

07-09-2002



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

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.

7-9-02

1. Name of conveying party(ies): DELTA EDUCATION, LLC
Individual(s) Association
General Partnership Limited Partnership
Corporation-State
Other LIMITED LIABILITY COMPANY - DE
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: HELLER FINANCIAL, INC.
Internal Address: ATTENTION: JEFFREY KILREA
Street Address: 500 WEST MONROE STREET
City: CHICAGO State: IL Zip: 60661
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State DE
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: 07/01/2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) 76-174809
Additional number(s) attached Yes No

B. Trademark Registration No.(s) SEE ATTACHED

5. Name and address of party to whom correspondence concerning document should be mailed:
Name:
RETURN TO:
FEDERAL RESEARCH CORP
400 SEVENTH STREET NW
SUITE 101
WASHINGTON DC 20004
City: State: Zip:

6. Total number of applications and registrations involved: 12
7. Total fee (37 CFR 3.41) \$ 315.00
Enclosed
Authorized to be charged to deposit account
8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.
PENELOPE JOHNSON
Name of Person Signing
Signature
07/02/2002
Date

Total number of pages including cover sheet, attachments, and document: 1

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

07/10/2002 6TDM11 00000039 76174809

01 FC:481 40.00 OP
02 FC:482 275.00 OP

TRADEMARK
REEL: 002539 FRAME: 0956

Continuation of Item #4B to Recordation Form Cover Sheet – Trademarks

Conveying Party: Delta Education, LLC

Receiving Party: Heller Financial, Inc.

Registration Numbers

2292730
2279489
2281714
2287995
2292743
2167116
2434267
2276181
2325691
2278178
2129828

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "**Agreement**") made as of this July 1, 2002 by DELTA EDUCATION, LLC, a Delaware limited liability company ("**Grantor**") in favor of HELLER FINANCIAL, INC., a Delaware corporation, in its capacity as Agent for the Lenders party to the Credit Agreement (defined below) ("**Grantee**");

W I T N E S S E T H

WHEREAS, Grantor and Grantee are parties to a certain Amended and Restated Credit Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") providing for the extensions of credit to be made to Grantor by Lenders;

WHEREAS, pursuant to the terms of the Security Agreement dated as of August 8, 2001 between Grantor and Grantee (as the same may be amended or otherwise modified from time to time, the "**Security Agreement**"), Grantor has granted to Grantee, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), together with the goodwill of the business symbolized by Grantor's Trademarks, and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Credit Agreement;

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

1. Incorporation of Credit Agreement and Security Agreement. The Credit Agreement and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Grantor hereby grants to Grantee, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "**Trademark Collateral**"), whether now owned or existing or hereafter created or acquired:

(i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each such Trademark; and

(ii) all products and proceeds of the foregoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any such Trademark, or (b) injury to the goodwill associated with any such Trademark.

3. Reserved.

60078586.2

TRADEMARK
REEL: 002539 FRAME: 0958

4. Restrictions on Future Agreements. Grantor agrees that until termination of the Revolving Loan Commitment and payment or satisfaction in full of all monetary Obligations (other than contingent obligations to the extent no unsatisfied claim in respect thereof has been asserted and other than with respect to all Letters of Credit to the extent cash collateralized as provided in subsection 6.3 of the Credit Agreement), Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under, any Trademark (except that Grantor may license a Trademark to a Licensee in the Ordinary Course of Business), and Grantor further agrees that it shall 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 which would adversely affect the validity or enforcement of the rights transferred to Grantee under this Agreement.

5. Product Quality. Grantor agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default, Grantor agrees that Grantee, or a conservator appointed by Grantee, shall have the right to establish such additional product quality controls as Grantee, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks.

6. Grantee's Right to Sue. After an Event of Default has occurred and is continuing, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents required by Grantee in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Grantee for all costs and expenses incurred by Grantee in the exercise of its rights under this Section 6.

7. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Trademarks, whether established hereby or by the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Grantee upon the occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Grantee as Grantee may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary for Grantee in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Grantee deems to be in the best interest of Grantee, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Grantor 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 termination of the Revolving Loan Commitment and payment or satisfaction in full of all Obligations (other than contingent obligations to the extent no unsatisfied claim in respect thereof has been asserted and other than with respect to all Letters of Credit to the extent cash collateralized as provided in subsection 6.3 of the Credit Agreement). Grantor hereby further acknowledges and agrees that the use by Grantee of the Trademarks shall be worldwide, except as limited by their terms or the terms of any license or agreement with respect thereto, and without any liability for royalties or related charges from Grantee to Grantor.

60078586.2

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[Signature Page Follows]*

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

DELTA EDUCATION, LLC, a Delaware limited liability company

By:

Name: Daniel M. Kortick

Title: Vice President

Agreed and Accepted
As of the Date First Written Above

HELLER FINANCIAL, INC., as Agent

By:

Name: JEFFREY S. KLURETA

Title: SENIOR VICE PRESIDENT

SCHEDULE A

Attached.

Trademark Security Agreement

TRADEMARK
REEL: 002539 FRAME: 0962

EPS, registration number 2292730

EPS, registration number 2279489

EPS, registration number 2281714

EPS, registration number 2287995

EPS, registration number 2292743

EPS, registration number 2167116

CLAIMS TO FAME, registration number 2434267

EXPLODE THE CODE, registration number 2276181

PRIMARY PHONICS, registration number 2325691

WORDLY WISE, registration number 2278178

EDUCATORS PUBLISHING SERVICE, registration number 2129828

LESSONLOGIC.COM, serial number 76-174809

214861.1

Application/Registration No.

TMA551,753
TMA558,743
TMA557,206
TMA550,546

Trade Mark

EPS
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