

08-22-2003

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office



8.22.03

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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): HAIGHTS CROSS OPERATING COMPANY
Individual(s) Association
General Partnership Limited Partnership
Corporation-State (Delaware corporation)
Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):
Name: The Bank of New York (as Collateral Trustee for the Term Loan)
Internal Address: Attention: Mr. Steven Correll
Street Address: One Wall Street
City: New York State: NY Zip: 10286
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State
Other a New York Banking Corporation
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: August 20, 2003

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
76/156130, 76/135490, 76/135489
Additional number(s) attached Yes No

B. Trademark Registration No.(s)
2729861

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Julie L. Dalke, Esq.
Internal Address: Latham & Watkins LLP
Street Address: 650 Town Center Drive, Suite 2000
City: Costa Mesa State: CA Zip: 92626

6. Total number of applications and registrations involved: 4
7. Total fee (37 CFR 3.41): \$ 115.00
Enclosed
Authorized to be charged to deposit account
8. Deposit account number
500524 (For additional fees, if any)
(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.
Patricia A. Conner Signature
August 22, 2003 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

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01 FC:AS21 40.00
02 FC:AS22 75.00

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TRADEMARK REEL: 002807 FRAME: 0335

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of August 20, 2003, by Hights Cross Operating Company ("Grantor"), in favor of The Bank of New York, as Collateral Trustee, for the benefit of the holders of the Parity Lien Obligations (as defined in the Collateral Trust Agreement).

WITNESSETH:

WHEREAS, reference is made to that certain Collateral Trust Agreement, dated as of the date hereof (including all annexes, exhibits or schedules thereto, as from time to time amended, restated supplemented or otherwise modified from time to time, the "Collateral Trust Agreement") among Hights Cross Operating Company, a Delaware corporation (the "Borrower"), Hights Cross Communications, Inc. a Delaware corporation, Sundance/Newbridge Educational Publishing, LLC, a Delaware limited liability company, Triumph Learning, LLC, a Delaware limited liability company, Recorded Books, LLC, a Delaware limited liability company, WF Howes Limited, a company incorporated in England and Wales, Oakstone Publishing LLC, a Delaware limited liability company, Chelsea House Publishers, LLC, a Delaware limited liability company, The Coriolis Group LLC, a Delaware limited liability company, and The Bank of New York, as Collateral Trustee, for Bear Stearns Corporate Lending Inc. (the "Term Loan Administrative Agent") under the Term Loan Agreement, dated as of the date hereof among the Borrower, the several banks and other financial institutions or entities from time to time parties thereto and the Term Loan Administrative Agent (including all annexes, exhibits or schedules thereto, as from time to time amended, restated supplemented or otherwise modified from time to time, the "Term Loan Agreement").

Grantor is required to execute and deliver to the Collateral Trustee for the benefit of the holders of the Parity Lien Obligations (as defined in the Collateral Trust Agreement), this Trademark Security Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in Collateral Trust Agreement.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL.

(a) Grantor hereby grants to the Collateral Trustee, for the benefit of the holders of the Parity Lien Obligations, a security interest and continuing lien on all of Grantor's right, title and interest in, to and under the following, whether now owned or existing or hereafter acquired or arising and wherever located (collectively, the "Trademark Collateral"):

(i) all United States, state and foreign trademarks, service marks, certification marks, collective marks, trade names, corporate names, d/b/as, business names, fictitious business names, internet domain names, trade styles, logos, other source or business identifiers, designs and general intangibles of a like nature, rights of publicity and privacy pertaining to the right to use names, likenesses and biographical data, all registrations and applications for any of the foregoing including, but not limited to, the registrations and applications referred

to on Schedule I hereto (as such schedule may be amended or supplemented from time to time);

(ii) the goodwill of the business symbolized by the foregoing, the right to sue for past, present and future infringements or dilution of any of the foregoing or for any injury to goodwill;

(iii) all proceeds of the foregoing, including, without limitation, royalties, income, payments, claims, damages, and proceeds of suit;

(iv) any and all agreements granting any right in, to or under Trademarks to which Grantor is a party (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule I hereto (as such schedule may be amended or supplemented from time to time); and

(v) to the extent not otherwise included above, all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing.

(b) Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the security interest granted herein attach to any of the following (collectively, the "Excluded Assets") and such Excluded Assets shall not be deemed Trademark Collateral for purposes of this Agreement: any lease, license, contract, property rights or agreement to which the Company or any Subsidiary is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of the Company or any Domestic Subsidiary therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); *provided, however*, that such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and to the extent severable, shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) above.

3. COLLATERAL TRUST AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to the Collateral Trustee, for the benefit of the holders of the Parity Lien Obligations, on behalf of itself and the other Secured Parties, pursuant to the Collateral Trust Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Collateral Trustee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Collateral Trust Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

HAIGHTS CROSS OPERATING COMPANY

By: *P. J. Quandt*
Name: Peter J. Quandt
Title: Chairman, President and Chief Executive Officer

ACKNOWLEDGMENT OF GRANTOR

STATE OF New York
COUNTY OF New York

ss.

On this 20 day of August, 2003 before me personally appeared Peter J. Quandt, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of the Grantors, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Karen Flam
KAREN FLAM
~~Notary Public Commissioned New York County~~
Notary Public 01FL6060295
Commission Expires 06/18/ 07

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[SIGNATURES CONTINUED ON NEXT PAGE]

FROM LATHAM & WATKINS LLP (212) 751-4864 (THU) 8.21.03 16:01/ST.15:56/NO.4862163911 P 23

ACCEPTED AND ACKNOWLEDGED BY:

THE BANK OF NEW YORK
AS COLLATERAL TRUSTEE

By: 
Name: John R. Ciulla
Title: Managing Director

(THU) 8.21'03 16:01/ST.15:56/NO.4862163911 P 24

FROM LATHAM & WATKINS LLP (212) 751-4864

TRADEMARK
REEL: 002807 FRAME: 0339

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT
TRADEMARK REGISTRATIONS, APPLICATIONS AND LICENSES

(see attached)

**SCHEDULE I
TRADEMARKS**

Owner: Hights Cross Operating Company

<u>Trademark</u>	<u>Application/ Registration No.</u>	<u>Application/ Registration Date</u>
HAIGHTS CROSS COMMUNICATIONS (AND DESIGN)	76-156,130	October 27, 2000
HAIGHTS CROSS COMMUNICATIONS	76-135,490	September 26, 2000
HAIGHTS CROSS Design only	76-135,489 2,729,861	September 26, 2000 June 24, 2003