

11-14-2002



Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)

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

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

1. Name of conveying party(ies):

THE AMERICAN PAINT JOURNAL COMPANY, MO. CORP.

10-23-02

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

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

3. Nature of conveyance:

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

Execution Date: NOVEMBER 18, 1995

2. Name and address of receiving party(ies)

Name: DOUGLAS PUBLICATIONS, INC.

Internal

Address: _____

OCT 23 2002

Street Address: 2807 N. PARHAM RD., STE. 200

City: RICHMOND State: VA Zip: 23294

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State VIRGINIA
- 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 registration number(s):

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 0772860

Additional number(s) attached Yes No

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

Name: R. JOEL ANKNEY, ESQ.

Internal Address: TROUTMAN SANDERS LLP

Street Address: 4425 CORPORATION LN., STE. 420

City: VIRGINIA BEACH State: VA Zip: 23462

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: _____

DO NOT USE THIS SPACE

9. Signature.

R. JOEL ANKNEY, ESQ.
Name of Person Signing

R. Joe Ankney
Signature

OCTOBER 22, 2002
Date

Total number of pages including cover sheet, attachments, and document: 27

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Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made as of the 18 day of November, 1995, by and between The American Paint Journal Company, a Missouri corporation ("Seller"), and Douglas Publications, Inc., a Virginia corporation ("Buyer").

Seller is a corporation engaged in the publication of magazines, including the business of publishing, producing, selling, marketing and operating of the magazines known as The American Paint & Coatings Journal (APCJ), The American Paint & Coatings Journal Convention Daily (APCJCD), and The American Painting Contractor (APC) (the "Magazines") and (such business referred to herein as the "Business"). Seller wishes to sell and Buyer wishes to purchase certain assets of Seller which relate to the Business on the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

I. PURCHASE AND SALE OF ASSETS AND COVENANT NOT TO COMPETE.

1.1 Purchase and Sale. On the Closing Date as defined in Section 1.7 hereof, Seller agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to purchase from Seller, all of Seller's right, title and interest in and to those assets of Seller which are more particularly identified in Section 1.2 hereof (the "Assets"). The transaction contemplated hereby shall be deemed to be completed as of 12:01 a.m. on December 5, 1995 (the "Effective Date").

1.2 Assets. The Assets shall consist of all rights, title and interest of Seller in and to the assets described in the form of Bill of Sale (Schedule 1.2) attached hereto (the "Bill of Sale"). The Assets shall not include the items specifically identified on such Bill of Sale as "Excluded Assets."

1.3 Purchase Price for Assets; Payment and Allocation

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(a) Purchase Price. The purchase price for the Assets (the "Purchase Price") shall be the sum of Seven Hundred Fifty Six Thousand Six Hundred Fifty Dollars (US \$756,650.00) including subscription liabilities assumed by Buyer as specifically set forth in Section 1.4 hereof.

(b) Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller at closing by certified or cashiers check., less the sum of Fifty Thousand Dollars (US \$50,000.00) which shall be paid by Buyer to an interest bearing escrow account held by LeClair Ryan, P.C. Inc. for a period of ninety (90) days. During this period Buyer shall have the right of set off for any valid claims. A valid claim is any claim agreed to by the parties or any claim deemed valid by AdMedia Advisors, Inc., using it's sole discretion. Both parties agree that AdMedia's decisions shall be considered as binding and enforceable arbitration. At the end of the period AdMedia, Inc. shall remit to each party any amounts due them and all interest shall be paid to the Seller.

(c) Allocation. The Purchase Price shall be allocated among the Assets as set forth on Schedule 1.3 which the parties intend to be in accordance with the requirements of Section 1060 of the Internal Revenue Code and the rules and regulations promulgated thereunder. Seller and Buyer shall cause all tax returns and reports file by Seller and Buyer to be consistent with the agreed allocation.

(d) Under this Agreement the December 18, 1995 APCJ and the December, 1995 issue of the APC, and the 1996 issues of the APCJCD and all issues thereafter will be considered as "designated issues". The parties agree that should the closing be delayed and later issues are selected as "designated issues" that the purchase price shall be reduced an additional Fifty Three Thousand Dollars (US \$53,000.00).

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1.4 Liabilities Assumed. Subject to the provisions of Section 1.8 hereof, Buyer shall assume as of the Closing and pay, perform or otherwise satisfy when due the following undischarged liabilities of Seller:

(a) Seller's obligations with respect to the unfulfilled portion of paid subscriptions for the Magazines received on or before the Closing Date, not to exceed Sixty Thousand Dollars (US \$60,000.00) being disclosed on Schedule 1.4(a) attached hereto;

(b) Seller's obligations under each advertising insertion order and advertising contract with respect to the December 18, 1995 APCJ and December, 1995 APC and subsequent issues of the Magazines received or entered into by Seller in the ordinary course of business including Seller's obligations for remittances to advertising agencies with respect to such orders and contracts, such obligations being disclosed on Schedule 1.4(b) attached hereto;

(c) Seller's obligations to salesmen for advertising compensation or commissions with respect to advertising run, or to be run, in issues subsequent to the December 18, 1995 APCJ and the December, 1995 APC, such obligations being disclosed on Schedule 1.4(c) attached hereto;

(d) any contracts (other than policies of insurance) with respect to the December 18, 1995 APCJ and December, 1995 APC and subsequent issues of the Magazines entered into by Seller with unaffiliated parties in the ordinary course of the Business and involving expenditures not exceeding US \$5,000.00 in the aggregate, such obligations being disclosed on Schedule 1.4(d) attached hereto;

(e) Seller's obligations under any advertising "make good" commitments or agreements, such obligations being disclosed on Schedule 1.4(e) attached hereto;

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(f) Seller's obligations for any discounts free advertising or services with respect to the December 18, 1995 APCJ, December 1995 APC, the 1996 APCJCD and subsequent issues of the Magazines, such obligations being disclosed on schedule 1.4(f) attached hereto.

The Obligations assumed thereunder are referred to herein as "Assumed Obligations".

1.5 Liabilities Retained. Except as assumed by Buyer in Section 1.4 hereof, Seller shall retain all of its liabilities relating to the Assets or the Business including, without limitation, (a) any liability for incomes, profit, franchise, property, sales, employment, payroll or any other taxes payable on account of the Assets or the Business arising in any period up to the Closing Date or arising out of the sale of the Assets to Buyer, (b) any obligations or liabilities arising out of or resulting from or relating to the employment dealings, policies, practices, benefits, arrangements or plans of Seller (including, without limitation, severance/termination pay policies and employee benefit plans) with respect to periods through or after the Closing Date, (c) all obligations with respect to advertising run in the Magazine prior to the December 18, 1995 APCJ and December, 1995 APC issues, (d) all obligations or liabilities of Seller other than Assumed Obligations, and (e) any other obligations, liabilities, promises or commitments of Seller of any nature, whether disclosed, undisclosed, incurred, contingent or otherwise.

1.6 Advertiser Materials. Seller shall make available to Buyer at and after the Closing custody of all advertising materials held by him or others for advertisers which relate to the Magazines.

1.7 The Closing. The purchase and sale of the Assets contemplated by this Agreement (the "Closing") shall take place at 1:00 p.m., New York City, New York time on December 5, 1995, or at such other date as may be agreed by the parties (the "Closing Date"). The Closing

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shall take place at the offices of AdMedia Advisors, Inc.

1.8 Apportionment of Receipts and Expenses.

(a) To the extent that amount credited to Buyer pursuant to the paragraphs below exceeds the amount credited to Seller pursuant to paragraphs below, Seller shall pay to Buyer the amount of such difference. To the extent that amount credited to Seller pursuant to paragraphs below exceeds the amount credited to Buyer pursuant to paragraphs below, Buyer shall pay to Seller the amount of such difference.

(b) Seller shall produce and mail the December 18, 1995 APCJ, including the 1995 Distributors Directory, and send to the Buyer all materials, documents and data base files used for the production of this issue no later than December 18, 1995 and Seller shall produce and mail the December, 1995 APC, and send to the Buyer all materials, documents and data base files used for the production of this issue no later than December 18, 1995. These issues shall be of the same quantity and quality as previously published editorial, and in the same ratio to advertising as previously published issues. Time is of the essence for Seller's performance under this clause.

(c) At closing Buyer shall deposit Sixty Eight Thousand Two Hundred Eighty Dollars (US \$ 68,280.00) into LeClair Ryan, P.C.'s escrow account. Upon confirmation by AdMedia, Inc. that the Seller has performed its duties under 1.8(b) for the December, 1995 APC, funds shall be disbursed by LeClair Ryan to Seller as follows: i) \$3,500.00 for editorial services, ii) an amount equal to ten percent of the net, display advertising for this issue, which shall include satisfaction by Seller of any compensation owed Speckmann and Snodgrass, iii) \$ 18,200.00 for printing, paper, graphics, labeling and all other services, and iv) the amount equal to the postage paid to mail the issue as documented by the appropriate itemized postal receipts. Upon

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confirmation by AdMedia, Inc. that the Seller has performed its duties under 1.8(b) for the December 18, 1995 APCJ, funds shall be disbursed by LeClair Ryan to seller as follows: i) \$4,000.00 for editorial services, ii) an amount equal to ten percent of the net, display advertising for this issue, which shall include satisfaction by Seller of any compensation owed Speckmann and Snodgrass, iii) \$ 22,000.00 for printing, paper, graphics, labeling and other services, and iv) the amount equal to the postage paid to mail the issue as documented by the appropriate itemized postal receipts. On December 20, 1995 remaining funds in the escrow account shall be reimbursed to the Buyer. Time is of the essence for Seller's performance under this clause. Should the mail dates for each publication not be met in accordance with 1.8(b) the amount due for printing, paper graphic and other services will be reduced by ten percent for each day of delay for each publication that is delayed.

II. REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller represents and warrants to Buyer as follows:

2.1 Organization and Standing. Seller is a corporation validly existing and in good standing under the laws of the State of Missouri with corporate power and authority to own its properties and carry on its business as now conducted.

2.2 Authorization; Enforceability. All corporate proceedings have been taken and all corporate authorizations have been secured by Seller which are necessary to authorize the execution, delivery and performance of this Agreement and the other agreements, instruments and documents required to be delivered by Seller pursuant hereto; and this Agreement is, and upon execution and delivery, each of such agreements, instruments and documents to be executed and delivered by Seller will be, the legal, valid and binding obligation of Seller, enforceable against

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Seller in accordance with its terms, except as such enforcement may be limited by bankruptcy or insolvency laws, laws relating generally to the right of creditors or the application of equitable principles. The consummation of the transaction contemplated by this Agreement will not result in the breach or violation of any term or provision of any statute, order, judgment, writ, injunction, decree, license, permit, rule or regulation of any court or any governmental or regulatory body, or result in breach of any indenture, mortgage, deed of trust or other agreement or instrument to which Seller is a party or by which it is bound.

2.3 Consents. No notice to, or consent, approval, authorization or order of, or registration, qualification or filing with, any court, regulatory authority or other governmental body is required for the execution, delivery and performance by Seller of this Agreement and the other agreements, instruments and documents required to be executed and delivered by Seller hereunder or the consummation by Seller of the transactions contemplated hereby and thereby; nor is any consent of any person (including without limitation any party to any contract or other arrangement to which Seller is a party or by which it is bound) required for the execution, delivery and performance by Seller of this Agreement or of any such other agreement, instrument or document or the consummation of such transactions.

2.4 Title to Assets. Except as disclosed in Schedule 2.4 hereto, Seller has good and marketable title to the Assets, free and clear of all liens, charges and encumbrances of any kind and the same shall remain such to and including the Closing Date, and such disclosed liens shall be released on the Closing Date.

2.5 Financial Information. Seller has provided Buyer with unaudited internal management reports showing the financial operations and status for the Magazines. Subject to

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audit adjustments that would not be material in the aggregate, such internal management reports:

(i) fairly present the profit contribution of the Magazines for the periods indicated, (ii) are in accordance with generally accepted accounting principles applied on an accrual basis; and (iii) are consistently applied in all material respects

2.6 Unfulfilled Paid Subscription Liability. The unfulfilled portion of paid subscriptions to the Magazine at the Closing Date will not exceed Sixty Thousand Dollars (\$60,000).

2.7 Advertising, Circulation and Editorial.

(a) Advertising. Seller to provide to the Buyer five (5) business days prior to closing lists of advertisers in the Magazines and the amount of advertising revenue paid by each during each of the calendar years 1993-95, inclusive, and the interim period ended on the Current Report Date, all of which are complete and accurate in all material respects. Seller to provide to the Buyer five (5) business days prior to closing the rate cards in effect as of the date hereof for the Magazines and a list of all discounts in variation thereof.

(b) Circulation. Seller to provide to the Buyer five (5) business days prior to closing with:

1. Documentation attesting to the timely and correct filing of an application on behalf of the APCJ with BPA International, Inc. including receipts documenting payment of all fees related to having obtain said application and the fees related to obtaining audited status.

2. A statement warranting that each of the Magazines are in good standing to qualify for second class postage, that the Magazines would qualify for second class status for a period of at least six months after closing, and that all reports have been filed on a timely manner.

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Extensions or exceptions shall not be construed to be timely.

3. Records properly maintained for the audit and postal requirements stated above of a quantity and quality as required by the audit and postal authorities. Such records should include those listed on the attached Schedule 2.7.

4. Documentation that the APCJ mail list has been modified with 1,693 Paint Red Book names deleted and 2,000 new Federation members added prior to issuance of labels for the November 6, 1995 issue.

5. Documentation attesting to the timely and correct filing on behalf of the APC with BPA International, Inc. including receipts documenting payment of all fees related to timely audited status at time of closing. Extensions or exceptions shall not be construed as timely.

6. Documentation that the APC mail list has been modified with 8,171 of the oldest entries replaced by 10,000 new subscribers obtained from current Dun & Bradstreet lists of qualified recipients and that the approximately 5,000 responses received from the January, 1995 APC false cover have replaced 5,000 older names previously on the APC mail list.

(c) Seller to provide to the Buyer five (5) business days prior to closing with:

1. Editorial "work in progress" for future issues of the same quantity and quality as was normally produced previously for the Magazines.

2. The questionnaire, documents, data bases and any other information related to the APC Reader Survey and a set of 10,000 pressure sensitive mailing labels selected from the APC mail list.

3. All documents, data bases and Pagemaker files related to the APC Buyer's Guide.

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4. Two sets of four up, Cheshire labels for each of the Magazines generated no more than one week previously.

5. Written agreements with current suppliers related to book sales that they agree to continue under the current terms and relationship for a period of twelve months after closing to the Seller. Said agreements shall contain notice of assignment to the suppliers including the Buyer's assumption of future disclosed obligation and instructions that future revenues should be forwarded to the Buyer.

2.8 Trademarks, Etc. The Bill of Sale identifies accurately all current trade names and trademarks (together with a list of the registration number and any pending applications for registration with respect thereto) owned, licensed to or claimed by Seller relating exclusively to the Business. To Seller's knowledge, the use of such trade names and trademarks by Seller in its operation of the Business has not infringed and is not infringing any trademark or trade name of any third party, nor has the Magazine infringed upon any copyright of any third party. No outstanding claim of trade name, trademark or copyright infringement has been asserted or threatened against Seller with respect to the Magazine. No outstanding claim based upon libel, defamation, obscenity or invasion of privacy has been asserted or threatened against Seller with respect to the Magazine and, to Seller's knowledge, the Magazine has not contained material providing the basis for any such claim.

2.9 Title. Seller will convey to Buyer at the closing, good and marketable title to the Assets free and clear of all liens, charges and encumbrances. Such conveyance shall be made by the Bill of Sale and the other instruments of transfer referred to in Section 5.1 hereof. Buyer acknowledges that it has reviewed Seller's publications and Seller's arrangements with those

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providing editorial contributions. Buyer agrees to accept such proprietary rights and copy rights in the content of the publications as Seller possesses and anything in this Agreement or any attachments hereto notwithstanding, Seller makes no warranty as to the nature and extent of such rights.

2.10 Litigation. There is no action, suit, claim, arbitration, governmental or other proceeding or investigation pending or, to Seller's knowledge, threatened against or affecting the Business or Assets at law or in equity, which either singly or in the aggregate could, if adversely determined, impair the ability of Seller to consummate the transactions contemplated by this Agreement or fully to perform its obligations hereunder. There is no outstanding judgment, order, injunction or decree of any court, government or governmental agency, and no arbitration award, against or affecting the Business or Assets.

2.11 Disputes with Employees and Consultants. There are no pending or, to Seller's knowledge, threatened disputes between Seller and any of its employees, consultants or independent contractors which could materially adversely affect the continued conduct of the Business as conducted immediately prior to the Closing Date.

2.12 Broker Participation. No agent, broker or other person acting pursuant to the authorization of Seller is entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement.

III. REPRESENTATIONS AND WARRANTIES OF BUYER.

Buyer represents and warrants to Seller as follows:

3.1 Organization and Standing. Buyer is a corporation validly existing and in good standing under the laws of the State of Virginia, with corporate power and authority to acquire

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and own the Assets and operate the Business.

3.2 Authorization: Enforceability. All corporate proceedings have been taken and all corporate authorizations have been secured by buyer which are necessary to authorize the execution, delivery and performance of this agreement and the other agreements, delivered by Buyer will be, the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by bankruptcy or insolvency laws, relating generally to the right of creditors or the application of equitable principles. The consummation of the transactions contemplated by this Agreement will not result in the breach or violation of any term or provision of any statute, order, judgment, writ, injunction, decree, license, permit, rule or regulation of any court or any governmental or regulatory body, or result in breach of any indenture, mortgage, deed of trust or other agreement or instrument to which the Buyer is a party or by which it is bound.

3.3 Consents. No notice to, or consent, approval, authorization or order of, or registration, qualification or filing with, any court, regulatory authority or other governmental body is required for the execution, delivery and performance by Buyer of this Agreement and the other agreements, instruments and documents required to be executed and delivered by Buyer hereunder or the consummation by Buyer of the transactions contemplated hereby and thereby; nor is any consent of any person (including without limitation any party to any contract or other arrangement to which Buyer is a party or by which it is bound) required for the execution, delivery and performance by Buyer of this Agreement or of any such other agreement, instrument or document or the consummation of such transactions.

3.4 Independent Investigation. Buyer has, independently reviewed Seller's documents

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and based upon such documents and information as it deems appropriate, made its own appraisal and investigation into the Assets and Business and accepts the same "AS IS" without reliance upon any representations and warranties of Seller not set forth in Article II.

3.5 Broker Participation. No agent, broker or other person acting pursuant to the authorization of Buyer is entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement except as specified in Section 12.3.

3.6 Financial Ability. Buyer has sufficient financial resources immediately available to it to enable Buyer to close and perform the transactions contemplated by this Agreement.

IV. CERTAIN COVENANTS

4.1 Operation of the Business Prior to the Closing Date. Except as may otherwise be agreed upon by Seller and Buyer, from the date of this Agreement through the Closing Date, Seller will operate the Business only in the ordinary course consistent with past practice. During such period, Seller shall endeavor to retain the business organization of Seller relating to the Business and to preserve for Buyer the relationships of Seller with suppliers, advertisers and subscribers.

4.2 Access to Information and Records. Seller shall give to Buyer, and Buyer's counsel, accountants and other representatives, reasonable access during normal business hours throughout the period prior to the Closing Date to all of its assets, properties, books, contracts, commitments and records relating to the Business and reasonable access during normal business hours to Seller's officers and employees engaged in the Business. At time of close Seller will pack all items, except equipment, mark each box and ship the items, United Parcel Company standard ground freight prepaid to locations designated by Buyer. At time of close Seller will pack all back

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issues, mark each box and ship these back issues as designated by Buyer, and at Buyer's expense.

At time of close Seller will pack all equipment, mark each box and ship the equipment in a manner selected by the Buyer to locations designated by the Buyer. Buyer shall be responsible for the cost of shipping this equipment.

V. CONDITIONS TO BUYER'S OBLIGATION TO CLOSE.

The obligation of Buyer to consummate the transactions contemplated by this Agreement is expressly subject to the satisfaction, or waiver by Buyer, on or prior to the Closing Date, of all of the following conditions:

5.1 Instruments of Transfer. Seller shall have delivered to Buyer the Bill of Sale, a Trademark Assignment (Schedule 5.1.a) substantially in the form attached hereto (the "Trademark Assignment"), a Copyright Assignment (Schedule 5.1.b) substantially in the form attached hereto (the "Copyright Assignment"), and such other instruments of transfer, as shall be necessary to vest in Buyer good and marketable title to the Assets. Seller shall be responsible for any costs related to obtaining, correcting or maintaining the Magazines' Trademarks so that Buyer shall receive such protection and assets at closing. In the event Seller can not provide Trademarks at the time of closing Buyer shall be entitled to a reduction in the purchase price in an amount equal to these costs.

5.2 Representations, Warranties and Covenants. The representations and warranties of Seller set forth in Article II of this Agreement shall be true and correct in all material respects as of the Closing Date. Seller shall have performed and satisfied in all material respects all covenants required by this Agreement to be performed and satisfied by it five business days prior to the Closing Date.

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5.3 Approval of Documentation. The form and substance of all certificates, instruments of transfer and other documents to be furnished by Seller hereunder shall be subject to review and approval of Buyer and its counsel.

5.4 Employment of Key Personnel. Buyer shall have offered employment to Ross Snodgrass, Fred Speckmann, Andrew Dwyer, Abel Banov, and Chuck Reitter ("Key Personnel") and closing is contingent upon such Key Personnel agreeing prior to closing that they shall accept employment from the Buyer after the closing date on terms acceptable to Buyer.

(a) Buyer to enter into an employment and non-compete agreement with these Key Personnel. Buyer to pay the following sums immediately following closing.

1. \$9,200.00 to Ross Snodgrass with one year non-compete agreement upon termination of employment.

2. \$202.24 to Fred Speckmann with one year non-compete agreement upon termination of employment.

3. \$353.53 to Andrew Dwyer with one year non-compete agreement upon termination of employment.

4. No payment to Abel Banov with two year non-compete agreement upon termination of employment.

5. No payment to Chuck Reiter with two year non-compete agreement upon termination of employment.

(b) Buyer's employment agreement with Abel Banov shall provide for an annual salary of \$54,000 for the first year after closing, and an annual salary of \$27,000 for the second year after closing. All sums shall be paid contingent upon his continuing to perform his duties to

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the satisfaction of the Buyer, solely at the Buyer's discretion. If Abel Banov remains in Buyer's employment for a period longer than six months after closing and his employment terminates during the remaining eighteen months, Buyer shall pay seller one-half of any unpaid salary during the remaining eighteen months.

(c) Buyer's non-compete agreement with Abel Banov shall provide for payment of \$53,500.00, payable one-half at time of termination from employment and one half paid twelve months after termination from employment. All payments owed to Able Banov shall be contingent upon Abel Banov's remaining in Buyer's employ for a period greater than six months after closing.

5.5 Non-Competition Agreement. Buyer and Seller shall have entered into the Non-Competition Agreement referred to in Article VII hereof.

5.6 Editorial Source Agreements. Prior to closing Seller shall have obtained written agreements from all sources of editorial material normally appearing in the Magazines that they agree to continue to provide said material for a period of twelve months after closing to the Seller. The editorial sources shall include, but not be limited to: the APCJ's "Technology On-Line", the APC's Monroe Porter, John Cox and Howard Zucker.

5.7 APCJCD Agreements. Prior to closing Seller shall have obtained written agreements from required parties agreeing to the Seller's production and distribution of the APCJCD in 1996 upon terms substantially similar to those agreed to during the last three years.

5.8 Banov Release. Prior to closing Seller shall obtain a full written release from Abel Banov stating that he has no claim to ownership for property related to the Magazines and releasing Buyer from any potential liability for the period prior to closing.

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5.9 Sales. Net advertising sales from the December 18, 1995 APCJ are no less than \$80,000 and net advertising sales for the December, 1995 APC are no less than \$40,000.

VI. CONDITIONS TO SELLER'S OBLIGATIONS TO CLOSE.

The obligations of Seller to consummate the transactions contemplated by This Agreement are expressly subject to the satisfaction, or waiver by Seller, on or prior to the Closing Date, of all of the following conditions:

6.1 Representations, Warranties and Covenants. All representations and warranties of Buyer set forth in Article III of this Agreement shall be true and correct in all material respects as of the Closing Date. Buyer shall have performed and satisfied in all material respects all covenants required by this Agreement to be performed and satisfied by it on or prior to the Closing Date.

6.2 Payment of Purchase Price. Buyer shall have made payment to Seller of the Purchase Price in the amount and form required by Section 1.3(a).

6.3 Approval of Documentation. The form and substance of all certificates and other documents to be furnished by Buyer hereunder shall be reasonably satisfactory to Seller and its counsel.

6.4 Non-Competition Agreement. Buyer and Seller shall have entered into the Non-Competition Agreement (Schedule 6.4) referred to in Article VII hereof and Buyer shall have paid the consideration to Seller required thereby.

VII. NON-COMPETITION AND NON-SOLICITATION.

Seller and Buyer shall enter into a separate Non-Competition Agreement on the Closing Date which restricts the Seller's right to compete with the Business and to solicit termination of

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employment by any person employed by Buyer who were formerly employees of Seller, all as provided in such separate agreement.

VIII. TERMINATION.

8.1 Termination. This agreement may be terminated by either Buyer or Seller unilaterally, by written notice of termination to the other, if the Closing has not occurred by 12:00 noon, New York City, New York time, on December 5, 1995.

8.2 Effect of Termination. In the event that this Agreement is terminated pursuant to this Article VIII, all further obligations of the parties under this Agreement (other than under Section 12.12) shall be terminated without further liability of any party to the other provided that no such termination shall relieve any party from liability for its breach of this Agreement.

IX. SURVIVAL OF REPRESENTATIONS; IDENTIFICATION.

9.1 Survival of Representations. All representations, warranties and agreements made by Seller and Buyer in this Agreement (including statements contained in any schedule hereto) shall survive the Closing Date for a period of five (5) years (except that the agreement contained in Section 9.2, clauses (ii), (iii) and (iv) shall survive until the expiration of the applicable statute of limitations, and the provisions of Section 1.8 and Article X shall continue for the periods specified therein). Upon expiration of said periods, such representations, warranties and agreements will expire and be of no further force and effect. Notwithstanding the foregoing, in the event that any party has given notice of a claim for indemnification within the foregoing time limits, specifying in reasonable detail the nature and to the extent then known, the amount of the claim, and specifying the name of any third party involved, such claim shall survive until the resolution of the matter stated in the notice.

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9.2 Seller's Indemnifications. Subject to the provisions of Section 9.1, Seller agrees to indemnify Buyer and hold it harmless against any and all payments, damages, claims demands, losses, expenses, costs, obligations and liabilities, including reasonable attorneys' fees, which result from (i) Seller's breach of its representations and warranties, or failure to perform any of its commitments, obligations or covenants hereunder; (ii) the failure of Seller to discharge any of liabilities of Seller not assumed by Buyer; (iii) a claim of infringement of a trade name, trademark or copyright owned or licensed to Seller relating to the Business upon any copyright of any third party which claim relates to an issue of the Magazines prior to the December, 1995 APC, the December 18, 1995 APCJ, and the 1995 APCJCD issues of (iv) the failure of any party to comply with any bulk sales law applicable to the transactions contemplated by this Agreement.

9.3 Buyer's Indemnification. Subject to the provisions of Section 9.1, Buyer agrees to indemnify Seller and hold it harmless against any and all payments, damages, claims, demands, losses, expenses, costs, obligations and liabilities, including reasonable attorneys' fees, which result from (i) Buyer's breach of its representations and warranties, or failure to perform any of its obligations, commitments, obligations or covenants hereunder or (ii) the failure of Buyer to discharge any of the liabilities of Seller assumed by Buyer or (iii) operation of the Business on or after the Closing Date.

9.4 Third-Party Claims. The party indemnified hereunder (the "Indemnitee") shall promptly notify the indemnifying party (the "Indemnitor") of the existence of any claim, demand or other matter involving liabilities to third parties to which the Indemnitor's indemnification obligations would apply and shall give the Indemnitor the sole control over the defense and settlement for the same at the Indemnitor's expense and with counsel of its selection (who shall be

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approved by the Indemnitee, which approval shall not be unreasonably withheld); provided that (i) the Indemnitee shall at all times also have the right to employ counsel at its own expense to assist in handling the claim and (ii) the Indemnitor shall obtain prior written approval of the Indemnitee before entering into any settlement, adjustment or compromise that would involve the imposition of injunctive or equitable relief against the Indemnitee, which approval shall not be unreasonably withheld. If the Indemnitor shall, within a reasonable time after said notice, fail to defend, the Indemnitee shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle (exercising reasonable business judgment) the claim or other matter on behalf, for the account and at the risk and expense of the Indemnitor, except that the Indemnitee shall not compromise or settle the claim or other matter without the written consent of the Indemnitor as provided above. If the claim is one that cannot by its nature be defended solely by the Indemnitor, the Indemnitee shall make available all information and assistance that the Indemnitor may reasonably request; provided that any associated out-of-pocket expenses to third persons shall be paid by the Indemnitor.

X. TRANSITIONAL ASSISTANCE.

10.1 Transitional Assistance. For a thirty (30) day period after closing, Seller shall assist Buyer in the orderly transition of the Business by permitting use of Seller's offices as now used by persons who become employees of Buyer pursuant to Article XI hereof for work related to publication of the Magazines, by providing such publishing, production, circulation fulfillment and such other administrative and accounting services as Buyer shall reasonably request and as are reasonably consistent with the service level of Seller with respect to the Magazine at the date hereof. Buyer shall reimburse Seller for all out-of-pocket costs and expenses which are

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reasonably incurred by Seller and payable to third party suppliers in connection with providing such transitional assistance for Buyer's benefit.

XI. EMPLOYMENT OFFERS.

11.1 Employment by Buyer. Buyer may make offers of employment to persons employed by Seller who perform tasks associated with the Business. After the Closing, Seller expects to terminate the employment of such persons who do not receive offers of employment from Buyer on or prior to the Closing Date and to pay certain severance benefits to them. In the event Buyer employs any person who was an employee of Seller performing tasks associated with the Business within nine (9) months after the Closing Date, Buyer shall reimburse Seller for the severance benefits paid to such former employee of Seller.

XII. MISCELLANEOUS.

12.1 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given upon receipt if personally delivered or sent by facsimile transmission equipment or as of the third business day after being placed in the United States mail, registered or certified, postage prepaid, addressed as follows:

If to Seller:

Mr. Clark Voss

Attention: Mr. Davis Biggs
Biggs, Fickie, and Dwyer
319 North Fourth Street
Suite 820
St. Louis, MO 63102

Phone: (314) 421-6555
Telefax No.: (314) 421-6545

If to Buyer:

Douglas Publication, Inc.
9609 Gayton Road

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Suite 100
Richmond, VA 23233

Attention: Alan M. Douglas, President
Telefax No.: (804) 750-2399

Each of the parties shall be entitled to specify a different address by giving notice as aforesaid.

12.2 Further Assurances. From time to time after the Closing and without further consideration, each party hereto will execute and deliver or cause to be executed and delivered such further instruments and assurances as the other party hereto may reasonably request in order to effectuate the intent of this Agreement (including, without limitation, all instruments and assurances reasonably requested by Buyer to transfer, convey and register all intellectual property rights to be sold to Buyer hereunder).

12.3 Brokers. Seller and Buyer represent to each other that no brokers have been involved in connection with the transaction contemplated by this Agreement, except for AdMedia Corporate Advisors, Inc. a consultant retained by Buyer. Buyer shall be responsible for paying any fee or commission payable to AdMedia Corporate Advisors, Inc. Each party shall indemnify and hold harmless the other party against any claims for brokerage commissions or finder's fees due or claimed to be due any broker by reason of the acts of the indemnitor.

12.4 Expenses. Except as otherwise provided in this Agreement, each party hereto shall bear its own expenses, including without limitation the fees, commissions and charges of any attorneys, accountants, appraisers, brokers or finders, or others engaged or retained by it and the costs of obtaining any consents or approvals required to be obtained by it, in connection with this agreement and the transactions contemplated hereby.

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12.5 Entire Agreement. This Agreement (including the schedules hereto), and the agreements referred to herein constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, representations, disclosures, understandings, negotiations and discussions, whether oral or written. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

12.6 Headings. Section and subsection headings are not to be considered part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the content thereof.

12.7 Successors and Assigns. All of the terms, provisions and obligations of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, provided however that this Agreement may not be assigned by either party without the prior written consent of the other party hereto.

12.8 Governing Law. The validity, construction and interpretation, of this Agreement shall be governed by the laws of the State of Virginia. The parties to this Agreement irrevocably submit to the jurisdiction of any state or federal court sitting in Virginia over any suit, action or proceeding arising out of or relating to this Agreement and irrevocably waive any objection to the venue of any such suit, action or proceeding.

12.9 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each one of which shall be deemed an original, but all of which shall constitute one and the same instrument.

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ENCLOSURE PUBLIC RELATIONS
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12.10 Third Parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any person other than Seller and Buyer any right or remedies under or by reason of this Agreement.

12.11 Books and Records. Seller may have reasonable access to the books and records transferred to Buyer for Seller's purposes relating to the performance of this Agreement and as needed for the maintenance of actions against or defense of actions by third parties or for tax purposes.

12.12 Confidentiality and Press Releases. In the event this Agreement terminates without the purchase and sale of the Assets having taken place, the parties will, and will cause their respective affiliates and agents to, refrain from using or disclosing any non-public information received in connection with the reviews, investigations and negotiations relating to this Agreement.

12.13 Severable Provisions. The provisions of this Agreement are severable and if any one or more provisions may be determined to be unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions to the extent enforceable shall nevertheless be binding and enforceable. For the purpose of determining the scope of the covenants set forth in Article VII, if the geographic scope of any region set forth therein shall be determined by a court of competent jurisdiction to be excessive, such region shall be excluded from such covenant, to the extent it is excessive, and such covenant as it relates to the remaining regions, or portions thereof, shall be deemed enforceable and remain in full force and effect.

12.14 Bulk Sales Laws. Except for the indemnity provided by Seller pursuant to Section 9.2, Buyer and Seller waive compliance with any applicable bulk sales laws.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the 18th day of November, 1995.

DOUGLAS PUBLICATIONS, INC.

THE AMERICAN PAINT JOURNAL CO.

By: Alan M. Douglas 11/18/95

By: [Signature]

Alan M. Douglas
President

Clark Voss
President

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Schedule 5.1(b)

TRADEMARK ASSIGNMENT

KNOW ALL MEN, that The American Paint Company, a Missouri corporation, having its principal place of business at 2911 Washington Avenue, St. Louis, MO 63103 (the "Assignor"), for good and valuable consideration paid by Douglas Publications, Inc., a Virginia corporation, having its principal place of business at 9609 Gayton Road, Suite 100, Richmond, Virginia 23223 (the "Assignee"), hereby assigns and transfers to Assignee all of Assignor's right, title and interest in and to (a) all United States and foreign trademarks, trade names, service marks and logos and all registrations therefore now owned by Assignor relating to the publication of The American Paint and Coatings Journal, The American Paint and Coatings Journal Convention Daily and The American Painting Contractor or other products or services related thereto which may be received under the laws now or hereafter in effect including, without limitation, the United States trademark Registration No. _____, together with the goodwill of the business symbolized thereby and all licenses of United States trademarks; and (b) the right to sue for past, present and future infringements of the foregoing.

IN WITNESS WHEREOF, Assignor has caused this its duly authorized officer to execute this Assignment on the _____ day of December, 1995.

THE AMERICAN PAINT JOURNAL COMPANY

By: _____
Clark Voss
President

STATE OF MISSOURI)
)
COUNTY OF _____)

ss:

The foregoing instrument was acknowledged before me this _____ day of December, 1995 by Clark Voss, President, The American Paint Journal Company, a Missouri corporation, on behalf of the corporation.

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