

09-23-2003

9.17.03

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2004) Tab settings



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EET U.S. DEPARTMENT OF COMMERCE Y 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): ZI, Inc. [] Individual(s) [] Association [] General Partnership [] Limited Partnership [x] Corporation-State DE [] Other Additional name(s) of conveying party(ies) attached? [] Yes [] No

2. Name and address of receiving party(ies) Name: PNC Bank, National Association Internal Address: Street Address: 201 Penn Avenue City: Scranton State: PA Zip: 18503 [] Individual(s) citizenship [] Association [] General Partnership [] Limited Partnership [] Corporation-State [x] Other National Association (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

3. Nature of conveyance: [] Assignment [] Merger [x] Security Agreement [] Change of Name [] Other Execution Date: 8/8/03

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 1,921,905 1,930,628 Additional number(s) attached [] Yes [] No

6. Total number of applications and registrations involved: 2

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Alice Kunkel Internal Address: Pepper Hamilton LLP Street Address: 500 Grant Street, 50th Floor City: Pittsburgh State: PA Zip: 15219

7. Total fee (37 CFR 3.41) \$ 80.00 [x] Enclosed [] Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature: 09/22/2003 LMUELLER 00000032 1921905 Alice K. Kunkel Name of Person Signing

Signature: [Signature] Date: 9/15/03 Total number of pages including cover sheet, attachments, and document: []

01 FC:8521 40.00 OP 02 FC:8522 25.00 OP

Refund Ref: 09/22/2003 LMUELLER 0000130946

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

CHECK Refund Total: \$15.00

TRADEMARK REEL: 002828 FRAME: 0194

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (the "Agreement"), dated as of August 8, 2003 is entered into by and between the parties signatory hereto as pledgors (each individually a "Pledgor" and collectively, the "Pledgors"), and PNC Bank, National Association, as collateral agent ("Collateral Agent") for the benefit of the Secured Parties (as defined in the Collateral Agency Agreement described below).

WHEREAS, pursuant to that certain Credit Agreement dated as of August 8, 2003, by and among The Scranton Times, L.P., a Pennsylvania limited partnership ("Scranton Times"), Pottsville Republican, Inc., a Pennsylvania corporation formerly known as J.H. Zerbey Newspapers, Inc. ("Republican") and Pottsville Real Estate LLC, a Pennsylvania limited liability company ("PRE," and together with Scranton Times and Republican, each a "Borrower" and collectively, the "Borrowers"), each of the guarantors party thereto ("Guarantors"), the banks party thereto ("Banks"), and PNC Bank, National Association, as Agent for the Banks (together with all amendments, restatements, modifications, extensions, supplements, renewals, refinancings, and the like thereto, the "Credit Agreement"), the Agent and the Banks have agreed to provide certain loans and other financial accommodations to the Borrowers; and

WHEREAS, pursuant to (i) that certain Reimbursement Agreement dated as of June 1, 1997 by and between PNC Bank, National Association (in such capacity, the "Issuer") and The Scranton Times, as amended, (ii) that certain Reimbursement Agreement dated as of April 1, 1999 by and between Issuer and CEGW, Inc., as amended, (iii) that certain Reimbursement Agreement dated as of March 1, 2001 by and between Issuer and Scranton Times, as amended, Issuer has issued direct pay letters of credit for the account of Scranton Times and CEGW, Inc.; and

WHEREAS, Collateral Agent, the Agent, the Banks and Issuer have entered into a Collateral Agency Agreement dated of even date herewith (as it may be amended, restated or modified from time to time, the "Collateral Agency Agreement"); and

WHEREAS, pursuant to and in consideration of (i) the Credit Agreement and the Continuing Agreement of Guaranty and Suretyship dated the date hereof given by each Guarantor in favor of Agent, (ii) the Reimbursement Agreements and the Guaranty Agreements (as defined in the Collateral Agency Agreement) and (iii) all other Obligations (as defined in the Collateral Agency Agreement from time to time), Pledgors are entering into this Agreement.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows

1. Defined Terms.

(a) Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings assigned to them in the Credit Agreement. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as in effect in Pennsylvania as amended from time to time (the "Code").

(b) "Patents, Trademarks and Copyrights" shall mean and include all of each Pledgor's present and future right, title and interest in and to the following: all trade names, patent applications, patents, trademark applications, trademarks, tradenames, mask works, domain names, copyrights, and copyright applications, whether now owned or hereafter acquired by any Pledgor, including, without limitation, those listed on Schedule A hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all moral rights and other rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals,, re-examinations, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the patents, trademarks and copyrights relate.

(c) "Debt" shall mean all Obligations, as defined in the Collateral Agency Agreement from time to time, including those Obligations which may be added under the Collateral Agency Agreement from time to time under the terms thereof.

2. To secure the full payment and performance of all Debt, each Pledgor hereby grants, and conveys a security interest to Agent in the entire right, title and interest of such Pledgor in and to all of its Patents, Trademarks and Copyrights.

3. Each Pledgor covenants and warrants that:

(a) the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) to the best of such Pledgor's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;

(c) such Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by such Pledgor not to sue third persons;

(d) such Pledgor has the corporate power and authority to enter into this Agreement and perform its terms;

(e) no claim has been made to such Pledgor or, to the knowledge of such Pledgor, any other person that the use of any of the Patents, Trademarks and Copyrights does or may violate the rights of any third party;

(f) such Pledgor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents, Trademarks and Copyrights; and

(g) such Pledgor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights, except for those Patents, Trademarks and Copyrights that are hereafter allowed to lapse in accordance with Paragraph 10 hereof

(h) such Pledgor will not change its state of incorporation, formation or organization, as applicable without providing thirty (30) days prior written notice the Agent;

(i) such Pledgor will not change its name without providing thirty (30) days prior written notice the Agent;

(j) such Pledgor shall preserve its corporate existence and except as permitted by the Credit Agreement, shall not (I) in one, or a series of related transactions, merge into or consolidate with any other entity, the survivor of which is not such Pledgor, or (ii) sell all or substantially all of its assets.

4. Each Pledgor agrees that, until all of the Debt shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with such Pledgor's obligations under this Agreement, without Collateral Agent's prior written consent which shall not be unreasonably withheld, except any Pledgor may license technology in the ordinary course of business without the Collateral Agent's consent to suppliers and customers to facilitate the manufacture and use of such Pledgor's products.

5. If, before the Debt shall have been indefeasibly satisfied in full and the Commitments have terminated, any Pledgor shall own any new trademarks, copyrightable works, tradenames, mask works, domain names, or patentable inventions, or any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation in part of any Patent, Trademark or Copyright or any improvement on any Patent, Trademark or Copyright, the provisions of this Agreement shall automatically apply thereto and such Pledgor shall give to Collateral Agent prompt notice thereof in writing. Each Pledgor and Collateral Agent agree to modify this Agreement by amending Schedule A to include any future patents, patent applications, trademark applications, trademarks, copyrights or copyright applications and the provisions of this Agreement shall apply thereto.

6. Collateral Agent shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Credit Agreement, those allowed by Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be located and, without limiting the generality of the foregoing, if an Event of Default (as defined in the Collateral Agency Agreement) has occurred and is continuing, Collateral Agent may immediately, without demand of performance and without other notice (except as set forth

below) or demand whatsoever to any Pledgor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in a city that the Collateral Agent shall designate by notice to the Pledgors, in Pittsburgh, Pennsylvania or elsewhere, the whole or from time to time any part of the Patents, Trademarks and Copyrights, or any interest which any Pledgor may have therein and, after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Debt under the terms of the Collateral Agency Agreement. Any remainder of the proceeds after payment in full of the Debt shall be paid over to Pledgors. Notice of any sale or other disposition of the Patents, Trademarks and Copyrights shall be given to Pledgors at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks and Copyrights is to be made, which Pledgors hereby agree shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Collateral Agent may, to the extent permissible under applicable Law, purchase the whole or any part of the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of Pledgors, which right is hereby waived and released.

7. If any Event of Default shall have occurred and be continuing, each Pledgor hereby authorizes and empowers Collateral Agent to make, constitute and appoint any officer or agent of Collateral Agent, as Collateral Agent may select in its exclusive discretion, as such Pledgor's true and lawful attorney-in-fact, with the power to endorse such Pledgor's name on all applications, documents, papers and instruments necessary for Collateral Agent maintain, prosecute before applicable governmental authorities, and to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for Collateral Agent to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third Person. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement. Each Pledgor acknowledges and agrees that: (i) the power of attorney herein granted shall in no way be construed as to benefit such Pledgor; (ii) the Collateral Agent herein granted this power of attorney shall have NO duty to exercise any powers granted hereunder for the benefit of such Pledgor, and (iii) the Collateral Agent herein granted this power of attorney shall, to the extent exerciseable, exercise any and all powers granted hereunder for the benefit of the Collateral Agent and the Secured Parties.

8. At such time as Pledgors shall have indefeasibly paid in full all of the Debt and the Commitments shall have terminated, this Agreement shall terminate and Collateral Agent shall execute and deliver to Pledgors all deeds, assignments and other instruments as may be necessary or proper to re-vest in Pledgors full title to the Patents, Trademarks and Copyrights, subject to any disposition thereof which may have been made by Collateral Agent pursuant hereto.

9. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorney's fees and expenses incurred by Collateral Agent in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances, the protection, maintenance or preservation of the Patents, Trademarks and Copyrights, or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid by Pledgors within fifteen (15) days of demand by Collateral Agent, and if not paid within such time, shall be added to the principal amount of the Debt and shall bear interest at the highest rate prescribed in the Credit Agreement.

10. Pledgors shall have the duty, through counsel reasonably acceptable to Collateral Agent, to prosecute diligently any patent applications of the Patents, Trademarks and Copyrights pending as of the date of this Agreement if commercially reasonable or thereafter until the Debt shall have been indefeasibly paid in full and the Commitments shall have terminated, to make application on unpatented but patentable inventions (whenever it is commercially reasonable in the reasonable judgment of Pledgors to do so) and to preserve and maintain all rights in patent applications and patents of the Patents, including without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Pledgors. Pledgors shall not abandon any Patent, Trademark or Copyright without the consent of Collateral Agent, which shall not be unreasonably withheld.

11. Pledgors shall have the right, with the consent of Collateral Agent, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, and to join Collateral Agent, if necessary, as a party to such suit so long as Collateral Agent is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. Pledgors shall promptly, upon demand, reimburse and indemnify Collateral Agent for all damages, costs and expenses, including reasonable legal fees, incurred by Collateral Agent as a result of such suit or joinder by Pledgors.

12. No course of dealing between Pledgors and Collateral Agent, nor any failure to exercise nor any delay in exercising, on the part of Collateral Agent, any right, power or privilege hereunder or under the Credit Agreement or other Loan Document (as defined in the Collateral Agency Agreement) or Document (as defined in the Collateral Agency Agreement) shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. All of Collateral Agent's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Collateral Agency Agreement, the Loan Documents or the Documents or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently.

14. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

15. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 5.

16. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties, provided, however, that Pledgors may not assign or transfer any of their rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void.

17. This Agreement shall be governed by and construed in accordance with the internal Laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.

18. Each Pledgor hereby irrevocably submits to the nonexclusive jurisdiction of any Pennsylvania State or Federal Court sitting in Pittsburgh, Pennsylvania, in any action or proceeding arising out of or relating to this Agreement, and Pledgors hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such Pennsylvania State or Federal court. Each Pledgor hereby waives to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each Pledgor hereby appoints the process agent identified below (the "Process Collateral Agent") as its agent to receive on behalf of such party and its respective property service of copies of the summons and complaint and any other process which may be served in any action or proceeding. Such service may be made by mailing or delivering a copy of such process to any of the Pledgors in care of the Process Agent at the Process Agent's address, and each of the Pledgors hereby authorizes and directs the Process Agent to receive such service on its behalf. Each Pledgor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions (or any political subdivision thereof) by suit on the judgment or in any other manner provided by law. Each Pledgor further agrees that it shall, for so long as any Commitment or any obligation of any Loan Party to the Bank remains outstanding, continue to retain Process Agent for the purposes set forth in this Section 18. The Process Agent is The Scranton Times, L.P., with an office on the date hereof at 149 Penn Avenue, Scranton, Pennsylvania 18503 United States. Upon request, each Pledgor shall produce to the Collateral Agent evidence of the acceptance by Process Agent of such appointment.

19. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Each Pledgor acknowledges and agrees that a telecopy transmission to the Collateral Agent or any Bank of the signature pages hereof purporting to be signed on behalf of any Pledgor shall constitute effective and binding execution and delivery hereof by such Pledgor.

20. EXCEPT AS PROHIBITED BY LAW, EACH PLEDGOR AND EACH OF THE COMPANIES HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY A JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DOCUMENTS OR TRANSACTIONS RELATING THERETO.

21. All notices, requests, demands, directions and other communications (collectively, "notices") given to or made upon any party hereto under the provisions of this Agreement shall be as set forth in Section 11.6 of the Credit Agreement.

22. Each Pledgor acknowledges and agrees that, in addition to the other rights of the Collateral Agent hereunder and under the other Loan Documents and Documents, because the Collateral Agent's remedies at law for failure of such Pledgor to comply with the provisions hereof relating to the Collateral Agent's rights (i) to inspect the books and records related to the Pledged Collateral, (ii) to receive the various notifications such Pledgor is required to deliver hereunder, (iii) to obtain copies of agreements and documents as provided herein with respect to the Pledged Collateral, (iv) to enforce the provisions hereof pursuant to which the such Pledgor has appointed the Collateral Agent its attorney-in-fact, and (v) to enforce the Collateral Agent's remedies hereunder, would be inadequate and that any such failure would not be adequately compensable in damages, such Pledgor agrees that each such provision hereof may be specifically enforced.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

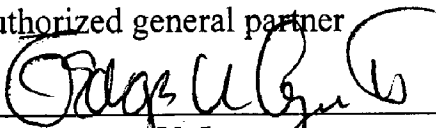
[SIGNATURE PAGE 1 OF 4 TO PATENT, TRADEMARK
AND COPYRIGHT SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be
executed by their respective duly authorized officers, as of the date first above written.

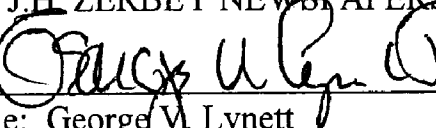
Pledgors

THE SCRANTON TIMES, L.P.

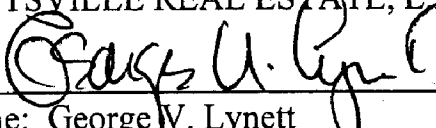
By: THE TIMES PARTNER, its general partner, by
its authorized general partner

By: 
Name: George V. Lynett

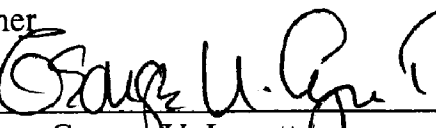
POTTSVILLE REPUBLICAN, INC.
f/k/a J.H. ZERBEY NEWSPAPERS, INC.

By: 
Name: George V. Lynett
Title: President

POTTSVILLE REAL ESTATE, L.L.C.

By: 
Name: George V. Lynett
Title: Co-Manager

THE TIMES PARTNER, by its authorized general
partner

By: 
Name: George V. Lynett

[SIGNATURE PAGE 2 OF 4 TO PATENT, TRADEMARK
AND COPYRIGHT SECURITY AGREEMENT]

ZI INC.

By: George V. Lynett

Name: George V. Lynett

Title: President

MINERS JOURNAL NEWSPAPER COMPANY

By: George V. Lynett

Name: George V. Lynett

Title: President

SHENANDOAH EVENING HERALD
PUBLISHING COMPANY, INC.

By: George V. Lynett

Name: George V. Lynett

Title: President

CEGW, INC.

By: George V. Lynett

Name: George V. Lynett

Title: President

ALTERNATIVE MEDIA, INC.

By: George V. Lynett

Name: George V. Lynett

Title: President

[SIGNATURE PAGE 3 OF 4 TO PATENT, TRADEMARK
AND COPYRIGHT SECURITY AGREEMENT]

SAN ANTONIO CURRENT CO.

By: 

Name: George V. Lynett

Title: President

A. M. REAL ESTATE, INC.

By: 

Name: George V. Lynett

Title: President

THE MICHIGAN METRO TIMES, INC.

By: 

Name: George V. Lynett

Title: President

ORLANDO WEEKLY INC.

By: 

Name: George V. Lynett

Title: President

ABSOLUTE DISTRIBUTION, INC.

By: 

Name: George V. Lynett

Title: President

TOWANDA PRINTING COMPANY

By: 

Name: George V. Lynett

Title: President

[SIGNATURE PAGE 4 OF 4 TO PATENT, TRADEMARK
AND COPYRIGHT SECURITY AGREEMENT]

WYOMING COUNTY PRESS, INC.

By: George V. Lynett
Name: George V. Lynett
Title: President

SHAMROCK COMMUNICATIONS, INC.

By: _____
Name: Edward J. Lynett
Title: Vice President

WMBT BROADCASTING, INC.

By: George V. Lynett
Name: George V. Lynett
Title: President

WQIN BROADCASTING, INC.

By: George V. Lynett
Name: George V. Lynett
Title: President

Collateral Agent

PNC BANK, NATIONAL ASSOCIATION, as
Collateral Agent

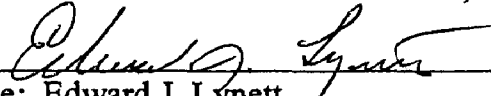
By: Gary Williams
Name: Gary Williams
Title: Vice President

[SIGNATURE PAGE 4 OF 4 TO PATENT, TRADEMARK
AND COPYRIGHT SECURITY AGREEMENT]

WYOMING COUNTY PRESS, INC.

By: _____
Name: George V. Lynett
Title: President

SHAMROCK COMMUNICATIONS, INC.

By:  _____
Name: Edward J. Lynett
Title: Vice President

WMBT BROADCASTING, INC.

By: _____
Name:
Title:

WQIN BROADCASTING, INC.

By: _____
Name:
Title:

Collateral Agent

PNC BANK, NATIONAL ASSOCIATION, as
Collateral Agent

By: _____
Name:
Title:

SCHEDULE A

TO

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

**LIST OF PATENTS, TRADEMARKS,
TRADE NAMES AND COPYRIGHTS**