

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
D MAGAZINE PARTNERS, L.P.	FORMERLY MAGAZINE LIMITED PARTNERS, L.P.	06/30/2003	LIMITED PARTNERSHIP: TEXAS

RECEIVING PARTY DATA

Name:	WELLS FARGO FOOTHILL, INC., Successor In Interest to Westburg Media Capital, L.P.
Street Address:	421 WEST RIVERSIDE AVENUE, SUITE 830
City:	SPOKANE
State/Country:	WASHINGTON
Postal Code:	99201
Entity Type:	CORPORATION: CALIFORNIA

PROPERTY NUMBERS Total: 12

Property Type	Number	Word Mark
Registration Number:	3120133	FRONTBURNER
Serial Number:	78680750	DALLAS MEDICAL HALL OF FAME
Serial Number:	78721491	DALLAS GOLD PAGES
Serial Number:	78574864	D HOME'S GOLD PAGES
Registration Number:	2906232	FIRSTHOME
Registration Number:	2910096	D
Registration Number:	2910095	D
Registration Number:	2662553	BEST OF BIG D
Registration Number:	2590848	D HOME AND GARDEN
Registration Number:	2512363	D HOME AND GARDEN
Registration Number:	2523534	EDALLAS
Registration Number:	1089692	D MAGAZINE

OP \$315.00 3120133

CORRESPONDENCE DATA

Fax Number: (509)458-2717
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 509-624-5265
Email: debbiep@wkdtlaw.com
Correspondent Name: Debbie A. Palm
Address Line 1: 422 West Riverside Avenue, Suite 1100
Address Line 4: Spokane, WASHINGTON 99201

ATTORNEY DOCKET NUMBER:	92980-9
NAME OF SUBMITTER:	Debbie A. Palm
Signature:	/dap/
Date:	10/06/2006

Total Attachments: 10
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SECURITY AGREEMENT

This security agreement ("Security Agreement") is made as of June 30, 2003, among Magazine Limited Partners, LP, a Texas limited partnership and DMAG, INC., a Texas corporation (hereinafter collectively referred to as "Debtor"), and Westburg Media Capital L.P., a Washington limited partnership (hereinafter referred to as "Secured Party").

RECITALS

A. Debtor and Secured Party have entered into a Borrowing Agreement of even date pursuant to which Secured Party has agreed to make a secured loan to Debtor.

B. Debtor and Secured Party are entering into this Security Agreement in order to secure Debtor's repayment obligations to Secured Party.

AGREEMENT

In consideration of the foregoing, Debtor and Secured Party hereby agree as follows:

1. **Definitions.** Most of the capitalized terms used in this Security Agreement are defined in the Borrowing Agreement of even date between Secured Party, Debtor and others (the "Borrowing Agreement") or other of the Loan Documents. Other capitalized terms are defined below:

1.1 *Collateral.* Collateral shall consist of all accounts, sales of accounts, contract rights, instruments, documents, chattel paper, licenses, general intangibles (including but not limited to trademarks, trade names, patents, copyrights, all other forms of intellectual property and the goodwill associated therewith), permits, licenses, tax refunds, all commercial tort claims, letters of credit rights, goods, returned and repossessed goods and all rights as a seller of goods; all investment property; all collateral securing any of the foregoing; all deposit accounts, special and general, whether on deposit with Secured Party or others;

All inventory wherever located; all present and future claims against any supplier of any of the foregoing, including claims for defective goods or overpayments to or undershipments by suppliers; all proceeds arising from the lease or rental of any of the foregoing; INVENTORY RETURNED BY DEBTOR TO ITS SUPPLIERS SHALL REMAIN SUBJECT TO SECURED PARTY'S SECURITY INTEREST;

All equipment and fixtures, NONE OF WHICH THE DEBTOR IS AUTHORIZED TO SELL, LEASE OR OTHERWISE DISPOSE OF WITHOUT THE WRITTEN CONSENT OF SECURED PARTY. All warranty and other claims against any vendor or lessor of any of the foregoing;

All cash and non-cash proceeds of any of the foregoing, in whatever form (including proceeds in the form of inventory, equipment or any other form of personal property), including proceeds of proceeds;

All licenses, leasehold interest (whether as lessor or lessee) and the rents, if any, derived therefrom).

For avoidance of doubt it is expressly understood and agreed that, to the extent the Uniform Commercial Code is revised subsequent to the date hereof such that the definition of any of the foregoing terms included in the description of Collateral is changed, the parties agree that any property which is included in such changed definitions which would not otherwise be included in the foregoing grant on the date hereof be included in such grant immediately upon the effective date of such revision, it being the intention of the parties hereto that the description of Collateral set forth herein be construed to include the broadest possible range of property and assets and all tangible and intangible personal property and fixtures of the Debtor of every kind and description.

1.2 *Debtor* shall mean collectively, jointly and severally, Magazine Limited Partners, LP, a Texas limited partnership and DMAG, INC., a Texas corporation, and its successors and assigns.

1.3 *Obligations* shall mean all debts, liabilities and obligations now or hereafter owed by Debtor to Secured Party under the Loan Documents, specifically including the liabilities and obligations evidenced by the Note, plus all costs of collecting the Obligations, including but not limited to attorney's fees and court costs.

1.4 *Secured Party* shall mean Westburg Media Capital, L.P., a Washington limited partnership, acting by and through its general partner, Westburg Media Capital, Inc., a Washington corporation. Secured Party shall also mean any successor or assign of Westburg Media Capital, L.P.

2. **Grant of Security Interest.** As security for the prompt payment and performance of the Obligations, Debtor grants to Secured Party a first priority, subject to permitted liens, continuing security interest in the Collateral (except for accounts) and a second priority security interest in Borrower's accounts. In the event the line of credit from

Wells Fargo Bank is paid in full and Borrower no longer has availability under said line of credit, Secured Party's security interest in accounts shall be deemed a first priority secured interest. The Collateral shall be held by the Debtor, unless and until an Event of Default occurs and the Cure Period expires.

3. **Perfection of Security Interest.** Debtor authorizes Secured Party to at any time, file and record any notice, financing statement or other instrument which Lender deems to be necessary or appropriate to create, continue or perfect the security interest granted by this Security Agreement or to enable Secured Party to exercise or enforce its rights under this Security Agreement. Debtor shall add a legend to any and all chattel paper in which it has an interest indicating that said chattel paper is subject to the terms of this Security Agreement. Debtor acknowledges that any Collateral in the possession of Secured Party or its agents shall be deemed perfected by possession of Secured Party and therefore subject to this Security Agreement. At any time, upon demand of Secured Party, Debtor shall obtain for the benefit of Secured Party any consent or control agreements with said third-party as Secured Party deems, in its sole and absolute discretion, necessary to perfect Secured Party's security interest in any Collateral.

4. **Power of Attorney.** Debtor hereby grants to Secured Party the right and power to:

(a) file financing statements, continuation statements and amendments thereto that describe the Collateral as all assets of the Debtor or words of similar effect and which contain any other information required by Section 9A-501 *et seq.* of the Washington Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor. The Debtor agrees to furnish any such information to the Secured Party promptly upon request;

(b) file, in Debtor's name, one or more financing statements, continuation statements or other documents under the Texas Uniform Commercial Code (and the commercial code(s) of any other state in which Secured Party deems the filing of such documents to be necessary or desirable) covering the Collateral, and naming Debtor as "debtor" and Secured Party as a "secured party";

(c) correct and complete any financing statements, continuation statements or other documents that have been signed or filed by Debtor or Secured Party;

(d) amend this Security Agreement for the purpose of reflecting any hereafter acquired Collateral; and

(e) endorse Debtor's name to any check or other instrument representing payment of account or other Collateral.

5. **Warranties and Covenants.** Debtor represents, warrants and agrees that:

5.1 *Ownership and Custody of Collateral.* Debtor has good and marketable title to the Collateral, free and clear of all liens and encumbrances, and will defend such title and Secured Party's interest therein. Debtor will indemnify and defend Secured Party, and hold it harmless from any loss or liability incurred by it in the defense of title. Debtor will maintain the Collateral in good condition at all times, in accordance with the highest standards, and will not permit the Collateral to be used in an unlawful or injurious manner.

5.2 *Protection of Collateral.* Debtor will keep the Collateral free and clear of all liens, security interests and encumbrances, excepting only the lien and security interest granted by this Security Agreement and the liens and security interests disclosed in Exhibit "C" of the Borrowing Agreement, and shall keep the inventory (other than inventory sold in the ordinary course of business or inventory in transit to a buyer) at the locations set forth in Section 5.4 hereof or Exhibit "A" to this Security Agreement. Except as disclosed in Exhibit "C" to the Borrowing Agreement, no other financing statements, security agreements or other instruments naming the Debtor as "debtor" and affecting the Collateral exist or are on file or are recorded in any public office. Without first obtaining the prior written consent of Secured Party, Debtor will not transfer or further encumber any part of the Collateral or any interest in the Collateral. Debtor will insure the Collateral against risk of damage, loss and destruction in accordance with the standards prescribed in the Borrowing Agreement, in such amounts and with such insurance company or companies as Secured Party may reasonably specify. Such insurance policies shall name Secured Party as an insured party, and shall provide that written notice of cancellation be delivered to Secured Party, at a minimum, 30 calendar days before cancellation. Debtor shall deliver to Secured Party evidence of compliance with this provision. Debtor assumes all responsibility and liability arising from the use of the Collateral, and will indemnify and hold Secured Party, its general partner and such general partner's officers, directors, agents and employees harmless from any and all loss or damage to persons or property resulting from the use of the Collateral.

5.3 *Performance.* Debtor will perform promptly all of its Obligations.

5.4 *Location of Records and Collateral.* Debtor's principal place of business is at 4311 Oak Lawn Avenue, First Floor, Dallas, Texas 75219, which is also Debtor's mailing address. Debtor's records concerning the Collateral are kept at its place of business at such address, and the Collateral is currently located at such addresses and at the additional address(es) specified on Exhibit "A" hereto, which exhibit may be amended from time-to-time or at any time by Secured Party to reflect the address at which any hereafter

acquired Collateral is located. Debtor will promptly notify Secured Party of any change in the location of its place of business, the Collateral or its records concerning the Collateral, and of any hereafter acquired Collateral.

5.5 *Access to Records.* Debtor will maintain full and accurate books of account, ledgers and other written records relating to the Collateral. Secured Party shall upon reasonable notice and during normal business hours have the right to inspect any of Debtor's records relating the Collateral and the right to obtain copies of the records. Secured Party understands that such books and records may contain proprietary or confidential information, and agree to use all reasonable efforts to maintain the proprietary or confidential nature of such information.

5.6 *Litigation.* No unsatisfied judgments, decrees or orders of any court or governmental body are outstanding against Debtor or against the Collateral. To the knowledge of Debtor, and except as disclosed in the Borrowing Agreement, no proceedings are pending, nor has Debtor been threatened with the institution of proceedings, before any court or governmental body which will materially and adversely affect the financial condition of Debtor or the status of the Collateral.

5.7 *Payment of Taxes and Indebtedness.* Debtor will promptly pay all undisputed liens, taxes, assessments or contributions required by law which may come due and which are lawfully levied or assessed with respect to any of the Collateral, and will promptly give Secured Party Notice of any disputed liens, taxes, assessments or contributions it chooses not to pay. Debtor will execute and deliver to Secured Party, upon demand, certificates attesting to the timely payment or deposit of the sums owed on all such liens, taxes, assessments or contributions. Debtor will fully comply with all terms and provisions of this Security Agreement and all other security instruments upon which it is obligated.

5.8 *Power to Undertake Agreement.* Debtor has the unqualified right to enter into this Security Agreement and to perform its terms.

5.9 *No Impairment of Obligations.* Until the Note has been paid in full, Debtor will not make any agreement which is inconsistent with its Obligations, nor sell, lease or otherwise dispose of the Collateral (or any other material assets, if such assets are not also included as Collateral) other than in the ordinary course of business, unless Debtor has obtained the prior written consent of Secured Party, which consent will not be withheld unreasonably. Secured Party may, as a condition of giving consent, require that all or part of the proceeds be applied to the Note as a prepayment. Until the Note has been paid in full, Debtor will not incur, create, assume or permit to exist any debt other than as may be permitted by the Borrowing Agreement.

5.10 *Inspection of Collateral.* Debtor grants to Secured Party the right to visit Debtor's premises and/or the locations described in Paragraph 5.4 or in Exhibit "A" hereof, or any other place where the collateral may be located, at reasonable times during regular business hours to inspect the Collateral.

5.11 *Notification of Account Debtors.* Upon an Event of Default and the passage of the applicable Cure Period, Secured Party shall be entitled to notify the account debtors or obligors under any receivables of the assignment of such receivables to Secured Party, and to direct such account debtors or obligors to make payment of all amounts due or to become due to Debtor thereunder directly to Secured Party, or to a lockbox designated by Secured Party, and to enforce collection of any such receivables. After receipt by Debtor of the notice from Secured Party referred to in the preceding sentence, all amounts and proceeds (including instruments) received by Debtor in respect of the receivables shall be received in trust for the benefit of Secured Party, and shall be forthwith paid over to Secured Party, in the same form as so received (with any necessary endorsement) to be held and applied as cash collateral.

6. Notice of Event of Default and Right to Cure. Secured Party shall give Notice of any Event of Default to Debtor, and Debtor shall have the right to cure such Event of Default within the applicable Cure Period. If Debtor fails to cure the Event of Default within the applicable Cure Period, then Secured Party may pursue any and all remedies provided in this Security Agreement. Debtor agrees that receipt of Notice shall constitute reasonable advance notice to Debtor of a planned sale or other disposition of the Collateral by Secured Party.

7. Remedies. Upon the occurrence of an Event of Default and the expiration of the applicable Cure Period, Secured Party shall have all rights available at law or in equity, including all rights available under the Washington Uniform Commercial Code. Debtor agrees that 10 calendar days' prior written notice to Debtor of the time and place of any public sale or the time after which any private sale is to be made or other intended disposition of any of the Collateral shall constitute reasonable notification thereof, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. Debtor agrees that such notice constitutes "reasonable notification" within the meaning of Section 9A 611 of the Washington Uniform Commercial Code. Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. All rights and remedies granted under this Security Agreement shall be deemed cumulative and not exclusive of any other right or remedy available to Secured Party.

Secured Party retains the right, upon giving Notice to Debtor, to bring suit on the Note held by Secured Party, to take possession of the Collateral and to sell, assign or otherwise dispose of the Collateral as permitted under Washington law. Debtor shall be entitled to any surplus, and shall remain liable for any deficiency remaining after disposition of the Collateral. All rights and remedies granted under this Security Agreement shall be deemed cumulative and not exclusive of any other right or remedy available to Secured Party. Debtor waives all rights to presentment, notice of dishonor, and protest of all instruments evidencing the Obligations or the Collateral.

8. **Termination of Security Agreement.** At such time as Debtor shall completely satisfy all of the Obligations and Secured Party shall not be under any further obligation to make advances under the Loan, this Security Agreement shall terminate. At that time, Secured Party shall deliver to Debtor the Note and any other instruments necessary to release Secured Party's interests in the Collateral, including termination statements under the Uniform Commercial Code.

9. **Further Assurances.** Each party agrees to take any additional actions and to make, execute, obtain and deliver any additional written instruments that may be reasonably required to carry out the terms, provisions, intentions and purposes of this Security Agreement.

10. **Miscellaneous Provisions.**

10.1 *Modifications.* This Security Agreement may not be changed orally. For a modification of this Security Agreement to be effective, it must be in writing and have been signed by Debtor and Secured Party. Every right or remedy granted by this Security Agreement may be exercised as often as shall be deemed expedient by Secured Party.

10.2 *Assignability and Binding Effect.* Debtor may not transfer or assign its rights, duties or obligations under this Security Agreement without the prior written consent of Secured Party, which consent shall not be withheld unreasonably. This Security Agreement and the duties set forth herein shall bind Debtor and its successors and assigns. All rights and powers established in this Security Agreement shall benefit Secured Party and its successors and assigns.

10.3 *Headings.* Headings used in this Security Agreement have been included for convenience and ease of reference only, and will not influence the construction or interpretation of any provision of this Security Agreement.

10.4 *Waiver.* No right or obligation under this Security Agreement will be deemed to have been waived unless evidenced by a writing signed by the party against whom the waiver is asserted, or by the party's duly authorized representative. Any waiver will be

effective only with respect to the specific instance involved, and will not impair or limit the right of the waiving party to insist upon strict performance or the right or obligation in any other instance, in any other respect, or at any other time. No failure on the part of Secured Party to exercise, and no delay in exercising any right or obligation under this Security Agreement shall operate as a waiver thereof.

10.5 *Severability.* The parties intend that this Security Agreement be enforced to the greatest extent permitted by applicable law. Therefore, if any provision of this Security Agreement, on its face or as applied to any person or circumstance, is or becomes unenforceable to any extent, the remainder of this Security Agreement and the application of that provision to other persons, circumstances, or extent, will not be impaired.

10.6 *References.* Except as otherwise specifically indicated, all references to numbered or lettered sections or subsections refer to sections or subsections of this Security Agreement, and all references to this Security Agreement include any subsequent amendments to modifications or replacements of this Security Agreement.

10.7 *Attorneys' Fees.* If any litigation or other dispute resolution proceeding is commenced between parties to this Security Agreement to enforce or determine the rights or responsibilities of the parties, the prevailing party or parties in the proceeding will be entitled to receive, in addition to any other relief granted, its reasonable attorneys' fees, expenses and costs. Such fees, expenses and costs shall include all statutory costs and disbursements, all costs associated with discovery depositions and expert witness fees, and all out-of-pocket costs incurred by the prevailing party in the prosecution or defense of the action. For purposes of this section, the phrase "litigation or other dispute resolution" shall be deemed to include any proceeding commenced in any court of general or limited jurisdiction, any arbitration or mediation, any proceeding commenced in the bankruptcy courts of the United States, and any appeal from any of the foregoing.

10.8 *Governing Law and Venue; Waiver of Jury Trial.* This Security Agreement will be construed and the rights, duties, and obligations of the parties will be determined in accordance with the laws of the State of Washington, including the Washington Uniform Commercial Code, and the federal laws of the United States of America. If any action or other proceeding shall be brought in connection with this Security Agreement, the venue of such action may, in the discretion of Secured Party, be in Spokane County, Washington. Debtor hereby consents to the exclusive personal jurisdiction of the Superior Court of Spokane County and the United States District Court for the Eastern District of Washington. **DEBTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY AS TO ANY ISSUE ARISING OUT OF THIS SECURITY AGREEMENT OR THE DEBT WHICH IT SECURES.**

Executed and delivered as of the date first above written.

DEBTOR:

Magazine Limited Partners, LP,
a Texas limited partnership, acting
by and through its general partner,
DMAG, INC., a Texas corporation

By:



Wick Allison, its duly authorized officer

DMAG, INC., a Texas corporation

By:



Wick Allison, its duly authorized officer

Exhibit A to Security Agreement

Additional Locations of Collateral
(Sections 5.2 and 5.4)

SECURITY AGREEMENT - 10

RECORDED: 10/06/2006

**TRADEMARK
REEL: 003404 FRAME: 0202**