MRD 7-22-99

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

07-27-1999

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U.S. Department of Commerce
Patent and Trademark Office
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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

[XX] New

[ ] Resubmission (Non-Recordation)
Document ID #

[ ] Correction of PTO Error
Reel # Frame #

[ ] Corrective Document
Reel # Frame #

Conveyance Type

[ ] Assignment [ ] License

[XX] Security Agreement [ ] Nunc Pro Tunc Assignment

[ ] Merger

Effective Date
Month Day Year

[ ] Change of Name

[ ] Other

Conveying Party

[ ] Mark if additional names of conveying parties attached

Execution Date
Month Day Year: 07011999

Name: Ski Monarch, LLC

Formerly:

[ ] Individual [ ] General Partnership [ ] Limited Partnership [ ] Corporation [ ] Association

[XX] Other: Limited Liability Company

[XX] Citizenship/State of Incorporation/Organization: California

Receiving Party

[ ] Mark if additional names of receiving parties attached

Name: U.S. Bank National Association

DBA/AKA/TA:

Composed of:

Address (line 1): 503 North Main Street

Address (line 2):

Address (line 3): Pueblo (City) CO (State/Country) 81003 (Zip Code)

[ ] Individual [ ] General Partnership [ ] Limited Partnership

[ ] Corporation [ ] Association

[XX] Other: A national banking association

[XX] Citizenship/State of Incorporation/Organization: United States

[ ] If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. *(Designation must be a separate document from Assignment.)*

FOR OFFICE USE ONLY

07/26/1999 MTHAI1 00000150 75125262

01 FC:481 40.00 OP
02 FC:482 25.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments , Washington, D.C. 20231

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Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number (303) 585-4640

Name: Keith F. Woods, Esq.

Address (line 1): U.S. Bancorp Legal Department

Address (line 2): Suite 600 - CNDT 0635

Address (line 3): 950 17th Street

Address (line 4): Denver, CO 80202

Pages

Enter the total number of pages of the attached conveyance document including any attachments. # 13

Trademark Application Number(s) or Registration Number(s)

☐ Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
75125262			2227402		

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $ 65.00

Method of Payment: Enclosed XX Deposit Account ☐

Deposit Account
(Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes ☐ No ☐

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. Charges to deposit account are authorized, as indicated herein.

Keith F. Woods, Esq.	Keith F. Woods	7-20-99
Name of Person Signing	Signature	Date Signed

SCHEDULE A

MARK	REG. NO.	REG. DATE
SNOWBANK OF MONARCH	2,227,402	March 2, 1999
M MONARCH (AND DESIGN)	Application No. 75/125,262	

CERTIFIED TO BE A TRUE AND EXACT COPY OF THE ORIGINAL
Notary Public State of Colorado
My Commission Expires 12/1/01
NOTARY PUBLIC
STATE OF COLORADO

SECURITY AGREEMENT

1. DEBTOR: SKI MONARCH, LLC
a California limited liability company
#1 Powder Place
Monarch, CO 81227
Attn:

2. SECURED PARTY: U.S. BANK NATIONAL ASSOCIATION
a national banking association
503 North Main Street
Pueblo, Colorado 81003

3. COLLATERAL: Any and all of the following property which is now or hereafter owned by Debtor or in which Debtor now or hereafter has any right, title or interest (collectively, the "Collateral"):

(A) To the extent permitted by law, that certain Term Special Use Permit dated November 12, 1996 issued by the United States Department of Agriculture Forest Service and all amendments thereto (collectively the "Permit"), relating to the real property described therein (the "Permit Area") and the rights, revenues, issues and other benefits arising therefrom now or hereafter acquired;

(B) All structures, buildings and improvements of every kind and description now or at any time hereafter located or placed on the real estate described on Exhibit A attached hereto (the "Real Estate") or the Permit Area (the "Improvements"); all machinery, appliances, apparatus, equipment, fittings and fixtures (whether actually or constructively attached and including all trade, domestic and ornamental fixtures) wherever located and all additions thereto and replacements therefor (exclusive of any of the foregoing owned or leased by tenants of space in the Improvements);

(C) All land lying in the bed of any street, road, avenue, alley or public place, opened or proposed, and all easements and rights of way, public or private, tenements, hereditaments, rights and appurtenances, now or hereafter used in connection with, belonging or appertaining to, the Real Estate or the Permit Area;

(D) All water, ditches, wells, reservoirs and drains and all water, ditch, well, reservoir and drainage rights which are appurtenant to, located on, under or above or used in connection with the Real Estate, the Improvements or the Permit Area or any part thereof, whether now existing or hereafter created or acquired, including but not limited to (i) ditch, well, pipeline, spring, and resevoir right, whether or not adjudicated or evidenced by any well or other permit, (ii) all rights with respect to nontributary groundwater (and other groundwater that is subject to provisions of

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Colorado Revised Statutes Section 37-90-137(4) or the corresponding provisions of any successor statute) underlying the Real Estate or the Permit Area, (iii) any permit to construct any water well, water from which is intended to be used in connection with the Real Estate or the Permit Area, and (iv) any decreed or pending plan of augmentation or water exchange plan;

(E) All articles of personal property and any additions to, substitutions for, changes in or replacements of the whole or any part thereof, now or at any time hereafter affixed to, attached to, placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Real Estate, the Improvements or the Permit Area or any portion thereof (exclusive of any of the foregoing owned or leased by tenants of space in the Improvements or the Permit Area);

(F) All leases, licenses, concessions and occupancy agreements pertaining to the Real Estate, the Improvements or the Permit Area now or hereafter entered into (collectively, the "Leases") and all rents, royalties, issues, profits, revenue, income and other benefits (collectively, the "Rents and Profits") of the Real Estate, the Improvements or the Permit Area, now or hereafter arising from the use or enjoyment of all or any portion thereof or from any lease, license, concession, occupancy agreement or other agreement pertaining thereto or arising from any of the Contracts (as hereinafter defined) or any of the General Intangibles (as hereinafter defined) and, subject to the rights of tenants, lessees and licensees, as applicable, of their obligations under any such leases, licenses, concessions or occupancy agreements, whether said cash or securities are to be held until the expiration of the terms of said leases, licenses, concessions or occupancy agreements or applied to one or more of the installments of rent coming due prior to the expiration of said terms;

(G) All contracts and agreements now or hereafter entered into by or on behalf of Debtor covering any part of the Real Estate, the Improvements or the Permit Area (collectively, the "Contracts") and all revenue, income and other benefits thereof, including, without limitation, service contracts, maintenance contracts, equipment leases, personal property leases and any contracts relating to construction on the Real Estate, the Improvements or the Permit Area or to the management or operation of the Real Estate, the Improvements or the Permit Area;

(H) All present and future monetary deposits give by Debtor to any public or private utility with respect to utility services furnished to the Real Estate, the Improvements or the Permit Area;

(I) All present and future funds, deposit accounts, accounts, instruments, accounts receivable, documents, general intangibles (including, without limitation, all governmental permits, licenses, certificates, consents and approvals relating to the Real Estate, the Improvements, the Permit Area or the operation of Debtor's business as it is now being conducted, trademarks, trade names and symbols now

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or hereafter used in connection with the Real Estate, the Improvement or the Permit Area and all rights, interest and privileges which Debtor has or may have as developer or declarant under any covenants, restrictions or declarations now or hereafter relating to the Real Estate or the Improvements and all notes or chattel paper now or hereafter arising from or by virtue of any transactions related to the Real Estate, the Improvements or the Permit Area (collectively, the "General Intangibles");

(J) All water taps, sewer taps, permits, licenses, franchises, certificates and other rights and privileges now or hereafter obtained in connection with the Real Estate, the Improvements or the Permit Area and all present and future warranties and guaranties relating to the Improvements or to any equipment, fixtures, furniture, furnishings, personal property or components of any of the foregoing now or hereafter located or installed on the Real Estate, in the Improvements or the Permit Area;

(K) All building materials, supplies and equipment now or hereafter placed on the Real Estate, the Improvements or the Permit Area and all architectural renderings, models, plans, specifications, studies and data now or hereafter relating to the Real Estate, the Improvements or the Permit Area;

(L) All proceeds (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards; and

(M) All other or greater rights and interests of every nature in the Real Estate, the Improvements or the Permit Area and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Debtor.

4. PRIMARY USE OF COLLATERAL: Business.

5. OBLIGATIONS (collectively, the "Obligations"):

(a) All obligations of Debtor to Secured Party, direct or indirect, absolute or contingent, now existing or hereafter arising in connection with that certain loan (the "Loan") in the amount of $4,750,000.00 made by Secured Party to Debtor, including, but not limited to, the performance and observance of any material term or condition of the following:

(1) this Security Agreement;

(2) that certain Promissory Note dated as of July 1, 1999, executed by Debtor and payable to the order of Secured Party in the principal amount of Four Million Seven Hundred Fifty Thousand and No/100 Dollars

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($4,750,000.00) (the "Note") and all sums now or hereafter advanced thereunder;

(3) that certain Credit Agreement dated as of July 1, 1999 between Debtor and Secured Party (the "Credit Agreement"); and

(4) all other documents or instruments now or hereafter evidencing, securing, guaranteeing and/or relating to the indebtedness evidenced by the Note and the Credit Agreement.

All of the documents and instruments referred to in this subparagraph (a), as the same may be amended or replaced from time to time, are hereinafter collectively referred to as the "Loan Documents".

(b) All expenditures made or incurred by Secured Party to protect and maintain the Collateral and to enforce its rights under this Security Agreement, as more fully set forth herein.

(c) Any and all future advances made under the Note or any of the other Loan Documents and any increases in the principal amount of the Note.

6. SECURITY INTEREST Debtor hereby grants to Secured Party a continuing security interest in the Collateral and all proceeds from the sale of the Collateral. The security interest granted herein is given to secure payment and performance of the Obligations.

7. WARRANTIES AND REPRESENTATIONS: Debtor warrants and represents to Secured Party as of the closing of the Loan that:

(a) Debtor is the sole owner of the Collateral free and clear of all liens, security interests, adverse claims and encumbrances (other than as disclosed in writing and the security interest created hereby and by the other Loan Documents).

(b) No financing statement covering any of the Collateral is on file in any public office, other than the financing statement evidencing the security interest created hereby.

(c) Those parts of the Collateral which are general intangibles are or will be enforceable in accordance with their respective terms subject to the effect of banruptcy or insolvency laws or other laws relating to or affecting the rights of creditors generally, and Debtor has the authority and capacity to contract and be bound thereunder.

(d) The execution and delivery of this Security Agreement will not violate any law, agreement or document governing Debtor or to which Debtor is a party.

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(e) The Collateral will be used primarily for the purposes set forth in Paragraph 4 above.

(f) The principal place of business of Debtor is as set forth in Paragraph 1 above.

(g) Additional Representations and Warranties concerning trademarks are contained in the Addendum attached hereto and are made a part hereof.

8. COVENANTS OF DEBTOR: Except as may otherwise be set forth in or allowed under the terms of any of the other Loan Documents, Debtor covenants and agrees that unless and until Secured Party expressly agrees to another course of action:

(a) Debtor shall not sell, pledge, hypothecate, transfer, lease, assign, abandon or otherwise dispose of any of the Collateral or any interest therein except in the ordinary course of business.

(b) Debtor shall keep the Collateral in good condition and repair, subject to ordinary wear and tear, and properly maintained and free of liens, security interests and encumbrances (other than as disclosed in writing to Secrued Party and the security interest created hereby).

(c) Debtor shall promptly notify Secured Party of any facts or circumstances which constitute or with the passage of time would constitute an Event of Default (as defined in Paragraph 9 hereof).

(d) Debtor shall not use the Collateral in violation of any applicable statute, ordinance or insurance policy.

(e) Debtor shall defend the Collateral against the claims and demands of all persons.

(f) Debtor shall pay promptly and before delinquency all taxes and assessments with respect to the Collateral and shall deliver to Secured Party, on demand, a receipt or other evidence satisfactory to Secured Party of the payment thereof.

(g) Debtor shall, upon reasonable advance notice and during normal business hours, exhibit to and allow inspection by Secured Party of the Collateral and shall, promptly upon request from Secured Party, deliver to Secured Party an accurate, current inventory of the Collateral in such detail as Secured Party shall reasonably require.

(h) Debtor shall keep the Collateral insured as required in the Loan Documents. The provisions of the Loan Documents shall apply with respect to application of insurance proceeds following any damage to the Collateral covered by insurance.

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(i) Secured Party, at its option, may discharge taxes, liens, security interests and other encumbrances against the Collateral and may pay for the repair of any damage to the Collateral, the maintenance and preservation thereof and insurance thereon if not otherwise paid or performed by Debtor. Debtor shall reimburse Secured Party on demand for any payments as made, plus interest thereon at the Default Interest Rate (as specified in the Credit Agreement) from the date of demand for such payment. Any such payments made by Secured Party, together with interest thereon, shall be secured by the Collateral as provided herein and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

(j) Debtor shall from time to time execute financing statements and other documents in form satisfactory to Secured Party (and pay the cost of filing or recording them in whatever public offices Secured Party reasonably deems necessary) and perform such other acts as Secured Party may reasonably request to perfect and maintain a valid security interest in the Collateral.

(k) Debtor shall not move its principal place of business or its books and records relating to the Collateral without thirty (30) days prior written notice thereof to Secured Party.

(l) Debtor shall not change its name or otherwise do anything which would make the information set forth in the financing statements relating to the Collateral materially misleading without immediately notifying Secured Party of the same.

(m) Additional covenants concerning trademarks are contained in the Addendum attached hereto and made a part hereof.

9. EVENTS OF DEFAULT: The happening of any of the events or conditions described in the Credit Agreement as an Event of Default shall be a default under this Security Agreement (singularly, an "Event of Default" or collectively, "Events of Default").

Any default under this Security Agreement not cured within any applicable grace or cure period, if any, shall be a default under each of the other Loan Documents.

10. RIGHTS AND REMEDIES:

(a) Upon the occurrence and during the continuance of any Event of Default, Secured Party may, without further notice or demand, including, without limitation, notice of intent to accelerate and notice of acceleration, declare any of the Obligations immediately due and payable and this Security Agreement in default, and thereafter, Secured Party shall have the remedies of a secured party under the Uniform Commercial Code as then in effect in the State of Colorado and all other rights and remedies at law or in equity available to secured creditors in the State of Colorado, including, without limitation, the right to take possession of the

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Collateral and any proceeds thereof. To take possession, Secured Party may enter upon any premises where the Collateral is kept and remove the Collateral or any proceeds therefrom. If notice is required by law, ten (10) days' prior written notice of the time and place of any public sale of the Collateral or of the time of or after which any private sale or any other intended disposition of the Collateral is to be made given to Debtor pursuant to the provisions of Paragraph 11(g) hereof shall be reasonable notice to Debtor. No such notice is necessary if the Collateral is perishable, threatens to decline speedily in value, or is of a type customarily sold on a recognized market. Proceeds of any sale or other disposition of the Collateral may be applied to the Obligations as specified in the Credit Agreement.

(b) During the time that Secured Party is in possession of the Collateral, and to the extent permitted by law, Secured Party shall have the right to hold, use, operate, manage and control all or any part of the Collateral. Upon the occurrence and the continuance of an Event of Default, Secured Party may notify account debtors to make payment directly to Secured Party and collect and retain all proceeds and other sums due or to become due with respect to the Collateral, accounting only for the net proceeds arising from such use and charging against receipts from such use all costs, expenses, charges, damage or loss by reason of such use. Notwithstanding the foregoing, Secured Party shall also be entitled during the continuance of an Event of Default, without further notice or demand and to the extent permitted by law, to have a receiver appointed to take charge of all or any part of the Collateral, exercising all of the rights specified in the immediately preceding sentence.

(c) Debtor shall pay to Secured Party on demand all reasonable expenses (including, without limitation, attorneys' fees) incurred by Secured Party incidental to taking, holding, preparing for sale, selling and the like or otherwise dealing with the Collateral, or incurred by Secured Party in otherwise enforcing any term or condition of this Security Agreement, together with interest thereon at the Default Interest Rate (as specified in the Credit Agreement) from the date of demand, and all such expenses and interest shall be secured by the Collateral as provided herein and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

(d) Secured Party may require Debtor during the continuance of an Event of Default to assemble the Collateral and make it available at a place Secured Party designates which is mutually convenient to allow Secured Party to take possession or dispose of the Collateral.

(e) Any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of indebtedness or as to the occurrence of any default, or as to Secured Party having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and of the properties to be sold having

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been duly given by Secured Party, shall be taken as prima facie evidence of the truth of the facts so stated and recited

(f) Secured Party may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale of the Collateral held by Secured Party, including the sending of notices and the conduct of the sale, in the name and on behalf of Secured Party.

(g) Nothing herein contained is intended, nor shall be construed, to preclude Secured Party from pursuing any other remedy provided by law for the collection or enforcement of any of the Obligations. Any and all rights and remedies herein expressly conferred upon Secured Party shall be deemed cumulative with, and not exclusive of, any other remedy conferred hereby, by the other Loan Documents or by law or equity on Secured Party, and the exercise of any one remedy shall not preclude the exercise of any other.

GENERAL:

(a) The financing statement filed pursuant to this Security Agreement is, in part, for the protection of Secured Party if any court shall at any time hold that notice of Secured Party's priority of interest in any of the Collateral must, in order to be effective against a particular class of persons, including, but not limited to, the Federal Government or any subdivision or entity thereof, be filed in the Commercial Code records.

(b) Debtor hereby indemnifies and holds harmless Secured Party, and its employees, officers and agents, from and against any and all liabilities, claims and obligations which may be incurred, asserted or imposed upon them or any of them as a result of or in connection with any use, operation, lease or consumption of any of the Collateral or as a result of Secured Party's seeking to obtain performance of any of the obligations due with respect to the Collateral.

(c) No default shall be waived by Secured Party except in writing and no waiver of any payment or other right under this Security Agreement shall operate as a waiver of any other payment or right.

(d) Without affecting any obligations of Debtor under this Security Agreement and without prejudice to any of its rights hereunder, Secured Party may, without notice or demand, renew, extend or grant indulgences with respect to any of the Obligations, take or release any other collateral as security for any of the Obligations, or add or release any guarantor, endorser, surety or other party to any of the Obligations.

(e) Debtor hereby waives diligence, presentment, protest, demand and notice of every kind, as well as the right to require Secured Party to proceed against any person

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liable for the payment or performance of any of the Obligations or to foreclose upon, sell or otherwise realize upon or collect or apply any other property, real or personal, securing any of the Obligations, as a condition or prior to proceeding hereunder.

(f) Debtor hereby waives, to the full extent permissible by law, the right to plead the statute of limitations as a defense to any or all of the Obligations.

(g) All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the intended addressee, or by depositing the same with Federal Express or another reputable private courier service for next business day delivery to the intended addressee at its address set forth on the first page of this Security Agreement or at such other address as may be designated by such party as herein provided, or by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the intended addressee at its address set forth on the first page of this Security Agreement or at such other address as may be designated by such party as herein provided. All notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or two (2) business days after being deposited in the United States mail as required above. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least fifteen (15) days' prior written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

(h) Unless the context otherwise requires, all terms used herein which are defined in the Uniform Commercial Code as in effect in the State of Colorado shall have the meanings therein stated.

(i) All of the rights and remedies of Secured Party under this Security Agreement shall inure to the benefit of its successors and assigns. All obligations of Debtor hereunder shall be binding upon the successors and assigns of Debtor.

(j) This Security Agreement may not be amended, modified or otherwise changed except by a written instrument duly executed by Debtor and Secured Party.

(k) THIS SECURITY AGREEMENT SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF COLORADO, EXCEPT TO THE EXTENT THAT THE APPLICABILITY OF ANY SUCH LAWS MAY NOW OR HEREAFTER BE PREEMPTED BY FEDERAL LAW, IN WHICH

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CASE, SUCH FEDERAL LAW SHALL SO GOVERN AND BE CONTROLLING. IN ANY ACTION BROUGHT UNDER OR ARISING OUT OF THIS SECURITY AGREEMENT OR THE OTHER LOAN DOCUMENTS, DEBTOR HEREBY CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF COLORADO AND CONSENTS TO SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY THE LAW OF THE STATE OF COLORADO.

(l) Any provision hereof prohibited or invalid under applicable law shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the other provisions hereof.

(m) Time is of the essence of this Security Agreement and all of its provisions.

(n) The headings of this Security Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Security Agreement or any provisions hereof.

DATED: As of July 1, 1999.

SKI MONARCH, LLC,
a California limited liability company

By: Pioneer Ski Corp., a California corporation,
Manager

By: _____
Goodwin Gaw, President

STATE OF CALIFORNIA }
COUNTY OF Los Angeles } ss.
}

The foregoing instrument was acknowledged before me this 2 day of July, 1999, by Goodwin Gaw, President and Attorney in Fact of Pioneer Ski Corp, as Manager of Ski Monarch, LLC, a California limited liability company.

WITNESS my hand and official seal.

My commission expires: August 18, 2000.

REGINA M. PEGUES
Commission # 1109189
Notary Public — California
Los Angeles County
My Comm. Expires Aug 18, 2000

_____
Notary Public

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ADDENDUM TO SECURITY AGREEMENT
from SKI MONARCH, LLC ("Borrower")
to U.S. BANK NATIONAL ASSOCIATION ("Bank")

1. Additional Representations and Warranties. Borrower represents and warrants that it is the true and lawful owner of or otherwise has the right to use the trademarks listed in Schedule A hereto (the "Marks") and that, to the best of Borrower's knowledge, said listed Marks include all material United States marks and applications for registration of material United States marks in the United States Patent and Trademark Office that Borrower owns or otherwise has the right to use as of the date hereof and that said registrations are valid, subsisting and have not been cancelled. Borrower further warrants that it is aware of no third party claim that any aspect of Borrower's present or contemplated business operations infringes or will infringe on any trademark, service mark or trade name. Borrower represents and warrants that it is the true and lawful owner of or otherwise has the right to use all U. S. trademark registrations and applications listed in Schedule A hereto and that said registrations are valid, subsisting, have not been cancelled and that Borrower is not aware of any third-party claim that any of said registrations is invalid or unenforceable, or is not aware that there is any reason that any of said registrations is invalid or unenforceable, or is not aware that there is any reason that any of said applications will not pass to registration. Borrower hereby grants to Bank an absolute power of attorney to sign, upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office in order to effect an absolute assignment of all right, title and interest in each Mark and record the same.

2. Licenses and Assignments. Except as otherwise permitted by the Credit Agreement or this Agreement, Borrower hereby agrees not to divest itself of any right under any Mark absent prior written approval of Bank.

3. Infringements. Borrower agrees, promptly upon learning thereof, to notify Bank in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who Borrower believes is infringing or diluting or otherwise violating in any material respect any of Borrower's rights in and to any Mark, or with respect to any party claiming that Borrower's use of any Mark violates in any material respect any property right of that party.

4. Preservation of Marks. Borrower agrees to use its Marks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Marks as trademarks or service marks under the laws of the United States.

5. Maintenance of Registration. Borrower shall, at its own expense, diligently process all documents required to maintain trademark registrations, including but not limited to affidavits of use and applications for renewals of registration in the United States Patent and Trademark

Office, for all of its registered Marks, and shall pay all fees and disbursements in connection therewith.

6. Future Registered Marks. If any Mark registration issues hereafter to Borrower as a result of any application now or hereafter pending before the United States Patent and Trademark Office, within 30 days of receipt of such certificate of registration of trademark, Borrower shall deliver to Bank a copy of such certificate, and an assignment for security in such Mark, to Bank and at the expense of Borrower, confirming the assignment for security in such Mark to Bank hereunder, the form of such security to be substantially the same as the form hereof or attached hereto or otherwise reasonably acceptable to Bank.

7. Remedies. If an Event of Default shall occur and be continuing, Bank may, by written notice to Borrower, take any or all of the following actions: (i) declare the entire right, title and interest of Borrower in and to each of the Marks and the goodwill of the business associated therewith, together with all trademark rights and rights of protection to the same, vested in Bank, in which event such rights, title and interest shall immediately vest, in Bank, and Bank shall be entitled to exercise the power of attorney referred to in Section 1 hereof to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency; (ii) take and use or sell the Marks and the goodwill of Borrower's business symbolized by the Marks and the right to carry on the business and use the assets of Borrower in connection with which the Marks have been used; (iii) in connection with the exercise of any of the other remedies provided for in this Agreement or any other related document, direct Borrower to refrain, in which event Borrower shall refrain, from using the Marks in any manner whatsoever, directly or indirectly, and, if requested by Bank, change Borrower's corporate name to eliminate therefrom any use of any Mark; and (iv) direct Borrower to execute such other and further documents that Bank may reasonably request to further confirm the foregoing and to transfer ownership of the Marks and registrations and any pending trademark application in the United States Patent and Trademark Office to Bank.

Executed as of the 1st day of July, 1999

SKI MONARCH, LLC, a California limited liability company

By: Pioneer Ski Corp., a California corporation, Manager

By: _____
Goodwin Gaw, President

Attachments: