

NRV
11-4-98

11-17-1998



Form PTO-1594 (Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

RECORDATION FORM
TRADEMARK

100901098

DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original document or copy thereof

1. Name of conveying party(ies):
National Westminster Bank USA

Individual(s) Association
 General Partnership Limited Partnership
 Corporation: State of _____
 Other _____

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

2. Name and address of receiving party(ies):
International Broadcasting Corporation (n/k/a
Harlem Globetrotters International, Inc.)
400 East Van Buren, Suite 300
Phoenix, Arizona 85004

Individual(s) Association
 General Partnership Limited Partnership
 Corporation: State of Minnesota
 Other _____

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other Release of Security Interest
 Execution Date: August 1, 1998

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)

4. Application number(s) or trademark number(s):
A. Trademark Application No(s).

B. Trademark Registration No(s).
542,473 662,372 1,109,727
542,474 1,269,464

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

Stephen C. Lee
FAEGRE & BENSON LLP
2200 Norwest Center
90 South Seventh Street
Minneapolis, MN 55402-3901
612/336-3366

6. Total number of applications and registrations involved: 5

11/13/1998 SBURNS 00000142 542473
01 FC:481 40.00 00
02 FC:482 100.00 00

7. Total fee (37 CFR 3.41)\$140.00

Enclosed
 Authorized to be charged to deposit account for underpayment

8. Deposit Account number: 06-0029

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and believe, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Stephen C. Lee _____ November 4, 1998
Name of person signing Signature Date

Total number of pages including cover sheet, attachments, and document: _____

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents and Trademarks, Box Assignments
Washington, D.C. 20231

ASSET PURCHASE AGREEMENT

Dated as of August 1, 1993

by and among

HARLEM GLOBETROTTERS INTERNATIONAL, INC.

MANNIE JACKSON ASSOCIATES, INC.

and

HARLEM GLOBETROTTERS, INC.

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MJA

Mannie Jackson Associates, Inc.

May 20, 1993

National Westminster Bank USA
Attention: Mr. Dirck Post
175 Water Street
24th Floor
New York, NY 10038-4924

CONFIDENTIAL

Gentlemen:

The purpose of this letter is to outline our proposal for the purchase of certain assets of the "Seller" (the Globetrotters Subsidiary of the Reorganized IBC ("HG")) by Mannie Jackson Associates, Inc. and/or associated entities (the "Buyer"). Seller and Buyer will enter into: i) a Management Agreement formalizing the interim management activities to be performed by Buyer, and ii) a definitive Purchase Agreement (the "Agreement") as soon as practicable after execution of this Letter of Intent. The Agreement will contain the basic terms described in this Letter of Intent, together with additional terms and conditions customary in such transactions and any other terms which seem appropriate following further discussion.

Seller and Buyer understand that although their intention is to complete the purchase, this Letter of Intent is not legally binding, except as otherwise described herein. Each party agrees to proceed in good faith toward negotiation of the Agreement, cooperate in Buyer's review and examination of Seller's business records and the completion of the transaction ("Closing") in accordance with the following terms:

1. Price. Buyer will pay Six Million (\$ 6,000,000) Dollars in cash and notes plus an equity retention of 20% as provided in Paragraph 4.c. of this agreement, for the assets described in Paragraph 2 below.
2. Assets. Buyer proposes to acquire all of the assets, business and goodwill of the HG including its receivables, inventory, trade names, other intellectual property, know how, licenses, prepaid expenses, vendor deposits, memorabilia, leasehold interests, machinery, equipment, automobiles, and trucks.

Buyer shall acquire clear and marketable title to the Assets free and clear of all liens, claims, encumbrances, liabilities, restrictions and charges of any kind, nature, or description.

3. Liabilities. Buyer will not assume any liabilities.
4. Payment Terms. The purchase price will be paid as follows:
 - a. Cash.
 - i. \$250,000 shall be paid in cash upon execution of and shall be refundable to Buyer pursuant to the terms of Paragraph 7.b. of this Letter of Intent.
 - ii. \$750,000 shall be paid in cash at Closing.
 - b. Note. The Buyer shall be the maker of a note (the "Purchase Note") in the amount of \$ 5,000,000 which shall be held by the Seller. Terms of the Purchase Note shall include:
 - i. Interest. Interest rate payable shall be equal to the U.S. Ten Year Treasury Note rate plus 100 basis points, adjusted quarterly, based on the average U.S. Ten Year Treasury Note rate in the prior quarter. Interest shall be payable quarterly on November 1, February 1, May 1, and August 1 of each year.
 - a. Deferral. Interest payments from Closing until May 1, 1995 shall be deferrable at the option of the Buyer if cash flow is insufficient in any quarter and any such deferral shall be accrued and paid quarterly (approximate amount) as follows:
 - 1) May 1, 1995 through February 1, 1996: \$14,000 per quarter
 - 2) May 1, 1996 through February 1, 1997: \$21,000 per quarter
 - 3) May 1, 1997 through February 1, 1998: \$24,500 per quarter
 - 4) May 1, 1998 through February 1, 1999: \$28,000 per quarter
 - ii. Principal. Principal shall be payable quarterly beginning on May 1, 1995. Payments shall be made on November 1, February 1, May 1 and August 1 pursuant to the following schedule:
 - a. May 1, 1995 through February 1, 1996: \$200,000 per quarter
 - b. May 1, 1996 through February 1, 1997: \$300,000 per quarter
 - c. May 1, 1997 through February 1, 1998: \$350,000 per quarter
 - d. May 1, 1998 through February 1, 1999: \$400,000 per quarter

- iii. Security. The Purchase Note shall be secured by all assets of the Globetrotters; provided however, that NatWest may subordinate its interest in the Purchase Note to secure the \$500,000 NatWest line of credit, described in Section 5 herein.
 - iv. Prepayment. Buyer may prepay, at any time, the Purchase Note without prepayment penalty.
 - v. Term. Maturity shall be February 1, 1999 (the "Maturity Date").
- c. Equity Agreement. In addition to the monies paid Seller pursuant to Paragraph 1., Seller will be granted a 20% equity interest in the acquiring entity of HG (the "Seller's Equity"). Seller shall have the right to put its Seller's Equity to Buyer at any time between the thirty-sixth month after Closing, and the later of the sixty-first month after Closing or the date on which the Purchase Note is paid in full and Buyer shall have the right to call Seller's Equity on or after the later of the sixty-first month after Closing or the date on which the Purchase Note is paid in full (the "Exercise Date") on the following terms:
- i. Equity Purchase Price. The Equity Purchase Price shall be an amount equivalent to 5 times the previous 12 months net cash flow, based on the most recent quarterly statement, times 20%.
 - ii. Form of Payment. The purchase price for the Seller's Equity shall be paid in the form of an installment sale.
 - a. At the time of put or call the Buyer shall deliver to the selling party cash in an amount calculated to be the greater of 25% of the Equity Purchase Price as calculated in Paragraph 4.c.i, or \$500,000.
 - b. The Buyer shall be the maker of a note for the balance of the amount owed Seller (the "Equity Note"). The Equity Note shall fully amortize over a three year term beginning on Exercise Date. Interest shall accrue be payable quarterly. Interest shall be calculated and adjusted on the same basis as the Purchase Note. Principal shall be payable annually.
 - iii. Board Representation. During the period that Seller's Equity is held, Seller shall have the right to designate one member of the Board of Directors of the Buyer.

5. Line of Credit. NatWest will furnish Buyer with a \$500,000 line of credit, drawable in minimum amounts of \$100,000. All notes outstanding under the line of credit shall be due and payable on March 31, 1994.

6. Management Agreement. NatWest will cause the Seller to enter into an agreement with the Buyer (the "Management Agreement") to provide management for the HG assets until Closing, but not later than July 31, 1993. Buyer will have the authority to act as the Chief Executive Officer of HG.

Buyer shall be paid \$10,000 per week for a period of four weeks, and shall be reimbursed for its reasonable out-of-pocket expenses incurred in the performance of its duties under the Management Agreement.

7. Contingencies.

a. Closing. Closing is contingent upon the following:

- i. Buyer must be reasonably satisfied that a commercially viable tour has been scheduled for at least one Harlem Globetrotters team commencing October 1, 1993 through July 31, 1994 (the tour season). For clarification purposes, this is the tour of the "International Unit" playing the major U.S. cities and foreign venues.
- ii. Buyer must be reasonably satisfied that on or prior to Closing, there is an organization of employees of the corporation reasonably capable of carrying on the operation of the Globetrotters business.

b. Contingency to Retention. Seller's retention of the initial \$250,000 cash payment is contingent upon the following being satisfied on or before the date of Closing but in no event later than July 31, 1993:

- i. Notwithstanding anything herein to the contrary, Buyer shall be entitled to obtain a refund of the initial \$250,000 Cash Payment if Buyer in Buyer's sole discretion is dissatisfied with the status of trademark protection for the name Harlem Globetrotters and other related tradenames, trademarks and copyrights provided written notice is given to NatWest within ten days after receipt of a detailed written report by Seller's trademark counsel describing the current status of all such statutory protection on a worldwide basis. In the event that Buyer elects to obtain a refund of the initial Cash Payment and a cancellation of this Agreement, then Seller shall refund to Buyer any \$10,000 per week payments received by Buyer under the Management Agreement described in Section 6 herein.

- ii. Seller will cause the HG pension obligation to be satisfied by depositing or paying to or on behalf of recipients up to \$150,000 in cash prior to Closing.
- iii. It is understood that following contracts will be rejected in the Chapter 11 Bankruptcy or their termination obtained upon terms reasonably acceptable to Buyer and Seller.
 - a. Gametek - IJE

- 8. Exclusive Relationship. Seller and Buyer agree to deal exclusively with each other regarding this matter and will each fully cooperate with the other during the period commencing on the date of execution of this Letter of Intent and until the Closing. During the exclusivity period the Seller agrees not to attempt in any way to dispose of HG to any other party.
- 9. Expiration of Offer. This Letter of Intent has been presented and executed as of the date set forth above and will expire unless accepted and returned by the Seller no later than May 21, 1993.
- 10. Expenses of Sale. Each party will pay its own expenses in connection with this transaction except as otherwise agreed. By way of example and not by limitation, the Seller will specifically be responsible for all fees, costs and expenses associated with the bankruptcy proceedings of IBC and the Globetrotter Subsidiary.
- 11. Globetrotter Tickets. Buyer agrees to provide to NatWest, at no cost, a total maximum of 3,000 Globetrotter tickets for charitable distribution. Specifically, these tickets shall include 1,000 tickets of average overall quality to the next scheduled Globetrotter events after Closing to be held at the following venues:
 - a. The Meadowlands
 - b. The Nassau Coliseum
 - c. Madison Square Garden
- 12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all counterparts together constituting but one and the same document.

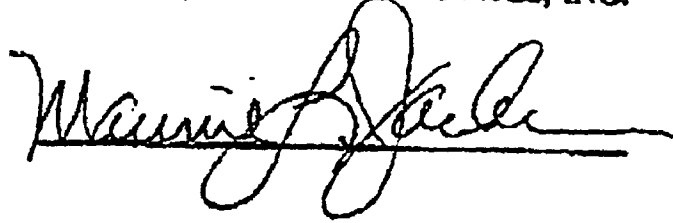
National Westminster Bank, USA

May 20, 1993

Page 6 of 6 Pages


Except for the provisions of Paragraphs 7, 8, 9 and 10, Seller's acceptance of this Letter of Intent does not constitute a legally binding contract, but provides a basis upon which to negotiate and execute a binding, formal agreement. If this Letter of Intent is acceptable, please indicate by signing and returning the enclosed copy of this letter no later than May 21, 1993.

Sincerely yours,
MANNIE JACKSON ASSOCIATES, INC.

A handwritten signature in cursive script, appearing to read "Mannie Jackson", written over a horizontal line.

Accepted this 21st day of
May, 1993.

National Westminster Bank, USA

By 
Its SVP P150