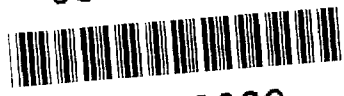


05-23-2002

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
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102100929 ▼

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): 5-20-02
Theatrix Interactive Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State **Delaware**
 Other _____
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: **Grolier Interactive, Inc.**
Internal Address: _____
Address: _____
Street Address: **90 Sherman Turnpike**
City: **Danbury** State: **CT** Zip: **06816**
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State **Delaware**
 Other _____
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
 Security Agreement Change of Name
 Other _____
Execution Date: **March 13, 2000**

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
74/709844
Additional number(s) attached Yes No

B. Trademark Registration No.(s)
2103844, 2095591, 2105718, 2112656, 2241708, 2101938, 2253886, 2241709

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: **Edward H. Rosenthal**
Internal Address: **Frankfurt Garbus Kurnit**
Klein & Selz, PC
Street Address: **488 Madison Avenue**
City: **New York** State: **NY** Zip: **10022**

6. Total number of applications and registrations involved: **19**
7. Total fee (37 CFR 3.41).....\$**490.00**
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number:
06-1839
(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.
Edward H. Rosenthal
Name of Person Signing

Signature
May 20, 2002
Date
Total number of pages including cover sheet, attachments, and document: **13**

05/22/2002 DRYRNE 00000226 74709844
01 FC:481
02 FC:482
40.00 OP
450.00 OP

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

TRADEMARK
REEL: 002511 FRAME: 0610

Trademark Registration Nos.

2253888
2242961
2102261
2107912
2165068
2102900
2102902
2101055
2083553
2165067

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is entered into by and between RUTH E. STRICKLING, trustee of the Chapter 7 bankruptcy estate of debtor Theatrix Interactive Inc., Case No. 99-45598 TC, pending in the United Bankruptcy Court for the Northern District of California (hereinafter "Seller") and Grolier Interactive, Inc. (hereinafter "Purchaser"). The Seller and Purchaser, the parties hereto (collectively referred to as the "Parties"), agree as follows:

RECITALS

WHEREAS, on or about July 6, 1999, debtor, Theatrix Interactive, Inc., (the "Debtor") filed a petition for relief under Chapter 7 of the Bankruptcy Code (the "Code"), Case No. 99-45598 TC. The Seller is the duly-appointed, qualified and acting trustee in the Debtor's Chapter 7 case;

WHEREAS, Purchaser will, upon the closing of the transactions contemplated herein and subject to Bankruptcy Court approval, acquire whatever interest the bankruptcy estate of Theatrix Interactive, Inc. (the "Bankruptcy Estate"), has in the assets of Theatrix Interactive, Inc., as set forth on Schedule I hereto (the "Assets");

WHEREAS, the Seller will commence a motion to sell the Assets to Purchaser free and clear of liens pursuant 11 U.S.C. Section 363(f) and procure Bankruptcy Court approval of such sale;

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged the Seller and Purchaser (hereinafter collectively referred to as the "Parties") agree as follows:

AGREEMENT

1. Definitions

(a) Assets means those assets listed on Schedule I attached hereto.

(b) Intellectual Property Rights means whatever right, title and interest of the Bankruptcy Estate with respect to any and all of the Assets which may include: (i) all ideas, concepts, elements, data and information; (ii) statutory invention registrations, patents, patent registrations and patent applications (including any reissues, divisions, continuations, and continuations-in-part) and any improvements to the inventions covered in each such registration, patent or application; (iii) trademarks, service marks, trade dress, logos, trade names, and corporate names and registrations and applications for registration thereof, including but not limited to, any marks registered in any trademark offices throughout the world; (iv) copyrights (registered or otherwise) and registrations and applications for registration thereof; (v) any rights to obtain and rights to apply for patents, and to register trademarks and copyrights; (vi) any licenses pursuant to which the Debtor is the

licensee or licensor; (vii) all distribution agreements relating to the business of the Debtor; and (viii) any rights to sue for present and past infringement of any of the rights herein above set out.

2. Purchaser's Acquisition of Assets

(a) Assets to be Acquired: Upon court approval of the sale of the Assets to the Purchaser free and clear of liens the Seller agrees to sell, assign, transfer, convey, and deliver to Purchaser, and Purchaser agrees to purchase from Seller, all the Bankruptcy Estate's right, title and interest in and to those Assets of the Bankruptcy Estate set forth in Schedule I, attached hereto, inclusive of all Intellectual Property Rights with respect to the Assets, free and clear of liens. Upon court approval of the sale of the Assets to Purchaser, Purchaser shall prepare the necessary documents for review and execution by the Seller to effectuate the assignment, transfer, and conveyance of the Assets to Purchaser.

(b) Purchase Price: Purchaser agrees to pay the Seller the sum of \$140,000 ("Purchase Price") to purchase the Bankruptcy Estate's right, title and interest in the Assets. Purchaser shall deliver to the Seller as escrow agent earnest money in the amount of \$14,000 ("Earnest Money") within 48 hours of receipt by Purchaser of an executed copy of this Agreement. The balance of the Purchase Price i.e., \$126,000 will be due and payable to Seller within ten days of the entry of the court order approving of the sale of the Assets to Purchaser free and clear of liens.

Page 3 of 7

licensee or licensor; (vii) all distribution agreements relating to the business of the Debtor; and (viii) any rights to sue for present and past infringement of any of the rights herein above set out.

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The purchase price shall not be subject to any financing contingency. In the event that the court does not approve the Bankruptcy Estate's sale of Assets to Purchaser the Seller will refund the entire Earnest Money to Purchaser.

(c) Sale Free and Clear of Liens: the Seller shall file and serve the motion to sell the Assets to Purchaser with the Bankruptcy Court and procure court approval of the sale of the Assets to Purchaser. The sale of the Assets shall be subject to over-bids. Overbids shall be increments of \$10,000 above the Purchase Price. Overbidders must provide the Seller with a 10 percent Purchase Price Earnest Money deposit and proof of financial ability to perform. The date and time of the overbids shall be determined by the Seller. The Seller shall provide written notice of the overbid sale process to Purchaser.

3. Representations and Warranties

(a) This Agreement shall be in full force and effect on the last date on which a party executes this Agreement, as set forth below (hereinafter the "Effective Date").

(b) The Assets shall be sold free and clear of all liens against the Assets.

(c) In all other respects, the Assets are purchased by the Purchaser "as is" without any warranty by Seller.

(d) Seller represents that she does not have possession and control of the Assets specifically identified as: computer software, programs, data and documentation, source and support code, build and run time code, digital and print files and

assets, gold masters, sell sheets, teacher guides, trade secrets and confidential business information.

(e) To the extent that Seller has any right, title and interest in the Assets including computer software, programs, data and documentation, source and support code, build and run time code, digital and print files and assets, gold masters, sell sheets, teacher guides, trade secrets and confidential business information, Seller hereby quitclaims to Purchaser free and clear of liens, subject to court approval, the right, title and interest of the Bankruptcy Estate in the Assets.

(f) Purchaser represents that it has conducted its own due diligence and independently verified to Purchaser's satisfaction the Assets it is purchasing from the Seller and Bankruptcy Estate.

(g) Purchaser acknowledges that the Bankruptcy Estate, the Seller, and the Seller's counsel of record, shall be held harmless should Purchaser subsequently discover any defects in the Assets, including the condition of the Assets or title defects.

(h) This Agreement shall be subject to the approval of the United States Bankruptcy Court for the Northern District of California (the "Bankruptcy Court"), and Seller hereby agrees to use her best efforts to obtain Bankruptcy Court approval of this Agreement.

(i) This writing is intended by the Parties as a final expression of their agreement concerning the matters contained

herein and is also intended as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the Parties and no usage of the trade shall be relevant to supplement or explain any term used in this Agreement. Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of the Agreement, even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection.

(j) This Agreement can be modified or rescinded only by a writing signed by all of the Parties or their duly-authorized agents.

(k) No claim or right arising out of a breach of this Agreement can be discharged or waived in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party.

(l) The Bankruptcy Court shall retain jurisdiction over this matter, and any action to enforce this Agreement shall be filed in the Oakland Division of the Bankruptcy Court. This contract shall be governed by the laws of the State of California that are in effect and force as of the Effective Date of this Agreement.

(m) Time is of the essence in the Parties' performance of the terms and conditions of this Agreement.

(n) In any action to enforce this Agreement, the

prevailing party shall be entitled to attorneys' fees and costs incurred in the action.

(n) The Parties hereto acknowledge that they had the opportunity to discuss this Agreement with counsel of her, his or its own selection. The Agreement has been fully explained to each party by her, his or its respective counsel, and each party has read this Agreement and is aware of its legal effect.

(o) This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes all prior negotiations and agreements, whether oral or written. This Agreement may not be amended except by a writing executed by all Parties to this Settlement Agreement.

(p) This Settlement Agreement can be executed in counterparts.

The Parties to this Agreement have executed this Settlement Agreement as stated below.

Dated: SELLER

By: RUTH E. STRICKLING
Trustee for the Chapter 7
Bankruptcy Estate of
Theatrix Interactive, Inc.

Dated: PURCHASER

By: Jeffrey Schon
JEFFREY SCHON
President
GROLIER INTERACTIVE, INC.

prevailing party shall be entitled to attorneys' fees and costs incurred in the action.

(n) The Parties hereto acknowledge that they had the opportunity to discuss this Agreement with counsel of her, his or its own selection. The Agreement has been fully explained to each party by her, his or its respective counsel, and each party has read this Agreement and is aware of its legal effect.

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(p) This Settlement Agreement can be executed in counterparts.

The Parties to this Agreement have executed this Settlement Agreement as stated below.

Dated: 3/13/00

SELLER

By: *Ruth E. Strickling*
RUTH E. STRICKLING
Trustee for the Chapter 7
Bankruptcy Estate of
Theatrix Interactive, Inc.

Dated:

PURCHASER

By: _____
JEFFREY SCHON
President
GROLIER INTERACTIVE, INC.

SCHEDULE I TO ASSET PURCHASE AGREEMENT dated _____, 2000
between Ruth E. Strickling, Chapter 7 Trustee for the bankruptcy estate of Theatrix Interactive,
Inc., case number 99-45598 TC ("Seller") and Grolier Interactive, Inc. ("Purchaser") (the
Agreement").

The Assets, here include the bankruptcy estate's interest in the following assets, including any
right, title and interest of the bankruptcy estate of Theatrix Interactive, Inc., in the Assets
including any Intellectual Property Rights defined in paragraph 1 of the Agreement with respect
to the Assets:

- i. Hollywood
- ii. Hollywood High
- iii. Snootz Math Trek
- iv. Bumptz Science
- v. Math Heads
- vi. Word Heads
- vii. Strategy Heads
- viii. Big Science Comics
- ix. Julliard Music Adventure
- x. Build a Book with Roberto

TRADEMARK**AP:/REG NO.**

1. THEATRIX	74-654333/2,103,844
2. THEATRIX	74-654337/2,095,591
3. THEATRIX INTERACTIVE	74-654338/2,105,718
4. THEATRIX	74-654339/2,112,656
5. BUMPTZ SCIENCE CARNIVAL	74-708879/2,241,708
6. THEATRIX AND DESIGN	74-708883/2,101,938
7. BUBBLEARIUM	74-708897/2,253,886
8. SNOOTZ MATH TREK	74-708900/2,241,709
9. BUBBLEARIUM	74-709842/2,253,888
10. SNOOTZ MATH TREK	74-709843/2,242,961
11. HOLLYWOOD	74-709844
12. BUILD-A-BOOK	75-092909/2,102,261
13. BUILD-A-BOOK	75-092911/2,107,912
14. BIG SCIENCE COMICS	75-107406/2,165,068
15. HOLLYWOOD HIGH	75-107459/2,102,900
16. HOLLYWOOD HIGH	75-107794/2,102,902
17. MATH HEADS	75-108073/2,101,055
18. MATH HEADS	75-109786/2,083,553
19. BIG SCIENCE COMICS	75-107403/2,165,067