

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Intellectual Property Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Lingo Systems, LLC		01/10/2008	LIMITED LIABILITY COMPANY: OREGON
RECEIVING PARTY DATA			
Name:	NewStar Financial, Inc., as Administrative Agent		
Street Address:	500 Boylston Street		
Internal Address:	Suite 1600		
City:	Boston		
State/Country:	MASSACHUSETTS		
Postal Code:	02116		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2645013	LINGO SYSTEMS	
Registration Number:	3237196	LINGO	
Registration Number:	3237194	LINGO SYSTEMS	
Serial Number:	78946854	LINGONET	
CORRESPONDENCE DATA			
Fax Number:	(617)951-8736		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	617-951-8464		
Email:	paula.mazzeo@bingham.com		
Correspondent Name:	Paula A. Mazzeo		
Address Line 1:	150 Federal Street		
Address Line 2:	c/o Bingham McCutchen LLP		
Address Line 4:	Boston, MASSACHUSETTS 02110		
NAME OF SUBMITTER:	Paula A. Mazzeo		

OP \$115.00 2645013

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Signature:	/PAMazzeo/
Date:	01/15/2008
Total Attachments: 14 source=IP Agreement - Lingo Systems, LLC#page1.tif source=IP Agreement - Lingo Systems, LLC#page2.tif source=IP Agreement - Lingo Systems, LLC#page3.tif source=IP Agreement - Lingo Systems, LLC#page4.tif source=IP Agreement - Lingo Systems, LLC#page5.tif source=IP Agreement - Lingo Systems, LLC#page6.tif source=IP Agreement - Lingo Systems, LLC#page7.tif source=IP Agreement - Lingo Systems, LLC#page8.tif source=IP Agreement - Lingo Systems, LLC#page9.tif source=IP Agreement - Lingo Systems, LLC#page10.tif source=IP Agreement - Lingo Systems, LLC#page11.tif source=IP Agreement - Lingo Systems, LLC#page12.tif source=IP Agreement - Lingo Systems, LLC#page13.tif source=IP Agreement - Lingo Systems, LLC#page14.tif	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of January 10, 2008, is entered into by and between LINGO SYSTEMS, LLC, an Oregon limited liability company (hereinafter, together with its successors in title and assigns, called the “Grantor”), and NEWSTAR FINANCIAL, INC., as administrative agent and collateral agent for the benefit of Secured Parties (hereinafter, together with its successors as administrative agent and collateral agent for the benefit of Secured Parties, called the “Administrative Agent”).

RECITALS:

A. Pursuant to the Credit Agreement, dated as of January 10, 2008, by and among Coto Holdings LLC, a Delaware limited liability company (“Parent Company”), Coto Acquisition LLC, a Delaware limited liability company (“Borrower”, and, together with the Parent Company, called, collectively, the “Principal Companies” and, individually, a “Principal Company”), the several financial institutions from time to time party to the Credit Agreement as lenders thereunder (collectively, “Lenders”, and, individually, a “Lender”), the financial institution from time to time party thereto as the L/C Issuer thereunder, and the Administrative Agent (as amended, amended and restated, modified, supplemented or restated and in effect from time to time, the “Credit Agreement”), the Lenders have agreed to make Credit Extensions to the Borrower.

B. In order to induce the Lenders and the L/C Issuer to make additional Credit Extensions to the Borrower upon the terms and subject to the conditions contained in the Credit Agreement, the Grantor has agreed, as a wholly-owned Subsidiary of the Borrower and as contemplated and provided by the Credit Agreement, to grant to the Administrative Agent, for the benefit of Secured Parties, continuing security interests in and Liens upon all Intellectual Property of the Grantor in order to secure all of the Obligations.

C. The Grantor has granted to the Administrative Agent, for the benefit of Secured Parties, continuing security interests in and Liens upon all of the Intellectual Property of the Grantor pursuant to and upon the terms and conditions contained in the Security Agreement, dated as of January 10, 2008, by and among the Grantor, the Principal Companies, the other Subsidiary Guarantors party thereto, and the Administrative Agent (as amended, amended and restated, modified, supplemented or restated and in effect from time to time, the “Security Agreement”).

D. Upon the terms contained in the Security Agreement, the Grantor has agreed to execute and deliver to the Administrative Agent, for the benefit of Secured Parties, this Intellectual Property Security Agreement, which is supplemental to the Security Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby absolutely, unconditionally and irrevocably agrees with the Administrative Agent as follows:

1. Definitions. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Security Agreement or, if not defined therein, then in the Credit Agreement, and the following terms shall have (unless otherwise provided elsewhere in this Intellectual Property Security Agreement) the following respective meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

(a) “Intellectual Property” shall mean all of the rights, title and interests of the Grantor in, to and under all of the following, whether presently existing or at any time or from time to time hereafter created, arising or acquired:

(i) all of its Marks, including, without limitation, all of those referred to in Schedule I hereto;

(ii) all of its Patents, including, without limitation, all of those referred to in Schedule II hereto;

(iii) all of its Copyrights, including, without limitation, all of those referred to in Schedule III hereto;

(iv) all goodwill of the businesses of the Grantor and of its Subsidiaries connected with the use of, or otherwise symbolized by, each Mark;

(v) all Trade Secret Rights and all other Intellectual Property;
and

(vi) all income, products and proceeds of each of the foregoing, including, without limitation, all claims by the Grantor against third parties for past, present or future (A) infringement or dilution of any Mark, (B) injury to any goodwill associated with any Mark, (C) infringement of any Patent, (D) infringement of any Copyright, (E) misappropriation of any Trade Secret Rights, or (F) infringement of any other Intellectual Property.

(b) “Credit Agreement” and “Security Agreement” shall have the meanings given to such terms in the Recitals above.

(c) “Obligations” shall mean any and all of the Obligations (as that term is defined in the Credit Agreement).

All other terms contained in this Intellectual Property Security Agreement shall, unless the context shall indicate otherwise, have the meanings provided for by the UCC to the extent that such other terms are used or defined therein. References to the Credit Agreement or Security Agreement include any amendment, amendment and restatement, modification, supplement, restatement, replacement or refinancing (in whole or in part) thereof, whether by way of increase or reduction to any of the Commitments or the principal amount of any of the Loans, addition or elimination of any credit facilities thereunder, extension of any term, addition or deletion of any party thereto, or otherwise.

2. Grant of Security Interests. To secure the prompt and complete payment and performance of all and each of the Obligations, as and when the same shall become due and payable, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due and payable but for the operation of the automatic stay under the Bankruptcy Code), the Grantor hereby grants to the Administrative Agent, for the benefit of Secured Parties, a continuing security interest in and Lien upon all of the rights, title and interests of the Grantor to, in and under all of the Intellectual Property (other than, for the avoidance of doubt, any United States intent to use Marks to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of or void or cancel such intent to use Mark applications under applicable U.S. law).

3. Representations and Warranties. The Grantor represents and warrants to the Administrative Agent that, as of the Closing Date, the Grantor does not have any ownership interest in, or title to, any registered Mark, Mark application, issued Patent, Patent application, registered Copyright or Copyright application, except as set forth in Schedule I, Schedule II and Schedule III hereto. This Intellectual Property Security Agreement is effective to create valid and continuing security interests in and Liens upon, and, upon the recording hereof with the United States Patent and Trademark Office and the United States Copyright Office, and the filing of appropriate financing statements in the State of Florida, perfected Liens in favor of the Administrative Agent on, the Grantor's Marks, Patents, and Copyrights, to the extent such perfection can be achieved by making such filings; and such perfected security interests and Liens shall be enforceable as such as against any and all creditors of or purchasers from the Grantor, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally or by equitable principles of general applicability.

4. Security Agreement. The security interests and Liens granted by the Grantor to the Administrative Agent pursuant to this Intellectual Property Security Agreement are granted in conjunction with the security interests and Liens granted by the Grantor to the Administrative Agent pursuant to the Security Agreement and the terms and provisions of the Security Agreement are incorporated herein in their entirety by this reference thereto. The Grantor and the Administrative Agent expressly agree that each of the security interests and Liens granted under this Intellectual Property Security Agreement and the Security Agreement in the Intellectual Property are intended to be treated as a single security interest for purposes of Article 9 of the UCC and other Applicable Law. The exercise by the Administrative Agent of any rights or remedies with respect to any of the Intellectual Property shall be deemed to be an exercise of such rights or remedies in connection with both this Intellectual Property Security Agreement and also the Security Agreement. In the event of any inconsistency between the terms and conditions of this Intellectual Property Security Agreement and the Security Agreement, then the terms and conditions of the Security Agreement shall prevail.

5. Reinstatement. This Intellectual Property Security Agreement shall remain in full force and effect and continue to be effective in the event that any petition shall be filed by or against the Grantor for liquidation or reorganization, should the Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of the Grantor's assets, and shall continue to be effective

or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to Applicable Law, rescinded or reduced in amount, or must otherwise be restored or returned, whether as a “voidable preference,” “fraudulent conveyance,” or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and shall be deemed reduced only by such amount paid in cash and not so rescinded, reduced, restored or returned.

6. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties hereto by any other party hereto, or whenever any of the parties hereto desires to give and serve upon any other party hereto any communication with respect to this Intellectual Property Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the notice provisions of the Security Agreement.

7. Termination. Subject always to Section 5 hereof, this Intellectual Property Security Agreement shall terminate upon the Termination Date. Upon any termination of the Liens created hereunder upon the Termination Date, the Administrative Agent shall, at the sole cost and expense of the Grantor, promptly execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the termination of the Liens created hereby.

8. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

(a) GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER COLLATERAL DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER COLLATERAL DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.

(c) JUDICIAL REFERENCE. THE PARTIES TO THIS AGREEMENT PREFER THAT ANY DISPUTE BETWEEN OR AMONG THEM BE RESOLVED IN LITIGATION SUBJECT TO A JURY TRIAL WAIVER AS SET FORTH IN PARAGRAPH (b) OF THIS SECTION 8. IF, HOWEVER, UNDER THEN APPLICABLE LAW, A PRE-DISPUTE JURY TRIAL WAIVER OF THE TYPE PROVIDED FOR IN PARAGRAPH (b) OF THIS SECTION 8 IS UNENFORCEABLE IN LITIGATION TO RESOLVE ANY DISPUTE, CLAIM, CAUSE OF ACTION OR CONTROVERSY UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (IN THIS PARAGRAPH (c) ONLY, EACH, A “CLAIM”), THEN, UPON THE WRITTEN REQUEST OF ANY PARTY TO SUCH LITIGATION, SUCH CLAIM, INCLUDING ANY AND ALL QUESTIONS OF LAW OR FACT RELATING THERETO, SHALL BE DETERMINED EXCLUSIVELY BY A JUDICIAL REFERENCE PROCEEDING. VENUE FOR ANY SUCH REFERENCE PROCEEDING SHALL BE IN ANY COURT REFERRED TO IN PARAGRAPH (c) OF SECTION 10.14 OF THE CREDIT AGREEMENT (IN THIS PARAGRAPH (c) ONLY, THE “COURT”). THE PARTIES SHALL SELECT A SINGLE NEUTRAL REFEREE, WHO SHALL BE A RETIRED STATE OR FEDERAL JUDGE. IF THE PARTIES CANNOT AGREE UPON A REFEREE, THE COURT SHALL APPOINT THE REFEREE. THE REFEREE SHALL REPORT A STATEMENT OF DECISION TO THE COURT. NOTHING IN THIS PARAGRAPH (c), HOWEVER, SHALL LIMIT THE RIGHT OF ANY PARTY AT ANY TIME TO EXERCISE SELF-HELP REMEDIES, FORECLOSE AGAINST COLLATERAL OR OBTAIN PROVISIONAL REMEDIES (INCLUDING, WITHOUT LIMITATION, REPLEVIN, INJUNCTIVE RELIEF, ATTACHMENT OR THE APPOINTMENT OF A RECEIVER). THE PARTIES SHALL BEAR THE FEES AND EXPENSES OF THE REFEREE EQUALLY UNLESS THE REFEREE ORDERS OTHERWISE. THE REFEREE ALSO SHALL DETERMINE ALL ISSUES RELATING TO THE APPLICABILITY, INTERPRETATION, AND ENFORCEABILITY OF THIS PARAGRAPH (c). THE PARTIES ACKNOWLEDGE THAT ANY CLAIM DETERMINED BY REFERENCE PURSUANT TO THIS PARAGRAPH (c) SHALL NOT BE ADJUDICATED BY A JURY.

(d) WITHOUT LIMITATION OF THE FOREGOING PROVISIONS OF THIS SECTION 8, EACH OF THE PARTIES HERETO HEREBY FURTHER IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS SET FORTH IN SECTION 10.14 AND SECTION 10.15 OF THE CREDIT AGREEMENT, WITH THE SAME FULL FORCE AND EFFECT AS IF SET FORTH IN FULL HEREIN AND MADE EXPRESSLY APPLICABLE TO EACH PARTY HERETO.

9. Expenses. In the event that the Grantor shall fail to comply with the provisions of this Intellectual Property Security Agreement or any other Collateral Document, such that the value of any Intellectual Property or the validity, perfection, rank or value of any Liens created hereunder is thereby materially diminished or potentially materially diminished or put at risk, the Administrative Agent may, but shall not be required to, effect such compliance on behalf of the Grantor, and the Grantor shall reimburse the Lenders for all of the reasonable costs and expenses thereof on demand by the Administrative Agent.

10. Delivery by Electronic Transmission. Delivery of the signature pages to this Intellectual Property Security Agreement by facsimile or other electronic method of transmission shall be as effective as delivery of manually executed counterparts of this Intellectual Property Security Agreement.

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Signature Page to Intellectual Property Security Agreement follows

IN WITNESS WHEREOF, the Grantor has caused this INTELLECTUAL PROPERTY SECURITY AGREEMENT to be executed and delivered by its duly authorized officer or other representative as of the date first set forth above.

The Grantor:

LINGO SYSTEMS, LLC

By: 
Name: Dennis Dracup
Title: Chief Executive Officer

The Administrative Agent:

NEWSTAR FINANCIAL, INC.

By: _____
Name: Ernest J. Panos
Title: Managing Director

Signature Page to Intellectual Property Security Agreement

IN WITNESS WHEREOF, the Grantor has caused this INTELLECTUAL
PROPERTY SECURITY AGREEMENT to be executed and delivered by its duly
authorized officer or other representative as of the date first set forth above.

The Grantor:

LINGO SYSTEMS, LLC

By: _____

Name: Dennis Dracup

Title: Chief Executive Officer

The Administrative Agent:

NEWSTAR FINANCIAL, INC.

By:  _____

Name: Ernest J. Panos

Title: Managing Director

Signature Page to Intellectual Property Security Agreement

TRADEMARK

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SCHEDULE I

To

LINGO SYSTEMS, LLC

INTELLECTUAL PROPERTY SECURITY AGREEMENT

A. TRADEMARK REGISTRATIONS

<u>Mark</u>	<u>Reg. No.</u>	<u>Date</u>
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See attached Annex A.

B. TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Application No.</u>	<u>Date</u>
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See attached Annex B.

Lingo Systems, LLC Intellectual Property Security Agreement Schedule I
Annex A

Trademark	Registration No.	Registration Date
LINGO SYSTEMS & Design	2645013	11/5/02
LINGO	3237196	5/1/07
LINGO SYSTEMS	3237194	5/1/07

Lingo Systems, LLC Intellectual Property Security Agreement Schedule I
Annex B

Trademark	Country	Application No.	Application Date
LINGONET	U.S.	78946854	8/7/06

SCHEDULE II

To

LINGO SYSTEMS, LLC

INTELLECTUAL PROPERTY SECURITY AGREEMENT

A. PATENT REGISTRATIONS

<u>Patent</u>	<u>Reg. No.</u>	<u>Date</u>
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None.

B. PATENT APPLICATIONS

<u>Patent Application No.</u>	<u>Reg. No.</u>	<u>Date</u>
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None.

SCHEDULE III

To

LINGO SYSTEMS, LLC

INTELLECTUAL PROPERTY SECURITY AGREEMENT

A. COPYRIGHT REGISTRATIONS

Copyright

Reg. No.

Date

See attached Annex A.

B. COPYRIGHT APPLICATIONS

Copyright

Application No.

Date

None.

Lingo Systems, LLC IP Security Agreement Schedule III
Annex A

Copyright Title	Registration No.	Registration Date
The guide to translation and localization : preparing for the global marketplace / by Lingo Systems.	TX6079951	11/18/04
The guide to translation & localization : preparing for products for the global marketplace / by Lingo Systems.	TX5926450	10/30/02