

10-23-1998

FORM TIO-1114
1-31-92

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

10-21-98



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Tab settings

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

1. Name of conveying party(ies):

ROYAL GRIP, INC.
444 West Geneva Drive
Tempe, AZ 85282

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

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

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

Name: Norwest Business Credit, Inc.

Internal Address: M.S. 9025

Street Address: 3300 North Central Avenue

City: Phoenix State: AZ ZIP: 85012

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: n/a Yes No
(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: September 29, 1998

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

A. Trademark Application No.(s)

B. Trademark registration No.(s)

2,103,717
2,038,304
2,055,726

Additional numbers attached? Yes No

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

Name: Thomas E. Halter

Internal Address: Gust Rosenfeld P.L.C.

Street Address: 201 North Central Avenue
Suite 3300

City: Phoenix State: AZ ZIP: 85073

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 3.41):..... \$ 90.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

10/21/1998 ITEM1 00000134 2103717

DO NOT USE THIS SPACE

01 FC:401 40.00 GP
02 FC:402 50.00 GP

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.

Thomas E. Halter

Name of Person Signing

Signature

October 19, 1998

TRADEMARK

REEL: 1802 FRAME: 0836

Total number of pages comprising entire sheet 10

COLLATERAL ASSIGNMENT OF TRADEMARKS

THIS COLLATERAL ASSIGNMENT OF TRADEMARKS (the "Assignment"), dated as of September 29, 1998 is by and between ROYAL GRIP, INC., a Nevada corporation (the "Assignor"), whose address is 444 West Geneva Drive, Tempe, AZ 85282, and NORWEST BUSINESS CREDIT, INC., a Minnesota corporation (the "Assignee"), whose address is 3300 North Central Avenue, Phoenix, AZ 85012.

WITNESSETH

WHEREAS, the Assignor and affiliated corporations and the Assignee entered into a Credit and Security Agreement of even date herewith (the "Credit Agreement"), pursuant to which the Assignee has agreed to extend certain credit accommodations to the Assignor and affiliated corporations under the terms and conditions set forth therein (all terms capitalized and used herein without being defined shall have the meaning given them in the Credit Agreement);

WHEREAS, the Assignor has pledged and granted to the Assignee a security interest in the property described in a Credit Agreement, which property includes general intangibles, including, without limitation, applications for patents, applications for trademarks and service marks, trademarks and service marks, trade names, copyrights, patents, inventions and trade secrets;

WHEREAS, the Assignor owns certain businesses which have adopted and used the trademarks, service marks and trade names set forth in Exhibit A attached hereto, and the marks so listed are registered or application has been made for such registration as noted in Exhibit A in the United States Patent and Trademark Office; and

WHEREAS, in order to induce the Assignee to enter into the Credit Agreement and extend the credit accommodations to the Assignor and affiliated corporations thereunder, and in order to secure the payment and performance of (a) all indebtedness, liabilities and obligations of the Assignor and affiliated corporations to the Assignee of every kind, nature or description under the Credit Agreement, including the Assignor's and the affiliated corporations' obligations on any promissory note or notes under the Credit Agreement and any note or notes hereafter issued in substitution or replacement thereof, (b) all liabilities of the Assignor under this Agreement, or Assignor and affiliated corporations' liabilities under any other Loan Document, and (c) any and all liabilities and obligations of the Assignor and affiliated corporations to the Assignee of every kind, nature and description, whether direct or indirect or hereafter acquired by the Assignee from any Person, absolute or contingent, regardless of how such liabilities arise or by what agreement or instrument they may be evidenced, and in all of the foregoing cases whether due or to become due, and whether now existing or hereafter arising or incurred (the "Liabilities"), the Assignor is willing to enter into this Assignment.

NOW, THEREFORE, in consideration of the premises and to induce the Assignee to extend credit accommodations under the Credit Agreement, the parties hereto agree as follows:

1. The Assignor does hereby assign all of its right, title and interest in and to all of the present trademarks, service marks and trade names and the registrations and applications therefor owned by the Assignor (the "Trademarks"), including but not limited to those set forth on Exhibit A, and including, without limitation, all proceeds thereof together with the right to recover for past, present and future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof, together with the goodwill of the business associated with said Trademarks, said Trademarks to be held and enjoyed by the Assignee for its own use and behalf, and for its legal representatives, successors and assigns, as fully and entirely as the same would have been held by the Assignor had this Assignment not been made. The foregoing assignment shall be effective only upon the occurrence of a Default or an Event of Default under the Credit Agreement and upon written notice by the Assignee to the Assignor of the acceptance by the Assignee of this Assignment; unless and until the acceptance of this Assignment, this Assignment shall have no effect. After the occurrence and continuation of an Event of Default under the Credit Agreement, the Assignee shall be entitled to transfer the Trademarks pursuant to an Assignment of Trademarks substantially in the form of Exhibit B. The Assignor hereby irrevocably authorizes the Assignee to date undated Assignments of Trademarks, prepare and attach a schedule of the Trademarks thereto, and otherwise complete such Assignment at the time of transfer.

2. The Assignor hereby covenants and warrants that:

(a) except for applications pending, to the best of the Assignor's knowledge, the Trademarks listed on Exhibit A have been duly issued and are registered and subsisting and have not been adjudged invalid or unenforceable in whole or in part;

(b) to the best of the Assignor's knowledge, each of the Trademarks listed on Exhibit A is valid and enforceable;

(c) except as has previously been disclosed to the Assignee in writing, no claim has been made to the Assignor or, to the knowledge of the Assignor, to any other person, that use of any of the Trademarks does or may violate the rights of any third person and no claim has been made by the Assignor that any other person is infringing upon the rights of the Assignor under the Trademarks;

(d) the Assignor has the unqualified right to enter into this Assignment and perform its terms;

(e) the Assignor will be, until the Liabilities shall have been satisfied in full and the Loan Documents shall have been terminated, in substantial compliance with statutory notice requirements relating to its use of the Trademarks;

(f) except as has previously been disclosed to the Assignee in writing, to the best of the Assignor's knowledge, the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks listed on Exhibit A free and clear of any liens, charges and encumbrances, including without limitation, licenses and covenants by the Assignor not to sue third persons;

(g) the Trademarks listed on Exhibit A are all of the United States trademarks and service marks registration and applications therefor now owned by the Assignor; and

(h) the Assignor will, at any time upon request, communicate to the Assignee, its successors and assigns, any facts relating to the Trademarks or the history thereof as may be known to the Assignor or its officers, employees and agents, and cause such officers, employees, and agents to testify as to the same in any infringement or other litigation at the request of the Assignee.

3. The Assignor agrees that, until the rights of the Assignee in the Trademarks are terminated pursuant to Section 6, it will not enter into any agreement that is in conflict with its obligations under this Assignment.

4. If, before the Liabilities shall have been satisfied in full, the Assignor shall obtain rights to any new trademark or trade name, or become entitled to the benefit of any trademark application, registration, trademark or trade name or any renewal or extension of any trademark registration, such shall be included in the definition of "Trademarks" as used in this Assignment (except for purposes of Section 2 hereof), Section 1 hereof shall automatically apply thereto, and the Assignor shall give to the Assignee prompt notice thereof in writing. The Assignor authorizes the Assignee to modify this Assignment by amending Exhibit A to include any future trademark, service mark or trade name.

5. The Assignor agrees not to sell, assign or encumber its interest in, or grant any license with respect to, any of the Trademarks, except for the licenses listed on Exhibit C attached hereto.

6. The Assignor agrees that it will authorize, execute and deliver to Assignee all documents requested by Assignee to facilitate the purposes of this Assignment, including, but not limited to, documents required to record Assignee's interest in any appropriate office in any domestic or foreign jurisdiction. At such time as the Credit Agreement and the other Loan Documents shall have been terminated in accordance with their terms, the Assignee shall on demand of the Assignor execute and deliver to the Assignor all termination statements and other instruments as may be necessary or proper to terminate this Assignment and assign to the Assignor all the Assignee's rights in the Trademarks, subject to any disposition thereof which may have been made by the Assignee pursuant hereto or pursuant to the Loan Documents.

7. The Assignor shall have the duty, through counsel reasonably acceptable to the Assignee, (i) to prosecute diligently any pending Trademark application as of the date of this Assignment or thereafter until the Credit Agreement and the Loan Documents shall have been terminated in accordance with their terms; provided that the Assignor may abandon any such application upon thirty days' written notice to the Assignee, (ii) to make application on those trademarks and trade names which are unregistered but capable of being registered and which a prudent person would reasonably cause to be registered and (iii) to preserve and maintain all rights in all Trademarks which a prudent person would reasonably preserve and maintain. Any expenses incurred in connection with applications that constitute Trademarks shall be borne by the Assignor.

The Assignor shall not abandon any application presently pending that constitutes a Trademark without the written consent of the Assignee.

8. The Assignee shall have the right but shall in no way be obligated to bring suit in its own name to enforce or to defend the Trademarks and any license thereunder if the Assignor has failed to bring such suit in circumstances in which a prudent person would have brought such suit. The Assignor shall at the request of the Assignee do any and all lawful acts and execute any and all proper documents required by the Assignee in aid of such enforcement or defense (including, without limitation, participation as a plaintiff or defendant in any proceeding) and, if Assignor has failed to bring such suit in circumstances in which a prudent person would have brought such suit, the Assignor shall promptly, upon demand, reimburse and indemnify the Assignee for all reasonable costs and expenses incurred by the Assignee in the exercise of its rights under this Section.

9. This Assignment shall also serve to evidence the security interest in the Trademarks granted by the Assignor to the Assignee pursuant to the Credit Agreement.

10. No course of dealing between the Assignor and the Assignee, failure to exercise, nor any delay in exercising, on the part of the Assignee, with respect to any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. All of the Assignee's rights and remedies with respect to the Trademarks, whether established hereby, by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

12. This Assignment is subject to modification only by a writing signed by the parties, except as provided in Section 4 hereof.

13. This Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

14. Upon payment in full of all Liabilities (other than Assignor's unmatured indemnity obligations under any Loan Document) and the expiration of any obligation of the Assignee to extend credit accommodations to the Assignor, this Assignment shall terminate and all rights to the Trademarks shall revert to the Assignor.

15. THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF, BASED ON OR PERTAINING TO THIS AGREEMENT. THIS ASSIGNMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF) OF (I) THE UNITED STATES OF AMERICA AS TO RIGHTS AND INTERESTS HEREUNDER WHICH ARE REGISTERED OR FOR THE REGISTRATION OF WHICH APPLICATION IS

PENDING WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE AND (II) THE STATE OF ARIZONA IN ALL OTHER RESPECTS. WHENEVER POSSIBLE, EACH PROVISION OF THIS ASSIGNMENT AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS ASSIGNMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS ASSIGNMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO. IN THE EVENT OF ANY CONFLICT WITHIN, BETWEEN OR AMONG THE PROVISIONS OF THIS ASSIGNMENT, ANY OTHER LOAN DOCUMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR THEREBY OR RELATING HERETO OR THERETO, THOSE PROVISIONS GIVING THE ASSIGNEE THE GREATER RIGHT SHALL GOVERN.

IN WITNESS WHEREOF, the Assignor has executed this instrument.

ROYAL GRIP, INC., a Nevada corporation

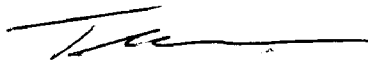

By 
Its  President

EXHIBIT A TO
COLLATERAL ASSIGNMENT OF TRADEMARKS

UNITED STATES TRADEMARKS OR SERVICEMARKS AND REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
INSTRUCTOR	2,103,717	October 7, 1997
SAND MAXIMUM	2,038,304	February 18, 1997
SAND WRAP	2,055,726	April 22, 1997

<u>Mark</u>	<u>Application Serial Number</u>	<u>Date of Application</u>
NONE		

EXHIBIT C TO
COLLATERAL ASSIGNMENT OF TRADEMARKS

NONE

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JLH:jlh 279050.02 10/7/98

RECORDED: 10/21/1998

**TRADEMARK
REEL: 1802 FRAME: 0843**