

W. R. C. M. D.
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Attached original documents or copy thereof.

To the Honorable Commissioner of Pa

1. Name of conveying party(ies):

Merit Acquisition Corp.
n/k/a Merit Industries, Inc.

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

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

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

Name: Dresdner Bank AG, New York and
Grand Cayman Branches, as Agent

Internal Address: _____

Street Address: 75 Wall Street

City: New York State: NY ZIP: 10005-2889

- Individual(s) citizenship
- Association Banking - German
- General Partnership
- Limited Partnership
- Corporation-State
- 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
- Security Agreement
- Other correct Security Agreement Cover
- Merger
- Change of Name

Sheet to delete Registration No. 0091711
~~Exception Data~~ recorded on Reel/Frame 1795/0001
on 9/16/98

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

A. Trademark Application No.(s)

TM

Additional numbers attached? Yes No

B. Trademark registration No.(s)

1691711

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

Name: Rosalind Rodburg

Internal Address: _____

Street Address: Latham & Watkins

885 Third Avenue

City: New York State: NY ZIP: 10022

6. Total number of applications and registrations involved: _____

1

7. Total fee (37 CFR 3.41):..... \$ 40

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.

ROSALIND RODBURG
Name of Person Signing

Rosalind Rodburg
Signature

2/8/99
Date

Total number of pages comprising cover sheet: _____

10-02-1998

OMB No. 0651-0011 (exp



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To the Hono

09-16-1998

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ial documents or copy thereof.

1. Name of conveyer, Merit Acquisition Corp. n/k/a Merit Industries, Inc.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State Delaware
 Other _____

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

2. Name and address of receiving party(ies)

Name: Dresdner Bank AG, New York and Grand Cayman Branches, as Agent
Internal Address: _____
Street Address: 75 Wall Street
City: New York State: NY ZIP: 10005-2889

Individual(s) citizenship _____
 Association Banking - German
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 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: August 17, 1998

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

A. Trademark Application No.(s)
See attached Schedule A

B. Trademark Registration No.(s)
See attached Schedule A

Additional numbers attached? Yes No

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

Name: Rosalind Rodburg
Internal Address: _____

Street Address: Latham & Watkins
885 Third Avenue
City: New York State: NY ZIP: 10022

6. Total number of applications and registrations involved: 37

7. Total fee (37 CFR 3.41).....\$ 940.00

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.

Rosalind Rodburg Rosalind Rodburg 9/15/98
Name of Person Signing Signature Date

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

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40 00 00
900 00 00
10/01/1998 TTUNIL
11 FC:481
12 FC:482

Schedule A — Intellectual Property

U.S. REGISTERED TRADEMARKS

<u>Registered Number</u>	<u>Registered Date</u>	<u>Trademark</u>
1,258,707	11/22/83	Party Darts
1,296,470	09/18/84	Chicken Draw
1,323,426	03/05/85	The Pit Boss
1,355,644	08/20/85	Trivia Whiz
1,388,938	04/08/86	Bull-Buster
1,390,035	04/15/86	Pub Time
1,414,355	10/21/86	Phraze Craze
1,415,133	10/28/86	Tic Tac Trivia
1,436,546	04/14/87	MII & Design
1,542,638	06/06/89	World Series of Darts and Design
1,601,494	06/12/90	Be A Part Of It!
1,656,129	09/10/91	Dart league Manager
91711	06/09/92	Solo Challenger
1,691,711 1,713,564	09/08/92	Pub Time
1,850,787	08/23/94	'01 Equal

U.S. REGISTERED TRADEMARKS (CONT.)

<u>Registered Number</u>	<u>Registered Date</u>	<u>Trademark</u>
1,851,572	08/30/94	Equal Darts
2,055,424	04/22/97	Run 21
2,059,380	05/06/97	321 Zap
2,061,411	05/13/97	Megatouch
2,071,940	06/17/97	Tritowers (Stylized)
2,081,362	07/22/97	Spot Cricket
2,093,860	09/02/97	Great Solitaire
2,127,824	01/06/98	11 Up

U.S. PENDING TRADEMARK APPLICATIONS

<u>Serial No.</u>	<u>Appln. Date</u>	<u>Trademark</u>
75/497,844	06/08/98	Pix Mix
75/497,845	06/08/98	Quint-Zee
75/497,848	06/08/98	Megatough XL
75/497,849	06/08/98	Match'em Up
75/497,878	06/08/98	Mega Link
75/497,879	06/08/98	Mem-O-Ree 2001
75/497,880	06/08/98	Quik Match
75/497,881	06/08/98	Tai-Play
75/497,882	06/08/98	Photo Hunt
75/498,727	06/08/98	Quik Cell
75/498,989	06/08/98	Strip Club Poker
75/498,990	06/08/98	Hoop Jones
75/498,991	06/08/98	Conquest
75/499,302	06/08/98	Pile On

BORROWER SECURITY AGREEMENT

THIS BORROWER SECURITY AGREEMENT, dated as of August 17, 1998, made by Merit Acquisition Corp., a Delaware corporation ("**Borrower**"), in favor of DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES, as agent (in such capacity, "**Agent**") for the Lenders (as such term is defined in the Credit Agreement referred to below) under the Credit Agreement dated as of the date hereof (as amended, modified and supplemented from time to time, the "**Credit Agreement**") among Borrower, the Lenders and Agent. Agent, each Issuing Bank and the Lenders are collectively referred to herein as the "**Banks**."

RECITALS

WHEREAS, the Lenders have severally agreed to make Loans to Borrower upon the terms and subject to the conditions set forth in the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make any Loans to Borrower that Borrower shall have executed and delivered this Agreement to Agent for the ratable benefit of the Banks to secure, among other things, payment and performance of all of Borrower's obligations and liabilities under the Credit Agreement.

AGREEMENT

NOW, THEREFORE, to induce (i) Agent and the Banks to enter into the Credit Agreement, and (ii) the Lenders to make Loans to Borrower, Borrower hereby agrees with Agent, for the ratable benefit of the Banks, as follows:

1. *Defined Terms.*

1.1. *Definitions* (a) Unless otherwise defined in this Agreement, capitalized terms shall have the meanings given to them in the Credit Agreement.

(b) The following terms shall have the following meanings:

"**Accounts**" means "accounts" as defined in the UCC.

"**Agreement**" means this Borrower Security Agreement, as amended, modified and/or supplemented from time to time.

"**Bank Accounts**" means all right, title and interest of Borrower in and to all accounts of whatever nature maintained by or on behalf of Borrower with any bank or other financial institution.

"**Collateral**" is defined in Section 2 of this Agreement.

"**Collection Account**" means any collection account established by Agent, the Lockbox Bank or Borrower in accordance with the provisions of this Agreement or the Credit Agreement.

“Contracts” means all rights of Borrower under the Acquisition Agreement and all agreements, instruments and documents to which Borrower is a party or under which Borrower has any right, title or interest or to which Borrower or any property of Borrower is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of Borrower to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of Borrower to damages arising out of, or with respect to any breach or default in respect thereof, and (c) all rights of Borrower to exercise all remedies thereunder.

“Copyright Collateral” means the collective reference to (a) all Copyrights filed with the Register of Copyrights in the Library of Congress and, to the extent applicable, any similar office or agency of any state, territory or possession of the United States or any similar office or agency of any other countries or used by Borrower in the United States, any state, territory or possession thereof or any other country; (b) any renewals or extensions of any Copyright; (c) all income, royalties, damages and payments now and hereafter due or payable with respect to the Copyrights (including payments received under any licenses entered into in connection with the Copyrights and damages and payments for past or future infringements of the Copyrights); (d) all right, title and interest in all physical materials embodying works with respect to which Borrower owns or holds rights in any Copyrights; (e) the right to sue for past, present and future infringements of the Copyrights; (f) all rights corresponding to the Copyrights throughout the world; (g) the goodwill of Borrower’s business connected with and symbolized by the Copyrights; (h) any written agreement naming Borrower as licensor or licensee, granting any right in or to any Copyright or copyright registration in the United States or any foreign country; (i) any and all present and future agreements, whether written or oral (including assignments and consents), as any such agreements may from time to time be amended or supplemented, pursuant to which Borrower now has or hereafter acquires any direct or beneficial interest in any Copyright, or is a grantor of rights to any third party with respect to any Copyright, whether as a party to any such agreement or as an assignee of any rights under any such agreement; and (j) all products and Proceeds of the foregoing.

“Copyrights” means all copyrights, copyright registrations and copyright applications that are owned or made by Borrower, or in which Borrower acquires any right or interest, at any time prior to the termination of this Agreement.

“Documents” means all Instruments, files, records, ledger sheets, and documents covering or relating to any of the Accounts, Equipment, General Intangibles, Inventory, Copyright Collateral, Patent Collateral, Trademark Collateral and Proceeds.

“Equipment” means all equipment, furniture and furnishings, tools, accessories, parts and supplies of every kind and description, and all improvements, accessions or appurtenances thereto, including Fixtures, and all other tangible personal property whether or not similar to any of the foregoing items that are now or hereafter acquired by Borrower.

“Fixtures” means all items that would otherwise constitute items of Collateral, whether now owned or hereafter acquired, that become so related to particular real estate that an interest in them arises under any real estate law applicable thereto.

“General Intangibles” means “general intangibles” as defined in the UCC.

“Instrument” means “instrument” as defined in the UCC.

“Inventory” means “inventory” as defined in the UCC.

“Patent Collateral” means the collective reference to (a) all Patents; (b) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any Patents; (c) all income, royalties, damages and payments now and hereafter due or payable with respect to any Patents (including payments received under any licenses entered into in connection with any Patent and damages and payments for past or future infringements of any Patent); (d) the right to sue for past, present and future infringements of any Patent; (e) all rights corresponding to the Patents throughout the world; (f) any and all present and future agreements, whether written or oral (including assignments and consents), as any such agreements may from time to time be amended or supplemented, pursuant to which Borrower now has or hereafter acquires any direct or beneficial interest in any Patent, or is a grantor of rights to any third party with respect to any Patent, whether as a party to any such agreement or as an assignee of any rights under any such agreement; and (g) all products and Proceeds of the foregoing.

“Patents” means all of the patents and patent applications that are owned or made by Borrower, or in which Borrower acquires any right or interest, at any time prior to the termination of this Agreement.

“Proceeds” means any consideration received from the sale, exchange or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes Collateral, and shall include all cash and negotiable instruments received or held on behalf of Agent pursuant to Section 5.3 of this Agreement.

“Trademark Collateral” means the collective reference to (a) all Trademarks filed with the U.S. Patent and Trademark Office or any similar office or agency of any other countries or used by Borrower in the United States, any state, territory or possession thereof or any other country; (b) all renewals and extensions of the Trademarks; (c) all income, royalties, damages and payments now and hereafter due or payable with respect to the Trademarks (including payments received under any licenses entered into in connection with the Trademarks and damages and payments for past or future infringements of the Trademarks); (d) the right to sue for past, present and future infringements of the Trademarks; (e) all rights corresponding to the Trademarks throughout the world; (f) the goodwill of Borrower’s business connected with and symbolized by the Trademarks; (g) any and all present and future agreements, whether written or oral (including assignments and consents), as any such agreements may from time to time be amended or supplemented, pursuant to which Borrower now has or hereafter acquires any direct or beneficial interest in any Trademark, or is a grantor of rights to any third party with respect to any Trademark, whether as a party to any such agreement or as an assignee of any rights under any such agreement; and (h) all products and Proceeds of the foregoing.

“Trademarks” means all the trademarks, trademark registrations, tradenames and trademark applications filed based on use of the mark or intent-to-use applications for which a statement of use has been filed that are owned or made by Borrower, or in which Borrower acquires any right or interest, at any time prior to the termination of this Agreement.

“UCC” means the Uniform Commercial Code as in effect in the State of New York from time to time.

1.2. Other Definitional Provisions. The provisions of Section 1.1 of the Credit Agreement are incorporated herein by reference as if fully set forth herein.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when and as due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, Borrower hereby grants to Agent, for the ratable benefit of the Banks, a security interest in all of Borrower’s right, title and interest in and to the following property now owned or at any time hereafter acquired by Borrower (collectively, the **“Collateral”**):

- (a) all Accounts;
- (b) all Bank Accounts;
- (c) all Contracts;
- (d) all Copyright Collateral;
- (e) all Documents;
- (f) all Equipment;
- (g) all Fixtures;
- (h) all General Intangibles;
- (i) all Instruments (except for Firestone Notes);
- (j) all Inventory;
- (k) all Patent Collateral;
- (l) all Trademark Collateral;
- (m) all books and records pertaining to the Collateral; and
- (n) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing; provided that, with respect to the Acquisition Agreement, the security interest created herein in Borrower’s right, title and interest therein and thereto shall (i) subject the

Agent to all defenses that Seller or the Stockholder (as such terms are defined in the Acquisition Agreement) would have under the Acquisition Agreement but for such security interest having been granted, (ii) bind the Agent by all of Borrower's outstanding obligations under the Acquisition Agreement and (iii) obligate the Agent to not attempt to prosecute any claim against Seller or the Stockholder unless it has previously used its best efforts to prosecute such claim against Borrower or any successor to Borrower where Agent could reasonably prosecute such claim against the Borrower or any successor to Borrower.

3. *Representations and Warranties.* Borrower hereby represents and warrants that, on the Closing Date and on the date of each Borrowing under the Credit Agreement:

3.1. *Title; No Other Liens.* Except for the Liens granted to Agent for the ratable benefit of the Banks pursuant to the Credit Documents and other Permitted Liens, Borrower owns each item of the Collateral free and clear of any and all Liens or asserted claims of others. To the knowledge of Borrower, no security agreement, financing statement, notice of consignment or precautionary filing or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except for such agreements, statements and notices that have been filed (i) in favor of Agent for the ratable benefit of the Banks pursuant to any Credit Document, and (ii) to perfect Permitted Liens.

3.2. *Perfected First Priority Liens.* The security interests granted pursuant to this Agreement (a) upon completion of the filings specified in *Schedule 3.2* of this Agreement and, with respect to Collateral acquired after the date hereof, any other actions required by Section 3.2 of this Agreement, shall constitute valid and duly perfected security interests in the Collateral in favor of Agent for the ratable benefit of the Banks other than with respect to the Collateral described in Section 7.15 of the Credit Agreement, and the Copyrights, Patents and Trademarks which are not subject to the laws of the U.S. and (b) are prior to all other Liens other than Permitted Liens and Liens of Firestone Financial with respect to the Firestone Notes in their possession, and Copyrights, Patents and Trademarks which are not subject to the laws of the U.S.

3.3. *Inventory and Equipment.* All of the Inventory and the Equipment are kept at the locations set forth on *Schedule 3.3* of this Agreement, as amended pursuant to Section 3.3 of this Agreement.

3.4. *Chief Executive Office.* Borrower's chief executive office and chief place of business are set forth on *Schedule 3.4* of this Agreement, as amended pursuant to Section 3.4 of this Agreement.

3.5. *Account Records.* The location or locations at which Borrower keeps its records concerning the Accounts are set forth on *Schedule 3.5* of this Agreement, as amended pursuant to Section 3.5 of this Agreement.

4. *Covenants.* Borrower covenants and agrees with Agent and the Banks that, from and after the Closing Date until this Agreement is terminated and the security interests created hereby are released:

4.1. Maintenance Of Insurance. (a) Borrower shall maintain insurance policies in accordance with the requirements of the Credit Agreement.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by Agent of written notice thereof, and (ii) name Agent as loss payee or additional insured, as the case may be.

4.2. Payment of Obligations. Borrower agrees to pay, when due, all taxes lawfully levied or assessed against Borrower or any of the Collateral before any penalty or interest accrues thereon; provided, however, that, unless such taxes have become a federal tax or ERISA Lien on any of the assets of Borrower, no such tax need be paid if the same is being contested, in good faith, by appropriate proceedings promptly instituted and diligently conducted and if an adequate reserve or other appropriate provision shall have been made therefor to the extent required by GAAP. Borrower shall not file or consent to the filing of any consolidated tax return with any Person other than any other Credit Party.

4.3. Maintenance of Perfected Security Interest; Further Documentation. (a) Except as otherwise permitted by the Credit Agreement, Borrower shall cause all filings and other actions, if any, listed in *Schedule 3.2* of the Agreement to be taken on or prior to the Closing Date, after which Agent, for the ratable benefit of the Banks, shall have a valid and duly perfected first priority security interest in all Collateral described in such filings. Upon Borrower's receipt of any interest in any Collateral after the Closing Date, Borrower shall promptly take all actions required to provide Agent, for the ratable benefit of the Banks, with a valid and duly perfected first priority security interest in such Collateral except with respect to such Collateral excluded from Section 3.2(b). Borrower shall maintain the security interests created in favor of Agent, for the ratable benefit of the Banks, in the Collateral pursuant to this Agreement as valid and duly perfected first priority security interests (subject to the preceding sentence) subject only to Permitted Liens and shall defend such security interests against claims and demands of all Persons whomsoever.

(b) At any time and from time to time, upon the written request of Agent, and at the sole expense of Borrower, Borrower shall promptly and duly execute and deliver such further instruments and documents and take such further action as Agent may reasonably request for the purpose of obtaining or preserving all of the benefits, rights and powers granted to Agent and the Banks pursuant to this Agreement.

4.4. Changes in Locations, Name, etc. Borrower shall not permit any of the changes described below to occur unless (x) at least 10 days prior to such change, Agent shall have received written notice of such change and received an updated copy of each schedule to this Agreement that is required to be updated as result of such change, and (y) all filings and notices have been made, in form and substance satisfactory to Agent, to maintain in favor of Agent for the ratable benefit of the Banks a valid and duly perfected first priority security interest in the Collateral, subject to no Liens other than Permitted Liens:

(a) permit any of the Inventory or Equipment to be kept at a location other

than those set forth in *Schedule 3.3* of this Agreement, as amended from time to time as set forth above;

(b) change the location of its chief executive office and chief place of business from those set forth on *Schedule 3.4* of this Agreement, as amended from time to time as set forth above;

(c) change the location of the place where it keeps its records concerning the Accounts from those set forth on *Schedule 3.5* of this Agreement, as amended from time to time as set forth above; or

(d) change its name, identity or corporate structure to such an extent that any financing statement filed in favor of Agent in connection with this Agreement would become inaccurate or misleading.

4.5. *Notices.* Borrower shall advise Agent promptly, in reasonable detail, at its address set forth in the Credit Agreement of its knowledge of the placement or imposition of any material Lien (other than Permitted Liens) on any Collateral.

4.6. *Use and Disposition of Collateral.* Borrower shall not (i) make or permit to be made an assignment, pledge or hypothecation of the Collateral, and shall grant no other security interest in the Collateral (other than pursuant to the Credit Documents and except for any Permitted Liens), or (ii) make or permit to be made any transfer of the Collateral, and shall remain at all times in possession of the Collateral other than transfers to Agent pursuant to the provisions of this Agreement; provided, however, that notwithstanding the foregoing, Borrower may use, license and dispose of the Collateral in any lawful manner not in violation of the provisions of this Agreement, the Credit Agreement or any other Credit Document unless Agent shall, after an Event of Default has occurred and during the continuance thereof, notify Borrower not to sell, convey, lease, assign, transfer or otherwise dispose of any Collateral.

4.7. *Securing Consents.* Borrower shall use its best efforts to secure any consents from third parties, and shall secure any consents from any Subsidiary that are required in connection with the grant to Agent of a valid and duly perfected first priority security interest in all Collateral and the foreclosure thereof.

5. *Provisions Relating to Accounts.*

5.1. *Borrower Remains Liable under Accounts.* Notwithstanding anything in this Agreement to the contrary, Borrower shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it under each Account, all in accordance with the terms of any contract or agreement giving rise to each such Account. Neither Agent nor any Bank shall have any obligation or liability under any Account (or any agreement giving rise to an Account) by reason of or arising out of this Agreement or the receipt by Agent or any Bank of any payment relating to such Account pursuant to this Agreement, nor shall Agent or any Bank be obligated in any manner to perform any of the obligations of Borrower under or pursuant to any Account (or any agreement giving rise to an

Account), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise to an Account), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

5.2. *Analysis of Accounts.* Upon the occurrence and during the continuance of a Cash Dominion Event, Agent in its own name or in the name of others may communicate with account debtors on the Accounts to verify with them to Agent's satisfaction the existence, amount and terms of any Accounts.

5.3. *Collections on Accounts.* At Agent's request, Borrower shall deliver to Agent copies of, and after the occurrence and during the continuance of an Event of Default the originals of, all agreements, instruments and documents evidencing, and relating to, the transactions that gave rise to the Accounts (including all orders, invoices and shipping receipts).

5.4. *Covenants.* Without the prior written consent of Agent, Borrower shall not grant any extension of the time of payment of any Account or compromise, compound or settle any Account for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof, or allow any credit or discount whatsoever thereon, other than, prior to the occurrence of an Event of Default, extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business.

6. *Provisions Relating to Contracts.*

6.1. *Borrower Remains Liable under Contracts.* Notwithstanding anything in this Agreement to the contrary, Borrower shall remain liable under each Contract to observe and perform all the conditions and obligations to be observed and performed by it under such Contract, all in accordance with and pursuant to the terms and provisions of such Contract. Neither Agent nor any Bank shall have any obligation or liability under any Contract by reason of or arising out of this Agreement or the receipt by Agent or any such Bank of any payment relating to such Contract pursuant to this Agreement, nor shall Agent or any Bank be obligated in any manner to perform any of the obligations of Borrower under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to that it may be entitled at any time or times.

6.2. *Communication With Contracting Parties.* Upon the occurrence and during the continuance of a Cash Dominion Event, Agent in its own name or in the name of others may communicate with parties to any or all of the Contracts to verify with them to Agent's satisfaction the existence, amount and terms of such Contracts.

6.3. *Preservation of Contractual Rights.* Without the prior written consent of Agent, Borrower shall not terminate any Material Contract or waive any of its material rights

thereunder, or grant any extension of the time of payment of any amount owing thereunder, or otherwise amend, modify or supplement any Material Contract, except as permitted under the Credit Agreement.

7. Remedies

7.1. Notice to Account Debtors and Contract Parties. Upon the request of Agent at any time after the occurrence and during the continuance of a Cash Dominion Event, Borrower shall notify account debtors on the Accounts and parties to the Contracts that the Accounts and the Contracts have been assigned to Agent, for the ratable benefit of the Banks, and upon the occurrence and during the continuance of the Cash Dominion Procedures, that payments in respect of such Accounts shall be made directly to the Collection Accounts, the Lockbox Bank or Agent, as directed by Agent.

7.2. Proceeds to be Turned Over To Agent. In addition to the rights of Agent and the Banks specified in Section 5.3 of this Agreement, if the Cash Dominion Procedures have been implemented in accordance with Section 4.7 of the Credit Agreement, all Proceeds received by Borrower consisting of cash, checks and cash equivalents shall be held by Borrower in trust for Agent and the Banks, segregated from other funds of Borrower, and shall forthwith upon receipt by Borrower be turned over to Agent, the Cash Dominion Bank, if any, or the Lockbox Bank, as directed by Agent, in the exact form received by Borrower (duly indorsed by Borrower to Agent, the Cash Dominion Bank, if any, or the Lockbox Bank, as applicable, if required) and held by Agent, the Cash Dominion Bank, if any, or the Lockbox Bank in a Collection Account maintained at such time under the sole dominion and control of Agent, the Cash Dominion Bank, if any, or the Lockbox Bank and on terms and conditions satisfactory to Agent. All Proceeds held by Agent, the Cash Dominion Bank, if any, or the Lockbox Bank in a Collection Account (or by Borrower in trust for Agent and the Banks) shall, subject to Section 7.3 of this Agreement, continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 7.3 of this Agreement.

7.3. Application of Proceeds. If an Event of Default shall have occurred and be continuing, Agent may (and shall, if directed to by all Lenders) apply the proceeds of any Collateral to pay the Obligations that are then due and payable (whether at the stated maturity, by acceleration or otherwise) in accordance with Section 9.5 of the Credit Agreement.

7.4. UCC Remedies. If an Event of Default shall have occurred and be continuing, Agent on behalf of the Banks may exercise, in addition to all other rights and remedies granted to Agent and the Banks in this Agreement, any Credit Document and any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC (whether or not the UCC applies to any part of the Collateral) and any other applicable laws. Without limiting the generality of the foregoing, Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Borrower or any other Person (all and each of such demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral

or any part thereof, or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of Agent or any Bank or elsewhere upon such terms and conditions as it may deem advisable and at such commercially reasonable prices as it may reasonable deem best, for cash or on credit or for future delivery without assumption of any credit risk. Agent or any Bank shall have the right upon any such public sale or sales and (to the extent permitted by law) upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of (to the extent permitted by law) any right or equity of redemption in Borrower, which right or equity is hereby (to the extent permitted by law) waived or released. Borrower further agrees, at Agent's request, to assemble the Collateral and make it available to Agent at places that Agent shall select, whether at Borrower's premises or elsewhere. Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses incurred therein or incidental to the care or safekeeping of any of the Collateral or reasonably relating to the Collateral or the rights of Agent and the Banks under this Agreement (including reasonable attorneys' fees and disbursements) to the payment in whole or in part of the Obligations and only after such application and after the payment by Agent of any other amount required by any provision of law (including Section 9-504(1)(c) of the UCC) need Agent account for the surplus, if any, to Borrower. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be in writing and deemed reasonable and proper if given at least 10 days before such sale or other disposition.

7.5. *Waiver; Deficiency.* Borrower waives and agrees not to assert any rights or privileges that it may acquire under Section 9-112 of the UCC. Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the reasonable fees and disbursements of any attorneys employed by Agent or any Bank to collect such deficiency.

8. *Agent's Appointment as Attorney-in-Fact; Agent's Performance of Borrower's Obligations.*

8.1. *Powers.* Borrower hereby irrevocably constitutes and appoints Agent and any officer or agent of Agent (each, an "*Attorney*") with full power of substitution, as its true and lawful attorney-in-fact, with full irrevocable power and authority in the place and stead of Borrower and in the name of Borrower or in its own name from time to time in Agent's discretion, for the purpose of carrying out the terms of this Agreement, to, upon the occurrence and during the continuance of an Event of Default (i) take any and all appropriate action and (ii) execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, Borrower hereby gives each Attorney the power and right, on behalf of Borrower, without notice to or assent by Borrower, to do the following upon the occurrence and during the continuance of an Event of Default:

(a) in the name of Borrower or its own name, or otherwise, to take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the

payment of moneys due under any Account, Instrument, General Intangible or Contract or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any and all such moneys due under any Account, Instrument, General Intangible or Contract or with respect to any other Collateral whenever payable;

(b) in the case of any Copyright Collateral, Patent Collateral or Trademark Collateral, to execute and deliver any and all agreements, instruments, documents, and papers as Agent may request to evidence the security interest of Agent, for the ratable benefit of the Banks, in such Collateral, and the goodwill and general intangibles of Borrower relating thereto or represented thereby;

(c) to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof;

(d) to execute, in connection with any sale provided for in Section 7.4, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral or any part thereof; and

(e) (i) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to Agent or as Agent shall direct; (ii) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Contract or other Collateral; (iii) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any part of the Collateral; (iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to protect, preserve, or realize upon the Collateral or any part thereof and to enforce any other right in respect of any part of the Collateral; (v) to defend any suit, action or proceeding brought against Borrower with respect to any part of the Collateral; (vi) to settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, to give such discharges or releases as Agent may deem appropriate; (vii) to assign, license or sublicense any Copyright Collateral, Patent Collateral or Trademark Collateral, (along with the goodwill of the business to which any such Collateral pertains) throughout the world for such term or terms on such conditions, and in such manner, as Agent shall in its sole discretion determine to the extent such Collateral may have been assigned, licensed, or sublicensed by Borrower and the extent permissible under any agreements with respect to such Collateral; *provided, however*, such assignment, license or sublicense shall not exceed the terms of any agreement pertaining to such Collateral, and (viii) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any part of the Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes, and to do, at Agent's option and Borrower's expense, at any time, or from time to time, all acts and things that Agent deems necessary to protect, preserve or realize upon the Collateral or any part thereof and the security interests of Agent, for the ratable benefit of the Banks, and to effect the intent of this Agreement, all as fully and

effectively as Borrower might do.

8.2. *Performance by an Attorney of Borrower's Obligations.* If Borrower fails to perform or comply with any of its material agreements contained in this Agreement, at the option of Agent, any Attorney may, but without any obligation, perform or comply, or otherwise cause performance or compliance, with such agreement.

8.3. *Borrower's Reimbursement Obligation.* The reasonable expenses of Agent incurred in connection with any actions taken pursuant to this Section 8, together with interest thereon at a rate per annum equal to the interest rate then in effect under the Credit Agreement from the date payment is demanded by Agent to the date reimbursed by the Borrower, shall be payable by Borrower to Agent on demand.

8.4. *Ratification; Power Coupled With An Interest.* Borrower hereby ratifies all actions taken by each Attorney pursuant to this Section 8. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

9. *Duty of Agent.* Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as Agent deals with similar property for its own account. None of Agent, any Bank or any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any of the Collateral upon the request of Borrower or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on Agent and the Banks under this Agreement are solely to protect the interests of Agent and the Banks in the Collateral and shall not impose any duty upon Agent or any Bank to exercise any such powers. Agent and the Banks shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to Borrower for any act or failure to act under this Agreement, except for the gross negligence or willful misconduct of the applicable Person.

10. *Execution of Financing Statements.* Pursuant to Section 9-402 of the UCC, Borrower authorizes Agent to file financing statements with respect to the Collateral without the signature of Borrower in such form and in such filing offices as Agent reasonably determines appropriate to perfect the security interests granted to Agent hereunder, for the ratable benefit of the Banks, pursuant to this Agreement. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction. After such filing, the Agent shall provide a copy thereof to Borrower, provided that the failure of the Agent to so provide a copy shall not affect the rights or remedies of the Agent or the Lenders.

11. *Authority of Agent.* Borrower acknowledges that the rights and responsibilities of Agent under this Agreement with respect to any action taken by Agent or the exercise or nonexercise by Agent of any option, voting right, request, judgment or other right or remedy provided for in this Agreement or resulting or arising out of this Agreement shall, as between

Agent and the Banks. be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them but, as between Agent and Borrower, Agent shall be conclusively presumed to be acting as agent for the Banks with full and valid authority so to act or refrain from acting.

12. *Notices.* All notices, requests and demands to or upon Agent or Borrower under this Agreement shall be given or made in accordance with the Credit Agreement.

13. *Termination and Release.*(a) This Agreement and the security interests created in favor of Agent for the ratable benefit of the Banks pursuant to this Agreement shall terminate when all of the Obligations have been fully and indefeasibly paid and when the Banks have no further Commitments under the Credit Agreement, at which time Agent shall execute and deliver to Borrower, or to such person or persons as Borrower shall reasonably designate, Uniform Commercial Code termination statements and similar documents prepared by Borrower at Borrower's expense that Borrower shall reasonably request, in form and substance reasonably satisfactory to Agent, to evidence the release of the Liens and the security interests created by this Agreement with respect to the Collateral.

(b) All Collateral used, sold, transferred or otherwise disposed of by Borrower in accordance with the terms of the Credit Agreement and the other Credit Documents (including pursuant to a waiver or amendment of the terms of the Credit Agreement and the other applicable Credit Documents), shall be used, sold, transferred or otherwise disposed of free and clear of the Lien and the security interest created under this Agreement. In connection with any such sale, transfer or disposition of Collateral, (i) Agent shall deliver to Borrower, or to such person or persons as Borrower shall reasonably designate, Uniform Commercial Code termination statements and similar documents prepared by Borrower at Borrower's expense that Borrower shall reasonably request, in form and substance reasonably satisfactory to Agent, to evidence the release of the Liens and security interests created under such Agreement with respect to such Collateral, and (ii) any representation, warranty or covenant contained in this Agreement relating to such Collateral shall no longer be deemed to be made with respect to such used, sold, transferred or otherwise disposed of Collateral.

14. *Severability.* Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15. *Amendments in Writing, No Waiver; Cumulative Remedies.*

15.1. *Amendments in Writing.* None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 11.11 of the Credit Agreement and pursuant to a written instrument executed by Borrower and Agent; provided, however, that the schedules to this Agreement shall be amended and updated by Borrower as and to the extent required by this Agreement.

15.2. *No Waiver by Course of Conduct.* Neither Agent nor any Bank shall by any act (except by a written instrument pursuant to subsection 15.1 of this Agreement) or delay be deemed to have waived any right or remedy under this Agreement or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, on the part of Agent or any Bank, any right, power or privilege under this Agreement shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege under this Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Agent or any Bank of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy that Agent or such Bank would otherwise have on any future occasion.

15.3. *Remedies Cumulative.* The rights and remedies provided to Agent and the Banks in this Agreement and each other Credit Document are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

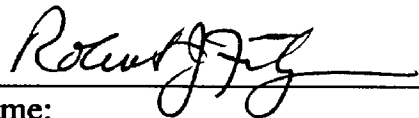
16. *Section Headings.* The section and subsection headings used in this Agreement are for convenience of reference only and are not to affect the construction of this Agreement or be taken into consideration in the interpretation of this Agreement.

17. *Successors and Assigns.* This Agreement shall be binding upon the successors and assigns of Borrower and shall inure to the benefit of Borrower, Agent and the Banks and their successors and assigns: *provided, however,* that Borrower may not assign any of its rights, or delegate any of its duties or obligations, under this Agreement without the prior written consent of Agent and each Bank.

18. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PROVISIONS THEREOF.

IN WITNESS WHEREOF, the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

MERIT ACQUISITION CORP.

By: 
Name:
Title:

Schedules:

- Schedule 3.2** Filings Required to Perfect Security Interests
- Schedule 3.3** Inventory and Equipment
- Schedule 3.4** Location of Chief Executive Office and Chief Place of Business
- Schedule 3.5** Location of Account Records

FILINGS REQUIRED TO PERFECT SECURITY INTERESTS

Pennsylvania Secretary of Commonwealth

Pennsylvania—Bucks County

Pennsylvania—Philadelphia County

Secretary of State of Minnesota

U.S. Copyright Office

U.S. Patent and Trademark Office

INVENTORY AND EQUIPMENT LOCATIONS

The inventory is located at the following addresses:

1. 2525 State Road
Bensalem, PA 19020
2. 2522 State Road
Bensalem, PA 19020
3. 5040 Robbins Avenue
Philadelphia, PA 19135

The Borrower maintains, uses or stores equipment, or has maintained, used or stored equipment in the last five years, at the following addresses:

Borrower owns and leases personal property in the following locations:

1. Bensalem, Bucks County, Pennsylvania: Inventory, Fixed Assets and Personal Property.
2. Philadelphia, Pennsylvania: Inventory and Personal Property
3. Mora, Minnesota: Tools and Molds.
4. Penndel, Pennsylvania: Tools and Molds

Borrower owns sales vans located in the following states:

1. Pennsylvania
2. New York
3. Texas
4. California
5. Nevada
6. Michigan
7. Florida
8. South Carolina

**LOCATION OF CHIEF EXECUTIVE OFFICE
AND CHIEF PLACE OF BUSINESS**

2525 State Road
Bensalem, PA 19020

LOCATION OF ACCOUNT RECORDS

All account records are kept at Borrower's headquarters at:

2525 State Road
Bensalem, PA 19020

Schedule 6.18—Intellectual Property

U.S. REGISTERED TRADEMARKS

<u>Registered Number</u>	<u>Registered Date</u>	<u>Trademark</u>
1,258,707	11/22/83	Party Darts
1,296,470	09/18/84	Chicken Draw
1,323,426	03/05/85	The Pit Boss
1,355,644	08/20/85	Trivia Whiz
1,388,938	04/08/86	Bull-Buster
1,390,035	04/15/86	Pub Time
1,414,355	10/21/86	Phraze Craze
1,415,133	10/28/86	Tic Tac Trivia
1,436,546	04/14/87	MII & Design
1,542,638	06/06/89	World Series of Darts and Design
1,601,494	06/12/90	Be A Part Of It!
1,656,129	09/10/91	Dart league Manager
91,711	06/09/92	Solo Challenger
1,713,564	09/08/92	Pub Time
1,850,787	08/23/94	'01 Equal

U.S. REGISTERED TRADEMARKS (CONT.)

<u>Registered Number</u>	<u>Registered Date</u>	<u>Trademark</u>
1,851,572	08/30/94	Equal Darts
2,055,424	04/22/97	Run 21
2,059,380	05/06/97	321 Zap
2,061,411	05/13/97	Megatouch
2,071,940	06/17/97	Tritowers (Stylized)
2,081,362	07/22/97	Spot Cricket
2,093,860	09/02/97	Great Solitaire
2,127,824	01/06/98	11 Up

U.S. PENDING TRADEMARK APPLICATIONS

<u>Serial No.</u>	<u>Appln. Date</u>	<u>Trademark</u>
75/497,844	06/08/98	Pix Mix
75/497,845	06/08/98	Quint-Zee
75/497,848	06/08/98	Megatough XL
75/497,849	06/08/98	Match'em Up
75/497,878	06/08/98	Mega Link
75/497,879	06/08/98	Mem-O-Ree 2001
75/497,880	06/08/98	Quik Match
75/497,881	06/08/98	Tai-Play
75/497,882	06/08/98	Photo Hunt
75/498,727	06/08/98	Quik Cell
75/498,989	06/08/98	Strip Club Poker
75/498,990	06/08/98	Hoop Jones
75/498,991	06/08/98	Conquest
75/499,302	06/08/98	Pile On

FOREIGN REGISTERED TRADEMARKS

<u>Country</u>	<u>Registered Number</u>	<u>Registered Date</u>	<u>Trademark</u>
Canada	291046	05/18/84	Pit Boss
Canada	342583	07/08/88	Whiz Kit
Canada	327894	05/22/87	Phraze Craze
Canada	345047	09/23/88	Match'em Up
France	1,330,400	11/08/85	Trivia Whiz
France	1,573,262	01/31/90	Regal Darts
Japan	2,188,217	11/19/89	Bull Buster
Japan	2,188,218	11/28/89	Pub Time
Germany	1,096,737	10/26/85	Trivia Whiz
Germany	2,019,783	03/12/91	Scorpion & Design
S. Korea	303,175	12/02/94	MII & Design
Spain*	1148406M	05/05/87	Bull Busters
Spain*	1147898M	04/06/87	Phraze Craze

FOREIGN TRADEMARK APPLICATION

<u>Country</u>	<u>Registered Number</u>	<u>Registered Date</u>	<u>Trademark</u>
European Community (CTM)	359,109	08/28/96	Megatouch

* May be expired

AUTHORIZED DISTRIBUTOR FOR PRODUCT HAVING
BELOW-IDENTIFIED U.S. REGISTERED TRADEMARKS

<u>Registration Number</u>	<u>Registered Date</u>	<u>Trademark</u>	<u>Trademark Owner</u>
2,141,919	03/10/98	Hurricane	Nova Games Import-Export
2,144,018	03/17/98	Typhoon	Nova Games Import-Export

AUTHORIZED DISTRIBUTOR FOR PRODUCT HAVING
BELOW-IDENTIFIED PENDING U.S. TRADEMARK APPLICATION

<u>Application Number</u>	<u>Application Date</u>	<u>Trademark</u>	<u>Trademark Owner</u>
79/130965	07/08/96	CYCLONE	Nova Games Import-Export

U.S. REGISTERED COPYRIGHTS

<u>Registration Number</u>	<u>Deposit Date</u>	<u>Copyright</u>
TX 1291223	03/23/84	Chicken Draw: From Merit Industries
TX 1291224	03/23/84	Player's Choice: 4 Great Games
TX 1291225	03/23/84	CKP1: Chicken Poker for CRT 200
TX 1291226	03/23/84	MLT2U5U6: Match Game for CRT 200
TX 1291227	03/23/84	M4C1.MAC: Merit 4 in 1 Credit CRT 200
TX 1291228	03/23/84	Production Video Card Game for a Double-Up Joker Poker
TX 1338171	06/11/84	Match Game for CRT 200
TX 1338172	06/11/84	Chicken Poker for CRT 200
TX 1412660	06/11/84	Merit 4 in 1 Credit CRT 200
TX 1425047	06/11/84	Production Video Card Game Software for a Double-Up Joker Poker
TX 1529793	03/15/85	Trivia Whiz Trivia Game
TX 1604863	05/15/85	VT Trivia Whiz Trivia Game (vertical Screen)
TX 1651856	09/13/85	VT Trivia Wiz Trivia Game
TX 1651857	09/13/85	Trivia Whiz 4 Player with Trivia Game

U.S. REGISTERED COPYRIGHTS (CONT.)

Registration

<u>Number</u>	<u>Deposit Date</u>	<u>Copyright</u>
TX 1655926	09/17/85	Trivia Whiz 4 Player with Video Billboard
TX 1745693	01/30/86	Tic Tac Trivia
TX 1786722	03/24/86	Pub Time Darts Instruction Panel
TX 1842851	05/27/86	Phraze Craze
TX 1823375	05/29/86	Bull Busters
TX 1963450	11/19/86	Mad Adder
TX 2020235	11/19/86	Match'em Up
TX 2187292	07/15/87	Bull Buster with Cricket Darts
TX 2187293	07/15/87	Cricket Darts
TX 2187294	07/15/87	Cricket Display Unit
TX 2187295	07/15/87	PUB Time Darts with Cricket
TX 2321025	05/25/88	Video Dart Game
TX 2488426	01/18/89	Scramble
TX 2582070	01/18/89	Keno
TX 2933014	10/10/90	Dart League Manager
TX 3739954	12/07/93	Pit Boss Superstar 30
TXu 301384	10/27/87	Cricket Display Driver
TXu 343839	10/17/88	CIBE
TXu 380351	08/03/89	Regal Dart
Not Yet Filed		Megatouch XL
Not Yet Filed		CRT-500 Peripheral IO Board

CANADIAN REGISTERED COPYRIGHTS

Registration
Number
by Property

Copyright

352525	Trivia Whiz - 4 Player with Video Billboard
352526	Trivia Whiz Trivia Game (Version 1)
352527	Trivia Whiz - 4 Player Trivia Game
352528	Phraze Craze
352529	Tic Tac Trivia
352588	VT Trivia Whiz Trivia Game (Vertical Screen)
352589	VT Trivia Whiz Trivia Game (Vertical Screen)
354331	Bull Busters

U.S. ISSUED PATENTS

<u>Patent Number</u>	<u>Issued</u>	<u>Title</u>
4,881,744	1/21/89	Electronically Scored Dart Game Having Front Opening Service Door
5,482,291	01/09/96	Dart Board Apparatus with Independently Supported Double Bull Segment
5,575,717	11/19/96	System for Creating Menu Choices of Video Games on a Display
5,681,044	10/28/97	Method and Apparatus for Controlling Cricket-Based Dart Game
5,743,799	04/28/98	Method for Setting Game Credits in a Gaming Machine and Tallying a Total Currency Amount Fed into the Machine
5,743,533	04/28/98	Back Up Turn Function for Dart Machine

U.S. PATENT APPLICATIONS

<u>Application Number</u>	<u>Filed</u>	<u>Title</u>
09/057,499	04/09/98	System for Handicapping Substitute or Unranked Players in a Dart Game Match
08/717,152	09/20/96	Game Machine With Automated (CPA filed Tournament Mode 06/11/98)
09/099,170	06/18/98	Game Machine With Automated Tournament Mode (C-I-P of 08/717,152)

CANADIAN ISSUED PATENT

<u>Patent Number</u>	<u>Issued</u>	<u>Title</u>
1,309,431	10/27/92	Electronically Scored Dart Game Having Front Opening Service Door

FOREIGN PATENT APPLICATIONS

<u>Country</u>	<u>Appln. Number</u>	<u>Filed</u>	<u>Title</u>
Germany	19631052	08/1/96	System for Programming Parameters
Austria	A665/96	04/12/96	Dart Board Apparatus with Independently Supported Double Bull Segment
Germany	19613330	04/02/96	Dart Board Apparatus with Independently Supported Double Bull Segment
Spain	9600936	04/24/96	Dart Board Apparatus with Independently Supported Double Bull Segment
Germany	19729954	07/12/97	Back Up Turn Function for Dart Machine
Austria	A1263/97	07/24/97	Back Up Turn Function for Dart Machine
Germany	19740287	09/13/97	Game Machine with Automated Tournament Mode
Europe* (EPC)	332003	03/10/88	Electronically Scored Dart Game Having Front Opening Service Door
Great* Britain	8810682	05/06/88	Dart Board Assembly for Electronic Dart Game
Great* Britain	2204504	11/16/88	Dart Board Assembly for Electronic Dart Game

* May be expired

SOFTWARE

<u>SOFTWARE</u>	<u>SUPPLIER</u>	<u>DESCRIPTION</u>
BaaN IV	BaaN Development B.V.	Business/Enterprise Software System
Informix Database 7.0	Informix	Database used with BaaN Package
DEC UNIX OS 4.0	Compaq/Digital Equipment	Operating System supporting Baan/Informix
Novell 3.12 and 4.11	Novell	Networking software
Goldmine	Goldmine	Sales Activity Database
Goldsync	Goldmine	Server Tool used with Goldmine Database
Ultipros	Ultimate Software	Payroll
Kronos	Kronos	Timekeeping
AutoCad	Autodesk	Drafting/Engineering Tool
Sold Works Plus	Solid Works	3D Mechanical Design Automation