

6-13-03

06-13-2003

FORM PTO-1594
(Rev 5-93)



U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commission

102473227

and original documents or copy thereof.

1. Name of conveying party(ies):

CHANCERY SOFTWARE LTD.

Individual(s) citizenship:

6-13-03

Association:

General Partnership:

Limited Partnership:

Corporation - State:

Other: a British Columbia corporation

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

3. Nature of Conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other

Execution Date: May 8, 2003

2. Name and address of receiving party(ies):

Name: COMERICA BANK-CANADA BRANCH
Address: SUITE 2210 SOUTH TOWER
ROYAL BANK PLAZA, P.O. BOX 61
City: TORONTO State: ONTARIO, CANADA
Zip: M5J 2V2

Individual(s) citizenship:

Association:

General Partnership:

Limited Partnership:

Corporation - State:

Other: Unknown

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

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

A. Trademark Application No.(s)

78/132,493 78/151,265 78/104,077
76/282,399 76/282,398

B. Trademark Registration No.(s)

2,625,738 2,452,508 2,354,821
2,414,989 2,302,539 2,296,535
2,243,591 2,241,873 2,177,172
2,027,383 1,898,652 1,507,877
1,456,253

Additional numbers attached? Yes No

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

Name: Erin O'Brien
Internal Address: GRAY CARY WARE & FREIDENRICH
4365 Executive Drive, Suite 1100
San Diego, California 92121-2133

6 Total number of applications and registrations involved: 18

7. Total fee (37 CFR 3.41) \$465.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(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.

Erin O'Brien
Name of Person Signing

Erin O'Brien
Signature

June 12, 2003
Date

Total number of pages comprising cover sheet: [6]

Mail Documents to be recorded with required cover sheet information to:
U.S. Patent and Trademark Office, Office of Public Records
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202

06/13/2003 6TON11 00000090 78132493

01 FC:8521 40.00 OP
02 FC:8522 425.00 OP

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1090371-991300

TRADEMARK
REEL: 002754 FRAME: 0152

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of May 8, 2003 by and between COMERICA BANK-CANADA BRANCH ("Bank") and Chancery Software Ltd., a British Columbia corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor 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. Bank is willing to make the Loans to Grantor, but only upon 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 its obligations under the Loan Agreement and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Bank and Grantor, 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 Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules 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.

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.

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:

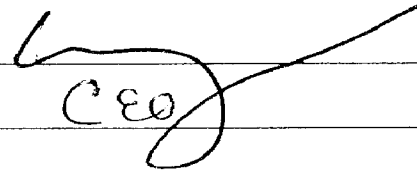
Chancery Software Ltd.
#275 - 3001 Wayburne Drive
Burnaby, British Columbia
V5G 4W3

Attn: Paul Kellenberger

CHANCERY SOFTWARE LTD.

By: _____

Title: _____



Handwritten signature of the CEO, with the letters 'CEO' written in large, bold, capital letters below the signature line.

BANK:

Address of Bank:

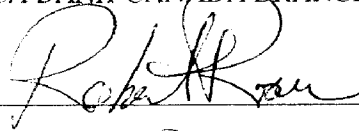
Comerica Bank-Canada Branch
Suite 2210, South Tower
Royal Bank Plaza, P.O. Box 61
Toronto, Ontario
M5J 2V2

Attn: Robert C. Rosen

COMERICA BANK-CANADA BRANCH

By: _____

Title: _____



Handwritten signature of the Vice-President, with the letters 'VICE-PRESIDENT' written in large, bold, capital letters below the signature line.

VICE-PRESIDENT

with a copy to:

Comerica Bank
5330 Carillon Point
Kirkland, Washington
USA 98033

Attn: Rory James

EXHIBIT A

Copyrights

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
PrinterMan.	VA719693	07/26/95
Jim.	VA702634	07/25/95
Banana Man.	VA702633	07/25/95
Mac School.	TXu696650	07/26/95
Market Pro: version 1.5	TX2052630	05/04/87

EXHIBIT B

Patents

Description

Registration/
Application
Number

Registration/
Application
Date

EXHIBIT C

Trademarks

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Chancery SMS	78/132,493	05/31/02
Chancery Data Miner	78/151,265	03/15/02
K12Central	78/104,077	01/22/02
Chancery Student Management Solutions	76/282,399	07/09/01
Chancery Student Management Solutions	76/282,398	07/09/01
K12Planet	2,625,738	09/24/02
Chancery	2,452,508	05/22/01
Open District	2,354,821	06/06/00
Chancery Software	2,414,989	12/26/00
Planet K-12	2,302,539	12/21/99
Libraryweb	2,296,535	11/30/99
EClass	2,243,591	05/04/99
Library Pro	2,241,873	04/27/99
Win School	2,177,172	07/28/98
CSL Profiles in Hand	2,027,383*	12/31/96
CSL Profiles	1,898,652*	06/13/95
Mac School	1,507,877	10/11/88
CSL	1,456,253	09/08/87