

05-30-2003



Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)  
Tab settings  $\Rightarrow \Rightarrow \Rightarrow$

RE

102460042

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): 5-5-03

Creative Teaching Press

- ☐ Individual(s) ☐ Association  
☐ General Partnership ☐ Limited Partnership  
☒ Corporation-State CA  
☐ 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: 3/26/03

2. Name and address of receiving party(ies)

Name: Community Bank

Internal

Address: \_\_\_\_\_

Street Address: 1750 South State College Blvd

City: Anaheim State: CA Zip: 92806

- ☐ Individual(s) citizenship \_\_\_\_\_  
☐ Association \_\_\_\_\_  
☐ General Partnership \_\_\_\_\_  
☐ Limited Partnership \_\_\_\_\_  
☐ Corporation-State \_\_\_\_\_  
☒ Other Bank

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)

see attached

B. Trademark Registration No.(s)

see attached

Additional number(s) attached ☒ Yes ☐ No

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

Name: Tim Ralston c/o Thomson & Thomson

Internal Address: \_\_\_\_\_

Street Address: 1750 K St NW

Suite 200

City: Washington State: DC Zip: 20006

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41).....\$ 190.00

- ☐ Enclosed  
☐ Authorized to be charged to deposit account

8. Deposit account number:

20-0052

(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.

David Adams

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 7

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

05/29/2003 ECOOPER 00000125 200052 1208222

01 FC:0521 40.00 CH  
02 FC:0522 150.00 CH

TRADEMARK  
REEL: 002743 FRAME: 0073

## TRADEMARK REGISTRATIONS

COMPANY	TITLE	DATE/REG. #
Creative Teaching Press, Inc	Brain Builders	January 2000
	Catch 'Em Being Good Coupons	Sept 2002/1,208,222
	Moon Child Design	Jan. 1998/2,128,027
	Partners in Print	Jan. 1998/2,129,354
	The Learning Works	Mar. 2001/1,640,439
	Build-a-Doodle (LW)	Mar. 2001/1,640,439
	Better Halls & Classroom (LW)	Dec. 2001/76/351,029

**COPYRIGHT/TRADEMARK COLLATERAL ASSIGNMENT  
AND  
SECURITY AGREEMENT**

THIS AGREEMENT is made on this 26<sup>th</sup> day of March, 2003, between Creative Teaching Press, Inc., a California corporation having a mailing address at 15342 Graham Street, Huntington Beach, CA 92649-1111 (Assignor") and Community Bank, having a mailing address at 1750 South State College Blvd., Anaheim, CA 92806 ("Lender").

**BACKGROUND**

Assignor has executed and delivered its promissory notes (the "Notes") to the Lender in the principal amount of Five Million Five Hundred Thousand Dollars (\$5,500,000.00) and Two Million Dollars (\$2,000,000.00), respectively, pursuant to a certain Business Loan Agreement of even date between Assignor and the Lender (as amended from time to time, the "Loan Agreement"), as well as its obligating itself to Lender pursuant to Commercial Guaranties of the obligations to Lender of Pacific Learning, Inc. and Interaction Publisher's, Inc. ("Guaranties"). In order to induce the Lender to execute and deliver the Loan Agreement, and to accept the Guaranties, Assignor has agreed to assign to Lender certain copyright and trademark rights. This Copyright/Trademark Collateral Assignment is being executed contemporaneous with a Security Agreement under which the Lender is granted a lien on and security interest in machinery, equipment formulations, manufacturing procedures, quality control procedures and product specifications, among other forms of personal property collateral ("Other Assets") relating to products sold under the Copyrights/Trademarks, whereby Lender shall have the right to foreclose on the Copyrights/Trademarks and the Other Assets in the event of the occurrence and continuance of an Event of Default under either the Loan Agreement, the Security Agreement or Guaranties, in order that the owner of the Copyrights/Trademarks may continue the manufacture of products to be sold under the Copyrights/Trademarks and maintain substantially the same product specifications and quality as maintained by Assignor.

NOW, THEREFORE, in consideration of the premises, Assignor hereby agrees with Lender as follows:

1. To secure the complete and timely satisfaction of all its obligations to Lender (as defined in either the Loan Agreement, Guaranties or Security Agreement) ("Liabilities"), Assignor hereby grants, assigns and conveys to Lender the entire right, title and interest in and to the copyright and trademark applications and copyrights and trademarks listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), including without limitation all renewals thereof, all proceeds of infringement suits), the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the

"Copyrights/Trademarks"), and the good will of the business to which each of the Copyrights/Trademarks relates.

2. Assignor covenants and warrants that:

- a. The Copyrights/Trademarks are subsisting and have not been adjudged invalid or unenforceable;
- b. To the best of Assignor's knowledge, each of the Copyrights/Trademarks is valid and enforceable;
- c. No claim has been made that the use of any of the Copyrights/Trademarks does nor may violate the rights of any third person;
- d. Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Copyrights/Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by Assignor not to sue third persons;
- e. Assignor has the unqualified right to enter into this Agreement and perform its terms;
- f. Assignor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Copyrights/Trademarks; and
- g. Assignor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Copyrights/Trademarks.

3. Assignor hereby grants to Lender and its employees and agents the right to visit Assignor's plants and facilities which manufacture, inspect or store products sold under any of the Copyrights/Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. Assignor shall do any and all acts required by Lender to ensure Assignor's compliance with paragraph 2(g).

4. Assignor agrees that, until all of the Liabilities shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Assignor's obligations under this Agreement, without Lender's prior written consent.

5. If, before the Liabilities shall have been satisfied in full, Assignor shall obtain rights to any new copyrights or trademarks, the provisions of paragraph 1 shall automatically apply thereto and Assignor shall give Lender prompt written notice thereof.
6. Assignor authorizes Lender to modify this Agreement by amending Schedule A to include any future copyrights, trademarks and trademark and copyright applications covered by paragraphs 1 and 5 hereof.
7. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Loan Agreement, Security Agreement or Guaranties), Lender hereby grants to Assignor the exclusive, nontransferable right and license to use the Copyrights/Trademarks on and in connection with products sold by Assignor, for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Assignor in this paragraph 7, without the prior written consent of Lender.
8. If any Event of Default shall have occurred and be continuing, Assignor's license under the Copyrights/Trademarks, as set forth in paragraph 7, shall terminate forthwith, and the Lender shall have, in addition to all other rights and remedies given it by this Agreement, those 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 Copyrights/Trademarks may be located and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Anaheim, California, or elsewhere, all or from time to time any of the Copyrights/Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Copyrights/Trademarks all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds after payment of the Liabilities. Any remainder of the proceeds after payment of the Liabilities shall be paid over to the Assignor. Notice of any sale or other disposition of the copyrights and trademarks shall be given to Assignor at least five (5) days before the time of any intended public or private sale or other disposition of the Copyrights/Trademarks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Copyrights/Trademarks sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.

9. At such time as Assignor shall completely satisfy all of the Liabilities, this Agreement shall terminate and Lender shall execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to the Copyrights/Trademarks, subject to any disposition thereof which may have been made by Lender pursuant hereto.

10. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Copyrights/Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Copyrights/Trademarks, shall be borne and paid by Assignor on demand by Lender.

11. Assignor shall have the duty, through counsel acceptable to Lender, to prosecute diligently any copyright or trademark applications of the Copyrights/Trademarks pending as of the date of this Agreement or thereafter until the Liabilities shall have been paid in full, to make federal application on registrable but unregistered Copyrights/Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Copyrights/Trademarks. Any expenses incurred in connection with the Copyrights/Trademarks shall be borne by Assignor. The Assignor shall not abandon any Copyright/Trademark without the consent of the Lender, which consent shall not be unreasonably withheld.

12. Assignor shall have the right, with the prior written consent of Lender, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Copyrights/Trademarks, in which event Lender may, if necessary, be joined as a nominal party to such suit if lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. Assignor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph 12.

13. In the event of the occurrence of an Event of Default, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for Lender to use the Copyrights/Trademarks, or to grant or issue any exclusive or nonexclusive license under the Copyrights/Trademarks to anyone else, or necessary for

Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Copyrights/Trademarks to anyone else. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

14. If Assignor fails to comply with any of its obligations hereunder, Lender may do so in Assignor's name or in Lender's name, but at Assignor's expense, and Assignor hereby agrees to reimburse Lender in full for all expenses, including reasonable attorneys' fees, incurred by Lender in protecting, defending and maintain the Copyrights/Trademarks.

15. No course of dealing between Assignor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement, Security Agreement or Guaranties 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 further exercise thereof or the exercise of any other right, power or privilege.

16. All of Lender's rights and remedies with respect to the Copyrights/Trademarks, whether established hereby or by the Loan Agreement, Security Agreement or Guaranties or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

17. The provisions of this Agreement are severable, and if any clause or provisions 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 Agreement in any jurisdiction.

18. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6.

19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

20. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of California.

WITNESS the execution hereof under seal as of the day and year first above written.

ATTEST – CORPORATE SEAL

**ASSIGNOR**

CREATIVE TEACHING PRESS, INC.

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

Its: \_\_\_\_\_

*John C. [Signature]*  
President



**LENDER**

COMMUNITY BANK

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

Its: \_\_\_\_\_

*John P. [Signature]*  
Vice President





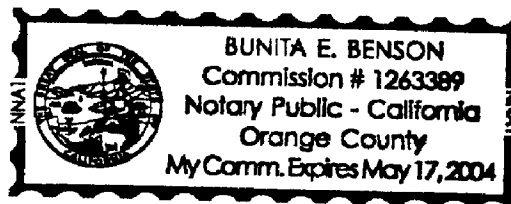
STATE OF CALIFORNIA )

COUNTY OF ORANGE )  
)  
)  
)

On March 26, 2003, before me Bunita E. Benson, personally appeared James M. Connelly, 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 instruments 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.

Signature: Bunita E. Benson  
Notary Public in and for  
Said County and State



# TRADEMARK REGISTRATIONS

COMPANY	TITLE	DATE/REG. #
Creative Teaching Press, Inc	Brain Builders	January 2000
	Catch 'Em Being Good Coupons	Sept 2002/1,208,222
	Moon Child Design	Jan. 1998/2,128,027
	Partners in Print	Jan. 1998/2,129,354
	The Learning Works	Mar. 2001/1,640,439
	Build-a-Doodle (LW)	Mar. 2001/1,640,439
	Better Halls & Classroom (LW)	Dec. 2001/76/351,029
Pacific Learning, Inc.	Mark: Pacific Learning	Jul, 2002/2,587,933
	CAPITULOS (new app)	Jun. 2002/TM1867
	TEAMWORKS	Nov. 2001/76/297,042
	HIGH-FLIERS (and design)	Dec. 2002/76/277,919
	Pacific Literacy	Jan. 2002/76/215,014

