terms;

(e) Debtor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Trademarks; and

(f) Debtor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in products leased or sold under the Trademarks. Nothing in this Agreement shall restrict Debtor from adding new goods and services to its business or in the exercise of sound commercial and business judgment, discontinuing the provisions of goods or services and, upon thirty (30) days prior notice to Collateral Agent, thereby abandoning any Trademark relating thereto.

5. Debtor further covenants that:

(a) Until all of Debtor's Obligations have been satisfied in full and the Revolving Credit has been terminated, it will not enter into any agreement, including without limitation, license agreements or options, which are inconsistent with Debtor's obligations under this Agreement.

(b) The Trademarks listed on Schedule "A" constitute all of the Trademarks, and all applications for any of the foregoing, now owned by Debtor. If, before all Obligations shall have been satisfied in full and the Revolving Credit shall have been terminated, Debtor shall (i) obtain rights to any new trademarks, trademark registrations or tradenames, or (ii) become entitled to the benefit of any trademark application, trademark or trademark registration, the provisions of this Agreement shall automatically apply thereto and such trademark application, trademark or trademark registration, shall be deemed part of the Trademarks. Debtor shall give Collateral Agent prompt written notice thereof along with an amended Schedule "A."

6. So long as this Agreement is in effect and so long as no Event of Default which has not been waived and is continuing and Collateral Agent has not elected to exercise its rights hereunder, Debtor shall continue to have the exclusive right to use the Trademarks and Collateral Agent shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

7. Debtor agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Trademarks without the prior written consent of Collateral Agent.

8. Anything herein contained to the contrary notwithstanding, after acceleration of the Loan Obligations, Bridge Note Obligations or Exchange Note Obligations following an Event of Default, Debtor hereby covenants and agrees that Collateral Agent, as the holder of a security interest under the UCC may exercise rights and remedies of a secured party under the UCC and may take such other action permitted by law to foreclose upon the Trademarks covered hereby. For such purposes, and effective upon acceleration, Debtor hereby authorizes and empowers Collateral Agent, its successors and assigns, and any officer or agent of Collateral Agent as Collateral Agent may select, in its exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, assignments, documents, papers and instruments necessary for Collateral Agent to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for Collateral Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as Exhibit 1. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or wilful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, and until all Obligations are satisfied in full and the Revolving Credit has terminated.

9. This Agreement may not be modified without the written consent of the party against whom enforcement is being sought.

10. Collateral Agent shall release the Liens on the Collateral granted hereunder only upon receipt of notice from Bank Agent, Bridge Note Majority Holders or Trustee which notices, taken together, confirm the satisfaction in full of all of the Obligations and termination of the Revolving Credit.

11. Debtor acknowledges that the rights and responsibilities of Collateral Agent under this Agreement with respect to any action taken by Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between Bank Agent (for the benefit of Lenders) on the one hand and the holders of the Bridge Notes and holders of the Exchange Notes on the other hand be governed by the Collateral Agency Agreement and by such other agreements with respect thereto as may exist from time to time among them; and as between Bank Agent and Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them; and as among the Bridge Note Holders be governed by the Purchase Agreement and such other agreements with respect thereto as may exist from time to time among them; and as among the Exchange Note Holders be governed by the Exchange Indenture and such other agreements with respect thereto as may exist from time to time among them; but, as between Collateral Agent and Debtor, Collateral Agent shall be conclusively presumed to be acting as agent for Secured Parties, in accordance with the Collateral Agency Agreement, with full and valid authority so to act or refrain from acting and Debtor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

12. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Collateral Agent in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, or defending, protecting or enforcing Collateral Agent's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Debtor on demand by Collateral Agent and until so paid shall bear interest at the Default Rate.

13. Debtor shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Agreement or thereafter, until Debtor's Obligations shall have been satisfied in full and the Revolving Credit has terminated, to preserve and maintain all rights in the Trademarks, and Debtor shall make federal application on registrable but unregistered trademarks belonging to Debtor. Any expenses incurred in connection with such applications shall be borne by Debtor. Notwithstanding the foregoing, Debtor may

decline to maintain and pursue each application and decline to maintain each registration upon thirty (30) days prior written notice to Collateral Agent, if to so decline is consistent with Debtor's overall business plan and is an exercise of sound commercial and business judgment.

14. Debtor shall have the right to bring suit in its own name to enforce the Trademarks, in which event Collateral Agent, in its capacity as collateral agent, may, if Debtor reasonably deems it necessary, be joined as a nominal party to such suit if Collateral Agent shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Debtor shall promptly, upon demand, reimburse and indemnify Collateral Agent for all damages, reasonable costs and expenses, including attorneys' fees, incurred by Agent in the fulfillment of the provisions of this paragraph.

15. During the existence of an Event of Default, Collateral Agent may, without any obligation to do so, complete any obligation of Debtor hereunder, in Debtor's name or in Collateral Agent's name, but at Debtor's expense, and Debtor hereby agrees to reimburse Collateral Agent in full for all reasonable costs and expenses, including attorneys' fees, incurred by Collateral Agent on behalf of Secured Parties in protecting, defending and maintaining the Trademarks.

16. No course of dealing between Debtor and Collateral Agent and/or any Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Collateral Agent and/or any Secured Party, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Collateral Agent's rights and remedies with respect to the Trademarks, shall be cumulative and may be exercised singularly or concurrently.

17. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

18. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Trademark Security Agreement, under seal, the day and year first above written.

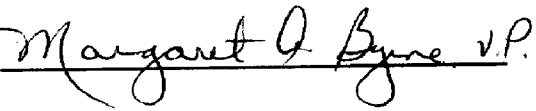
PHOENIX COLOR CORP.

(Corporate Seal)

By: _____

Approved and Accepted:

FIRST UNION NATIONAL BANK,
as Collateral Agent

By: _____

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA: SS
COUNTY OF PHILADELPHIA :

On this 15th day of September, 1998, before me personally appeared Edward J. Luber to me known and being duly sworn, deposes and says that s/he is Exec. Vice Pres. of Phoenix Color Corp., the Debtor corporation described in the foregoing Agreement; that he knows the seal of the corporation; that the seal so affixed to the Agreement is such corporate seal; that he signed the Agreement and affixed the seal of the corporation thereto as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and he desires the same to be recorded as such.

Elizabeth T. Osborne
Notary Public

My Commission Expires:

NOTARIAL SEAL
ELIZABETH T. OSBORNE, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Nov. 30, 2000

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA: SS
COUNTY OF PHILADELPHIA :

On this 15th day of September, 1998, before me personally appeared Margaret A. Byrne to me known and being duly sworn, deposes and says that he/she is Vice President of First Union National Bank, as Collateral Agent, the banking association described in the foregoing Agreement; that he/she signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and he/she desires the same to be recorded as such.

Elizabeth T. Osborne
Notary Public

My Commission Expires:

NOTARIAL SEAL
ELIZABETH T. OSBORNE, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Nov. 30, 2000

SCHEDULE A TO TRADEMARK SECURITY AGREEMENT

<u>Trademarks</u>	<u>Application/ Registration No.</u>	<u>Country</u>	<u>Registration Date</u>
PHOENIX COLORNET	2,138,992	USA	_____
YES IS THE ANSWER, WE JUST NEED TO KNOW THE QUESTION	PENDING	USA	_____

Exhibit 1

TRADEMARK ASSIGNMENT

WHEREAS, Phoenix Color Corp., a Delaware corporation ("Grantor") is the registered owner of the United States trademarks, tradenames and registrations listed on Schedule A attached hereto and made a part hereof (the "Trademarks"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ having a place of business at _____
_____ ("Grantee") is desirous of acquiring said Trademarks;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed as of the ___ day of _____, ____.

PHOENIX COLOR CORP.

Witness: _____

By: _____
as Attorney-in-fact

SCHEDULE A TO TRADEMARK ASSIGNMENT

<u>Trademarks</u>	<u>Application/ Registration No.</u>	<u>Country</u>	<u>Registration Date</u>
PHOENIX COLORNET	2,138,992	USA	_____
YES IS THE ANSWER, WE JUST NEED TO KNOW THE QUESTION	PENDING	USA	_____