

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Educate Online Technology, LLC	02/22/2010

RECEIVING PARTY DATA

Name:	Square 1 Bank
Street Address:	406 Blackwell Street
Internal Address:	Suite 240
City:	Durham
State/Country:	NORTH CAROLINA
Postal Code:	27701

PROPERTY NUMBERS Total: 11

Property Type	Number
Application Number:	10265666
Application Number:	11730557
Application Number:	11730561
Application Number:	11730567
Application Number:	11730568
Patent Number:	6146148
Patent Number:	6592379
Patent Number:	6729885
Patent Number:	6733295
Patent Number:	6733296
Patent Number:	6804489

CORRESPONDENCE DATA

Fax Number: (800)494-7512

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

OP \$440.00 10265666

501160537

**PATENT
 REEL: 024300 FRAME: 0121**

Phone: 202-370-4761
Email: ecallahan@nationalcorp.com
Correspondent Name: Elspeth Callahan
Address Line 1: 1100 G St NW
Address Line 2: Suite 420
Address Line 4: Washington, DISTRICT OF COLUMBIA 20005

ATTORNEY DOCKET NUMBER:

L053300

NAME OF SUBMITTER:

Catherine C. Fisk

Total Attachments: 7

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of February 22, 2010 by and between SQUARE 1 BANK ("*Bank*") and EDUCATE ONLINE TECHNOLOGY, LLC, a Delaware limited liability company ("*Grantor*").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations (the "*Loans*") to Grantor, Educate Online, Inc., Sylvan Online, LLC, eSylvan, LLC, and Educate Online Learning, LLC (jointly and severally, the "*Borrowers*") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and the Borrowers dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "*Loan Agreement*"; capitalized terms used herein are used as defined in the Loan Agreement).

B. Extension of credit by the Bank pursuant to the Loan Agreement is subject to the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

C. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of the Obligations, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure all of its present and future Obligations, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof (collectively, "*Intellectual Property Collateral*").

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and

concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

SIGNATURE PAGE FOLLOWS


IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

1001 Fleet Street, 8th Floor
Baltimore, MD 21202

EDUCATE ONLINE TECHNOLOGY, LLC

By: 

Title: Vice President

BANK:

Address of Bank:

406 Blackwell Street, Suite 240
Durham, NC 27701
Attn: Loan Documentation Department

SQUARE 1 BANK

By: _____

Title: _____

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

Address of Grantor:

1001 Fleet Street, 8th Floor
Baltimore, MD 21202

GRANTOR:

EDUCATE ONLINE TECHNOLOGY, LLC.

By: _____

Title: _____

Address of Bank:

406 Blackwell Street, Suite 240
Durham, NC 27701
Attn: Loan Documentation Department

BANK:

SQUARE 1 BANK

By:  _____

Title: Senior Vice President

EXHIBIT A
COPYRIGHTS

Description	Registration Number	Registration Date
None		

EXHIBIT B**PATENTS**

Description	Application Number	Patent Number	Publication Number	Registration OR Filing Date
Language-based computer generated instructional material	10265666	NONE	US20030049593	10/08/2002
Teacher assignment based on responsible authority or third-party attributes	11730557	NONE	US20080070219	04/02/2007
Educational system and method having virtual classrooms	11730561	NONE	US20080050715	04/02/2007
Teacher assignment based on student/teacher ratios	11730567	NONE	US20080064018	04/02/2007
Activity based system and method for charging student accounts	11730568	NONE	US20080070220	04/02/2007
Automated testing and electronic instructional delivery and student management system	09275793	6146148		03/25/1999
Method for displaying instructional material during a learning session	09678030	6592379		10/03/2000
Learning system and method for engaging in concurrent interactive and non-interactive learning sessions.	10265770	6729885	US20030049594	10/08/2002
Learning system for enabling separate teacher-student interaction over selected interactive channels	10265673	6733295	US20030054328	10/08/2002
Learning system and method for holding incentive-based learning	10265771	6733296	US20030059760	10/08/2002
Learning system and method for teacher load balancing	10265672	6804489	US20030049595	10/08/2002

EXHIBIT C
TRADEMARKS

<u>Description</u>	<u>Serial Number</u>	<u>Registration Number</u>	<u>Registration Date</u>
BUILDING CONFIDENCE. BUILDING FUTURES.	77522142		07/15/2008
EDUCATE ONLINE	77522140		07/15/2008
EDUCATE ONLINE	77522145	3579864	07/15/2008
BUILDING CONFIDENCE. BUILDING FUTURES.	77522143	3579863	07/15/2008