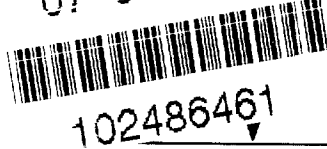


07-01-2003

6.27.03

Form PTO-1595 (Rev. 10/02) R
OMB No. 0651-0027 (exp. 6/30/2005)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):
Fugate and Associates, Inc.
2101 West 12th Street
Erie, PA 16505
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Citizens Bank of Pennsylvania
Internal Address: _____
Street Address: 525 William Penn Place
City: Pittsburgh State: PA Zip: 15219
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: April 29, 2003

4. Application number(s) or patent number(s):
If this document is being filed together with a new application, the execution date of the application is: _____
A. Patent Application No.(s)
78/226,974
78/226,965
78/226,942
Additional numbers attached? Yes No

B. Patent No.(s)

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Philip E. Levy, Esq.
Internal Address: _____
Street Address: 11 Stanwix Street
18th Floor
City: Pittsburgh State: PA Zip: 15222

6. Total number of applications and patents involved: 3
7. Total fee (37 CFR 3.41).....\$ 120.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number:
50-0525
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
Philip E. Levy
Name of Person Signing
[Signature]
Signature
6/25/03
Date
Total number of pages including cover sheet, attachments, and documents: 19

06/30/2003 LNUELLER 00000016 7022077
01 FC:8521
02 FC:8522
40.00 OP
50.00 OP

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

TRADEMARK
REEL: 002768 FRAME: 0264

0000120582
LNUELLER
06/30/2003
CHECK Refund Total: \$30.00

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") made effective the 29th day of April, 2003, between **FUGATE AND ASSOCIATES, INC.**, a Pennsylvania corporation (the "Debtor"), and **CITIZENS BANK OF PENNSYLVANIA**, a Pennsylvania state chartered bank (the "Secured Party").

WITNESSETH:

WHEREAS, the Debtor has requested the Secured Party to enter into a certain Credit Agreement of even date herewith (the "Credit Agreement") pursuant to which the Secured Party will make credit facilities available to the Debtor consisting of revolving credit loans and a term loan; and

WHEREAS, as an inducement to the Secured Party to enter into the Credit Agreement, and as a condition thereto, the Debtor has agreed to enter into this Agreement; and

WHEREAS, it is a condition precedent to the Secured Party entering into the Credit Agreement and making the facilities available thereunder to the Debtor that the Debtor enter into this Agreement; and

WHEREAS, the Secured Party is not willing to enter into the Credit Agreement unless and until the Debtor enters into this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and intending to be legally bound hereby, the Debtor and the Secured Party covenant and agree as follows:

1. The following capitalized words and terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined) and all other capitalized terms used herein shall have the meaning ascribed thereto in the Credit Agreement unless otherwise defined herein:

"Copyrights" shall mean (i) all original works of authorship fixed in any tangible medium of expression, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof, all whether now owned or hereafter acquired by the Debtor, including but not limited to, those described on Schedule A annexed hereto and made a part hereof, and (ii) all extensions or renewals thereof and all licenses thereof.

"Obligations" shall mean (i) all indebtedness and obligations of the Debtor to the Secured Party under the Credit Agreement and the other Loan Documents (including this Agreement), now existing or hereafter incurred, including, without limitation, the Obligations, and (ii) the payment of amounts that would become due from the Debtor to the Secured Party but for the operation of the automatic stay provisions of § 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a).

"Patents" shall mean (i) all letters patent of the United States or any other country, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, all whether now owned or hereafter acquired by Debtor, including, but not limited to, those described in Schedule A annexed hereto and made a part hereof, and (ii) all reissues, continuations, continuations-in-part or extensions thereof and all licenses thereof.

“Trademarks” shall mean (i) all trademarks, trade names, trade styles, service marks, prints and labels on which said trademarks, trade names, trade styles and service marks have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country any or any political subdivision thereof, all whether now owned or hereafter acquired by Debtor, including, but not limited to, those described in Schedule A annexed hereto and made a part hereof, and (ii) all reissues, extensions or renewals thereof and all licenses thereof.

2. As security for the full and prompt payment and performance of all Obligations, Debtor does hereby mortgage to and pledge with the Secured Party, and grant to the Secured Party a security interest in, all of Debtor’s right, title and interest in and to all of the following, now owned or hereafter arising or acquired (collectively, the “Intellectual Property Collateral”): (i) each of the Trademarks, and the goodwill of the business symbolized by each of the Trademarks, all customer lists and other records of Debtor relating to the distribution of products bearing the Trademarks and each of the applications and pending applications described in Schedule A; (ii) each of the Patents and each of the registrations listed on Schedule A; (iii) each of the Copyrights and each of the registrations listed on Schedule A; (iv) any claims by Debtor against third parties for infringement of the Trademarks, Patents or Copyrights; and (v) any and all proceeds of the foregoing.

3. Debtor hereby represents, warrants, covenants and agrees as follows:

(a) Debtor has the sole, full and clear title to the Trademarks in the United States for the goods and services covered by the registrations thereof and such registrations are valid and subsisting and in full force and effect.

(b) Debtor will perform all acts and execute all documents, including, without limitation, assignments for security in form suitable for filing with the United States Patent and Trademark Office and the United States Copyright Office, substantially in the forms of Exhibit 1 requested by the Secured Party at any time to evidence, perfect, maintain, record and enforce the Secured Party’s interest in the Intellectual Property Collateral or otherwise in furtherance of the provisions of this Agreement, and Debtor hereby authorizes the Secured Party to execute and file one or more financing statements (and similar documents) or copies thereof or of this Agreement with respect to the Intellectual Property Collateral signed only by the Secured Party.

(c) Except to the extent that the Secured Party, upon prior written notice of Debtor, shall consent, Debtor (either itself or through licensees) will continue to use the Trademarks on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain the Trademarks in full force free from any claim of abandonment for nonuse and Debtor will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(d) Debtor has the sole, full and clear title to each of the Patents shown on Schedule A hereto and the registrations thereof are valid and subsisting and in full force and effect. None of the Patents has been abandoned or dedicated, and, except to the extent that the Secured Party, upon prior written notice by Debtor, shall consent, Debtor will not do any act, or omit to do any act, whereby the Patents may become abandoned or dedicated and shall notify the Secured Party immediately if it knows of any reason or has reason to know that any application or registration may become abandoned or dedicated.

(e) Debtor has the sole, full and clear title to the Copyrights shown on Schedule A hereto and according to the records of the United States Copyright Office, each of said copyrights is

subsisting and in full force and effect. Except to the extent that the Secured Party, upon written notice by Debtor, shall consent, Debtor will not do any act, or omit to do any act, whereby the Copyrights may become abandoned or dedicated or the remedies available against potential infringers weakened, and shall notify Secured Party immediately if it knows of any reason or has reason to know that any Copyright may become abandoned or dedicated.

(f) Debtor will promptly pay the Secured Party for any and all sums, costs, and expenses which the Secured Party may pay or incur pursuant to the provisions of this Agreement or in enforcing the Obligations, the Intellectual Property Collateral or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel, and reasonable attorneys' fees, all of which together with interest at the highest rate then payable on the Obligations shall be part of the Obligations and be payable on demand.

(g) In no event shall Debtor, either itself or through any agent, employee, licensee or designee, (i) file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office or the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof or (ii) file any assignment of any patent or trademark, which Debtor may acquire from a third party, with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, unless Debtor shall, on or prior to the date of such filing, notify the Secured Party thereof, and, upon request of the Secured Party, execute and deliver any and all assignments, agreements, instruments, documents and papers as the Secured Party may request to evidence the Secured Party's interest in such Patent or Trademark and the goodwill and general intangibles of Debtor relating thereto or represented thereby, and Debtor hereby constitutes the Secured Party its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(h) Debtor has the right and power to make the assignment and to grant the security interest herein granted; and the Intellectual Property Collateral is not now, and at all times hereafter will not be, subject to any liens, mortgages, assignments, security interests or encumbrances of any nature whatsoever, except in favor of the Secured Party, and to the best knowledge of Debtor none of the Intellectual Property Collateral is subject to any claim.

(i) Except to the extent that Secured Party, upon prior written notice from Debtor, shall consent, Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Intellectual Property Collateral, and nothing in this Agreement shall be deemed a consent by the Secured Party to any such action except as expressly permitted herein.

(j) As of the date hereof neither Debtor nor any affiliate or subsidiary thereof owns any Patents, Trademarks or Copyrights or has any Patents, Trademarks or Copyrights registered in, or the subject of pending applications in, the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, other than those described in Schedule A.

(k) Debtor will take all necessary steps in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain each application and registration of the Trademarks, Patents and Copyrights, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication, abandonment or invalidation is permitted under paragraphs 2(c), 2(d) and 2(e) hereof).

(l) Debtor assumes all responsibility and liability arising from the use of the Trademarks, Patents and Copyrights, and Debtor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark, Patent or Copyright or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof). Debtor agrees that Secured Party does not assume, and shall have no responsibility for, the payment of any sums due or to become due under any agreement or contract included in the Intellectual Property Collateral or the performance of any obligations to be performed under or with respect to any such agreement or contract by Debtor, and Debtor hereby agrees to indemnify and hold the Secured Party harmless with respect to any and all claims by any person relating thereto.

(m) Secured Party may, in its sole discretion, pay any amount or do any act required of Debtor hereunder or requested by Secured Party to preserve, defend, protect, maintain, record or enforce Debtor's obligations contained herein, the Obligations, the Intellectual Property Collateral, or the right, title and interest granted Secured Party herein, and which Debtor fails to do or pay, and any such payment shall be deemed an advance by Secured Party to Debtor and shall be payable on demand together with interest at the highest rate then payable on the Obligations.

(n) Debtor agrees that if it, or any affiliate or subsidiary thereof, learns of any use by any person of any term or design likely to cause confusion with any Trademark, it shall promptly notify Secured Party of such use and, if requested by Secured Party, shall join with Secured Party, at its expense, in such action as Secured Party, in its reasonable discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.

(o) All licenses of Trademarks, Patents and Copyrights which Debtor has granted to third parties are set forth in Schedule A hereto.

4. Upon the occurrence of an Event of Default, in addition to all other rights and remedies of the Secured Party, whether under law, the Credit Agreement or otherwise, all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively or concurrently, without (except as provided herein) notice to, or consent by, Debtor, the Secured Party shall have the following rights and remedies: (i) Upon 10 days' prior notice from the Secured Party, Debtor shall not make any further use of the Patents or the Trademarks or any mark similar thereto or the Copyrights or any work deriving therefrom for any purpose; (ii) the Secured Party may, at any time and from time to time, upon 10 days' prior notice to Debtor, license, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any of the Patents, Trademarks or Copyrights, throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Party shall in its sole discretion determine; (iii) the Secured Party may (within assuming any obligations or liability thereunder), at any time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of Debtor in, to and under any one or more license agreements with respect to the Intellectual Property Collateral, and take or refrain from taking any action under any thereof, and Debtor hereby releases the Secured Party from, and agrees to hold the Secured Party free and harmless from and against any claims arising out of, any action taken or omitted to be taken with respect to any such license agreement; (iv) the Secured Party may, at any time and from time to time, upon 10 days' prior notice to Debtor, assign, sell, or otherwise dispose of, the Intellectual Property Collateral or any of it, either with or without special or other conditions or stipulations, with power to buy the Intellectual Property Collateral or any part of it, and with power also to execute assurances, and do all other acts and things for completing the assignment, sale or disposition which the Secured Party shall, in its sole discretion, deem appropriate or proper; and (v) in addition to the foregoing, in order to implement the assignment, sale or other disposal of any of the Intellectual Property Collateral pursuant to subparagraph 3(d) hereof, the Secured Party may, at any time, pursuant to the authority granted in the Powers of Attorney described in paragraph 5 hereof (such authority becoming effective on the occurrence

or continuation as hereinabove provided of an Event of Default), execute and deliver on behalf of Debtor, one or more instruments of assignment of the Patents, Trademarks or Copyrights (or any application or registration thereof), in form suitable for filing, recording or registration in any country. Debtor agrees to pay when due all reasonable costs incurred in any such transfer of the Patents, Trademarks or Copyrights, including any taxes, fees and reasonable attorneys' fees, and all such costs shall be added to the Obligations. The Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by the Secured Party, and then to the Obligations, in such order as to principal or interest as the Secured Party may desire; and Debtor shall remain liable and will pay the Secured Party on demand any deficiency remaining, together with interest thereon at a rate equal to the highest rate then payable on the Obligations and the balance of any expenses unpaid. Nothing herein contained shall be construed as requiring the Secured Party to take any such action at any time. In the event of any such license, assignment, sale or other disposition of the Intellectual Property Collateral, or any of it, after the occurrence or continuation as hereinabove provided of an Event of Default, Debtor shall supply its know-how and expertise relating to the manufacture and sale of the products bearing or in connection with the Trademarks, Patents or Copyrights are used, and its customer lists and other records relating to the Trademarks, Patents or Copyrights and to the distribution of said products, to the Secured Party or its designee.

5. Concurrently with the execution and delivery hereof, Debtor is executing and delivering to the Secured Party, in the form of Exhibit 2 hereto, two originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Trademarks, Patents and Copyrights pursuant to clauses (iv) and (v) of paragraph 4 hereof and Debtor hereby releases the Secured Party from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Secured Party under the powers of attorney granted herein, other than actions taken or omitted to be taken through the gross negligence or willful misconduct of the Secured Party.

6. This Agreement shall continue in force and effect until the full, final and irrevocable payment of all of the Obligations and termination of any commitment by the Secured Party to make any further loans or advances to the Debtor. If the Secured Party receives any payment or payments on account of the Obligations which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver, or any other party under the Bankruptcy Code, 11 U.S.C. §101 et seq., as amended, or any other state or federal law, common law or equitable doctrine, then to the extent of any sum not finally retained by the Secured Party, the Debtor's obligations to the Secured Party shall be reinstated and this Agreement, and any security therefor, shall remain in full force and effect (or be reinstated) until payment shall have been made to the Secured Party, notwithstanding termination of this Agreement or the cancellation of any note, instrument or agreement evidencing the Secured Obligations, and such payment shall be due on demand by the Secured Party. If any proceeding seeking such repayment is pending or, in the Secured Party's sole judgment, threatened, this Agreement and any security therefor shall remain in full force and effect notwithstanding that the Debtor may not be obligated to the Secured Party. Subject to the foregoing, upon the full, final and irrevocable payment of all of the Obligations and termination of any commitment by the Secured Party to make any further loans or advances to the Debtor, this Agreement shall terminate and be of no further force and effect and the Secured Party shall thereupon terminate its security interest in the Intellectual Property Collateral. Until such time, however, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns, provided that, without the prior written consent of the Secured Party, the Debtor may not assign this Agreement or any of its rights under this Agreement or delegate any of its duties or obligations under this Agreement, and any such attempted assignment or delegation shall be null and void. This Agreement is not intended and shall not be construed to obligate the Secured Party to take any action whatsoever with respect to the Intellectual Property Collateral or to incur expenses or perform or discharge any obligation, duty or disability of the Debtor.

7. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall for any reason be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability of such provision in any other jurisdiction or any other provision of this Agreement in any jurisdiction.

8. No failure or delay on the part of the Secured Party in exercising any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof or of any other right, remedy, power or privilege of the Secured Party under this Agreement or the Credit Agreement nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

9. The rights, remedies, powers and privileges of the Secured Party under this Agreement are cumulative and not exclusive of any rights or remedies which it may otherwise have. In particular, the rights and remedies granted to the Secured Party under this Agreement shall be in addition to the rights and remedies of the Secured Party under the Credit Agreement and any security agreement or other document or instrument executed and delivered in connection with the Credit Agreement.

10. All notices, statements, requests and demands given to or made upon either party in accordance with the provisions of this Agreement shall be deemed to have been given or made when personally delivered or when given or made in accordance with the Credit Agreement.

11. The Debtor acknowledges that the lien and security interest, and the rights and remedies, granted under this Agreement are granted to the Secured Party for the benefit of the Secured Party.

12. The Debtor consents to the commencement and maintenance of any action or proceeding against it in any court within the Commonwealth of Pennsylvania or in the United States District Court for the Western District of Pennsylvania, and the Debtor further consents to service of process in any such action by the mailing of copies of such process to the Debtor at the address specified in this Agreement for delivery of notice to the Debtor. The Debtor agrees that the courts of the Commonwealth of Pennsylvania and the United States District Court for the Western District of Pennsylvania shall have exclusive jurisdiction for any action or proceeding commenced by or through it with respect to this Agreement and hereby waives any claim that Allegheny County, Pennsylvania is an inconvenient forum and that any action or proceeding arising out of or relating to this Agreement and commenced in any state or federal courts sitting in Allegheny County, Pennsylvania lacks proper venue.

13. This Agreement shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and the execution and delivery of this Agreement and the terms and provisions of this Agreement shall be governed by and construed in accordance with the laws of that Commonwealth and, to the extent applicable or governing, the laws of the United States of America.

14. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement. Delivery by telecopier of an executed counterpart of a signature page to this Agreement or any notice, communication, agreement, certificate, document or other instrument in connection with this Agreement shall be effective as delivery of an executed original counterpart thereof.

*****SIGNATURES APPEAR ON THE FOLLOWING PAGE*****

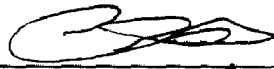
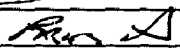
IN WITNESS WHEREOF, the parties hereto have caused this Intellectual Property Security Agreement to be executed by their duly authorized officers effective as of the day and year first above written.

ATTEST:

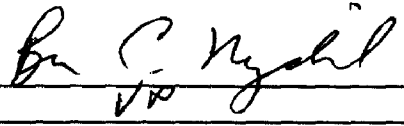

FUGATE AND ASSOCIATES, INC.


Secretary

(Corporate Seal)

BY: 
TITLE: 

CITIZENS BANK OF PENNSYLVANIA

BY: 
TITLE: 

Schedule A
to
Intellectual Property Security Agreement

FUGATE AND ASSOCIATES, INC.

I. Patents and Patent Applications:

II. Trademarks and Trademark Applications:

Trademarks, Tradenames or Service Marks as filed
with the United States Patent and Trademark Office

	<u>Regis. No.</u>	<u>Registration/ Filing Date</u>
1. FUNDINGFACTORY - Service Mark	1. 2562894	1. April 23, 2002
2. Funding Factory - Service Mark	2. 2562893	2. April 23, 2002
3. E.T.C.E.P. - Service Mark	3. 2363137	3. June 27, 2000
4. www.ETCEP.com - Service Mark	4. 2395567	4. October 17, 2000
5. Connecting Community, Education and the Environment - Service Mark	5. 2481559	5. August 28, 2001
6. MAXBACK - Service Mark	6. 2520991	6. December 18, 2001
7. MAXBACK - Service Mark	7. 2523327	7. December 25, 2001
8. Educational Technology & Conservation Exchange	8. 2402958	8. November 7, 2000

III. Copyrights and Copyright Applications:

Registration Number/Entity	Date Published/Registered	Title
TX-4-180-038 Fugate & Associates, Inc. d.b.a. ERS Imaging Supplies, Inc.	8-31-99 / 9-29-99	www.ETCEP.com; quick start guide: connecting community, education and the environment (8 page instructional manual)
TX-4-252-645 ETCEP d.b.a. ERS Imaging Supplies, Inc.	11-20-98 / 9-29-99	WWW.ETCEP.com: connecting community, education and the environment (9" X 12" 2 pocket presentation folder)
TX-5-034-788 ETCEP d.b.a. ERS Imaging Supplies, Inc.	8-15-99 / 9-29-99	ETCEP program manual
TX-5-034-789 Fugate & Associates, Inc. d.b.a. ERS Imaging Supplies, Inc.	8-31-99 / 9-29-99	Schools across the nation are already receiving free computers for their classrooms (direct mail piece)
TX-5-034-790 ETCEP d.b.a. ERS Imaging Supplies, Inc.	1-15-99 / 9-29-99	ETCEP: www.ETCEP.com (educational technology & conservation exchange program manual, brochure)

Applications filed with the United States Patent and Trademark Office
subject to examination and registration

1. Serial Number 78226974 filed March 18, 2003.
2. Serial Number 78226965 filed March 18, 2003.
3. Serial Number 78226942 filed March 18, 2003.

Exhibit 1
to
Intellectual Property Security Agreement

FORM OF ASSIGNMENT OF PATENTS, COPYRIGHTS AND TRADEMARKS

ASSIGNMENT OF PATENTS, COPYRIGHTS AND TRADEMARKS

WHEREAS, Fugate and Associates, Inc., a Pennsylvania corporation (the "Assignor"), and Citizens Bank of Pennsylvania, a Pennsylvania state chartered bank (the "Assignee"), are parties to that certain Credit Agreement dated April 29, 2003 (the "Credit Agreement");

WHEREAS, the Assignor owns the Patents, Copyrights and Trademarks (as defined in the Intellectual Property Security Agreement) listed on the annexed Schedule A (the "Intellectual Property Collateral"), which Patents are in full force and effect; and

WHEREAS, in connection with the Credit Agreement, the Assignor entered into that certain Intellectual Property Security Agreement dated April 29, 2003 (the "Intellectual Property Security Agreement") pursuant to which the Assignor (i) assigned to Assignee, and granted to Assignee a mortgage on, pledge of and security interest in, all right, title and interest of Assignor in and to the Intellectual Property Collateral to secure the payment of the Obligations (as defined in the Intellectual Property Security Agreement, and (ii) agreed that upon the occurrence of an Event of Default (as defined in the Intellectual Property Security Agreement) the Assignor would execute this Assignment; and

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Assignor does hereby further assign unto Assignee and grant to Assignee (for the benefit of the Assignee) a mortgage on, pledge of and security interest in the Collateral to secure prompt payment of the Obligations.

Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the assignment of, mortgage on, pledge of and security interest in the Collateral made and granted hereby are more fully set forth in the Intellectual Property Mortgage, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth in this Assignment.

IN WITNESS WHEREOF, Assignor has caused this Assignment for Security to be duly executed by its officers thereunto duly authorized as of the ____ day of _____, _____.

ATTEST:

FUGATE AND ASSOCIATES, INC.

By: _____
Title: _____

(Corporate Seal]

Schedule A
to
Assignment of Patents, Copyrights and Trademarks

FUGATE AND ASSOCIATES, INC.

I. Patent Applications:

II. Trademarks:

Trademarks, Tradenames or Service Marks as filed
with the United States Patent and Trademark Office

	<u>Regis. No.</u>	<u>Registration/ Filing Date</u>
1. FUNDINGFACTORY - Service Mark	1. 2562894	1. April 23, 2002
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7. MAXBACK - Service Mark	7. 2523327	7. December 25, 2001
8. Educational Technology & Conservation Exchange	8. 2402958	8. November 7, 2000

III. Copyrights:

Exhibit 2
to
Intellectual Property Security Agreement

SPECIAL POWER OF ATTORNEY

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ day of _____, 2003, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____ and that he is the _____ of **FUGATE AND ASSOCIATES, INC.**, the corporation described herein and which executed the foregoing Special Power of Attorney; and that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

Notary Public

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ day of _____, 2003, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____ and that he is the _____ of **FUGATE AND ASSOCIATES, INC.**, the corporation described herein and which executed the foregoing Special Power of Attorney; and that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

Notary Public