

07-08-2002



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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): 62802 Camelot Park Family Entertainment Center

2. Name and address of receiving party(ies) Name: Festival Fun Parks, LLC Internal Address: c/o Palace Entertainment Suite 900 Street Address: 18300 Von Karman Ave., City: Irvine State: CA Zip: 92612

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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other

Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other limited liability company - DE

Execution Date: June 30, 1998

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2,130,141 2,050,888 1,674,611 2,051,001 2,035,612

Additional number(s) attached Yes No

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

Name: Josh S. Ridout

Internal Address:

Street Address: Paul, Hastings, Janofsky & Walker LLP 555 So. Flower St., 23rd Flr

City: Los Angeles State: CA Zip: 90071-2371

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41) \$ 140

Enclosed Authorized to be charged to deposit account

8. Deposit account number:

16-0752

(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.

Josh S. Ridout Name of Person Signing

Signature

6/28/02 Date

Total number of pages including cover sheet, attachments, and document: 11

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

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of the 30th day of June, 1998, by and among the limited partnership entities listed as "Asset Sellers" on the signature pages hereto (each an "Asset Seller," and collectively, "Asset Sellers") CAMELOT PARKS LLC, a Delaware limited liability company ("Stock Seller"), (Asset Sellers and Stock Seller, collectively, the "Sellers"), and FESTIVAL FUN PARKS, LLC, a Delaware limited liability company ("Purchaser"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in Article XI hereof.

R E C I T A L S

A. Asset Sellers comprise seven separate California limited partnerships, each of which independently owns and operates a family entertainment center located in California (each, a "Family Entertainment Center" and collectively, the "Family Entertainment Centers") operated under the tradenames "Camelot Park" and "Palace Park" (the "Tradenames").

B. Camelot Park Family Entertainment Center, Inc., a California corporation ("CPFEC"), owns the Tradenames, as well as certain rights in pending or future family entertainment center projects, and certain operating systems, manuals, and intangible and intellectual property, among other assets related to the operation of the Family Entertainment Centers.

C. Each Asset Seller has a separate general partner which is itself a California limited partnership (each, a "GP-LP" and collectively, the "GP-LPs"), and the general partner of each GP-LP is a separate California corporation (each, a "Corporate GP" and collectively, the "Corporate GPs").

D. Stock Seller owns all of the outstanding capital stock of CPFEC (the "Shares"), all of the outstanding capital stock of each of the seven Corporate GPs, all of the outstanding limited partner interests of the seven GP-LPs (except the GP-LPs of the Fresno and Pleasanton Valley partnerships) and the rights to develop and operate additional family entertainment centers under the Tradenames (the "Future Development Rights").

E. Purchaser desires to acquire all of the Family Entertainment Centers, the Tradenames and the Future Development Rights.

F. Purchaser intends to continue to operate the Family Entertainment Centers as well as to acquire, develop and operate other family entertainment centers and, in connection therewith, to use the Tradenames and the systems used by Sellers in operating the Family Entertainment Centers.

G. In deciding upon the purchase price it is willing to pay for the Family Entertainment Centers, the Tradenames and the Future Development Rights, Purchaser considered the foregoing in its entirety and as an ongoing business.

H. For various business reasons, Purchaser desires to effect the acquisition of the Family Entertainment Centers through asset purchases.

I. Accordingly, Purchaser desires to purchase from Asset Sellers and Asset Sellers are willing to sell to Purchaser the assets comprising the Family Entertainment Centers as provided herein.

J. Purchaser desires to purchase from Stock Seller, and Stock Seller is willing to sell to Purchaser, the Shares.

K. The contemplated asset sales by the Asset Sellers are, in the case of each Asset Seller, subject to the approval of such Asset Seller's limited partners.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby mutually covenant and agree as follows:

ARTICLE I.

PURCHASE AND SALE OF ASSETS AND SHARES: ASSUMPTION OF ASSUMED LIABILITIES

1.1 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, at the Closing (as hereinafter defined), each Asset Seller agrees to sell, convey, assign, transfer and deliver to Purchaser, and Purchaser agrees to purchase from each Asset Seller, free and clear of all liens, mortgages, charges, security interests, claims, restrictions and encumbrances of any kind or nature whatsoever (collectively, "Liens"), all of such Asset Seller's right, title and interest in and to the Assets. The Assets include, without limitation:

- (a) the Ground Leases;
- (b) the Improvements;

- (c) the Contracts;
- (d) the Physical Assets;
- (e) the Leased Assets;
- (f) the Inventory;
- (g) all records and books of account relating to the Business;
- (h) all goodwill associated with the Business to the extent not associated with the Tradenames and the Future Development Rights; and
- (i) all other tangible and intangible property relating to the Business not specifically listed above, whether now existing or hereafter acquired; provided, however, that the Assets shall not include any Excluded Assets.

1.2 Purchase and Sale of Shares. Subject to the terms and conditions set forth herein, at the Closing (as hereinafter defined), Stock Seller agrees to sell, convey, assign, transfer and deliver to Purchaser, and Purchaser agrees to purchase and accept from Stock Seller, the Shares, free and clear of all Liens.

1.3 Limited Assumption of Liabilities. On the terms and subject to the conditions set forth herein, at the Closing, Purchaser shall assume, and agrees to pay, perform and discharge in due course, only those liabilities and obligations of Asset Sellers with respect to (i) the Personal Property Leases and Ground Leases and (ii) the Contracts; but in each case only to the extent of obligations under (i) or (ii) accruing and relating to periods after the Closing Balance Sheet Date (collectively, the "Assumed Liabilities"). The Ground Leases shall be assigned by Asset Sellers and assumed by Purchaser pursuant to the Assignment and Assumption of Leases (as defined below). The Assumed Liabilities shall be delegated by Asset Sellers and assumed by Purchaser pursuant to an assignment and assumption agreement in the form attached as Exhibit 1.3 (the "Assignment and Assumption of Liabilities"). Except for the Assumed Liabilities, Purchaser shall not assume or have any responsibility for any debt, liability, obligation or commitment of any nature, whether now or hereafter existing, absolute, contingent or otherwise, known or unknown, relating to Asset Sellers, the Assets, the Real Property or the Business, including, without limitation, the following liabilities and obligations: (i) any liability of Asset Sellers for any federal, state or local taxes with respect to the Assets, the Real Property or the Business; (ii) any liability of Asset Sellers to any third parties resulting from the negotiation of this Agreement and the consummation of the transactions contemplated hereby; (iii) Asset Sellers' Payables (as hereinafter defined); and (iv) any liability of Asset Sellers with respect to the Assets, the Real Property or the Business to the extent such liabilities accrue or relate to a period prior to the Closing (the "Excluded Liabilities").

1.4 Purchase Price. Subject to the terms and conditions of this Agreement, the aggregate purchase price to be paid by Purchaser (in addition to Purchaser's assumption of the Assumed Liabilities) to Sellers for the Shares, the Future Development Rights and the Assets, shall be [REDACTED] (the "Purchase Price").

(a) The Purchase Price shall be allocated as follows:

(i) to Asset Sellers, [REDACTED] (the "Asset Purchase Price") for all of the Assets, allocated among each of the Asset Sellers in the respective amounts set forth on Schedule 1.6 hereto, subject to adjustment, if any, pursuant to Section 1.9 and

(ii) to Stock Seller, [REDACTED] (the "Stock Purchase Price") for the Shares.

(b) On the Closing Date, Purchaser shall deliver to the Escrow Holder (as defined below) the Purchase Price pursuant to Section 2.6.

(c) Escrow Holder will withhold [REDACTED] of the Purchase Price (the "Hold Back Amount"), which equals seven and one-half percent (7.5%) of the Purchase Price, deposited by Purchaser and maintain the Hold Back Amount in an interest-bearing escrow account (the "Escrow Account") pursuant to the supplemental escrow instructions attached hereto as Exhibit 1.4 and which shall reflect the provisions of this Agreement (including Section 12.2(g) hereof) (the "Supplemental Escrow Instructions"), and the Hold Back Amount shall be payable to Stock Seller or Purchaser, as the case may be, in accordance therewith.

(d) On the Closing Date, Purchaser shall deliver the balance of the Purchase Price to Sellers by wire transfer in accordance with wire instructions provided by Stock Seller in writing at least two business days prior to the Closing Date.

1.5 Payment of Asset Sellers' Payables. Asset Sellers shall be solely responsible for the payment of all outstanding trade accounts payable arising out of the operation of the Business prior to the Closing Balance Sheet Date (all trade account payables arising out of the Business for which a bill has been received prior to the Closing Balance Sheet Date or which have an order or service date prior to the Closing Balance Sheet Date, regardless of the date on which the bill is received, shall be deemed to arise out of the operation of the Business prior to the Closing Balance Sheet Date and are collectively referred to herein as "Asset Sellers' Payables") and, at or prior to the Closing (or at such earlier time during the Interim Operating Period in accordance with Section 2.2), Asset Sellers shall have prepared checks or otherwise paid all Asset Sellers' Payables for which Asset Sellers have received a bill prior to the Closing Balance Sheet Date, as certified in writing by an authorized person on behalf of the Corporate GP

available to it at law or in equity, and any termination (or lack of termination) shall be without prejudice to such remedies.

10.3 Amendment and Waiver. This Agreement may be amended at any time only by a written instrument executed by Purchaser and all of the Sellers. Any amendment effected pursuant to this Section 10.3 shall be binding upon the parties hereto. Compliance with or performance under any term, provision or condition of this Agreement may only be waived in writing by Purchaser, if the waiver of the term, provision or condition of this Agreement is sought against Purchaser, or by the Stock Seller, if the waiver of the term, provision or condition of this Agreement is sought against the Sellers.

10.4 Damage or Casualty. If any damage or casualty to a portion of the Assets occurs prior to the Closing Balance Sheet Date (i) that is material ("Material Damage") (i.e., greater than One Million Five Hundred Thousand Dollars (\$1,500,000) in damage is suffered by the Assets) or (ii) that is greater than One Hundred Thousand Dollars (\$100,000) where the Assets are not fully insured, then Purchaser may elect, in Purchaser's sole discretion, to terminate this Agreement and, unless either party hereto has breached this Agreement, neither party shall have any further rights or obligations hereunder, except for each party's obligation to pay its share of all Escrow cancellation fees and other costs and expenses as provided in Sections 2.8 and 12.4. If any damage or casualty as contemplated above to any of the Assets occurs prior to the Closing Balance Sheet Date, but Purchaser elects not to terminate this Agreement pursuant to the foregoing sentence, then this Agreement shall continue in effect; provided, however, the Asset Purchase Price shall be reduced by the amount of any applicable insurance deductible to be paid by Purchaser.

ARTICLE XI.

DEFINITIONS

11.1 Definitions. Unless otherwise defined herein or the context otherwise requires, the terms defined in this Article XI shall have the meanings herein specified for all purposes of this Agreement, applicable to both the singular and plural forms of any of the terms herein defined.

(a) "Assets" means, with respect to any Seller, all of its assets, including but not limited to, Ground Leases; Improvements; Physical Assets; Leased Assets; Intangible Assets; operating systems and manuals, and other printed or written materials used in the Business; all records and books of account relating to the Business; goodwill associated with the Business; and all other tangible and intangible property of such Seller relating to the Business not specifically listed above, whether now existing or hereafter acquired; provided, however, that the Assets shall not be deemed to include any of the Excluded Assets.

(b) "Business" means, with respect to any Seller, the business and operations of such Seller, as previously conducted, currently conducted and, where expressly provided herein, as proposed to be conducted by such Seller, including with respect to Asset Sellers, the family entertainment centers located in California operated by Asset Sellers.

(c) "Contracts" means, with respect to any Seller, all contracts, agreements, understandings, arrangements and commitments, written or oral, of such Seller by which it or its properties, rights or the Real Property or Assets are bound, including but not limited to the Personal Property Leases. All material Contracts are set forth on Schedule 11.1(c).

(d) "Excluded Assets" means: each Asset Seller's cash and cash equivalents; security deposits and other pre-paid amounts (including, without limitation, utility security deposits and tax refunds), charter documents, minute books, stock record books and tax returns of each Asset Seller, GP-LP and Corporate GP; Receivables; and insurance policies and rights thereunder of each Asset Seller. The Asset Sellers shall provide Purchaser with a schedule and amount for each of the Excluded Assets as of the Closing Date. Excluded Assets also include the artwork at the office of Stock Seller

(e) "Ground Lease" means all leasehold interests in the Real Property (as defined in Section 11.1(n)) under those ground leases, as amended through the date hereof, set forth on Schedule 11.1(e), as amended by those certain Amendments to Ground Lease in substantially the form of Exhibit 11.1(e) attached hereto.

(f) "Improvements" means (i) with respect to CPFEC, all of the buildings, appurtenances and other improvements on and to the Real Property (as defined in Section 11.1(n)) and (ii) with respect to Asset Sellers, all of the buildings, appurtenances and other improvements on and to the Real Property (as defined in Section 11.1(m)).

(g) "Intangible Assets" means all intellectual and intangible property and all of Sellers' right, title and interest in and to all claims and rights under contracts, instruments, purchase and sale orders and other agreements related to the Business, including without limitation (i) intangible and intellectual property owned or licensed by CPFEC and used by CPFEC in the conduct of the Business, including without limitation, names, trade secrets and trade names, a list of which is set forth on Schedule 11.1(g), (ii) all technical, marketing, promotional and other information, practices and procedures relating to the Business or operations of Sellers relating to the Business, including without limitation research and development, inventions, know-how, processes, ideas and trade secrets and any documentation thereof and all claims and rights related thereto, and (iii) all Future Development Rights.

(h) "Inventory" means, with respect to any Seller, the inventory (including without limitation raw materials, work in process and finished goods) of such Seller.

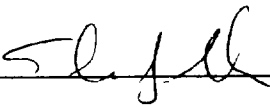
IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement, or has caused this Agreement to be executed on its behalf by a representative duly authorized, all as of the date first above set forth.

PURCHASER:

FESTIVAL FUN PARKS, LLC, a Delaware limited liability company

By: FEC Holding Company, Inc.,
a Delaware corporation

Its: Member

By: 
Its: _____

STOCK SELLER:

CAMELOT PARKS LLC,
a Delaware limited liability company

By: _____

Its: _____

ASSET SELLERS:

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF SANTA MARIA, L.P., a California limited partnership

By: Camelot Park of Santa Maria, L.P., a California limited partnership, its General Partner

By: Camelot Park Family Entertainment Center of
Santa Maria, Inc., a California corporation, its
General Partner

By: _____
An Authorized Officer

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF PALM SPRINGS, L.P., a California limited partnership

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement, or has caused this Agreement to be executed on its behalf by a representative duly authorized, all as of the date first above set forth.

PURCHASER:

FESTIVAL FUN PARKS, LLC, a Delaware limited liability company

By: FEC Holding Company, Inc.,
a Delaware corporation
Its: Member

By: _____
Its: _____

STOCK SELLER:

CAMELOT PARKS LLC,
a Delaware limited liability company

By: _____
Its: MANAGER

ASSET SELLERS:

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF SANTA MARIA, L.P., a California limited partnership

By: Camelot Park of Santa Maria, L.P., a California limited partnership, its General Partner

By: Camelot Park Family Entertainment Center of
Santa Maria, Inc., a California corporation, its
General Partner

By: _____
An Authorized Officer

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF PALM SPRINGS, L.P., a California limited partnership

By: Camelot Park of Palm Springs, L.P., a California limited
partnership, its General Partner

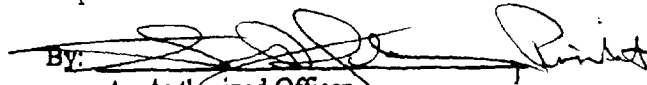
By: Camelot Park of Palm Springs, Inc., a California
corporation, its General Partner

By: 
An Authorized Officer

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF MODESTO, L.P., a California limited partnership

By: Camelot Park of Modesto, L.P., a California limited
partnership, its General Partner

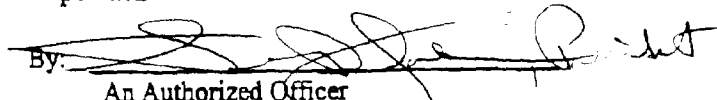
By: Camelot Park of Modesto, Inc., a California
corporation

By: 
An Authorized Officer

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF BAKERSFIELD, L.P., a California limited partnership

By: Camelot Park of Bakersfield, L.P., a California limited
partnership, its General Partner


By: Camelot Park of Bakersfield, Inc., a California
corporation

By: 
An Authorized Officer

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF IRVINE, L.P., a California limited partnership

By: Camelot Park of Irvine, L.P., a California limited
partnership, its General Partner


By: Camelot Park of Irvine, Inc., a California
corporation, its General Partner

By: 
An Authorized Officer

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF PLEASANTON VALLEY, L.P., a California limited
partnership

By: Camelot Park of Pleasanton Valley, L.P., a California
limited partnership, its General Partner


By: Camelot Park of Pleasanton Valley, Inc., a California
corporation, its General Partner

By: 
An Authorized Officer

CAMELOT PARK FAMILY ENTERTAINMENT CENTER
OF FRESNO, L.P., a California limited partnership

By: Camelot Park of Fresno, L.P., a California
limited partnership, its General Partner

By: Camelot Park of Fresno, Inc., a California
corporation, its General Partner

By: 
An Authorized Officer