

08-15-2002

FORM PTO-1594 (Modified) (Rev. 6-93) OMB No. 0651-0011 (exp. 4/94) Copyright 1994-97 Lexipol, Inc. TM05/REV03

Docket No.:

41936/0033



102190830

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):

Source Enterprises, Inc. Source Magazine, LLC

8.13.02

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State Delaware, Other New York limited liability company

Additional names(s) of conveying party(ies) Yes No

2. Name and address of receiving party(ies):

Name: Textron Financial Corporation

Internal Address:

Street Address: 40 Westminster Street

City: Providence State: RI ZIP: 02903

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

If assignee is not domiciled in the United States, a domestic designation is (Designations must be a separate document from Additional name(s) & address(es))

3. Nature of conveyance:

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

Execution Date: July 31, 2002

4. Application number(s) or registration numbers(s):

A. Trademark Application No.(s)

75/566595 76/416832 76/078767 75/493410

Additional numbers

B. Trademark Registration No.(s)

2323481 2430037 2356796 2325708 2430038 1954494 2264663 2446247 2471977

Yes No

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

Name: Andrea A. Jacobs

Internal Address: Edwards & Angell, LLP

Street Address: 101 Federal Street

City: Boston State: MA ZIP: 02110

6. Total number of applications and registrations involved:

14

7. Total fee (37 CFR 3.41): \$ 365.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

08/14/2002 DBYRNE 00000118 75566595

01 FC:481 40.00 DP 02 566595 325.00 DP

DO NOT USE THIS SPACE

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.

Andrea A. Jacobs

Name of Person Signing

Signature

Signature

August 5, 2002

Date

Total number of pages including cover sheet, attachments, and

11

TRADEMARK

REEL: 002562 FRAME: 0525

Additional registration:

2331475

TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

THIS TRADEMARK AND COPYRIGHT SECURITY AGREEMENT (this "Agreement") is made as of July 31, 2002, by **SOURCE ENTERPRISES, INC.**, a Delaware corporation, and **SOURCE MAGAZINE, LLC**, a New York limited liability company (collectively, the "Debtors"), to and with **TEXTRON FINANCIAL CORPORATION**, for itself and as agent (in such capacity, together with its successors and assigns in such capacity, the "Agent") for the benefit of the financial institutions and other Persons which are now or hereafter become Lenders under, and as defined in, the Credit Agreement referred to below (collectively, the Agent and the Lenders are referred to herein as the "Secured Parties").

RECITALS

A. The Debtors, Source Entertainment, LLC, Source Holdings, LLC, The Source.com, LLC, Source Sound Lab, LLC, Source Merchandising, LLC, Source Music, LLC and Source Broadcast Media, LLC (collectively, the "Borrowers"), the Agent and the Secured Parties have entered into a certain Credit Agreement dated as of even date herewith, as the same may be amended, renewed, restated or extended from time to time (the "Credit Agreement"), pursuant to which the Secured Parties are extending credit to the Borrowers. Capitalized terms used herein without definition have the meanings assigned to them in the Credit Agreement.

B. The Debtors have agreed to enter into this Agreement in order to induce the Secured Parties, inter alia, to make the loans evidenced by the Notes and to extend credit evidenced by the Loan Documents.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the Debtors hereby agree as follows:

1. **Security Interest.** Each Debtor hereby grants to the Secured Parties a continuing security interest in, and a collateral assignment and pledge of, all copyrights, trademarks, service marks and trade names now or hereafter owned by such Debtor, whether registered or unregistered, including, but not limited to, those trademarks of such Debtor listed on **Schedule A** attached hereto and made a part hereof (collectively, the "Trademarks") and the copyrights of such Debtor listed on **Schedule B** attached hereto and made a part hereof (collectively, the "Copyrights"), together with the goodwill of the business associated with and symbolized by such Trademarks and such Copyrights (collectively, the "Collateral"), as security for the Obligations (as defined in that certain Security and Pledge Agreement dated as of even date herewith among the Borrowers, the Agent and the Secured Parties, as amended or modified from time to time, the "General Security Agreement"). The Debtors hereby request that the U.S. Commissioner of Patents and Trademarks record this Agreement with respect to the Trademarks. The Debtors hereby request that the U.S. Copyright Office record this Agreement with respect to the Copyrights.

2. **Representations and Warranties.** Each Debtor, jointly and severally, hereby represents and warrants to the Secured Parties that:

2.1. **Schedule A** sets forth as of the date hereof all United States trademark registrations and applications owned by such Debtor. **Schedule B** sets forth as of the date hereof all United States copyright registrations and applications owned by such Debtor.

2.2. As of the date hereof, the Collateral set forth on **Schedule A** and **Schedule B** is subsisting and has not been adjudged invalid or unenforceable.

2.3. Except as set forth on **Schedule A**, as of the date hereof, no claim has been made that the use of any of the Collateral violates the rights of any third person and such Debtor is not aware of any basis for any such claim to be asserted.

2.4. Debtor is the sole and exclusive owner of the entire right, title and interest in and to the Collateral, free and clear of any lien, security interest or other encumbrances, including without limitation, pledges, assignments, licenses, registered user agreements and covenants by such Debtor not to sue third persons (other than the security interest granted hereby and any of the foregoing entered into in the ordinary course of business).

2.5. Debtor has the full power and authority to enter into this Agreement and perform its terms.

3. **Covenants.** Each Debtor, jointly and severally, hereby covenants and agrees as follows:

3.1. Debtor will keep the Collateral free from any lien, security interest or encumbrance (except in favor of the Agent) and will defend the Collateral and the title thereto against all claims and demands of all other persons at any time claiming same or any interest therein.

3.2. Debtor shall not abandon any Collateral except such Collateral which could not reasonably be expected to have a material adverse effect on the business, operations, properties, assets or condition, financial or otherwise, of such Debtor.

3.3. Debtor shall maintain all rights held by such Debtor relating to the Collateral except such Collateral which the failure to maintain could not reasonably be expected to have a material adverse effect on the business, operations, properties, assets or condition, financial or otherwise, of such Debtor.

3.4. Until all of the Obligations shall have been paid in full and termination of the commitments therefor, such Debtor shall not enter into any agreement (including a license agreement) which conflicts with such Debtor's obligations under this Agreement other than agreements that could not reasonably be expected to affect the value of the Collateral, without the Agent's prior written consent which consent shall not be unreasonably withheld or delayed.

3.5. Debtor will not sell or offer to sell or otherwise transfer the Collateral or any interest therein (other than licenses granted in the ordinary course of such Debtor's business) without the prior written consent of the Agent which consent shall not be unreasonably withheld or delayed.

3.6. If Debtor shall purchase, register or otherwise acquire rights to any new registrable or registered trademark and/or copyright, the provisions of Section 1 shall automatically apply thereto and such Debtor shall promptly give to the Agent written notice thereof, and shall execute an amendment to **Schedule A** and/or **Schedule B** including such registrations and applications and shall take any other action reasonably necessary to record the Agent's interest in such trademarks and/or copyrights with the U.S. Commissioner of Patents and Trademarks and/or the U.S. Copyright Office.

3.7. The Debtor shall execute, or use its reasonable efforts at its reasonable expense to cause to be executed, such further documents as may be reasonably requested by the Agent in order to effectuate fully the grant of security interest set forth in Section 1 hereof.

4. **Remedies.** After the occurrence of any Event of Default (as defined in the General Security Agreement), the Agent may declare all Obligations secured hereby immediately due and payable and shall have the remedies set forth in Section 12 of the General Security Agreement and the remedies of a secured party under the Uniform Commercial Code.

5. **Attorney-in-Fact.** Each Debtor hereby appoints the Agent, as such Debtor's attorney-in-fact (with full power of substitution and resubstitution) with the power and authority, after the occurrence of any Event of Default, to execute and deliver, in the name of and on behalf of such Debtor, and to cause the recording of all such further assignments and other instruments as the Agent deems necessary or desirable in order to carry out the intent of the General Security Agreement. Each Debtor agrees that all third parties may conclusively rely on any such further assignment or other instrument so executed, delivered and recorded by the Agent (or the Agent's designee in accordance with the terms hereof) and on the statements made therein.

6. **General.**

6.1. No course of dealing between any Debtor and the Agent, nor any failure to exercise, nor any delay in exercising on the part of the Agent, any right, power or privilege hereunder or under the Credit Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any right, power or privilege. No waiver by the Agent of any default shall operate as a waiver of any other default or of the same default on a future occasion.

6.2. All of the Agent's and Secured Parties' rights and remedies with respect to the Collateral, whether established hereby or by the General Security Agreement, or by any other agreement or by law shall be cumulative and may be exercised singularly or concurrently. This

Agreement is in addition to, and is not limited by nor in limitation of, the provisions of the General Security Agreement or any other security agreement or other agreement now or hereafter existing among the Debtors and the Agent.

6.3. If any clause or provision of this Agreement shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

6.4. This Agreement is subject to modification only by a writing signed by the parties, except as otherwise provided in Section 3.6 hereof.

6.5. The benefits and obligations of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

6.6. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws (other than the conflict of laws rules) of the State of Rhode Island.

7. **Counterparts**. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

(*Signatures on Next Page*)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as a sealed instrument by their duly authorized representatives all as of the day and year first above written.

WITNESS: **SOURCE ENTERPRISES, INC.**

By: _____
David Mays, President

WITNESS: **SOURCE MAGAZINE, LLC.**

By: _____
David Mays, Sole Manager of Source Holdings
LLC, its Sole Member


WITNESS: **TEXTRON FINANCIAL CORPORATION, as Agent**

Eileen Corcoran
By: *Katherine C. Marien*
Katherine C. Marien, Division President,
Media Finance Division

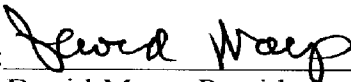
(*Signatures Continue on Next Page*)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as a sealed instrument by their duly authorized representatives all as of the day and year first above written.


WITNESS:



SOURCE ENTERPRISES, INC.

By: 
_____ David Mays, President

WITNESS:



SOURCE MAGAZINE, LLC.

By: 
_____ David Mays, Sole Manager of Source Holdings LLC, its Sole Member

WITNESS:

TEXTRON FINANCIAL CORPORATION, as Agent

By: _____
Katherine C. Marien, Division President,
Media Finance Division

(*Signatures Continue on Next Page*)

STATE OF New York
COUNTY OF New York

In _____ on the 31st day of July, 2002, before me personally appeared David Mays, President of Source Enterprises, Inc., a Delaware corporation, to me known and known by me to be the person executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed in said capacity and the free act and deed of said entity.

Kara Stairiker
Notary Public
My commission expires: 7/9/03

[Seal]

KARA STAIRIKER
Notary Public, State of New York
No. 01ST6060996
Qualified in Bronx County
Commission Expires July 9, 2003

STATE OF New York
COUNTY OF New York

In _____ on the 31st day of July, 2002, before me personally appeared David Mays, Sole Manager of Source Holdings LLC, the Sole Member of Source Magazine, LLC, a New York limited liability company, to me known and known by me to be the person executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed in said capacity and the free act and deed of said entity.

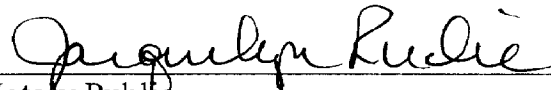
Kara Stairiker
Notary Public
My commission expires: 7/9/03

[Seal]

KARA STAIRIKER
Notary Public, State of New York
No. 01ST6060996
Qualified in Bronx County
Commission Expires July 9, 2003

STATE OF FLORIDA
COUNTY OF Pinellas

In ST. PETERSBURG on the 31 day of July, 2002, before me personally appeared Katherine C. Marien, Division President, Media Finance Division, of Textron Financial Corporation, to me known and known by me to be the person executing the foregoing instrument, and she acknowledged said instrument by her executed to be her free act and deed in said capacity and the free act and deed of said entity.



Notary Public

My commission expires: _____

[Seal]



Jacquelyn Rudie
MY COMMISSION # CC955593 EXPIRES
October 8, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

SCHEDULE A

TRADEMARKS

Owner	Trademark	Serial No.	Filing Date	Reg. No.	Reg. Date
Source Magazine LLC,	OUR ATHLETES OUR VOICE	75/566,491	10/7/98	2,323,481	2/29/00
Source Magazine	THE MAGAZINE OF HIP-HOP MUSIC, CULTURE AND POLITICS	75/567,003	10/7/98	2,325,708	3/7/00
Source Magazine, LLC	THE SOURCE SPORTS	75/476,692	4/29/98	2,264,663	7/27/99
Source Enterprises, Inc.	UNSIGNED HYPE	76/017,717	4/5/00	2,430,037	2/20/01
Source Enterprises, Inc.	UNSIGNED HYPE	76/017,718	4/5/00	2,430,038	2/20/01
Source Enterprises, Inc.	WELCOME TO THE HIP-HOP GENERATION	75/942,775	3/13/00	2,446,247	4/24/01
Source Magazine, LLC	S (words and design)	75/565,428	10/7/98	2,356,796	6/13/00
Source Magazine, LLC	THE SOURCE	74/583,551	10/7/94	1,954,494	2/6/96
Source Enterprises, Inc.	S (words and design)	75/566,589	10/7/98	2,471,977	7/24/01
Source Enterprises, Inc.	THE SOURCE	75/566,595	10/7/98		
Source Enterprises, Inc.	THE SOURCE APPROVED	76/078,767	6/27/00		
Source Enterprises, Inc.	THE SOURCE TELEVISION	75/493,410	5/29/98		
Source Enterprises, Inc.	THE SOURCE	75/566,588	10/7/98	2,331,475	3/21/00
Source Enterprises, Inc.	THE SOURCE	76/416,832	6/7/02		

Adverse Claims:

1. U.S. trademark application No. 75/566,595 for the "THE SOURCE" mark has been opposed by Brown & Bigelow, Inc. A Co-existence Agreement between Brown & Bigelow, Inc. and Source Enterprises, Inc. is being negotiated, pursuant to which Source Enterprises, Inc. will agree to file a post-publication amendment limiting said application.

2. European Community Trademark Application No. 000941963 for "THE SOURCE" has been opposed by Quelle in the European Trademark Office. A Co-existence Agreement is being negotiated between Quelle and Source Enterprises, Inc. Such agreement may limit the trademark rights of Source Enterprises, Inc. in

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TRADEMARK
REEL: 002562 FRAME: 0535

Europe in regard to clothing and catalog publications. It is unclear whether this matter will be resolved amicably.

3. A cease and desist letter was received from Westwood One Inc. with regard to use of "THE SOURCE" mark for radio broadcasting services. Application No. 76/416,832 for "THE SOURCE" covers, inter alia, radio broadcasting services. Source Enterprises, Inc. has responded to Westwood One's letter by offering to modify its usage. This matter is expected to be resolved amicably."

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TRADEMARK
REEL: 002562 FRAME: 0536

SCHEDULE B

COPYRIGHTS

Title of Work	Owner	Registration No.	Registration Date
California minority business enterprises directory*	Source Enterprises, Inc.	TX94051	8/24/78
Minority business enterprise system database description & documentation	Source Publications, Inc.	Txu7765	8/24/78
Minority/women's business enterprises directory, December 1981	Source Publications, Inc.	TX821369	12/2/81
National minority business information system: a national directory of minority and women owned firms*	Source Enterprises, Inc.	TX759555	8/24/81
Retail profits: management and financial strategies for the successful retailer - - Vol. 1, No. 1, Oct. 1991	Source Publications, Inc.	TX3290613	4/13/92
Source Publications present the "J.G." report: or, From the horse's mouth	Source Publications, Inc.	TX531767	8/19/80

*Assigned by Source Magazine, LLC, Source Enterprises, Inc. et al. to IBJ Whitehall Bank and Trust Company, recorded on 6/29/01, such assignment to be released pursuant to a General Release of Assignment of Trademarks and Copyrights.