

01-10-2003



Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

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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): Malibu Grand Prix Corporation 1-6-03
Individual(s) Association General Partnership Limited Partnership
[X] Corporation-State Delaware
Other
Additional name(s) of conveying party(ies) attached? Yes [X] No

2. Name and address of receiving party(ies) Festival Fun Parks, LLC d/b/a Palace Entertainment
Name: Internal Address:
Street Address: 18300 Von Karman, Suite 900
City: Irvine State: CA Zip: 92612
Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State
[X] Other Delaware limited liability company
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:
[X] Assignment Merger
Security Agreement Change of Name
Other
Execution Date: 12/13/2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s) see attached
Additional number(s) attached Yes [X] No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Josh S. Ridout, Esq.
Internal Address:
Paul, Hastings, Janofsky & Walker LLP
Street Address: 515 South Flower Street, 25th Floor
City: Los Angeles State: CA Zip: 90071-2228

6. Total number of applications and registrations involved: 8
7. Total fee (37 CFR 3.41): \$ 215.00
[X] Enclosed
Authorized to be charged to deposit account
8. Deposit account number: 16-0752

DO NOT USE THIS SPACE

9. Signature.
Josh S. Ridout Name of Person Signing
Signature Date 1/6/03
Total number of pages including cover sheet, attachments, and document: 15

01/10/2003 MUELLER 00000042 1831253
01 FC:8521 40.00/OP
02 FC:8522 175.00/OP

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

TRADEMARK REEL: 002645 FRAME: 0829

Attachment to Trademark Recordation Cover Sheet

Trademark	Registration Number
Speed Zone	1,831,253
Virage	1,123,212
Virage	1,420,487
Virage	1,367,745
Malibu Grand Prix	1,129,698
Malibu Grand Prix	1,356,549
Malibu Grand Prix	1,358,550
Malibu Grand Prix (and Design)	1,398,930

INTELLECTUAL PROPERTY SALE AND PURCHASE AGREEMENT

This Intellectual Property Sale and Purchase Agreement (this "Agreement"), dated as of December 13, 2002, is entered into by and among **MALIBU ENTERTAINMENT WORLDWIDE, INC.**, a Georgia corporation ("MEWI"), **MALIBU GRAND PRIX CORPORATION**, a Delaware corporation and a wholly-owned subsidiary of MEWI ("MGPC"), **MOUNTASIA FAMILY ENTERTAINMENT CENTERS, INC.**, a Texas corporation and a wholly-owned subsidiary of MEWI ("MFECI"), **MALIBU CENTERS, INC.**, a Delaware corporation and a wholly-owned subsidiary of MFECI ("MCI"), **AMUSEMENT MANAGEMENT FLORIDA, INC.**, a Florida corporation and a wholly-owned subsidiary of MGPC ("AMFI") and **REDONDO BEACH CASTLE MGPC, INC.**, a California corporation and wholly-owned subsidiary of MGPC ("RBC") (MEWI, MGPC, MFECI, MCI, AMFI, and RBC are each referred to in this Agreement individually as a "Seller" and collectively as the "Sellers"), and **FESTIVAL FUN PARKS, LLC**, a Delaware limited liability company doing business as **PALACE ENTERTAINMENT** (the "Purchaser").

RECITALS

WHEREAS, prior to July 5, 2002, Sellers were in the business of owning and operating certain family entertainment centers located in the States of California, Texas, Georgia, and Florida doing business under the names "Malibu Castle", "Malibu Speed Zone", "Malibu Grand Prix" and "Mountasia Family Fun Centers" (collectively, the "Sold Centers"); and

WHEREAS, Sellers and certain of their Affiliates are currently in the business of owning and operating certain family entertainment centers located in the States of Texas, Nevada, and Oregon as described on Schedule 2 attached to this Agreement (collectively, the "Retained Centers"); and

WHEREAS, effective July 5, 2002, Purchaser acquired all or substantially all of the assets, properties, and operations of Sellers used in connection with the business conducted by Sellers exclusively from the Sold Centers (the "Sold Business"), pursuant to the terms and conditions set forth in that certain Agreement for Purchase and Sale of Assets and Joint Escrow Instructions, dated as of March 20, 2002, as amended (the "Purchase Agreement"), entered into by and among Sellers, Purchaser, and Stewart Title Guaranty Company, a Texas corporation; and

WHEREAS, the intellectual property rights of Sellers, including patents, patent applications, trade secrets, trademarks, and trade names used in connection with the operation of the Sold Business, were expressly excluded from the assets and properties of Sellers acquired by Purchaser pursuant to the Purchase Agreement, and instead certain of the intellectual property rights of Sellers were licensed to Purchaser pursuant to that certain License Agreement, dated as of July 5, 2002, entered into between Sellers, as the licensors, and Purchaser, as the licensee (the "Purchaser License Agreement"); and

WHEREAS, Purchaser now desires to acquire from Sellers, and Sellers now desire to sell to Purchaser, all the intellectual property rights and certain related tangible assets of Sellers owned by Sellers and used by Sellers prior to July 5, 2002 in connection with the Sold Business, including, but not limited to, those intellectual property rights licensed under the Purchaser License Agreement, and Purchaser further desires to assume from Sellers certain liabilities of Sellers related to such intellectual property rights and certain related tangible assets, all upon the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, in connection with the closing of such sale and purchase of the intellectual property rights and certain related tangible assets of Sellers, Purchaser and Sellers mutually desire to terminate the Purchaser License Agreement effective upon the closing under this Agreement; and

WHEREAS, immediately following the closing under this Agreement, Sellers and certain of their Affiliates desire to license from Purchaser, and Purchaser desires to license to Sellers and certain of their Affiliates, all the intellectual property rights and certain related tangible assets acquired by Purchaser pursuant to this Agreement, upon the terms and subject to the conditions set forth in this Agreement and the Sellers License Agreement attached to this Agreement as **Exhibit A** (the "Sellers License Agreement").

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, and covenants set forth in this Agreement, and the other good and valuable consideration exchanged between the parties, the receipt and sufficiency of which is hereby acknowledged, the parties intending to be legally bound agree as follows:

AGREEMENTS

1. **DEFINITIONS.** As used in this Agreement, the terms defined in **Schedule 1** attached to this Agreement have the meanings given to them therein. Other terms may be defined elsewhere in this Agreement and have the meanings so given to them.

2. **SALE AND PURCHASE.**

(a) **Acquired Assets.** Upon the terms and subject to the conditions set forth in this Agreement, at the Closing (as defined in **Section 5(a)** below), Sellers will sell, transfer, convey, assign, and deliver to Purchaser, and Purchaser thereupon will purchase, acquire, and assume from Sellers, all the right, title, and interest of Sellers in and to the following intellectual property rights and certain related tangible assets of Sellers, as their respective interests may appear, as the same exist on the Closing Date (as defined in **Section 5(a)** below) (collectively, the "Acquired Assets"):

(i) **Intellectual Property.** All the Marks listed on **Schedule 2(a)(i)-A** attached to this Agreement, the Patents listed on **Schedule 2(a)(i)-B** attached to this Agreement, the Trade Secrets listed on **Schedule 2(a)(i)-C** attached to this Agreement, and the Copyrights owned by Sellers and used in conducting the Sold Business on or prior to July 5, 2002, including, but not limited to, any Copyrights listed on **Schedule 2(a)(i)-D** attached to this Agreement (collectively, the "Intellectual Property");

(ii) **Domain Name Registrations.** The Internet domain name registrations listed on **Schedule 2(a)(ii)** attached to this Agreement (the “Domain Name Registrations”);

(iii) **Molds, Blueprints, and Other Tangible Assets.** All the molds, casts, die casts, and one copy of all drawings, diagrams, sketches, models, blueprints, and other documents describing or embodying any of the Trade Secrets (collectively, the “Molds”);

(iv) **Assigned Contracts.** The Contracts listed on **Schedule 2(a)(iv)** attached to this Agreement relating to any of the Intellectual Property, Domain Name Registrations, or Molds (the “Assigned Contracts”); and

(v) **Goodwill.** All the goodwill of the Sold Business identified by the Marks.

(b) **Excluded Assets.** Notwithstanding any provision of this Agreement to the contrary, Purchaser will not acquire from Sellers under this Agreement, and the Acquired Assets will not include, any of the following assets or properties of Sellers (the “Excluded Assets”):

(i) **Corporate Names.** All right, title, and interest of Sellers or any of their Subsidiaries or Affiliates in and to any of the corporate names listed on **Schedule 2(b)(i)** attached to this Agreement, each of which is the corporate name of a Seller or Subsidiary or Affiliate of a Seller on file with the Secretary of State or other applicable Governmental Body in the applicable state of incorporation of such Seller or Subsidiary or Affiliate of such Seller (the “Corporate Names”); and

(ii) **Other Excluded Assets.** All right, title, and interest in and to any assets, properties, or business of Sellers, other than the Acquired Assets, and any assets, properties, or business of any Subsidiary or Affiliate of any Seller, including, without limitation, any of the assets, properties, or business listed on **Schedule 2(b)(ii)** attached to this Agreement.

3. **ASSUMPTION OF LIABILITIES.**

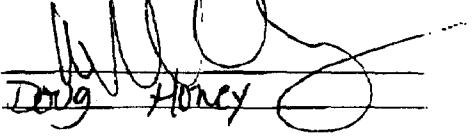
(a) **Assumed Liabilities.** At the Closing, Purchaser will assume, become responsible for, and obligated to pay, perform, and discharge the unfulfilled liabilities or obligations of Sellers arising or accruing after the Closing Date under the Assigned Contracts, to the extent such Assigned Contracts have not been terminated and there is no default in the material terms thereof on the Closing Date (the “Assumed Liabilities”).

(b) **Excluded Liabilities.** Notwithstanding any provision of this Agreement to the contrary, Purchaser shall not assume, become responsible for, or otherwise obligated to pay, perform, or discharge pursuant to this Agreement any liabilities or obligations of Sellers (whether known or unknown and whether accrued, absolute, contingent, or otherwise), other than the Assumed Liabilities.

IN WITNESS WHEREOF, each of the parties to this Agreement 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 doing business as PALACE ENTERTAINMENT

By: 
Its: Doug Honey

SELLERS:

MALIBU ENTERTAINMENT WORLDWIDE, INC., a Georgia corporation

By: _____
Its: _____

MALIBU GRAND PRIX CORPORATION, a Delaware corporation

By: _____
Its: _____

MOUNTASIA FAMILY ENTERTAINMENT CENTERS, INC., a Texas corporation

By: _____
Its: _____

MALIBU CENTERS, INC., a Delaware corporation

By: _____
Its: _____

AMUSEMENT MANAGEMENT FLORIDA, INC., a Florida corporation

By: _____
Its: _____

REDONDO BEACH CASTLE MGPC, INC., a California corporation

By: _____
Its: _____