

06-19-2002



Form PTO-1594
(Rev. 03/01)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Jackson Software, Inc. *6-13-02*

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State Illinois
- Other _____

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other _____

Execution Date: June 3, 2002

2. Name and address of receiving party(ies)

Name: SouthTrust Bank

Internal Address: _____

Street Address: 420 North 20th Street

City: Birmingham State: Alabama Zip: 35203

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other Banking Association - Alabama

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

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)
75/409,508

B. Trademark Registration No.(s)
1,829,265

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Nathan W. Johnson, Esq.

Internal Address: Bradley Arant Rose & White LLP

Street Address: 2001 Park Place, Suite 1400

City: Birmingham State: Alabama Zip: 35203-2786

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

50-0954

(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.

Nathan W. Johnson; 44,173

Name of Person Signing

Signature

June 13, 2002

Date

11

Total number of pages including cover sheet, attachments, and document:

06/18/2002 TDIAZI 00000194 75409508

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

Express Mail No. EL609560176US

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

TRADEMARK
REEL: 002528 FRAME: 0122

COLLATERAL ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS COLLATERAL ASSIGNMENT OF INTELLECTUAL PROPERTY ("Assignment"), is made as of the 14th day of February, 2002, by Jackson Software, Inc., an Illinois corporation ("Jackson"), whose address is 361 Park Avenue, Glencoe, Illinois 60022, in favor of SouthTrust Bank, an Alabama banking association ("SouthTrust"), whose address is 420 North 20th Street, Birmingham, Alabama 35203.

W I T N E S S E T H

WHEREAS, SouthTrust has made one or more loans to Castlebridge Technologies, Inc. ("Castlebridge"), Hunter Systems, L.L.C. ("Hunter"), and Jackson, including, without limitation, the loan evidenced by that certain Promissory Note in the original principal amount of \$2,500,000.00 dated February 14, 2002 (the "Note"); and

WHEREAS, SouthTrust has required as a condition to extending credit that Jackson execute and deliver to SouthTrust this Assignment pursuant to which Jackson shall grant to SouthTrust a security interest in substantially all of Jackson's intellectual property assets, including, without limitation, its patents, patent applications, service marks, trademarks, trademark applications, trade names, goodwill, registrations, copyrights, and licenses;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Jackson agrees as follows:

1. Collateral Assignment of Patents, Trademarks, Copyrights and Licenses. To secure the complete and timely satisfaction of all of the Secured Obligations (as defined below), Jackson hereby grants, conveys, transfers, and assigns to SouthTrust, as and by way of a first mortgage and security interest, with power of sale, to the extent permitted by law, upon the occurrence and during the continuation of any failure by Castlebridge to fulfill its obligations under the Agreement (hereinafter referred to as an "Event of Default"), all of Jackson's right, title and interest in and to all of the following property and rights of Jackson, whether now owned or existing or hereafter acquired or arising:

(a) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Schedule A attached hereto and made a part hereof, and (i) the reissues, divisions, continuations, renewals, re-exams, extensions and continuations-in-part thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (i)-(iv), are sometimes hereinafter individually and/or collectively referred to as the "Patents");

(b) trade names, trademarks, and service marks, along with all goodwill of the business related thereto, and all trademark and service mark registrations, trade name registrations and applications, and trademark and service mark applications, including, without limitation, the trademarks and applications listed on Schedule B attached hereto and made a part hereof, and (i) renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights and goodwill corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, trade names, and trademark applications, together with the items described in clauses (i)-(iv), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks");

(c) works of authorship and all rights of copyright, copyright registrations and copyright applications, including, without limitation, the copyrights and applications listed on Schedule C attached hereto and made a part hereof, and (i) renewals, extensions, and, to the limited extent permissible

by law, reversion interests thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copy-right applications, together with the items described in clauses (i)-(iv), are sometimes hereinafter individually and/or collectively referred to as the "Copyrights");

(d) rights pursuant to its license agreements, with any other party, whether Jackson is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on **Schedule D** attached hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all property and rights now or hereafter owned by Jackson and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "Licenses"); and

(e) all proceeds of the foregoing.

2. Secured Obligations. This agreement, and the security interest herein granted, secures the payment and performance of all obligations of the Obligors to SouthTrust, including, without limitation, the Obligors' obligations under the Note and every other financial accommodation or extension of credit heretofore, now, or hereafter made to the Obligors by SouthTrust; any extension or renewals of any of the foregoing; all finance charges and late payment charges due or to become due to SouthTrust on each such obligation; every note or other writing now or hereafter evidencing the obligation of the Obligors to repay any such obligation and/or the finance charges or other charges thereon; the payment and performance of all of the Obligors' obligations under this agreement; and all other indebtedness and other obligations of the Obligors to SouthTrust, including all sums paid to SouthTrust for the Obligors' account by the Obligors or any other person which are later recovered back from SouthTrust by the Obligors or any representative of the Obligors or of the Obligors' creditors, such as a trustee in bankruptcy, any of the foregoing that arises after the filing of a petition by or against the Obligors under the federal Bankruptcy Code even if the obligations do not accrue because of the automatic stay under § 362 of the federal Bankruptcy Code, and any intended cash sale where the cash consideration was not actually received by SouthTrust; whether any of the foregoing debts and other obligations are joint or several, primary or secondary, direct or indirect, otherwise secured or unsecured, whether originally payable or owed to SouthTrust or acquired by SouthTrust from another, and whether now existing or hereafter incurred prior to termination of this agreement as hereinafter provided. (All of the debts and other obligations described in the preceding sentence are hereinafter referred to collectively as the "Secured Obligations").

3. Restrictions on Future Agreements. Jackson agrees that until the Secured Obligations shall have been satisfied in full and the Agreement shall have been terminated, Jackson will not, without SouthTrust's prior written consent, enter into any agreement which is inconsistent with Jackson's obligations under this Assignment, and Jackson further agrees that without SouthTrust's prior written consent it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, excluding non-payment of U.S. maintenance fees on patents which are not necessary or useful in the operation of Jackson's business or operations, which would affect the validity or enforcement of the rights transferred to SouthTrust under this Assignment.

4. Covenants and Warranties. Jackson represents and warrants that to the best of Jackson's knowledge: (i) the Patents, Trademarks, Copyrights and Licenses are subsisting, have not been adjudged invalid or unenforceable in whole or in part, and are not currently being challenged in any way; (ii) none of the Patents, Trademarks, Copyrights and Licenses have lapsed, expired, or been abandoned; (iii) no claim has been made that any of the Patents, Trademarks, Copyrights or Licenses, or the use thereof, constitutes an infringement; (iv) Jackson owns the entire right, title and interest in and to each of the Patents, Trademarks, Copyrights and Licenses free and clear of any liens and encumbrances of every kind and nature, except for (A) rights granted by Jackson pursuant to Licenses under which Jackson is a licensor and (B) any other rights disclosed in this Assignment; (v) Jackson has the right, power, and authority to enter into this Assignment and perform its terms; (vi) Jackson will continue to use, until the Secured Obligations shall have been terminated, proper statutory notice in connection with its use of the Patents, Trademarks, Copyrights

and Licenses; (vii) Jackson will use, until the Secured Obligations shall have been satisfied in full and the Agreement shall have been terminated, consistent standards of quality commensurate with the current standards in its manufacture of products sold under the Trademarks; and (viii) Schedules A, B, C and D list, as of the date hereof, all of the Patents, Trademarks and Copyrights, and Licenses owned by or to which the Jackson is a party, as the case may be.

5. New Patents, Trademarks, Copyrights and Licenses. If, before the Secured Obligations shall have been satisfied in full, Jackson shall (i) obtain rights to any new patentable inventions, trademarks, service marks, trademark registrations, service mark registrations, copyrights, copyright registrations, trade names or licenses, or (ii) become entitled to the benefit of any patent, service mark, or trademark, application, trademark, service mark, trademark or service mark registration, right of copyright, copyright registrations, or license renewal, or patent for any reissue, division, continuation, renewal, re-exam, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Assignment shall automatically apply thereto and Jackson shall give to SouthTrust prompt written notice thereof. Jackson hereby authorizes SouthTrust to modify this Assignment by amending Schedule A, B, C and/or D, as applicable, to include any future patents, patent applications, trademarks, service marks, trademark registrations, service mark registrations, trademark applications, service mark applications, copyright, copyright registrations, copyright applications, trade names and licenses which are Patents, Trademarks, Copyrights or Licenses, as applicable, under paragraph 1 above or under this paragraph 5.

6. Royalties; Terms. Jackson hereby agrees that the rights of SouthTrust in all Patents, Trademarks, Copyrights and Licenses as described above shall be worldwide and without any liability for royalties or other related charges from SouthTrust to Jackson. The term of the assignments granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks, Copyrights and Licenses assigned hereunder, or (ii) payment in full of the Secured Obligations and termination of the Agreement

7. Grant of License to Jackson. Unless and until an Event of Default shall have occurred, SouthTrust hereby grants to Jackson the royalty-free exclusive, nontransferable right and license to use the Trademarks and all materials covered by the Copyrights, to exercise SouthTrust's rights under the Licenses, and to make, have made, use, sell, offer for sale, combine, and export (to the extent permitted by law and regulation) the inventions disclosed and claimed in the Patents for Jackson's own benefit and account and for none other. Jackson agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Jackson in this paragraph 7 without the prior written consent of SouthTrust. From and after the occurrence of an Event of Default, and so long as such Event of Default has not been waived, Jackson's license with respect to the Patents, Trademarks, Copyrights and Licenses as set forth in this paragraph 7 shall terminate forthwith.

8. SouthTrust's Right to Inspect. Subject to existing agreements with respect to the confidential information of certain Licenses, SouthTrust shall have the right, at any reasonable time and from time to time, to inspect Jackson's premises and to examine Jackson's books, records and operations, including, without limitation, Jackson's quality control processes.

9. Termination of SouthTrust's Security Interest. This Assignment is made for collateral purposes only. Upon payment in full of the Secured Obligations and termination of the Agreement, title to the Patents, Trademarks, Copyrights and Licenses shall automatically revert to Jackson. SouthTrust shall execute and deliver to Jackson all termination statements and other instruments as may be necessary or proper to terminate SouthTrust's security interest in and to revest in Jackson all right, title and interest in and to the Patents, Trademarks, Copyrights and Licenses, subject to any disposition thereof which may have been made by SouthTrust pursuant hereto or pursuant to the Agreement.

10. Duties of Jackson. Jackson shall have the duty (i) to prosecute diligently any patent application of the Patents, any trademark application of the Trademarks and any copyright application of the Copyrights pending as of the date hereof or thereafter until the Secured Obligations shall have been paid in full, (ii) to make application on unpatented but patentable inventions and on trademarks, service marks, and copyrights, as appropriate, giving due consideration to value, cost, importance and opinion of counsel as to

patentability, and (iii) to preserve, maintain and enforce against infringement all rights in patent applications and patents of the Patents, other than non-payment of maintenance fees on patents which are not necessary or useful in the conduct of Jackson's business or operations, in trademark applications, trademarks, and trademark registrations of the Trademarks and in copyright applications, all rights of copyright and copyright registrations of the Copyrights. Any expenses incurred in connection with such applications shall be borne by Jackson. Jackson shall not abandon any pending patent application, trademark application, copyright application, patent, trademark, service mark or copyright without the written consent of SouthTrust. Jackson shall not fail to use any registered Trademark for any period of greater than two years, regardless of Jackson's intent regarding resumption of use.

11. SouthTrust's Right to Sue. After the occurrence of an Event of Default and so long as such Event of Default has not been waived, and after the provision by SouthTrust of written notice to Jackson of SouthTrust's intention to enforce its rights and claims against any of the Patents, Trademarks, Copyrights and Licenses, SouthTrust shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses and the Patents, Copyrights and Trademarks, and any licenses thereunder, and, if SouthTrust shall commence any such suit, Jackson shall, at the request of SouthTrust, do any and all lawful acts and execute any and all proper documents required by SouthTrust in aid of such enforcement, and Jackson shall promptly, upon demand, reimburse and indemnify SouthTrust for all costs and expenses incurred by SouthTrust in the exercise of its rights under this Assignment.

12. Waivers. No course of dealing between Jackson and SouthTrust, nor any failure to exercise, nor any delay in exercising, on the part of the SouthTrust, any right, power or privilege hereunder or under the Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Assignment 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 other clause or provision of this Assignment in any jurisdiction.

14. Modification. This Assignment cannot be altered, amended or modified in any way, except as specifically provided in paragraph 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Agreement. All of SouthTrust's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby or by the Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Jackson hereby authorizes SouthTrust, after the occurrence of an Event of Default and so long as such Event of Default has not been waived, and after the provision by SouthTrust of written notice to Jackson, (i) to make, constitute and appoint any officer or agent of SouthTrust as SouthTrust may select, in its sole discretion, as Jackson's true and lawful attorney-in-fact, with power to endorse Jackson's name on all application, documents, papers and instruments necessary or desirable for SouthTrust in the use of the Patents, Trademarks, Copyrights and Licenses, (ii) to take any other actions with respect to the Patents, Trademarks, Copyrights and Licenses as SouthTrust deems in the best interest of SouthTrust, (iii) to grant or issue any exclusive or non-exclusive license under the Patents, Trademarks or Copyrights to anyone, or (iv) subject to the terms of any existing license agreement, to assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone. SouthTrust hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Secured Obligations shall have been paid in full and the Agreement has been terminated. Jackson acknowledges and agrees that this Assignment is not intended to limit or restrict in any way the rights and remedies of SouthTrust under the Agreement but rather is intended to facilitate the exercise of such remedies given it by the terms of this Assignment, all rights and remedies 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, Copyrights or Licenses may be enforced.

16. Binding Effect; Benefits. This Assignment shall be binding upon Jackson and its respective successors and assigns and shall inure to the benefit of Jemison, its nominees and assigns.

17. Governing Law. This Assignment shall be deemed to have been executed and delivered in Birmingham, Alabama, and shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of Alabama.

18. Rights of Other Parties. The rights granted in favor of Jemison under this Assignment are subject and subordinate to a prior lien granted in favor of SouthTrust Bank.

WITNESS the due execution hereof as of date first above written.

JACKSON SOFTWARE, INC.

By: N. Greg Wood
Its: President & CEO

[SEAL]

Attest:

B. K. Byr
Its Secretary

STATE OF ALABAMA

)

:

JEFFERSON COUNTY

)

I, the undersigned, a notary public in and for said county in said state, hereby certify that H. Grey Wood, whose name as President & CEO of Jackson Software, Inc., an Illinois corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 3rd day of June, 2002.

Lisa Ann McLean
Notary Public

[NOTARIAL SEAL]

My commission expires: 9/15/03

Patents

Patent No.	Title	Issue Date	Inventor(s)

Patent Applications

Application Serial No.	Title	Filing Date	Inventor(s)

Trademarks

Trademark No.	Title	Issue Date	Owner of Record
1829265	TEST QUICK	December 10, 1991	Jackson Software, Inc.

Trademark Applications

Application No.	Title	Filing Date	Applicant
	EDLINE		

Copyrights

Registration No.	Title	Registration Date	Author(s)	Owner of Record
TX 3 522 949	Grade Quick		David S. Abrams	Jackson Software, Inc.
TXu-496-904	Grade Quick		David S. Abrams	Jackson Software, Inc.
TXu-447-634	GRADUS - Teacher's Choice Gradebook (IBM)		David S. Abrams	Jackson Software, Inc.
TX 3 540 968	Gradus: Teachers Choice Gradebook		David S. Abrams	Jackson Software, Inc.
TX 3 318 281	STUDYMATE, THE GRADE BOOSTER (IBM Version)		Jackson Software, Inc.	Jackson Software, Inc.
TXu-155-144	Studymate (IBM)		Robert Abrams	Jackson Software, Inc.
TXu-155-145	Studymate (APPLE)		Daniel Abrams	Jackson Software, Inc.
TX 3 206 275	Test Quick (IBM Version)		Jackson Software, Inc.	Jackson Software, Inc.
TX 3 522 926	Test Quick		Jackson Software, Inc.	Jackson Software, Inc.

Licenses