Form PTO-1594 (Rev. 03/05)
OMB Collection 0651-0027 (exp. 6/30/2005)

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

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

ERMINE INVESTMENTS OF CALIFORNIA, INC.

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☑ Corporation- State: CALIFORNIA
☐ Other

Citizenship (see guidelines)

Additional names of conveying parties attached? ☐ Yes ☑ No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? ☐ Yes ☑ No

Name: ITOCHU INTERNATIONAL, INC.
Internal Address:
Street Address: 1411 BROADWAY, 35TH FLOOR
City: NEW YORK
State: NEW YORK
Country: USA Zip: 10018

☐ Association Citizenship
☐ General Partnership Citizenship
☐ Limited Partnership Citizenship
☑ Corporation Citizenship NEW YORK
☐ Other Citizenship

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)

3. Nature of conveyance)/Execution Date(s) :

Execution Date(s) DECEMBER 31, 2001

☐ Assignment ☐ Merger
☑ Security Agreement ☐ Change of Name
☐ Other

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)
1731206, 1720391, 1131845, 1173427, 1561095, 1233703, 1560993

Additional sheet(s) attached? ☐ Yes ☑ No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: CHRISTA D. PEREZ
Internal Address:
Street Address: 19800 MACARTHUR BLVD, 11TH FLOOR
City: IRVINE
State: CA Zip: 92612
Phone Number: (949) 265-1116
Fax Number: (949) 265-1199
Email Address: CPEREZ@FPSGLAWYERS.COM

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 2.6(b)(6) & 3.41) $ 190

☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☑ Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers
Expiration Date

b. Deposit Account Number

Authorized User Name

9. Signature: Christa Perez
Signature

MARCH 18, 2005
Date

CHRISTA D. PEREZ
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 7

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

December 31, 2001

Mr. George Wong
Snowmass Apparel, Inc.
One Mason
Irvine, CA 92618

Dear Mr. Wong:

This letter agreement, entered into by and among Ermine Investments (California), Inc., a California corporation ("Ermine"), Snowmass Apparel, Inc., a California corporation ("Snowmass"), Mr. George Wong, an individual ("Wong"), K-Sport International, Inc., a Colorado corporation ("K-Sport"), and ITOCHU International Inc., a New York corporation with offices at 1411 Broadway, 35th Floor, New York, New York 10018 ("ITOCHU"), is to confirm discussions held by the parties regarding a resolution of past-due indebtedness owed by K-Sport to ITOCHU, the transfer of certain trademark rights to each of Ermine and ITOCHU and related issues.

The parties hereto have agreed to the following:

1. Ermine shall acquire the K-Sport's Trademark Rights (as defined below) for the price of Two Million One Hundred Thousand Dollars ($2,100,000). Such amount shall be paid by Ermine to ITOCHU pursuant to the following schedule:

By the End of Each Calendar Quarter During the Year(s)	Quarterly Amount	Annual Amount
2002	$100,000	$400,000
2003 through 2006	87,500	$350,000
2007	75,000	$300,000

Such payment obligations shall be evidenced by a promissory note substantially in the form attached hereto as Exhibit A (the "Note"), issued by Ermine to ITOCHU, and the joint and several guaranty of Snowmass, as a corporation, and Wong personally, substantially in the form attached hereto as Exhibit B (the "Guaranty"). In addition, ITOCHU may, in its discretion and at its sole cost and expense, obtain a life insurance policy on Wong to be owned by ITOCHU to secure payment of the Note. Any death

proceeds received by ITOCHU from such insurance will reduce dollar-for-dollar the amount owed under the Note (after credit to ITOCHU for all costs of acquiring and maintaining such insurance). If Ermine defaults on any quarterly payment due pursuant to the Note, Ermine has a cure period of sixty (60) days for the first, second and third calendar quarters, and fifteen (15) days for the fourth calendar quarter, from the payment due date to settle payment of the default amount plus accrued interest at the rate of one percent (1%) per month, compounded monthly. If Ermine is unable to pay the default amount plus accrued interest before the expiration of the cure period, the entire unpaid principal amount of the Note shall become immediately due and payable to ITOCHU, and such amount shall begin to accrue interest at the rate of one percent (1%) per month, compounded monthly, until the principal and interest have been paid in full. The payment by Ermine to ITOCHU of the above four $100,000 quarterly installments during calendar year 2002 will fully extinguish and satisfy any obligation of Snowmass to pay royalties for calendar year 2001 to ITOCHU under the License Agreement described in paragraph 4 below.

2. Upon execution of definitive agreements documenting the transaction (including the Note, the Guaranty and the trademark assignment documents, as described below), (a) all right, title and interest in and to the trademarks owned by K-Sport worldwide, except in Japan ("K-Sport's Trademark Rights"), including specifically its rights to the trademarks registered in the United States and listed on Schedule 1 attached hereto, shall be transferred and assigned by K-Sport to Ermine, pursuant to the trademark assignment agreement substantially in the form attached hereto as Exhibit C, and (b) K-Sport shall transfer and assign all right, title and interest in and to K-Sport's trademark rights in Japan to ITOCHU pursuant to the trademark assignment agreement substantially in the form attached hereto as Exhibit D. To the extent that K-Sport does not have sufficient documentation to show that it is the owner of the trademark rights listed in Schedule 1 hereto, it will obtain all of the necessary documentation, consents, signatures, forms and other steps necessary or appropriate to properly assign to Ermine and ITOCHU the rights referenced above. In exchange for such assignments, the Note and the Guaranty, all of the debts owed by K-Sport to ITOCHU shall be extinguished. Until full and final payment of the Note by Ermine (or of the Guaranty, by either or both of Snowmass and Wong), ITOCHU shall have and retain a security interest in the K-Sport's Trademarks Rights assigned to Ermine, including the goodwill associated with the K-Sport's Trademark Rights. Ermine, Snowmass and Wong shall continue utilizing the K-Sport's Trademark Rights and the business involving the K-Sport's Trademark Rights until the Note is paid in full. Ermine, Snowmass and Wong shall cooperate fully with ITOCHU's efforts to perfect such security interest by filing any and all financing statements deemed reasonable or appropriate by ITOCHU pursuant to the Uniform Commercial Code (or similar statute) in each relevant jurisdiction and registering such interest with the United States Patent and Trademark Office (or similar agency) in each relevant jurisdiction.

3. The parties expressly acknowledge there are currently no sales into Japan under such trademark rights. ITOCHU and K-Sport warrant and represent that the assignment of the K-Sport's Trademark Rights to Ermine as herein provided will convey to Ermine full right, title and interest in and to those trademarks (except in Japan). The parties are not

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aware of any threat or challenge to the use and ownership of the K-Sport's Trademark Rights from any third party. While the Note is outstanding, Ermine, Snowmass and Wong shall actively monitor the marketplace for potential infringers and, if any infringers are identified, they shall notify such infringers to cease and desist such infringement and take appropriate steps to protect the value of the K-Sport's Trademark Rights.

4. Upon receipt of K-Sport's Trademark Rights by Ermine and receipt of the Note and the Guaranty by ITOCHU, ITOCHU shall release K-Sport and all of K-Sport's guarantors from all of the currently past-due indebtedness of K-Sport to ITOCHU and all interest thereon, which aggregate amount currently exceeds Five Million Two Hundred Thousand Dollars ($5,200,000), all pursuant to a release substantially in the form of the release attached hereto as Exhibit E. The existing agreements and contractual relationships among the parties hereto relating to the subject matter hereof, including the Trademark License, Production and Sales Agreement dated January 1, 1995 (the "License Agreement") by and among Snowmass, Wong, K-Sport and ITOCHU shall terminate. To the extent necessary, the written consent of Stefan Kaelin and G.B. Sports, Inc. will be obtained in order to terminate the preceding License Agreement. As a condition to entering and performing this letter agreement and the related Definitive Agreements (as defined below), all necessary and appropriate signatures, approvals, consents, documents, and filings will have been obtained and completed to ensure that K-Sport has the full authority and ability to assign and transfer to Ermine full and free rights, title and interests in and to the K-Sport's Trademark Rights without any encumbrances, liens, lapses of registration, or other defaults in ownership or title, and without any claims outstanding against the K-Sport's Trademark Rights.

5. Consummation of the transactions contemplated hereby shall be subject to: (a) the negotiation and execution of definitive agreements, including the Note, the Guaranty, all necessary and proper trademark transfers and the release (collectively, the "Definitive Agreements"); and (b) the negotiation and execution between Snowmass and K-Sport of an agreement regarding the performance of the product lines associated with the K-Sport's Trademark Rights and the personal guaranty by Stu Keiller of the obligations of K-Sport under such agreement.

6. The parties shall cooperate with each other to the fullest extent in the preparation, execution and delivery of the Definitive Agreements, as well as all other necessary documentation and actions relating to the transactions contemplated herein, to fully effect the spirit of the transactions contemplated herein.

7. Pending the execution and delivery of the Definitive Agreements (or the earlier termination of this letter agreement), neither K-Sport nor any of its officers, employees, representatives, stockholders or agents shall submit, initiate or participate in any discussions or negotiations with any person or party concerning a possible sale or encumbrance of any of K-Sport's Trademark Rights, other than as contemplated herein.

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8. It is understood that this letter agreement does not contain all matters upon which agreement must be reached in order for the transactions contemplated herein to be consummated. The parties hereto shall work in the spirit of cooperation and mutual assistance to effect the transactions contemplated hereby.

9. Each party to this letter agreement shall bear its own costs and expenses in connection with the negotiation and execution of this letter agreement and the Definitive Agreements.

10. Any party hereto may terminate this letter agreement by giving written notice to the other parties, for any reason, if the Definitive Agreements have not been executed by January 31, 2002, but the provisions of paragraphs 7, 8, 9, 10, 11 and 12 hereof shall survive.

11. This letter agreement shall be deemed to have been executed and delivered within the State of New York, and the rights and obligations of the parties hereto shall be construed and enforced in accordance with and governed by the law of New York.

12. This letter agreement sets forth the entire understanding between the parties with respect to the subject matter hereof and cannot be modified except in a writing signed by all parties.

If the foregoing is in accordance with your agreement and understanding, please execute a copy of this letter below under the words "Accepted and Agreed to" and return it to the undersigned.

Very truly yours,

ITOCHU International Inc.

By: _____
Name: ETSUAO NAKANISHI
Title: SENIOR VICE PRESIDENT

Accepted and Agreed to:

Ermine Investments (California), Inc.

By: _____
Name: GEORGE WONG
Title: DIRECTOR

Snowmass Apparel, Inc.

By: _____
Name: EDMOND WONG
Title: PRESIDENT

K-Sport International, Inc.

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George Wong

By: S. J. Keller
Name: S.J. Keller
Title: Pres.

Schedule 1

Kaelin's United States Registered trademarks

Mark	U.S. Registration Number
Kaelin Skiwear	1,731,206
Kaelin	1,720,391
Snuggler	1,131,845
Snuggler and design	1,173,427
Solus	1,561,095
Sunbuster	1,233,703
Tornado	1,560,993