

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

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): Kappa Publishing Group, Inc.

- 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: 12/30/03

2. Name and address of receiving party(ies)

Name: Citizens Bank of Massachusetts

Internal Address:

Street Address: 28 State Street

City: Boston State: MA Zip: 02109

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

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) 76/551,703

B. Trademark Registration No.(s) 1925391; 2639426; 2712984; 2734029

Additional number(s) attached Yes No

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

Name: Christopher E. Kondracki

Internal Address:

Street Address: 2001 Jefferson Davis, Hwy.

Suite 505

City: Arlington State: VA Zip: 22202

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41) \$ 140.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

19-3545

DO NOT USE THIS SPACE

9. Signature.

Christopher E. Kondracki Name of Person Signing

Signature

2/11/04 Date

Total number of pages including cover sheet, attachments, and document: 10

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

CH \$140.00 193545 76551703

**FIRST AMENDMENT TO
CONDITIONAL ASSIGNMENT OF TRADEMARKS**

This First Amendment to Conditional Assignment of Trademarks (the "Amendment") is made as of the 30th day of December, 2003 by and between KAPPA PUBLISHING GROUP, INC. (the "Borrower"), a Delaware corporation having its principal place of business at 7002 W. Butler Pike, Ambler, Pennsylvania 19002 and CITIZENS BANK OF MASSACHUSETTS (the "Bank"), a Massachusetts bank with a place of business at 28 State Street, Boston, Massachusetts 02109, in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

W I T N E S S E T H:

WHEREAS, the Bank and the Borrower are parties to a certain Amended and Restated Revolving Credit Agreement dated as of November 27, 2000 (as the same may be amended, restated or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Bank established a \$16,300,000 revolving line of credit in favor of the Borrower, which revolving line of credit is evidenced by, among other documents, instruments, and agreements, the Borrower's Amended and Restated Revolving Credit Note dated November 27, 2000 issued in such maximum principal amount; and

WHEREAS, in connection with the execution and delivery of the Loan Agreement, the Borrower executed and delivered a certain Conditional Assignment of Trademarks dated as of November 27, 2000 (as the same may be amended, restated or otherwise modified from time to time, the "Conditional Assignment"), pursuant to which the Borrower pledged, assigned and granted a security interest in favor of the Bank in certain Trademarks (as defined therein); and

WHEREAS, concurrently herewith, the Borrower and the Bank are entering into a First Amendment to Revolving Credit Agreement of even date herewith, pursuant to which the Bank has agreed to increase the line of credit commitment from \$16,300,000 to \$18,000,000; and

WHEREAS, the Borrower has acquired additional Trademarks and desires to hereby confirm the pledge of, and the grant of a security interest in, such additional Trademarks in favor of the Bank.

NOW, THEREFORE, it is hereby agreed as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Conditional Assignment.
2. Amendment to Exhibit A. Exhibit A to the Conditional Assignment is hereby amended by adding thereto the Trademarks set forth on Exhibit A, annexed hereto and incorporated herein by reference.
3. Execution of Notice of Security Interest in Trademarks. The Borrower shall, by the date of execution of this Amendment, execute and deliver to the Bank, the

Notice of Security Interest in Trademarks in the form annexed hereto and incorporated herein by reference as Exhibit B.

Miscellaneous:

- (a) Except as provided herein, all terms and conditions of the Conditional Assignment remain in full force and effect. The Borrower hereby ratifies, confirms and reaffirms all of the representations, warranties and covenants therein contained.
- (b) This Amendment may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed shall be an original and all which together shall constitute one instrument.
- (c) This Amendment covers the entire understanding of the parties with respect to the matters set forth herein and supersedes all prior discussions and negotiations hereon.

[remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties have hereto have caused this Amendment to be executed and their seals to be hereto affixed as of the date first above written.

("Borrower")

KAPPA PUBLISHING GROUP, INC.

By: William R. Mainwaring
Name: William R. MAINWARING
Title: TREASURER

("Bank")

CITIZENS BANK OF MASSACHUSETTS

By: _____
Frank J. Grueter, III
Senior Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF Montgomery SS

On this 30th day of December, 2003, before me personally appeared the above named William R. Mainwaring, Treasurer of KAPPA PUBLISHING GROUP, INC., a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument, on behalf of said corporation, and acknowledged said instrument so executed to be his free act and the free act and deed of said corporation.

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
SYLVIA W. RICHARDS, Notary Public
Ambler Boro., Montgomery County
My Commission Expires July 5, 2007

Notary Public: Sylvia W Richards
My commission expires: 7/5/07

THE COMMONWEALTH OF MASSACHUSETTS
SUFFOLK COUNTY

On this _____ day of December, 2003, before me personally appeared Frank J. Grueter, III, a Senior Vice President of CITIZENS BANK OF MASSACHUSETTS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument, on behalf of said Massachusetts bank, and acknowledged said instrument so executed to be his free act and deed in said capacity and the free act and deed of said Massachusetts bank.

Notary Public: _____
My commission expires: _____

IN WITNESS WHEREOF, the parties have hereto have caused this Amendment to be executed and their seals to be hereto affixed as of the date first above written.


("Borrower")

KAPPA PUBLISHING GROUP, INC.

By: _____
Name: _____
Title: _____

("Bank")

CITIZENS BANK OF MASSACHUSETTS

By: 
Frank J. Grueter, III
Senior Vice President


COMMONWEALTH OF PENNSYLVANIA
COUNTY OF _____ SS

On this _____ day of December, 2003, before me personally appeared the above named William R. Mainwaring, Treasurer of KAPPA PUBLISHING GROUP, INC., a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument, on behalf of said corporation, and acknowledged said instrument so executed to be his free act and the free act and deed of said corporation.

Notary Public: _____
My commission expires: _____

THE COMMONWEALTH OF MASSACHUSETTS
SUFFOLK COUNTY

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Notary Public: 
My commission expires: _____

RITA L. SCHULTHEISS, Notary Public
My commission expires April 2, 2004

EXHIBIT A

Mark	Registration No.	Registration Date
THE MAGAZINE FOR CREATIVE MINDS AT PLAY	1,925,391	10/10/95
ANOTHER FINE K KAPPA PUBLICATION & Design	76/551,703 ¹	9/25/03 ²
EBB	2,639,426	02/22/02
HARLE	2,712,984	05/06/03
HARLE HARLE FOR THE FINEST IN PUZZLES SINCE 1936 & Design	2,734,029	07/08/03

808913.1

¹Application Number²Application Date

EXHIBIT B**NOTICE OF SECURITY INTEREST IN TRADEMARKS**

U.S. Patent and Trademark Office
Office of Public Records
Attn: Customer Services Counter
1213 Jefferson Davis Highway, Third Floor
Arlington, Virginia 22202

Ladies and Gentlemen:

Pursuant to a Conditional Assignment of Trademarks dated November 27, 2000 between KAPPA PUBLISHING GROUP, INC., a Delaware corporation ("Kappa") and CITIZENS BANK OF MASSACHUSETTS, a Massachusetts bank (the "Bank") (as amended, restated or otherwise modified from time to time, the "Conditional Assignment"), Kappa has granted to the Bank, a continuing security interest in and conditional assignment of its now owned or hereafter acquired registered trademarks and service marks and trademarks and service marks for which applications to register, and in the case of "intent to use" applications for which verified statements of use, have been filed and are pending or are hereafter filed with the U.S. Patent and Trademark Office (the "PTO") or any other governmental authority, including but not limited to, those registered trademarks and service marks and trademark and service mark applications listed on Exhibit A attached hereto (as the same may be amended pursuant hereto from time to time); all re-issues, renewals and amendments thereof; all proceeds of infringement suits; the sole right to sue for past, present, future and threatened infringements of any of the foregoing; all rights corresponding to any of the foregoing throughout the world; and any royalties, licenses, fees, damages, proceeds, improvements and subsequent trademarks or service marks obtained in connection therewith (all of the foregoing being hereinafter collectively referred to as the "Trademarks"), together with a continuing security interest in and conditional assignment of all its right, title and interest in and to the goodwill of the business to which each of the Trademarks relates, to have and to hold until the Obligations have been paid and performed in full. The security interests granted herein are granted in conjunction with the security interests granted by Kappa to the Bank in the Collateral defined and described under the Security Documents

referred to in the Conditional Assignment, which, among other things, relate to the products sold under the Trademarks.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to duly execute this Notice of Security Interest in Trademarks as of this ___ day of December, 2003.

KAPPA PUBLISHING GROUP, INC.

CITIZENS BANK OF MASSACHUSETTS

By: _____
William R. Mainwaring
Treasurer

By: _____
Frank J. Grueter, III
Senior Vice President

THE COMMONWEALTH OF MASSACHUSETTS
SUFFOLK COUNTY

On this _____ day of December, 2003, before me personally appeared Frank J. Grueter, III, a Senior Vice President of CITIZENS BANK OF MASSACHUSETTS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument, on behalf of said Massachusetts bank, and acknowledged said instrument so executed to be his free act and deed in said capacity and the free act and deed of said Massachusetts bank.

Notary Public: _____
My commission expires: _____

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF _____ SS

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808913.3

¹Application Number²Application Date