

07-25-2003

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



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

Tab settings

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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):

DELTA EDUCATION, LLC

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other Delaware limited liability company

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: HELLER FINANCIAL, INC.

Internal

Address:

Street Address: 500 WEST MONROE STREET

City: CHICAGO State: IL Zip: 60661

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State DELAWARE 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: 07/03/2003

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 75/366664

B. Trademark Registration No.(s) 2,421,122; 2,091,096

Additional number(s) attached Yes No

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

Name: PENELOPE JOHNSON

Federal Research Company, LLC 1030 15th Street, NW, Suite 920 Washington, DC 20005

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 3.41) \$ 90.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

City: State: Zip:

DO NOT USE THIS SPACE

9. Signature.

PENELOPE JOHNSON Name of Person Signing

Signature (handwritten)

07/03/2003

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

07/28/2003 BTM11 00000055 75366664

01 FC:8521 40.00 OP 02 FC:8522 50.00 OP

TRADEMARK REEL: 002786 FRAME: 0686

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "**Agreement**") made as of this July 3, 2003 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 dated as of July 1, 2002 (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.

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.

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: _____

Title: _____

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: TERRELL W. HARRIS

Title: Deputy Authorized Signatory

Trademark Security Agreement

TRADEMARK
REEL: 002786 FRAME: 0690

SCHEDULE A

Attached.

Trademark Security Agreement

TRADEMARK
REEL: 002786 FRAME: 0691

REGISTRATION MARK / IF ITU REGISTRATION

DATE

NUMBER

7/24/01	Function Shake	2472426	
1/16/01	Hands-On Math	2421122	
8/6/02	Math Tune-Ups	2605461	
1/1/02	Professor Pete's	2524154	
10/30/01	Science View	2502701	
10/2/01	SHH...Shapes	2495010	
11/20/01	Dial-A-Pattern	2509886	Application Pending during Aug.'01 Closing
7/23/02	Dial-A-Shape	2599179	Application Pending during Aug.'01 Closing
11/20/01	Dial-A-Trial	2509888	Application Pending during Aug.'01 Closing
7/23/02	Dial-A-Variable	2599178	Application Pending during Aug.'01 Closing
11/20/01	Dial-A-Volume	2509887	Application Pending during Aug.'01 Closing
10/16/01	Dr. Do-More	2498982	Application Pending during Aug.'01 Closing
8/26/97	Change-A-Print Frame	R2091096	
11/9/98	Linking Learning (Abandoned)	Serial No. 75-366664	