

05-19-2000



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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger Effective Date
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other

Citizenship/State of Incorporation/Organization

05/18/2000 JSHBAZZ 00000000 75532771

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 75.00 OP

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

TRADEMARK
REEL: 002075 FRAME: 0393

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

610-565-2670

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	75/532,771	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

1,348,087	1,671,209	2,304,775
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Number of Properties Enter the total number of properties involved.

4

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41):

\$ 115.00

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

STEVEN G. BROWN, ESQUIRE

4/12/00

Name of Person Signing

Signature

Date Signed

**PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT**

THIS PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES SECURITY AGREEMENT is made this 12th day of April, 2000, by and between **DYNAMIC TEAM SPORTS, INC.** ("Assignor") and **WILMINGTON TRUST OF PENNSYLVANIA** (as hereinafter defined) ("Assignee").

BACKGROUND

A. Pursuant to that certain Business Loan Agreement dated of even date herewith, by and among Assignee, Assignor and Dynamic Team Sports Canada Co. ("Canada") such Business Loan Agreement, as heretofore or hereafter amended, modified or restated, being referred to herein as the "Loan Agreement"), Assignee agreed to extend to Assignor and Canada the credit facilities described in the Loan Agreement. Assignor and Canada are hereinafter collectively referred to as "Borrowers".

B. As an inducement to Assignee to extend the credit facilities to Borrowers, Assignor hereby grants to Assignee a security interest in all of Assignor's patents, patent rights, patent applications, service marks, trademarks, service trademark applications, service trade names, goodwill, copyrights and licenses.

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor agrees as follows:

1. **Incorporation of Loan Agreement.** The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

2. **Security Interest.** To secure the complete and timely payment and satisfaction of all Indebtedness, Assignor hereby mortgages and pledges to Assignee and grants to Assignee a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of such Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed (collectively the "Collateral"):

(a) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed

on Exhibit "A" attached hereto and made a part hereof, and (i) the re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (i)-(iv), are sometimes hereinafter individually and/or collectively referred to as the "Patents");

(b) service marks, trademarks, service mark and trademark registrations, trade names and trademark applications, including, without limitation, the service marks, trademarks and applications listed on **Exhibit "B"**, attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing service marks, trademarks, service mark and trademark registrations, service mark and trade names and applications together with the items described in clauses (i)-(iv), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks");

(c) copyrights, copyright registrations, copyright applications and all computer programs, operating systems, applications, stems, hardware or software of any nature whatsoever owned by Assignor, whether operational, under development or inactive, including all object codes, source codes, modules, technical manuals, user manuals, operating instructions and procedures, input and output formats, program listings, narrative descriptions, program flow charts, file layouts, report layouts, screen layouts and other documentation therefor (including internal notes, memoranda status evaluations, marketing, information and write-ups), and all improvements, modifications, enhancements, new releases and revisions thereof, whether in machine readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper; including, without limitation, the copyrights, copyrights registrations and copyrights applications listed on **Exhibit "C"** attached hereto and made a part hereof and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, and (iii) the right to sue for past present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "Copyrights");

(d) license agreements with any other party, whether Assignor is a licensor or licensee under any such license agreement; including without limitation, the licenses listed on **Exhibit "D"** attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by As-

signor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "Licenses"); and

(e) all goodwill in connection With the foregoing

3. **Restrictions on Future Agreements.** Assignor agrees that until all Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor will not, without Assignee's prior written consent, enter or to any agreement (including, without limitation, any license or royalty agreement) which is inconsistent with Assignor's obligations under this Security Agreement or the Loan Agreement and Assignor further agrees that it will not take any action, or permit any action to be taken by others, subject to its control, including, licensees, or fail to take any action, which would affect the validity or enforcement of the rights of Assignee under this Security Agreement.

4. **New Patents, Trademarks and Licenses.** Assignor represents and warrants that the Patents, Trademarks, Rights and Licenses listed on Exhibits "A", "B", "C" and "D", respectively, constitute all of the patents, trademarks, copyright, applications and licenses, now owned by Assignor. If, before all Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, trade names, copyrights or licenses or (ii) become entitled to the benefit of any patent, trademark or copyright application, trademark, trademark registration or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Section 2 above shall automatically apply thereto and Assignor shall give to Assignee prompt written notice thereof Assignor hereby authorizes Assignee to modify this Security Agreement by amending Exhibit "A", "B", "C" and/or "D", as applicable, to include any future patents, patent applications, trademarks, trademark registrations, trademark applications, trade names, copyrights and licenses which are Patents, Trademarks, Copyrights or Licenses, as applicable, under Section 2 above or under this Paragraph 4.

5. **Royalties, Term.** Assignor hereby agrees that the use by Assignee of all Patents, Trademarks, Copyrights and Licenses as described herein shall be domestically within the United States and its Territories and Canada and without any liability for royalties or other related charges from Assignee to Assignor. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks, Copyrights and Licenses assigned hereunder, or (ii) the date on which all Indebtedness has been paid in full and the Loan Agreement is terminated.

6. **Assignee's Right to Inspect.** Assignee shall have the right, at any time and from time to time, to upon reasonable notice inspect Assignor's premises and to examine Assignor's books, records and operations, including, without limitation, Assignor's quality control processes. Assignor agrees that Assignee, or a conservator appointed by Assignee, shall have the right to after acceleration of the Indebtedness es-

establish such additional reasonable product quality controls as Assignee, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Assignor under the trademarks. Assignor agrees (i) not to sell or assign its interest or grant any license under, the Patents, Trademarks, Copyrights or Licenses, without the prior written consent of Assignee; (ii) to maintain the quality of any and all products in connection with which the Trademarks and/or Copyrights are used, consistent with quality of said products as of the date hereof, (iii) not to adversely change the quality of said products without Assignee's express written consent and (iv) to provide Assignee, upon request, with a certificate of an officer of Assignor certifying Assignor's compliance with the foregoing.

7. **Termination.** This Security Agreement is made for collateral purposes only. Assignee may, without further notice to or consent of Assignor, after acceleration of the Indebtedness immediately record with all applicable offices (including, without limitation, the Patent and Trademark Office) the Assignment of Patents, Trademarks, Copyrights and Licenses executed of even date and delivered to Assignee by Assignor granting Assignee an absolute assignment of all rights, title and interest of Assignor in and to the Patents, Trademarks, Copyrights, Licenses and other Collateral. Assignor hereby authorizes and agrees that Assignee may, through the power of attorney granted in Section 14 hereof, irrevocably execute and deliver in Assignor's name any and all such assignments and agreements and to take any and all other actions in Assignor's name as Assignee shall deem reasonable or appropriate after acceleration of the Indebtedness to transfer and convey all right, title and interest to Assignor in and to the Collateral to Assignee or any other person or entity selected by Assignee. Upon payment in full of all Indebtedness and termination of the Loan Agreement, Assignee shall, at Assignor's sole expense, execute and deliver to Assignor a termination of Assignee's security interest granted herein.

8. **Duties of Assignor.** Assignor shall have the duty (i) to, in Assignor's reasonable business judgment, prosecute diligently any patent, trademark and copyright application pending of the date hereof or thereafter until all Indebtedness shall have been paid in full and the Loan Agreement is terminated, (ii) to, in Assignor's reasonable business judgment, make application on unpatented but patentable inventions and on Trademarks and copyrights, as appropriate, and (iii) to, in Assignor's reasonable business judgment, preserve and maintain all rights in patent application and patents of the Patents, in trademark applications, trademarks and trademark registrations of the Trademarks and in copyright applications and copyrights of the Copyrights. Any expenses incurred in connected with such applications shall be borne by Assignor. Assignor shall not abandon any right to file a patent, trademark or copyright application, or any pending patent, trademark or copyright application without the consent of the Assignee, which consent shall not be unreasonably withheld.

9. Intentionally Omitted.

10. **Assignee's Right to Sue.** Assignee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Patents,

Copyrights and/or Trademarks, and any licenses thereunder, and, if Assignee shall commence any such suit, Assignor shall, at the request of Assignee, do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the exercise of its rights under this Section 10.

11. **Waivers.** No course of dealing between Assignor and Assignee, nor any failure to exercise, nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provisions by other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

13. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by the parties hereto.

14. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Assignee's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Assignor hereby authorizes Assignee to make, constitute and appoint any officer or agent of Assignee as Assignee may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power to (i) endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Assignee to protect, evidence, perfect or enforce its security interest in the Patents, Trademarks, Copyrights and Licenses in the event Assignor fails to do so upon request of Assignee, (ii) take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Assignee reasonably deems in the best interest of the Assignee in the event Assignor fails to do so upon request of Assignee, (iii) following an Event of Default, grant or issue any exclusive or non-exclusive License under the Patent or Trademark to anyone, including Assignee, and/or (iv) following an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone, including Assignee. Assignee may act under such power of attorney to take the actions referenced in Section 4. Assignee hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Indebtedness shall have been paid in full and the Loan Agreement shall have been terminated. Assignor ac-


knowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Assignee under the Loan Agreement or Commercial Security Agreement executed by Borrowers of even date herewith but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks, Copyrights or Licenses may be located.

15. **Binding Effect; Benefits.** This Security Agreement shall be binding upon the Assignor and its successors and assigns, and shall inure to the benefit of Assignee, its nominees, successors and assigns.

16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

DYNAMIC TEAM SPORTS, INC.

By: _____


Scott A. Samter

WILMINGTON TRUST OF PENNSYLVANIA

By: _____


Vice President

EXHIBIT "A"
PATENTS

NONE

EXHIBIT "B"
TRADEMARKS

Dynamic Team Sports	Reg. No. 2304775
Miscellaneous Design	Reg. No. 1348087
Miscellaneous Design	Reg. No. 1671209
Mark: Dynamic Team Sports	Reg. No. 75532771

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EXHIBIT "C"
COPYRIGHTS

NONE

EXHIBIT "D"
LICENSES

NONE

COMMONWEALTH OF PENNSYLVANIA :
 :
 : **SS.**
 :
COUNTY OF Delaware :

On this, the 12th day of April, 2000, before me, the undersigned officer, personally appeared Scott A. Santee, who acknowledged himself/herself to be the President of the **DYNAMIC TEAM SPORTS, INC.**, and that he/she, being authorized to do so, executed the within instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Cindy Landis
Notary Public

My Commission Expires:

Notarial Seal
Cindy Landis, Notary Public
Radnor Twp., Delaware County
My Commission Expires Feb. 17, 2003
Member, Pennsylvania Association of Notaries

COMMONWEALTH OF PENNSYLVANIA

:

COUNTY OF

Delaware

: **SS.**

:

On this, the 12th day of April, 2000, before me, a Notary Public, personally appeared Amy Noble Brodsky, who acknowledged himself/herself to be the Vice President of **WILMINGTON TRUST OF PENNSYLVANIA**, and that he/she as such officer, being so authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the bank himself/herself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Cindy Landis
Notary Public

My commission expires:

Notarial Seal
Cindy Landis, Notary Public
Radnor Twp., Delaware County
My Commission Expires Feb. 17, 2003
Member, Pennsylvania Association of Notaries

Notarial Seal
Cindy Landis, Notary Public
Radnor Twp., Delaware County
My Commission Expires Feb. 17, 2003
Member, Pennsylvania Association of Notaries