

OMB No. 0651-0011 (exp. 4/94)



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Send original documents or copy thereof.

To the Honorable Commissioner of Patents

101388946

1. Name of conveying party(ies):

Interweave Press, Inc. MAY 26 2000

- Individual(s)
- General Partnership
- Corporation-State Colorado
- Other

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

2. Name and address of receiving party(ies)

Name: Rodale Inc.

Internal Address:

Street Address: 33 East Minor Street

City: Allentown State: PA ZIP: 18098

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: May 1, 2000

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,814,924

Additional numbers attached?  Yes  No

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

Name: Kevin G. Smith, Esq.

Internal Address: SHOEMAKER AND MATTARE, LTD.

Suite 1203 Crystal Plaza Bldg. 1

2001 Jefferson Davis Highway

Street Address: P. O. Box 2286

City: Arlington State: VA ZIP: 22202-0286

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:

19-2110

(Attach duplicate copy of this page if paying by deposit account)

06/26/2000 DNGUYEN 00000034 192110 1814924

DO NOT USE THIS SPACE

FC:481 40.00 CH

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.

Kevin G. Smith

Name of Person Signing

*Kevin G. Smith*

Signature

May 25, 2000

Date

Total number of pages including cover sheet, attachments, and document: 7

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments

TRADEMARK  
REEL: 002092 FRAME: 0097

## SECURITY AGREEMENT

This Security Agreement, made this 1<sup>st</sup> day of May, 2000 between Interweave Press, Inc., a Colorado corporation, with its principal place of business located at 201 East 4<sup>th</sup> Street, Loveland, Colorado 80537 ("Interweave"), and Rodale Inc., a Pennsylvania corporation, with its principal place of business located at 33 East Minor Street, Allentown, Pennsylvania 18098 ("Interweave").

### 1. Background.

Interweave and Rodale, among others, have entered into a Settlement Agreement whereby the parties have agreed to settle all claims relating to Case No. 00-CV-1082 in the District Court of Denver, Colorado, and Case No. 77 147 00081 00 in the jurisdiction of the American Arbitration Association.

Pursuant to the terms of the Settlement Agreement Rodale has agreed to sell, and Interweave has agreed to purchase, all of Rodale's rights, title and interest in and to Herb Companion Press, a Colorado Limited Liability Company, for the sum of One Million Five Hundred Thousand (\$1,500,000.00) Dollars which purchase price will be financed by Rodale (the "Financing"). As security for the financing, Rodale has required that Interweave execute a Surety Agreement and this Security Agreement.

### 2. Security Interest.

To secure the payment of the indebtedness evidenced by the Security Agreement and to thereby protect Rodale from liability in the event Interweave defaults on the Financing, Interweave hereby grants to Rodale a security interest in the property described on Exhibit "A" attached hereto and incorporated herein by reference (the "Collateral"), together with all substitutions and replacements for any of the Collateral, and all products and proceeds of the collateral, whether the proceeds be accounts receivable or proceeds thereof or other proceeds or other dispositions thereof.

### 3. Covenants, Representations and Warranties of Interweave .

Interweave hereby covenants, represents, warrants and agrees that:

A. The Collateral will be solely used for and in connection with the operation and maintenance of Interweave's business;

B. The Collateral will not be misused, abused, wasted or allowed to deteriorate, but shall be kept in good working order and condition and repair, reasonable wear and tear excepted;

C. The Collateral shall be insured at all times in the amount of its full insurable value and against all expected risks to which it may be exposed, including fire and extended coverage and those which Rodale may reasonably designate with policies satisfactory to Rodale and payable to both Rodale and Interweave as their interests appear, providing thirty (30) days minimum advance cancellation notice to Rodale; and the proceeds of such insurance may be applied by Rodale either to reduce any indebtedness secured hereby or to repair and replace such Collateral;

D. The Collateral shall be kept and remain in Interweave's possession and control at Interweave's business premises and shall not be moved to any other location without the prior written consent of Rodale, and Rodale may inspect the Collateral at any reasonable time;

E. The Collateral is subject to security interest held by other lenders but is free and clear from, and is not subject to, any assignments, mortgage, pledge, lien, levy taxes or other assessments, interest, charge, adverse claim or other encumbrance ("Encumbrance") relating to security interest held by lenders; and Interweave shall keep and maintain the Collateral free and clear of any such Encumbrance, and shall not create nor permit to remain any such Encumbrance;

F. The Collateral will not be sold, or otherwise transferred, or become subjected to any subsequent interest of any party, except for the sale of inventory in the ordinary course of Interweave's business or as expressly authorized in writing by Rodale; and

G. Interweave shall pay and reimburse Rodale for all costs and expenses (including reasonable attorney's fees, legal expenses, and advances and expenditures for removal of any Encumbrance from the Collateral, for curing, correcting or remedying any Event of Default hereunder, for insurance and for protection, preservation, maintenance and repair of the Collateral) incurred by Rodale in connection with the exercise by Rodale of any of its rights and remedies under the Security Agreement, or in the enforcing, perfecting or protecting its interest under this Security Agreement.

4. Events of Default.

The occurrence of any of the following events with respect to Interweave without notice or demand, constitute a default on the part of Interweave hereunder ("Event of Default"):

A. If there shall occur any other breach, failure or violation by Interweave in the performance of any of its obligations, covenants or warranties under the Security Agreement, and such breach, failure or violation shall continue uncorrected for a period of ten (10) days after written notice thereof from Rodale to Interweave;

B. If Interweave shall be unable to pay its debts as they become due, or shall default in the payment or performance of any material obligation, liability or indebtedness to any person, unless and to the extent only that the same is being diligently contested in good faith by appropriate proceedings and appropriate reserves therefor have been established in accordance with generally accepted accounting principles consistently applied;

C. If Interweave shall become insolvent or shall voluntarily suspend transaction of its business of operations; or if Interweave shall file a voluntary petition under the Bankruptcy Code, as amended; or if Interweave shall file an answer admitting the jurisdiction of the court and the material allegations of an involuntary petition filed against it under the Bankruptcy Code, as amended, or shall fail to have such a petition dismissed within thirty (30) days after its filing; or if Interweave shall make an assignment for the benefit of creditors, or shall apply for or consent to the appointment of any receiver, trustee or custodian of all or a part of its property; or, as may be applicable, if Interweave shall institute dissolution or liquidation proceedings or shall die or become totally and permanently disabled;

D. If an order for relief shall be entered following the filing of an involuntary petition against Interweave under the Bankruptcy Code, as amended; or if an order shall be entered appointing a receiver, trustee or custodian for Interweave of all or part of its property; or if a writ or warrant of attachment, execution, distraint, levy, possession or any similar process shall be issued by any court against all or a part of the property of Interweave, which writ or warrant shall not be dismissed or a stay of foreclosure obtained within thirty (30) days of the issuance thereof; or

E. If any property of Interweave shall become subject to a bulk sale, or to condemnation or forfeiture proceedings;

F. The occurrence of a default by HCP under the Settlement Agreement, Promissory Note or Security Agreement executed by HCP even date herewith; or

G. The occurrence of a default by Interweave under the Settlement Agreement, Security Agreement or Surety Agreement executed even date herewith.

5. Rodale's Rights and Remedies.

Upon the occurrences of an Event of Default, in addition to all other rights and remedies provided hereunder, Rodale shall have and may exercise all of the rights and remedies provided by the Uniform Commercial Code, and any other applicable law. In conjunction with, in addition, or in substitution therefor, Rodale shall have and may exercise the following rights and remedies:

A. All liabilities of Interweave to Rodale shall become immediately due and payable;

B. Interweave shall, at the request of Rodale, assemble all Collateral and all records and schedules of customers and accounts receivable at a convenient place designated by Rodale;

C. Rodale may enter upon Interweave's business premises to take possession of, assemble and collect the Collateral or to render its unusable;

D. Rodale shall be entitled to notify Interweave's customers of the security interest of Rodale under this Agreement and to proceed to collect any proceeds of the Collateral hereunder, including accounts receivable, directly from Interweave's customers;

E. Rodale may in its sole discretion, sell, assign and deliver all or any part of the Collateral at any public or private sale without notice or advertisement, and bid and become a purchaser of any such sale, and if notice to Interweave is required, written notice mailed to Interweave at its business address as herein above set forth, at least ten (10) days prior to the date of public sale of the Collateral or the date after which private sale of Collateral will be made, shall constitute reasonable notice; and Rodale may apply the proceeds of any disposition of the Collateral available for satisfaction of the indebtedness secured hereby in the order, amounts and manner which Rodale may determine in its sole discretion;

F. Rodale may assume immediate possession of the premises which Interweave holds a leasehold interest in;

G. Interweave shall, at the request of Rodale, assign all of its rights, title and interest in and to the Trademarks identified in Exhibit "A" attached hereto, to Rodale. Such assignments shall be in a form and substance satisfactory to Rodale for purposes of filing in the United States Patent and Trademark Office with respect to the Marks registered in such Office.

H. Rodale may exercise any remedy granted to it under the Settlement Agreement and Surety Agreement.

6. No Waiver.

Rodale shall not by any act of omission or commission be deemed to waive any of its rights or remedies hereunder unless such waiver be in writing and signed by Rodale and then only to the extent specifically set forth therein. A waiver on one event shall not be construed as continuing or as a part to or waiver of such right or remedy on a subsequent event.

7. Notices.

Any notice to be given hereunder shall be given in writing and delivered personally or by registered or certified mail, postage prepaid, or by commercial overnight delivery (such as Federal Express), to the respective parties at the following locations:

Rodale: Rodale Inc.  
Attn. Tom Storms  
33 East Minor Street  
Emmaus, PA 18098-0099

Copy To: Paul A, McGinley, Esquire  
33 South 7<sup>th</sup> Street  
P.O. Box 4060  
Allentown, PA 18105

Interweave: \_\_\_\_\_  
201 East 4<sup>th</sup> Street  
Loveland, CO 80537

Copy To: Leonard D. Duboff, Esquire  
Hampton Oaks, 2<sup>nd</sup> Floor  
6665 Southwest Hampton Street  
Portland, OR 87223

8. Governing Law and Consent to Jurisdiction.

This Agreement has been executed pursuant to, and shall be construed under the laws of the Commonwealth of Pennsylvania without regard to conflict of laws provisions. The parties consent to the venue and jurisdiction of the Court of Common Pleas of Lehigh County, Pennsylvania and the United States District Court for the Eastern District of Pennsylvania over controversies arising from or related to this Agreement.

9. Modifications.

No modifications of this Agreement shall be binding or enforceable unless in writing and signed by duly authorized representatives by Interweave and Rodale.

IN WITNESS WHEREOF, the parties, intending to be legally bound hereby have caused this Security Agreement to be executed and delivered this 1<sup>st</sup> day of May, 2000.

ATTEST:

\_\_\_\_\_

INTERWEAVE PRESS, INC.

BY: \_\_\_\_\_

President

ATTEST:

\_\_\_\_\_

RODALE INC.

BY: \_\_\_\_\_

## EXHIBIT "A"

A. All of Debtor's present and future inventory, including but not limited to goods held for sale or lease or furnished or to be furnished under contracts for service, raw materials, goods being processed for sale or lease, work-in-progress, finished goods and goods, materials, and supplies used or consumed in Debtor's business; together with all merchandise, component materials, packing, packaging and shipping materials, and all returned, rejected or repossessed goods sold, consigned, leased or otherwise furnished by Debtor; and all products and proceeds of any of the foregoing, whether the proceeds be accounts receivable or proceeds thereof or other proceeds or other disposition thereof.

B. All of Debtor's existing and future accounts, contract rights, chattel paper, instruments and documents and all other rights to the payment of money whether or not yet earned, for services rendered or goods sold, consigned, leased or furnished by Borrower or otherwise, together with (i) all general intangibles related thereto, (ii) all guaranties, mortgages, security interests, assignments and other encumbrances on real or personal property, leases and other agreement or property securing or relating to any accounts, (iii) choses-in-action, claims and judgments, (iv) any return or unearned premiums, which may be due upon cancellation of any insurance policies, and (v) all products and proceeds of any of the foregoing.

C. All of Debtor's present and future general intangibles (including but not limited to manufacturing and processing rights, designs, patent rights and applications therefor, trademarks and registration or applications therefor, tradenames, brand names, logos, inventions, copyrights and all applications and registrations therefor, software and computer programs, license rights, royalties, trade secrets, methods, processes, know-how, formulas, drawings, specifications, descriptions, labels designs, plans, blueprints, patterns and all memoranda, notes and records with respect to any research and development), and all products and proceeds of any of the foregoing. These rights include, but are not limited to, all of Debtor's right, title and interest in and to the trademark "Piecework" which trademark is registered in the United States Patent and Trademark Office, registration number 1814924 registered May 3, 1993.

D. All of Debtor's present and future machinery, equipment, furniture, fixtures, motor vehicles, tools, dyes, jigs, molds and other articles of tangible personal property of every type, excluding inventory, together with all parts, substitutions, accretions, accretions, attachments, accessories, additions, components and replacements thereof, and all manuals of operation, maintenance or repair, and all products and proceeds of the any of the foregoing.

E. All of Debtor's present and future general ledger sheets, files, records, books of account, invoices, bills, certificates or documents of ownership, bills of sale, business papers, correspondence, credit files, tapes, cards, computer runs and all other data and data storage systems whether in the possession of debtor or any service bureau.

F. All Debtor's right, title and interest in, to and under all leases for the use of or occupancy of retail or other space occupied or to be occupied by Debtor.