

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	RELEASE BY SECURED PARTY
CONVEYING PARTY DATA	
Name	Execution Date
BANK OF MONTREAL, AS AGENT	08/01/2011
RECEIVING PARTY DATA	
Name:	EXCELLIGENCE LEARNING CORPORATION
Street Address:	2 Lower Ragsdale Drive
Internal Address:	Suite 200
City:	Monterey
State/Country:	CALIFORNIA
Postal Code:	93940
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	4597997
CORRESPONDENCE DATA	
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ATTORNEY DOCKET NUMBER:	3002329.356072 ELC-1ST
NAME OF SUBMITTER:	Kimberley A. Lathrop
Total Attachments: 3 source=Excelligence - First#page1.tif source=Excelligence - First#page2.tif source=Excelligence - First#page3.tif	

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TERMINATION AND RELEASE OF FIRST LIEN PATENT COLLATERAL AGREEMENT

THIS TERMINATION AND RELEASE OF FIRST LIEN PATENT COLLATERAL AGREEMENT (this "Termination"), is dated as of August 1, 2011, and made by Bank of Montreal, a Canadian chartered bank ("Agent") to Excelligence Learning Corporation ("Debtor").

WHEREAS, reference is made to (i) certain First Lien Credit Agreement, dated as of November 29, 2006 (as amended, the "Credit Agreement"), among the Debtor, the guarantors party thereto, the financial institutions listed on the signature pages thereof as Lenders, and (ii) the other Loan Documents (as defined in the Credit Agreement) and all guaranties, security agreements, mortgages, subordination agreements, intercreditor agreements, pledge agreements, blocked account agreements, notes and other documents and instruments relating thereto (together with the Credit Agreement, collectively, the "Credit Documents");

WHEREAS, pursuant to that certain First Lien Patent Collateral Agreement dated as of November 29, 2006, made by Debtor in favor of Agent (the "Security Agreement"), a security interest was granted by the Debtor to Agent in certain collateral, including the Patents (as hereinafter defined);

WHEREAS, the Security Agreement was recorded in the Patent Division of the United States Patent and Patent Office on November 30, 2006, at Reel 018563 and Frame 0581;

WHEREAS, Debtor has paid all its outstanding Obligations to Agent under the Credit Documents; and

WHEREAS, Agent now desires to terminate and release the Security Agreement;

NOW, THEREFORE, for good and valuable consideration including the satisfaction of all obligations, indebtedness and liabilities secured pursuant to the Security Agreement, the receipt and adequacy of which are hereby acknowledged, and upon the terms set forth in this Termination, Agent hereby states as follows:

1. Definitions. The term Patents, as used herein, shall mean all of the Debtor's right, title and interest of every kind and nature as of the date hereof in the patents listed on Schedule A hereto.

2. Release of Security Interest. Agent hereby terminates the Security Agreement and terminates, releases and discharges its security interest in the Patents and reassigns to the person or persons legally entitled thereto all right, title and interest of Agent in the Patents.

3. Representations and Warranties. Agent represents and warrants that: (i) it has the full power and authority to execute this Termination; and (ii) it has not assigned, transferred, restricted or otherwise encumbered its rights under the Security Agreement.

4. Further Assurances. Agent hereby agrees to duly execute, acknowledge, procure and deliver any further documents and to do such other acts as may be reasonably necessary to effect the release contemplated hereby.

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IN WITNESS WHEREOF, the Agent has caused this Termination to be executed by its duly authorized officer as of the date first written above.

BANK OF MONTREAL, as Agent

By: Pauline Christopher
Name: Pauline A. Christopher
Title: Vice President

Schedule A

PATENT REGISTRATION

NAME	PATENT NO.	DATE
FOAM PAINT SET	4597997	July 1, 1986

PATENT APPLICATIONS

None.