

10-03-2002

TRADEMARK RECORDS COVER SHEET

No.: F380.14-0001



102240204

To the Commissioner for Patents: Please record the attached original document or copy thereof.

1. Name of conveying party(ies):

- (1) Artemis Licensing
- (2)
- (3)

C
9-23-02

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

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

Name: Curtis Holdings, LLC

Internal Address: _____

Street Address: 19230 Evans Street

City: Elk River, State: MN ZIP 55330

Additional name(s) & address(es) attached? Yes No

3. Nature of Conveyance:

Assignment Merger Security Agreement

Change of Name Other

Execution Date: May 30, 2002

4A. Application No.(s)

If this document is being filed together with a new application, the execution date(s) of the application is: __

Additional numbers attached? Yes No

4B. Trademark No.(s)

Additional numbers attached? Yes No

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

Name: Michael J. Pape

Street Address: Kinney & Lange, P.A.,

312 South Third Street

City: Minneapolis State: MN ZIP 55415-1002

6. Total number of applications and trademarks involved: [5]

7. Total fee (37 C.F.R. 3.41):.....\$ 200.00

DO NOT USE THIS SPACE

10/02/2002 JJALLAH2 00000012 2189162

Q1 FC:481
Q2 FC:482

40.00 DP
100.00 DP

OFFICE OF PUBLIC RECORDS
2002 SEP 23 AM 10:32
FINANCE SECTION

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.

Michael Pape
Michael J. Pape

9/17/02
Date

Total number of pages including cover sheet, attachments and document: [16]

Refund Ref:
10/02/2002 JJALLAH2 0000121383

CHECK Refund Total: 160.00

TRADEMARK RECORDATION FORM COVER SHEET ATTACHMENT

U.S. Trademarks

4B. Trademark No. (s)

Fed. Reg. No. 2,189,162

Fed. Reg. No. 2,190,714

Fed. Reg. No. 2,202,708

Fed. Reg. No. 2,361,034

Fed. Reg. No. 2,484,098

TRADEMARK RECORDS
COVER SHEET

06-28-2002



102139192

No.: F380.14-0001

D

To the Commissioner for Patents: Please record the attached original document or copy thereof.

1. Name of conveying party(ies):
(1) Artemis Licensing
(2)
(3) 6-10-02
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):
Name: Curtis Holdings, LLC
Internal Address: _____
Street Address: 19230 Evans Street
City: Elk River, State: MN ZIP 55330
Additional name(s) & address(es) attached? Yes No

3. Nature of Conveyance:
 Assignment Merger Security Agreement
 Change of Name Other _____
Execution Date: May 30, 2002

4A. Application No.(s) 2137932
If this document is being filed together with a new application, the execution date(s) of the application is: _____
Additional numbers attached? Yes No

4B. Trademark No.(s)
Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Michael J. Pape
Street Address: Kinney & Lange, P.A.,
312 South Third Street
City: Minneapolis State: MN ZIP 55415-1002

6. Total number of applications and patents involved:
7. Total fee (37 C.F.R. 3.41):.....\$ 40.00

DO NOT USE THIS SPACE



06-10-2002

U.S. Patent & TMOrc/TM Mail-Rep-Dt. #70

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.

Michael J. Pape
Michael J. Pape

June 7, 2002
Date

Total number of pages including cover sheet, attachments and document: [17]

06/27/2002 DBYRNE 00000274 2137932
01 FC:481 40.00 00

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement"), dated as of May 30, 2002 (the "Effective Date"), is made by CURTIS HOLDINGS, LLC, a Minnesota limited liability company ("Grantor"), in favor of ARTEMIS LICENSING, a California corporation ("Seller").

RECITALS

A. Pursuant to that certain Intellectual Property Purchase Agreement dated as of the date hereof by and between Grantor and Seller (the "Purchase Agreement"), Seller has agreed to sell the Intellectual Property to Grantor pursuant to the terms and conditions of the Purchase Agreement; and

B. Seller is willing to sell the Intellectual Property to Grantor as provided for in the Purchase Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Seller this Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Purchase Agreement.

2. GRANT OF SECURITY INTEREST IN COLLATERAL. To secure the Buyer's complete and timely performance of, and its compliance with, all of its covenants, agreements, representations, warranties, indemnities and other obligations contained in the Purchase Agreement, including, without limitation the payment obligations of Buyer to pay the portion of the Purchase Price as provided in Section 2.3(b) of the Purchase Agreement (collectively, the "Obligations"), Grantor hereby pledges and grants to Seller a continuing security interest in all of Grantor's right, title and interest in, to and under, whether presently existing or hereafter created or acquired, the following intellectual property (collectively, the "Collateral"):

(a) the trademarks and domain names shown on Schedule 1 attached hereto (the "Marks"), in all their various forms currently in use on or in connection with men's and women's footwear, apparel, accessories and any other items, including but not limited to those shown on Schedule 1 hereto, sold or distributed prior to, on, or subsequent to the effective date of that certain World-Wide License and Assignment Agreement (the "License Agreement") dated December 9, 2000 by and between Assignee and In-Stride, Inc., a Texas corporation, bearing one or more of the Marks (the "Products"), including, without limitation, the Marks as they appear in the registrations or any common law use of the Marks;

(b) the United States patents and patent applications set forth in Schedule 2 attached hereto (the "Patent Rights"), and any domestic or foreign patents issued thereupon, including foreign counterpart applications, patents issued upon foreign counterpart applications,

continued-prosecution applications, continuations, divisionals or continuation-in-part applications or as described in Schedule 2 hereto, together with any improvements thereto, owned, made, or acquired by Seller as of the date hereof or subsequent thereto;

(c) all blueprints, molds, techniques and methodology known to Seller in connection with manufacturer of the footwear and grind plates heretofore made by Seller, including, inter alia, all factual knowledge and information owned or controlled by Seller that may or may not be capable of precise, separate definition but which, in accumulated form, gives to Grantor an ability to produce and market the Products, but only to the extent heretofore licensed to In-Stride, Inc. under the License Agreement (collectively, the "Know-How");

(d) the License Agreement;

(d) any goodwill of the business connected with the use of, and symbolized by, the Marks; and

(e) all "Proceeds" of the foregoing, including, without limitation, any claim by Grantor or for the benefit of Grantor against third parties for past, present or future (i) infringement or dilution of either of the Patent Rights or the Marks or (ii) injury to the goodwill associated with the Marks.

3. ACKNOWLEDGMENTS OF GRANTOR. Grantor hereby acknowledges that this Security Agreement is effective to create a valid and continuing lien on and, upon the filing hereof with the United States Patent and Trademark Office and the filing of appropriate financing statements, to perfect security interests in favor of Seller in the Collateral and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantor. Upon the filing of this Security Agreement with the United States Patent and Trademark Office and the filing of appropriate financing statements, all actions necessary or desirable to protect and perfect Seller's lien on the Collateral shall have been duly taken. If further actions are deemed necessary in any event, Grantor will undertake the necessary actions to perfect the security interests as directed by the Seller. This Security Agreement shall be filed with the United States Patent and Trademark Office concurrently with the filing of the Assignment of Patents and the Assignment of Trademarks which Seller is delivering pursuant to Section 2.6 of the Purchase Agreement, and Grantor agrees that it shall not file such Assignment of Patents and Assignment of Trademarks with the United States Patent and Trademark Office or any equivalent foreign office unless this Security Agreement or other document applicable to any such foreign office and reasonably acceptable to Seller is being filed concurrently with any such filing.

4. COVENANTS. Grantor covenants and agrees with Seller that from and after the date of this Security Agreement and until the end of the Term (as defined in Section 8 below):

(a) Grantor shall notify Seller immediately if it knows or has reason to know that any application, patent or registration relating to the Patent Rights or the Marks may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, equivalent foreign office or any court) regarding Grantor's

ownership of the Patent Rights or the Marks, its right to register or to obtain grant of the same, or to keep and maintain the same. Grantor, at its own expense, shall take all actions necessary or requested by Seller to not permit the expiration, abandonment or lapse of any of the Patent Rights, listed in Schedule 2 attached hereto, or to any of the applications or registrations of the Marks, listed in Schedule 1 attached hereto, in the United States Patent and Trademark Office or equivalent foreign office. In the event that after receiving notice from Grantor as required by this Section 4(a), Seller does not give Grantor written authorization or request specific action at least thirty (30) days before any action must be taken without incurring extension of time fees in order to register or maintain registration for the applicable Patent Rights or Marks, Seller will be deemed to have acquiesced in and authorized Grantor to take whatever action it deems appropriate with respect to such Patent Rights or Marks.

(b) In the event that any of the Collateral is infringed upon, or misappropriated or diluted by a third party, Grantor shall notify Seller promptly after Grantor learns thereof. Upon a written request to Grantor reasonably made by Seller, Grantor shall take such actions as Seller and Grantor mutually agree are appropriate under the circumstances to protect such Collateral, including actions for infringement, misappropriation or dilution of the Collateral.

(c) Grantor shall maintain good title to all of the Collateral, free and clear of any security interest, mortgage, adverse claim, pledge, lien, charge, default, defense, condition precedent or encumbrance, except as created in favor of Seller or as permitted by Seller in writing in Seller's sole discretion.

(d) Grantor, at its own expense, shall take all such further action as may be necessary or appropriate (or as Seller from time to time reasonably deems necessary or appropriate) to: (i) create, perfect, protect and maintain the security interests contemplated by this Security Agreement; (ii) facilitate the performance of this Security Agreement; (iii) secure or facilitate Seller's exercise of its rights and remedies; (iv) determine the nature and source of subsequent security interests, mortgages, adverse claims, pledges, liens, charges or encumbrances on or affecting any of the Collateral; and (v) maintain, preserve and protect the Collateral.

(e) Grantor covenants and agrees to notify Seller immediately of any Legal Proceeding levied against or otherwise affecting any of the Collateral or any other event which affects the value or use of the Collateral or any of the rights of Grantor or Seller in relation to any of the Collateral.

5. RIGHTS OF SELLER. At any time, Seller may, but shall not be obligated to (a) notify any Person, without notice to Grantor, of the existence of Seller's rights under this Security Agreement and (b) upon obtaining the prior written consent of Grantor, which consent shall not be unreasonably withheld, take any and all reasonable actions, at Grantor's expense, to insure, protect, defend and preserve the Collateral or any rights or interests of Seller with regard to any of the Collateral, including without limitation, the filing and prosecution of any third party claim or other Legal Proceeding which Seller deems reasonably necessary to protect any of Seller's rights, interests or priorities with respect to any of the Collateral.

6. **DEFAULTS.** The occurrence of any of the following events shall constitute a "**Default**" under this Security Agreement:

(a) the breach of any covenant, agreement, or undertaking of Grantor contained in this Security Agreement;

(b) the occurrence of any breach of, or default with respect to, any of the Obligations under the Purchase Agreement; or

(c) the sale, transfer, assignment, pledge, mortgage, encumbrance or hypothecation of all or any portion of the Collateral, including an indirect transfer or assignment in connection with a merger of Grantor or a change of control or corporate reorganization of Grantor, without the prior express written consent of Seller in Seller's reasonable discretion; provided, however, that the Collateral may be transferred and assigned in connection with a merger of Grantor or sale of all or substantially all of the assets of Grantor or a change of control or corporate reorganization of Grantor (other than a reorganization in the event of bankruptcy or insolvency) if (i) the transferee/assignee enters into a written agreement to assume and be bound by the provisions of the Purchase Agreement and this Agreement, (ii) the financial condition of the transferee/assignee is reasonably satisfactory to Secured Party and (iii) Grantor is not then in Default.

7. **SELLER'S RIGHTS UPON DEFAULT.** Upon the occurrence of a Default under this Security Agreement and so long as such Default continues, then in addition to exercising any and all other rights and remedies granted to Seller under the Purchase Agreement, the California Uniform Commercial Code, as amended or recodified from time to time, or otherwise by law, Seller may, at Grantor's expense, sell, dispose of or use the Collateral as Seller deems appropriate.

8. **TERM.** The term of this Security Agreement shall commence on the Effective Date and expire upon Grantor's full satisfaction of all of its payment obligations under the Purchase Agreement provided that at the time of full satisfaction there is no Default (the "**Term**").

9. **REINSTATEMENT.** This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

10. NOTICES. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Purchase Agreement.

11. CONSTRUCTION; GOVERNING LAW; EXCLUSIVE VENUE. This Security Agreement, its construction and the determination of any rights, duties or remedies of the parties hereto arising out of or relating to this Security Agreement shall be governed by and construed in accordance with the domestic laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California. Any Legal Proceeding at law or in equity to enforce or interpret this Security Agreement shall be instituted in state or federal court in Los Angeles County, which venue the parties agree shall be the exclusive venue for such action, suit or proceeding. Each party agrees not to assert, by way of motion, as a defense or otherwise, in any such action, suit or proceeding, any claim that it is not subject to the personal jurisdiction of the courts described above to the extent contrary to the intent of the preceding two sentences or that the jurisdictions described above are in any way inconvenient.

12. ENTIRE AGREEMENT; WAIVER. Except for the Purchase Agreement, this Security Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties, covenants or other agreements between the parties in connection with the subject matter hereof except as set forth specifically herein. No amendment, supplement, modification, waiver or termination of this Security Agreement shall be implied or be binding unless in writing and signed by the party against which such amendment, supplement, modification, waiver or termination is asserted. No waiver of a provision of this Security Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly therein provided.

13. BINDING EFFECT; SUCCESSORS; ASSIGNMENT. All of the terms and provisions of this Security Agreement by or for the benefit of the parties hereto shall be binding upon and inure to the benefit of their respective successors, permitted assigns, heirs and personal representatives. The rights and obligations provided by this Security Agreement shall not be assignable by any party hereto, other than by Seller to a Seller Party or to a successor to its business.

14. VALIDITY; BREACH. The parties hereto have participated jointly in the negotiation and drafting of this Security Agreement. In the event an ambiguity or question of intent or interpretation arises, this Security Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Security Agreement. Any

reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The term "including" shall mean including without limitation. The parties intend that each acknowledgement and covenant contained herein shall have independent significance. Any term or provision of this Security Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

15. ATTORNEYS' FEES AND COSTS. In the event of any action at law or in equity between the parties hereto to enforce any of the provisions hereof, the unsuccessful party or parties to such litigation shall pay to the successful party or parties all costs and expenses, including reasonable attorneys' fees, incurred therein by such successful party or parties; and if such successful party or parties shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees may be included in and as part of such judgment. The successful party shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his costs shall not recover attorneys' fees.

16. EFFECT OF HEADINGS. The titles or headings of the various sections hereof are intended solely for convenience of reference and are not intended and shall not be deemed to or in any way may be used to modify, explain or place any construction upon any of the provisions of this Security Agreement.

17. TERMINOLOGY. All personal pronouns used in this Security Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders and the singular shall include the plural and vice versa.

18. COUNTERPARTS. This Security Agreement may be executed in one or more counterparts by the parties hereto. All counterparts shall be construed together and shall constitute one agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has caused this Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

"GRANTOR"

CURTIS HOLDINGS, LLC,
a Minnesota limited liability company

By: *Richard C Foster*
Richard C. Foster
Chief Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF Shoeburne)

On May 30, 2002, before me, Mari Freiberg, a Notary Public in and for said State, personally appeared Richard C. Foster, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the same.



WITNESS my hand and official seal.

Mari Freiberg
Notary Public in and for said County and State

ACCEPTED and ACKNOWLEDGED by:

ARTEMIS LICENSING
a California corporation

By: _____
Anthony E. Armand
Vice President

SCHEDULE 1**MARKS**

MARK	COUNTRY	STATUS	DATE
SOAP	Argentina	Ser. No. 2191792	Filed 12/10/98
SOAP	Argentina	Reg. No. 1800202	Registered 7/27/01
SOAP	Australia	Reg. No. 763601	Registered 11/15/99
UHF	Australia	Reg. No. 780682	Registered 9/17/99
SOAP	Benelux	Reg. No. 641791	Registered 7/5/99
SOAP (logo)	Brazil	Ser. No. 821581090	Filed 4/28/99
SOAP	Chile	Reg. No. 552899	Registered 11/12/99
UHF	Chile	Reg. No. 552898	Registered 11/12/99
SOAP	China	Ser. No. 9800063827	Filed 6/12/98
UHF	China	Ser. No. 9800013518	Filed 2/20/98
UHF	European Union (CTM)	Reg. No. 703207	Registered 7/5/99
SOAP	Hong Kong	Reg. No. 13975/1999	Registered 12/23/98
UHF	Hong Kong	Reg. No. B5799/2000	Registered 12/23/98
SOAP	Indonesia	Ser. No. D9727301	Filed 12/15/97
UHF	Indonesia	Ser. No. D9727302	Filed 12/15/97
SOAP	Israel	Reg. No. 129257	Registered 7/19/99
UHF	Israel	Ser. No. 129258	Filed 7/19/99
UHF	Japan	Reg. No. 4238990	Registered 2/12/99
SOAP	Lebanon	Reg. No. 78881	Registered 2/18/99
UHF	Lebanon	Reg. No. 78882	Registered 2/18/99
SOAP	Mexico	Reg. No. 647305	Registered 3/27/00
UHF	Mexico	Reg. No. 647304	Registered 3/27/00
SOAP	New Zealand	Reg. No. 292928	Registered 5/28/98
UHF	New Zealand	Reg. No. B302446	Registered 12/9/98
SOAP	Oman	Ser. No. 19233	Filed 12/15/98
UHF	Oman	Ser. No. 19234	Filed 12/15/98
SOAP	Panama	Ser. No. 104002	Filed 11/25/99
UHF	Panama	Ser. No. 104001	Filed 11/25/99
SOAP	Oatar	Ser. No. 19860	Filed 12/24/98

MARK	COUNTRY	STATUS	DATE
UHF	Oatar	Ser. No. 19859	Filed 12/24/98
SOAP	Singapore	Ser. No. 15188/97	Filed 12/13/97
UHF	Singapore	Ser. No. 15189/97	Filed 12/13/97
SOAP	South Africa	Ser. No. 09822692	Filed 12/21/98
UHF	South Africa	Ser. No. 09823113	Filed 12/21/98
SOAP	South Korea	Reg. No. 431629	Registered 11/30/98
SOAP	South Korea	Reg. No. 450462	Registered 7/5/99
UHF	South Korea	Reg. No. 429277	Registered 11/12/98
UHF	South Korea	Reg. No. 450463	Registered 7/5/99
SOAP	Taiwan	Reg. No. 889924	Registered 4/16/00
UHF	Taiwan	Reg. No. 840814	Registered 2/16/99
SOAP	Thailand	Reg. No. 93469	Registered 9/18/98
UHF (logo)	Thailand	Ser. No. 381480	Filed 2/24/99
SOAP	United Arab Emirates	Ser. No. 030813	Filed 4/12/99
UHF	United Arab Emirates	Ser. No. 030814	Filed 4/12/99
O (Stylized)	U.S.	Fed. Reg. No. 2.484.098	Registered 9/4/01
SHOES FOR THE DAILY GRIND	U.S.	Fed. Reg. No. 2,137,982 <i>MP</i>	Registered 2/17/98
SOAP	U.S.	Fed. Reg. No. 2.190.714	Registered 9/22/98
SOAP	U.S.	Fed. Reg. No. 2.361.034	Registered 6/27/00
UHF	U.S.	Fed. Reg. No. 2.189.162	Registered 9/15/98
UHF (logo)	U.S.	Fed. Reg. No. 2.202.708	Registered 11/10/98
SOAP	Uruguav	Reg. No. 310341	Registered 10/4/99
UHF	Uruguav	Reg. No. 310340	Registered 10/4/99
SOAP	Vietnam	Ser. No. N980598	Filed 3/6/98
UHF	Vietnam	Ser. No. N980599	Filed 3/6/98

TRADEMARK	PRODUCT
O (Stylized)	Footwear; apparel, namely headgear (Note: t-shirts and shirts removed per agreement with Tee-Jays).
SHOES FOR THE DAILY GRIND	Footwear.
SOAP	Footwear; apparel, namely, t-shirts and shirts; and headgear.
UHF	Footwear and headwear.

THE FOLLOWING URL's: soapshoes.com; soap-shoes.net; and soap-shoes.com