

07-14-2000



OPR/FINANCE

101402902

6-14-00

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_

Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

Conveyance Type

Assignment  License

Security Agreement  Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year  
05/30/00

Merger

Change of Name

Other \_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Name American InterContinental University, Inc. Execution Date  
Month Day Year  
05/30/00

Formerly American European Corporation

Individual  General Partnership  Limited Partnership  Corporation  Association

Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization Georgia

Receiving Party

Mark if additional names of receiving parties attached

Name Sylvan Learning Systems, Inc.

DBA/AKATA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 1000 Lancaster Street

Address (line 2) \_\_\_\_\_

Address (line 3) Baltimore Maryland 21202  
City State/Country Zip Code

Individual  General Partnership  Limited Partnership  If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Corporation  Association

Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization Maryland

07/13/2000 DNGUYEN 00000254 75566660

FOR OFFICE USE ONLY

01 FC:481 40.00 DP  
02 FC:482 25.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number (404) 815-2400

Name

Trinh H. Huynh

Address (line 1)

Paul Hastings Janofsky & Walker LLP

Address (line 2)

600 Peachtree Street, N.E.

Address (line 3)

Suite 2400

Address (line 4)

Atlanta, Georgia 30308-2222

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

12

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

75/566,660

2,216,174

**Number of Properties**

Enter the total number of properties involved.

#

2

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

65.00

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

16-0752

Authorization to charge additional fees:

Yes

No

**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. Charges to deposit account are authorized, as indicated herein.

Trinh H. Huynh

6/14/00

Name of Person Signing

Signature

Date Signed

**CONDITIONAL ASSIGNMENT AND  
TRADEMARK SECURITY AGREEMENT**

THIS CONDITIONAL ASSIGNMENT AND TRADEMARK SECURITY AGREEMENT (the "Agreement"), dated as of May 30, 2000, between AMERICAN INTERCONTINENTAL UNIVERSITY, INC., a Georgia corporation f/k/a The American European Corporation (the "Grantor"), and SYLVAN LEARNING SYSTEMS, INC., a Maryland corporation (the "Lender").

**W I T N E S S E T H:**

WHEREAS, Grantor owns the trademarks, trademark applications, service marks and service mark applications listed on Schedule I annexed hereto.

WHEREAS, EduTrek International, Inc., a Georgia corporation ("Borrower") has issued to the Lender its promissory note of even date herewith (as amended, restated, supplemented, or otherwise modified from time to time, the "Note"), pursuant to which, among other things, the Lender will make available to the Borrower a loan of up to Five Million Dollars (\$5,000,000) (the "Loans") all in connection with a Letter of Intent of even date between the Borrower and the Lender with respect to the possible purchase by the Lender of the assets of the London campus of American Intercontinental University; and

WHEREAS, Grantor is a subsidiary of the Borrower and the financial condition of the Grantor is dependent upon the financial health of the Borrower and the Loans made by Lender to the Borrower will inure to the benefit of the Grantor; and

WHEREAS, the Lender has required, as a condition to the making of the Loans, that (a) Grantor guaranty the Loan pursuant to a certain Guaranty, dated of even date herewith executed by Grantor and certain of its affiliates in favor of Lender (as it may from time to time be amended, the "Guaranty") and (b) grant to Lender a security interest on substantially all of its personal property pursuant to a certain Security Agreement, dated of even date herewith, among Borrower, Grantor and certain other affiliates of Grantor and Lender (as it may from time to time be amended, the "Security Agreement") to secure the obligations of the Grantor under the Guaranty and obligations of the Borrower under the Note; and

WHEREAS, the Lender has further required, as a condition to the making of the Loans, that Grantor execute and deliver to the Lender this Assignment to secure the obligations of the Grantor under the Guaranty and obligations of the Borrower under the Note;

NOW, THEREFORE, in consideration of the premises, the terms and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, it is hereby agreed as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein have the meanings ascribed to such terms in the Security Agreement.

2. Grant of Security Interest

(a) Grantor hereby grants to the Lender, its successors and assigns, a continuing security interest in all of Grantor's right, title, and interest in the following (the "Trademark Collateral"), whether now owned or hereafter acquired or arising, in order to secure the due and punctual payment and performance of all the Secured Obligations (as hereinafter defined):

(i) All "Trademarks" (as defined below), whether now owned or hereafter arising or acquired by Grantor, including each trademark identified on Schedule I hereto. For purposes of this Agreement, "Trademarks" shall mean all trade names, trademarks, service marks, and logos (registered and unregistered) and state, federal, and foreign trademark and service mark registrations and state, federal and foreign registration applications (in use and intent to use) and all renewals and divisions thereof, all income, royalties, damages, and payments now or hereafter due and/or payable with respect thereto, the right to recover for all past, present, and future infringements thereof, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, all rights corresponding thereto throughout the world, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such Trademark and all proceeds of the foregoing; and

(ii) All agreements providing for the grant of any right in or to any Trademark (whether Grantor is the licensee or the licensor thereunder) including but not limited to those agreements on Schedule II hereto and all proceeds of the foregoing (the "Trademark Licenses").

(b) This security interest is granted in conjunction with the security interest granted to the Lender under the Security Agreement. The rights and remedies of the Lender with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement, and those which are now or hereafter available to the Lender as a matter of law or equity. Each right, power, and remedy of the Lender provided for herein or in the Security Agreement, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power, or remedy provided for herein. The exercise by the Lender of any one or more of the rights, powers, or remedies provided for in this Agreement or in the security Agreement or now or hereafter existing at law or in equity shall not preclude the simultaneous or later exercise by the Lender of any or all other rights, powers, or remedies.

3. Secured Obligations. The collateral assignment contained herein shall secure the due and punctual payment of (i) the "Secured Obligations," as defined in the Security Agreement, and (ii) any and all other indebtedness, liabilities, and obligations of the Grantor to the Lender of every kind and nature (including, without limitation, interest, charges, expenses,

attorneys' fees, and other sums chargeable to the Grantor by the Lender and future advances made to or for the benefit of the Grantor), whether arising under this Assignment, the Note, or any other loan document related thereto (collectively, the "Secured Obligations").

4. Modification of Agreement

This Agreement may not be changed, waived or terminated except in accordance with the amendment provisions of the Security Agreement. Notwithstanding the foregoing, Grantor authorizes the Lender, upon notice to Grantor, to modify this Agreement in the name of and on behalf of Grantor without obtaining Grantor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule I to add any right, title, or interest in any Trademark owned or subsequently acquired by Grantor.

5. Representations and Warranties

(a) Schedule I hereto contains a true and accurate list of all Grantor's Trademark registrations and applications.

(b) Grantor is the sole owner of the Trademarks and Trademark Licenses, free and clear of all liens, claims and encumbrances, other than the lien created by the Security Agreement and this Agreement and liens in favor of First Union National Bank; the records of the United States Patent and Trademark Office currently reflect that Grantor is the owner of all Trademark registrations and applications; and none of the Trademark Collateral has been licensed by Grantor to any third party, except for the Trademark Licenses listed on Schedule II.

(c) To the best of Grantor's knowledge, each Trademark is valid, subsisting, unexpired, and enforceable, and to the extent necessary to maintain its rights thereto, Grantor has used and continues to use the appropriate statutory notice of registration in connection with its use of all federally registered Trademarks.

(d) No holding, decision, or judgment has been rendered in any action or proceeding limiting, canceling, or questioning the validity of Grantor's rights in any Trademark and no such action or proceeding is pending or, to the best of Grantor's knowledge, threatened. To the best of Grantor's knowledge, there is no subsisting material breach or default under any Trademark License.

(e) To the best of Grantor's knowledge, (i) the conduct of Grantor's business does not infringe upon any trademark or other intellectual property right owned or controlled by a third party and (ii) except as previously disclosed in writing to the Lender, no third party is infringing upon any of the Trademark Collateral.

## 6. Covenants of Grantor

(a) Except for Trademarks which are no longer in use, or shall no longer be used, in connection with its business, Grantor will not do any commercially reasonable act or omit to do any commercially reasonable act (and not permit any licensees or sublicensees of Grantor to do any commercially reasonable act) whereby any Trademark of Grantor will become abandoned, invalidated, or unenforceable, and Grantor shall diligently pursue each Trademark application unless it shall reasonably determine that a registration is not likely to issue or the costs associated with such registration process will not be commercially justified by the sales of the related product, and shall maintain each Trademark registration in full force and effect. In the event that any Trademark owned by, or, to the extent permitted by the related Trademark License, licensed to, Grantor, is infringed or diluted by a third party, Grantor shall promptly take all commercially reasonable actions to stop such infringement or dilution and protect its exclusive rights in such Trademark.

(b) Grantor agrees to promptly report to the Lender on an annual basis and, in the event of a continuing Event of Default, on a quarterly basis (i) the filing of any application for registration of any Trademark (whether such application is filed by Grantor or through any agent, employee, licensee, or designee) and (ii) the registration of any Trademark. Grantor agrees to execute and deliver to the Lender an amendment to this Agreement covering such new applications or registrations for Trademarks in form appropriate for recordation in the United States Patent and Trademark Office.

(c) Without the prior written consent of the Lender, Grantor shall not (i) sell, assign (by operation of law or otherwise), or otherwise dispose of any of the Trademark Collateral or any rights therein (except as contemplated by paragraph (c)(iii)), (ii) grant any lien or security interest in any of the Trademark Collateral (except for the lien created by this Agreement and the Security Agreement), or (iii) license any of the Trademark Collateral to any third party, except that, unless an Event of Default has occurred and is continuing, Grantor can grant non-exclusive licenses of any of the Trademarks to a third party in the ordinary course of business; provided that the Lender shall receive a security interest in any fees, royalties, and payments with respect to all and any such licenses.

## 7. Grant of License

(a) Grantor hereby grants to the Lender a non-exclusive, royalty-free right and license, with rights of sublicense, in and to the Trademark Collateral, and a sublicense in and to Grantor's rights under Trademark Licenses to the extent permitted under the terms of such Trademark Licenses, to use such Trademark Collateral or operate under such Trademark Licenses, effective upon the occurrence and during the continuance of an Event of Default, in connection with the enforcement of the Lender's rights and remedies hereunder and under the Security Agreement. Without limiting the generality of the foregoing, the Lender shall have the right, pursuant to the foregoing license and sublicense, to use the Trademark Collateral in con-

nection with the foreclosure upon any of the Collateral granted hereunder or under the Security Agreement.

(b) The license granted pursuant to Section 7(a) is conditional upon the requirement that the goods sold and services rendered by the Lender under the Trademark Collateral shall be of a nature and quality substantially consistent with those theretofore offered under such Trademarks by Grantor.

8. Remedies Upon Default; Power of Attorney; Intercreditor Agreement

(a) Upon the occurrence and continuance of a Default or an Event of Default under the Security Agreement, and subject to the notice provisions therein, the Trademarks shall be assigned, transferred, set over, and delivered to the Lender or its designee, and Grantor hereby irrevocably constitutes and appoints the Lender and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or the Lender's own name or the name of the Lender's designee, upon the occurrence of an Event of Default, (i) to complete, date, execute, and file, or cause to be filed, the Assignment attached hereto as Exhibit A and incorporated hereby by reference (the "Assignment") in the United States Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, (ii) to collect proceeds of any Trademark Collateral, (iii) in any transaction authorized by the Security Agreement, convey any Trademark Collateral to any purchaser thereof, payment or discharge of taxes or liens levied or placed upon or threatened against any Trademark Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Lender in its sole discretion, and such payments made by the Lender to become the obligations of Grantor to the Lender, due and payable immediately without demand. The Lender's authority hereunder shall include, without limitation, the authority to endorse and negotiate any checks or instruments constituting proceeds of any Trademark Collateral in the name of Grantor, execute and give receipt for any certificate of ownership or any document (constituting Trademark Collateral), sign Grantor's name on all financing statements or any other documents necessary or appropriate by the Lender to preserve, protect or perfect the security interest in any Trademark Collateral (to the extent permitted by Applicable Law) and to file the same, prepare, file, and sign Grantor's name on any notice of Lien, and prepare, file, and sign Grantor's name on a proof of claim in bankruptcy or similar document against any customer of Grantor with respect to any claim of Grantor comprising part of any Trademark Collateral, and to take any other actions arising from or incident to the powers granted to the Lender in the Security Agreement.

(b) Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue of this power of attorney. This power of attorney is a power coupled with an interest and shall be irrevocable.

(c) In addition to the foregoing, upon the occurrence of a Default or an Event of Default, the Lender shall have all rights and remedies of a secured party under the applicable Uniform Commercial Code and as provided in the Security Agreement and as otherwise available at law and equity.

(d) Notwithstanding anything to the contrary contained herein, the exercise of remedies hereunder by the Lender (but not the obligation of the Grantor, which shall be absolute and unconditional) shall be subject to a certain Intercreditor Agreement of even date between First Union National Bank and the Lender;

9. Termination of Agreement This Agreement shall terminate upon the payment in full of all Secured Obligations then outstanding under the Note, the Guaranty and the other loan documents related thereto. At such time, the Lender upon the Grantor's request and at the Grantor's expense, shall execute and deliver such instruments and documents as are reasonably necessary to terminate the security interest granted hereby.





IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

("Grantor")

AMERICAN INTERCONTINENTAL  
UNIVERSITY, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CORPORATE SEAL]

("Lender")

SYLVAN LEARNING SYSTEMS, INC.

By: Robert W. Zieg  
Name: Robert W. Zieg  
Title: V.P. & General Counsel

Schedule I

**Trademarks for The American European Corporation:**

Mark	Registration Number	Registration Date
The American College for the Applied Arts Atlanta	S-7249	2/16/86 (registered in GA)
The American College for the Applied Arts Atlanta	28999 (second renewal number is 4968)	12/4/86 (registered in CA)

**Trademarks for American Intercontinental University, Inc.:**

Mark	Registration Number	Registration Date
American InterContinental University & Design	2,216,174	1/5/99
Enterprise Learning Model	75/566,660 (serial number)	10/7/98 (file date)

Schedule II

Trademark License List

None.

EXHIBIT A

ASSIGNMENT

THIS ASSIGNMENT dated the \_\_\_ day of \_\_\_\_\_, 2000, from AMERICAN INTERCONTINENTAL UNIVERSITY, INC., a Georgia corporation (the "Assignor"), to SYLVAN LEARNING SYSTEMS, INC., a Maryland corporation (the "Assignee"), recites and provides:

WHEREAS, Assignor is the owner of certain trademarks and service marks; and

WHEREAS, Assignee desires to obtain for the Lenders all of the Assignor's right, title and interest in all such trademarks and service marks.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor hereby transfers, assigns, sets over, and delivers to Assignee, its successors and assigns, the entire right, title, and interest of Assignor in and to the trademarks and service marks and the registrations thereof and applications therefor listed in Schedule 1 hereto, including without limitation all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present, and future infringements (collectively, the "Marks"), together with the goodwill of the business symbolized by the Marks and the assets of the Assignor associated with such business.

Assignor further agrees to execute such further instruments and documents and perform such further acts as Assignee may deem necessary to secure to Assignee the rights herein conveyed.

AMERICAN INTERCONTINENTAL  
UNIVERSITY, INC.

By: \_\_\_\_\_

Name:

Title:

Attest: \_\_\_\_\_

Name:

Secretary

[CORPORATE SEAL]

Schedule 1

MARKS

ATL/699277.2

RECORDED: 06/14/2000

TRADEMARK  
REEL: 002100 FRAME: 0790