


U.S. DEPARTMENT OF COMMERCE

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

Patent and Trademark Office  
Docket No. 53109/14

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

<p>1. Name of conveying party(ies): GATEWAY LEARNING CORPORATION</p> <p><input type="checkbox"/> Individual(s)      <input type="checkbox"/> Association  <input type="checkbox"/> General Partnership      <input type="checkbox"/> Limited Partnership  <input checked="" type="checkbox"/> Corporation-State: <u>DELAWARE</u>      <input type="checkbox"/> Other:</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		<p>2. Name and address of receiving party(ies):</p> <p>Name: FIRST BANK &amp; TRUST  Internal Address:  Street Address: 6300 CANOGA AVENUE, SUITE 225  City: WOODLAND HILLS State: CALIFORNIA ZIP: 94107</p> <p><input type="checkbox"/> Individual(s) citizenship: _____  <input type="checkbox"/> Association: _____  <input type="checkbox"/> General Partnership: _____  <input type="checkbox"/> Limited Partnership: _____  <input type="checkbox"/> Corporation-State: _____  <input checked="" type="checkbox"/> Other: <u>California Banking Corporation</u></p> <p>Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment      <input type="checkbox"/> Merger  <input checked="" type="checkbox"/> Security Agreement      <input type="checkbox"/> Change of Name  <input type="checkbox"/> Other:  Execution Date: APRIL 16, 2003</p>			
<p>4.A. Trademark Application No.(s)</p> <p>76/078,720</p> <p>Additional numbers attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>		<p>B. Registration No.(s)</p> <p>1,877,587</p>	
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>CHARLOTTE Y. CHEN  MORRISON &amp; FOERSTER LLP  555 WEST FIFTH STREET  SUITE 3500  LOS ANGELES, CALIFORNIA 90013-1024</p>		<p>6. Total number of applications and trademark registrations involved: 34</p> <p>7. Total fee (37 C.F.R. § 3.41): \$865.00</p> <p><input checked="" type="checkbox"/> Enclosed  <input type="checkbox"/> Authorized to be charged to deposit account, referencing Attorney Docket <u>53109/14</u></p> <p>8. Deposit account number: <u>03-1952</u></p>	
<p>The Commissioner is hereby authorized to charge any fees under 37 C.F.R. § 1.21 which may be required by this paper, or to credit any overpayment to <u>Deposit Account No. 03-1952</u>.</p>			
<p><b>DO NOT USE THIS SPACE</b></p>			
<p>9. Statement and signature.</p> <p>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.</p> <p>Name: KELLY LOGUE            <u>4/16/03</u>  <span style="margin-left: 300px;">Signature</span>      <span style="margin-left: 100px;">Date</span></p>			
<p align="center">Total number of pages comprising cover sheet, attachments and document: 10</p>			
<p align="center">Mail documents to be recorded with required cover sheet information to:  Commissioner of Patents and Trademarks  Box Assignments  Washington, D.C. 20231</p>			

**CONTINUE FROM PAGE 1 OF RECORDATION FORM COVER SHEET**

## 4.A. Trademark Application No.(s):

76/078,719  
75/807,704  
75/636,878  
75/636,879  
75/809,709  
75/807,703  
75/856,661  
75/856,667  
75/856,666  
75/809,710

## 4.B. Registration No.(s):

2,224,496  
2,287,035  
2,421,711  
2,407,092  
1,872,425  
1,876,555  
2,050,379  
2,355,758  
2,591,385  
2,052,082  
2,629,995  
2,674,241  
2,348,348  
2,419,481  
2,620,893  
2,468,815  
2,213,516  
2,409,046  
2,417,881  
2,468,816  
2,211,938  
2,345,569

**SECURITY AGREEMENT**  
(Trademarks)

THIS SECURITY AGREEMENT (Trademarks) (the "Trademark Security Agreement") is made and dated this 16th day of April, 2003 by and between GATEWAY LEARNING CORPORATION, a California corporation (the "Borrower"), and FIRST BANK & TRUST, a California banking corporation (the "Lender").

RECITALS

A. Pursuant to that certain Credit Agreement dated as of April 16, 2003 between Lender and Borrower (as amended, modified or waived, the "Credit Agreement"), Lender extended or agreed to extend credit to or for the benefit of Borrower on the terms and conditions and subject to the conditions set forth therein.

B. In connection therewith, Borrower agreed, among other things, to execute and deliver in favor of Lender (i) that certain Security Agreement dated as of April 16, 2003 (as amended, modified or waived, the "Security Agreement") between Borrower and Lender, and (ii) certain supplemental documents, including, without limitation, this Trademark Security Agreement.

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Grant of Security Interest. As collateral security for the Obligation (as defined in the Security Agreement), Borrower hereby mortgages, assigns, grants and conveys to the Lender, a security interest, pledge, assignment and mortgage in all of Borrower's right, title and interest in the following (the "Trademark Collateral"):

(a) All now existing or hereafter created or acquired, trademarks, service marks, unregistered marks, logos, indicia, tradenames, tradestyles, other business identifiers and rights and works protectable by trademark whether now owned or hereafter, and, except to the extent prohibited by the terms thereof or by law, all agreements in respect of Trademarks owned by third parties, including, without limitation, the Trademarks specifically described on Schedule I attached hereto, as the same may be amended or replaced from time to time;

(b) All now existing and hereafter arising registrations and applications for registration relating to any of the foregoing, all renewals and extensions thereof throughout the world in perpetuity, and all rights to make such applications and to renew and extend the same;

(c) All now existing and hereafter arising rights and licenses to make, have made, use and/or sell the inventions disclosed and claimed by any of the foregoing;

(d) All now existing and hereafter arising right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation;

(e) All now existing and hereafter arising rights, claims and interests under licensing or other contracts pertaining to any of the foregoing;

(f) All now existing and hereafter arising goodwill symbolized by or associated with any of the foregoing;

(g) All now existing and hereafter arising right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of Lender for past, present and future infringements of any of the foregoing; and

(h) All products and proceeds of any of the foregoing.

2. Additional Representation and Warranty and Covenant. In addition to all representations and warranties, covenants and agreements set forth in the Credit Agreement, the Security Agreement, and any other documents, Borrower hereby:

(a) Represents and warrants that Schedule I attached hereto sets forth an accurate and complete list of all trademarks owned by Borrower which are registered with the United States Patent and Trademark Office (any and all trademarks so registered being the "Trademarks"); and

(b) Agrees promptly to notify Lender in writing of any additional Trademarks of which Borrower becomes the owner, and to deliver to Lender an amended Schedule I reflecting such additional Trademarks. Lender is hereby authorized to cause such amended Schedule I to be filed and recorded in an amendment of this Trademark Security Agreement.

3. No Present Assignment. Neither the Credit Agreement, this Trademark Security Agreement, the Security Agreement nor any other document, instrument or agreement creates or is intended to create a present assignment of the Trademark Collateral. Subject to the rights of Lender, it is the intention of the parties hereto that Borrower continue to own the Trademark Collateral.

4. Relationship to Other Documents. The Trademark Collateral shall constitute Collateral for all purposes of the Credit Agreement, the Security Agreement and the other documents executed in connection therewith and Lender shall have all rights, powers and remedies with respect to the Trademark Collateral to the same extent as it has with respect to other Collateral pursuant to the Security Agreement.

5. Miscellaneous.

(a) All covenants and other agreements contained in this Trademark Security Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns.

(b) Any provision of this Trademark Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

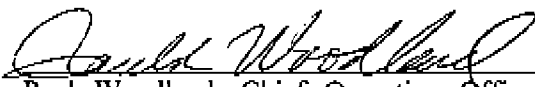
(c) Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any person, or which such person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such person.

(d) This Trademark Security Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

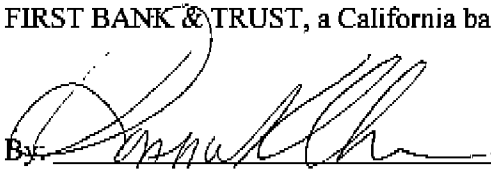
(e) This Trademark Security Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of California excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

IN WITNESS WHEREOF, the parties hereto have caused this Trademark Security Agreement to be executed on and as of the day and year first above written.

GATEWAY LEARNING CORPORATION, a California corporation

By:   
Name: Paul Woodland, Chief Operating Officer and Chief  
Financial Officer

FIRST BANK & TRUST, a California banking corporation

By:   
Donna K. Owen, Senior Vice President & Regional Manager

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles } ss.

On April 16, 2003 before me, Irina M. Kurganov, Notary Public

personally appeared Paul Woodland

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Irina M. Kurganov  
Signature of Notary Public

Place Notary Seal Above

#### OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

#### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

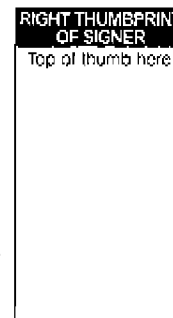
Signer(s) Other Than Named Above: \_\_\_\_\_

#### Capacity(ies) Claimed by Signer

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator.
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF Los Angeles )

On April 16, 2003 before me, the undersigned notary public in and for said County and State, personally appeared Donna K. Owen, ~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies) and that, by ~~his/her/their~~ signature(s) on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.



Irina M. Kurganov  
My commission expires on 12/10/06

**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

**CAPACITY CLAIMED BY SIGNER**

**DESCRIPTION OF ATTACHED DOCUMENT**

- INDIVIDUAL
- CORPORATE OFFICER  
Title(s) \_\_\_\_\_
- PARTNER(S)  
    \_\_\_ Limited \_\_\_ General
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER:

\_\_\_\_\_  
Title or Type of Document

\_\_\_\_\_  
Signer(s) Other Than Named Above

Date of Document: \_\_\_\_\_

Number of Pages: \_\_\_\_\_

**SIGNER IS REPRESENTING:**  
\_\_\_\_\_  
\_\_\_\_\_



TRADEMARK STATUS  
UNITED STATES

MARK	FILING/ REG. DATE	REG./ APPLICATION NO.	STATUS
1-800-ABCDEFG	2/7/1995	1,877,587	Registered
1-855-ABCDEFG	6/27/2000	76/078,720	Allowed
1-866-ABCDEFG	6/27/2000	76/078,719	Allowed
1-888-ABCDEFG	2/16/1999	2,224,496	Registered
ABCDEFG	10/19/1999	2,287,035	Registered
DESIGN (LIBRARY COLLECTION)	1/16/2001	2,421,711	Registered
DETECTIVE DOG	11/21/2000	2,407,092	Registered
HOOKEE ON BOOKS	9/24/1999	75/807,704	Allowed
HOOKEE ON EDUCATION	2/9/1999	75/636,878	Allowed
HOOKEE ON LEARNING	2/9/1999	75/636,879	Allowed
HOOKEE ON MATH	1/10/1995	1,872,425	Registered
HOOKEE ON NEWS	9/28/1999	75/809,709	Allowed
HOOKEE ON PHONICS	1/31/1995	1,876,555	Registered
HOOKEE ON PHONICS	4/8/1997	2,050,379	Registered
HOOKEE ON PHONICS & DESIGN (first HOP kid)	6/6/2000	2,355,758	Registered
HOOKEE ON PHONICS & DESIGN (product logo with swoosh)	7/9/2002	2,591,385	Registered
HOOKEE ON PHONICS & DESIGN (NEW LOGO) (GEP retail logo)	4/15/1997	2,052,082	Registered
HOOKEE ON READING	9/24/1999	75/807,703	Allowed
HOOKEE ON SCHOOL SUCCESS	10/8/2002	2,629,995	Registered
HOOKEE ON SCHOOL SUCCESS & DESIGN	1/14/2003	2,674,241	Registered
HOOKEE ON SPELLING	11/23/1999	75/856,661	Allowed
HOOKEE ON VOCABULARY	11/23/1999	75/856,667	Allowed
HOOKEE ON WRITING	11/23/1999	75/856,666	Allowed
HOP BOOKS & DESIGN	5/9/2000	2,348,348	Registered
HOP BOOKS HOOKEE ON PHONICS LIBRARY COLLECTION	1/9/2001	2,419,481	Registered
HOP HOOKEE ON PHONICS & DESIGN (corporate logo)	9/17/2002	2,620,893	Registered
MULTIPLICATION STATION	7/17/2001	2,468,815	Registered
READING QUEST	9/28/1999	75/809,710	Allowed
RIGHT BOOK - RIGHT KID - RIGHT TIME	12/22/1998	2,213,516	Registered

TRADEMARK STATUS  
UNITED STATES

MARK	FILING/ REG. DATE	REG./ APPLICATION NO.	STATUS
SKIP & SPIN	11/28/2000	2,409,046	Registered
SLAM & DUNK	1/2/2001	2,417,881	Registered
SPACE BINGO	7/17/2001	2,468,816	Registered
THE READING HEADQUARTERS	12/15/1998	2,211,938	Registered
THE READING ROOM	4/25/2000	2,345,569	Registered