

RECO

04-26-2000



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COVER SHEET

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

ONLY

31

To the Honorable Commission

attached original documents or copy thereof.

1. Name of conveying party(ies):

Rave Sports, Inc.  
5251 Program Avenue  
St. Paul, MN 55112

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation - Minnesota  
 Other

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

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

Name: **Convergent Capital Partners I, L.P.**

Internal Address:

Street Address: **5353 Wayzata Blvd., Suite 205**

City: **Minneapolis** State: **MN** ZIP: **55416**

Individual(s) citizenship  
 Association  
 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) of conveying party(ies) attached?  Yes  No

3. Nature of conveyance:

Assignment                               Merger  
 Security Agreement                       Change of Name  
 Other

Execution Date(s): **February 8, 2000**

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

A. Trademark Application No(s).

<b>75/769,851</b>	<b>75/768,024</b>	<b>75/764,528</b>
<b>75/764,527</b>	<b>75/764,526</b>	<b>75/764,529</b>
<b>75/768,023</b>	<b>75/542,769</b>	<b>75/816,994</b>
<b>75/911,844</b>		

Additional numbers attached?  Yes  No

B. Trademark No(s)

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

Name: **Barbara J. Grahn**  
**Oppenheimer, Wolff & Donnelly LLP**  
 Internal Address: **3400 Plaza VII Building**  
 Street Address: **45 South Seventh Street**  
 City: **Minneapolis** State: **MN** ZIP: **55402**  
 Our File No.: 18795/11

6. Total number of applications and registrations involved: 10

7. Total Fee (37 CFR 3.41) ..... \$265.00.

Enclosed  
 Authorized to be charged to deposit account  
 Authorized to charge any underpayment or credit any overpayment to deposit account.

8. Deposit account number:  
**15-0627**

(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.*

Barbara J. Grahn                                                            3/22/00  
 Name of Person Signing                              Signature                              Date

Total number of pages including cover sheet, attachments, and document: 10

Mail documents to be recorded with required cover sheet information to:  
U.S. Patent and Trademark Office, Office of Public Records, Crystal Gateway 4, Room 335  
Washington, D.C. 20231

04/25/2000 JSHABAZZ 00000125 75769851

01 FC:481  
 02 FC:482

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225.00 OP

## PATENT AND TRADEMARK SECURITY AGREEMENT

**THIS PATENT AND TRADEMARK SECURITY AGREEMENT (“IP Agreement”)**, is made as of February 8, 2000, by **RAVE SPORTS, INC.**, a Minnesota corporation whose address and principal place of business is 5251 Program Avenue, Saint Paul, Minnesota 55112 (the “Debtor”), and **CONVERGENT CAPITAL PARTNERS I, L.P.**, a Delaware limited partnership whose address and principal place of business is 5353 Wayzata Boulevard, Suite 205, Minneapolis, Minnesota 55416 (the “Secured Party”).

### RECITALS

**WHEREAS**, the Debtor has entered into a Debenture Purchase Agreement of even date herewith with the Secured Party (as originally executed and as may be amended, modified, supplemented, restated, or replaced from time to time, the “Purchase Agreement”) pursuant to which the Secured party has agreed on the terms and conditions set forth therein to purchase a Junior Secured Debenture from the Debtor in the principal amount of One Million and No/100 Dollars (\$1,000,000.00) (“Debenture”); and

**WHEREAS**, it is a condition to purchasing the Debenture that Debtor execute and deliver this IP Agreement, acknowledging that the Debtor has received a valuable consideration and benefit for execution of this IP Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each of the parties hereto, it is agreed as follows:

1. **DEFINITIONS.** All terms defined in the Recitals hereto or in the Purchase Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

“Obligations” means each and every debt, liability and obligation of every type and description arising under or in connection with the Purchase Agreement or any Other Agreements which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Junior Secured Obligations.

“Patents” means all of the Debtor’s right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

“Senior Obligations” means each and every debt, liability and obligation of every type and description arising under or in connection with any loan document which the Debtor may now or at any time hereafter owe to the Senior Lender (as defined below),

whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Senior Debt.

“Trademarks” means all of the Debtor’s right, title and interest in and to trademarks, service marks, collective membership marks, the respective goodwill associated with each, and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. **JUNIOR SECURITY INTEREST.** The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (subject to the Security Agreement in favor of the Senior Lender), with power of sale to the extent permitted by law (“Junior Security Interest”), in the Patents and in the Trademarks to secure payment of the Obligations.

3. **SENIOR SECURITY INTEREST.** The Debtor previously granted to Norwest Business Credit, Inc. (“Senior Lender”) a security interest, with power of sale to the extent permitted by law (“Senior Security Interest”), in the Patents and in the Trademarks to secure payment of the Senior Debt.

4. **REPRESENTATIONS, WARRANTIES AND AGREEMENTS.** The Debtor hereby represents, warrants and agrees as follows:

4.1 Existence; Authority. The Debtor is a corporation, having full power to and authority to make and deliver this IP Agreement. The execution, delivery and performance of this IP Agreement by the Debtor have been duly authorized by all necessary action of the Debtor’s board of directors, and, if necessary, its stockholders, and does not and will not violate the provisions of, or constitute a default under, any presently applicable law or its articles of incorporation or bylaws or any agreement presently binding on it. This IP Agreement has been duly executed and delivered by the Debtor and constitutes the Debtor’s lawful, binding and legally enforceable obligation. The correct name of the Debtor is RAVE Sports, Inc. The authorization, execution, delivery and performance of this IP Agreement do not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

4.2 IP Agreement Authorized. This IP Agreement has been duly and validly authorized by all necessary action, corporate or otherwise.

4.3 Patents. Exhibit A accurately lists all material Patents owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of registrations pertaining to the Patents as of the date hereof.

4.4 Trademarks. Exhibit B accurately lists all material Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all registrations pertaining thereto as of the date hereof.

4.5 Title. The Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all security interests, liens and encumbrances, except

the Senior Security Interest and the Junior Security Interest. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents and Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all security interests, liens and encumbrances, except the Senior Security Interest and the Junior Security Interest, and (ii) will keep all Patents and Trademarks free and clear of all security interests, liens and encumbrances, except the Senior Security Interest and the Junior Security Interest. The Patent and Trademarks listed on Exhibits A and B and any rights the Debtor acquires in Patents and Trademarks arising after the date of this Agreement are referred to herein as the "Material Patents and Trademarks."

- 4.6 No Sale. The Debtor will not sell or otherwise dispose of the Material Patents and Trademarks, or any interest therein, except to the Senior Secured Party without the Secured Party's prior written consent.
- 4.7 Defense. The Debtor will at its own expense, and using its best efforts, protect and defend the Material Patents and Trademarks against all claims or demands of all persons other than the Senior Secured Party or the Secured Party.
- 4.8 Maintenance. The Debtor will at its own expense maintain the Material Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to register and all affidavits and renewals possible with respect to issued registrations. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Material Patent or Trademark, nor fail to file any required affidavit in support thereof, without first providing the Secured Party: (i) sufficient written notice, as provided in the Purchase Agreement, to allow the Secured Party to timely pay any such maintenance fees or annuity which may become due on any of said Material Patents and Trademarks, or to file any affidavit with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit, should such be necessary or desirable.
- 4.9 Secured Party's Right to Take Action. If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 4, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in Section 4.8, immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure.
- 4.10 Costs and Expenses. Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Secured Party in connection with or as a result of the Secured Party's

taking action under Section 4.9 or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Obligations.

4.11 Power of Attorney. To facilitate the Secured Party's taking action under Section 4.9 and exercising its rights under Section 7, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 4, or, necessary for the Secured Party, after an Event of Default (and only so long as such Event of Default remains uncured), to enforce or use the Material Patents and Trademarks or to grant or issue any exclusive or non-exclusive license under the Material Patents and Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Material Patents and Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Purchase Agreement as provided therein and the payment and performance of all Obligations.

5. **DEBTOR'S USE OF THE PATENTS AND TRADEMARKS.** The Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this IP Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

6. **EVENTS OF DEFAULT.** Each of the following occurrences shall constitute an Event of Default under this Agreement ("Event of Default"): (a) an Event of Default, as defined in the Purchase Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 4 shall prove to have been incorrect in any material respect when made.

7. **REMEDIES.** Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions (subject to applicable law):

7.1 The Secured Party may exercise any or all remedies available under the Purchase Agreement.

7.2 The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

7.3 The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at

the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

## 8. MISCELLANEOUS.

- 8.1 Writing Required. This IP Agreement can be waived, modified, amended, terminated or discharged, and the Junior Security Interest can be released, only explicitly in a writing signed by the Secured Party.
- 8.2 Waiver. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies.
- 8.3 Remedies Cumulative. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application.
- 8.4 Successors and Assigns. This IP Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof.
- 8.5 Validity of IP Agreement. The Secured Party may execute this IP Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this IP Agreement shall not affect or impair the validity or effectiveness of this IP Agreement. A carbon, photographic or other reproduction of this IP Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement.
- 8.6 Governing Law/Jurisdiction. This IP Agreement shall be governed by the internal law of Minnesota without regard to conflicts of law provisions. Debtor hereby consents to the personal jurisdiction of the state and federal courts of the State of Minnesota in connection with any controversy related to this Security Agreement, waives any argument that venue in such forums is not convenient and agrees that any litigation initiated by Debtor against Secured Party shall be venued in the state or federal district courts of Minnesota.
- 8.7 Recitals. The above Recitals are true and correct as of the date hereof and constitute a part of this IP Agreement.
- 8.8 Severability. If any provision or application of this IP Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this IP Agreement shall be construed as if the unlawful or unenforceable provision or application had never been

contained herein or prescribed hereby. All representations and warranties contained in this IP Agreement shall survive the execution, delivery and performance of this IP Agreement and the creation and payment of the Obligations.

8.9 Multiple Counterparts. This IP Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same agreement.

**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS IP AGREEMENT.**

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

**CONVERGENT CAPITAL PARTNERS I,  
L.P., a Delaware limited partnership**

**RAVE SPORTS, INC.,  
a Minnesota corporation**

By: *John Mason*  
John Mason  
Managing Partner

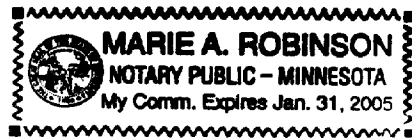
By: *Norman P. Mears*  
Norman P. Mears  
President and Chief Executive Officer

STATE OF MINNESOTA )  
  )  
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of February, 2000, by Norman P. Mears, the President and Chief Executive Officer of RAVE Sports, Inc., a Minnesota corporation, on behalf of the corporation.

*Marie A. Robinson*  
Notary Public

STATE OF MINNESOTA )  
  )  
COUNTY OF HENNEPIN )



The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of February, 2000, by John Mason, a Managing Partner of Convergent Capital Partners I, L.P., a Delaware limited partnership, on behalf of the partnership.

*Marie A. Robinson*  
Notary Public

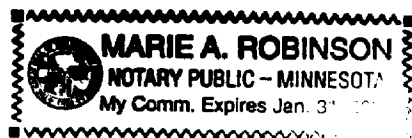


EXHIBIT A

UNITED STATES ISSUED PATENTS

**A. SCHEDULE OF U.S. PATENTS REGISTRATIONS:**

None.

**B. SCHEDULE OF U.S. PATENT APPLICATIONS**

<u>Application No.</u>	<u>Applicant</u>	<u>Title</u>
09/328,155	Norm Mears	LADDER
09/365,111	Norm Mears et al.	FLOATABLE RECREATIONAL PARK

**C. SCHEDULE OF FOREIGN PATENT REGISTRATIONS**

None.

**D. SCHEDULE OF FOREIGN PATENT APPLICATIONS**

None.



EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS

AND COLLECTIVE MEMBERSHIP MARKS - FIRST TEAM SPORTS, INC.

APPLICATIONS

REGISTRATIONS

**A. SCHEDULE OF U.S. TRADEMARK REGISTRATIONS:**

None.

**B. SCHEDULE OF PENDING APPLICATIONS FOR U.S. TRADEMARK REGISTRATIONS ON THE BASIS OF USE IN COMMERCE:**

	<u>Serial Number</u>	<u>Mark</u>	<u>Filing Date</u>
1.	75/769,851	Three-Dimensional Shape of Water Trampoline	August 6, 1999
2.	75/768,024	SEA WASP	August 4, 1999
3.	75/764,528	AQUA JUMP	August 4, 1999
4.	75/764,527	MINI-BLOB	August 4, 1999
5.	75/764,526	AQUA LOG	August 4, 1999
6.	75/764,529	KAT KRUZER	August 4, 1999
7.	75/768,023	RAVE SPORTS	August 4, 1999
8.	75/542,769	RAVE	August 25, 1998
9.	75/816,994	WET DECK	October 7, 1999
10.	75/911,844	RAVE SPORTS and Design	February 4, 2000

**C. SCHEDULE OF PENDING APPLICATIONS FOR U.S. TRADEMARK REGISTRATIONS ON THE BASIS OF INTENT TO USE:**

None.

**D. SCHEDULE OF FOREIGN TRADEMARK REGISTRATIONS:**

None.

**E. SCHEDULE OF PENDING APPLICATIONS FOR FOREIGN TRADEMARK REGISTRATIONS:**

1.	Not yet available	AQUA JUMP	2/4/00	European Union
2.	Not yet available	RAVE SPORTS	2/4/00	Canada
3.	Not yet available	Three-Dimensional Shape of Water Trampoline	2/4/00	Canada
4.	Not yet available	Three-Dimensional Shape of Water Trampoline	2/4/00	European Union
5.	Not yet available	AQUA JUMP	2/4/00	Norway
6.	Not yet available	RAVE SPORTS	2/4/00	Norway

**F. SCHEDULE OF UNREGISTERED MARKS**

BULLIT  
RAVE SPORTS BULLIT  
AQUA DECK  
WET JET  
BLOB  
SLIDE-WALK  
AQUA SLIDE  
RAVE SPORTS Logo  
KAT FISHER  
SUNKAT KAT FISHER  
RAVE SPORTS SUNKAT KAT FISHER  
SUNKAT KAT KRUZER  
RAVE SPORTS SUNKAT KAT KRUZER  
SUNKAT  
AQUAZILLA  
RAVEWEAR