

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	Security Agreement

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
PremiumWear, Inc.		09/16/2005	CORPORATION: DELAWARE

**RECEIVING PARTY DATA**

<b>Name:</b>	Congress Financial Corporation (Canada), as Agent
<b>Street Address:</b>	141 Adelaide Street West
<b>City:</b>	Toronto, Ontario
<b>State/Country:</b>	CANADA
<b>Postal Code:</b>	M5H 3L5
<b>Entity Type:</b>	CORPORATION: CANADA

**PROPERTY NUMBERS Total: 13**

Property Type	Number	Word Mark
Serial Number:	76611264	4-IN-1 ALL WEATHER SYSTEM
Serial Number:	76587718	4 1 ALL WEATHER SYSTEM
Serial Number:	76598833	COOL SWING
Serial Number:	78523888	COOL SWING
Serial Number:	76611265	DERMA2
Serial Number:	76587721	H2O MOISTURE WICKING
Serial Number:	76587720	H2O MOISTURE WICKING
Serial Number:	76587723	PAGE & TUTTLE
Serial Number:	75363535	PAGE & TUTTLE
Serial Number:	73440033	PICKERING
Serial Number:	76587722	PT PAGE & TUTTLE
Registration Number:	2208753	PAGE & TUTTLE
Registration Number:	1299613	PICKERING

**CORRESPONDENCE DATA**

**900034474**

**TRADEMARK  
 REEL: 003179 FRAME: 0610**

**CH \$340.00 76611264**

Fax Number: (866)459-2899  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: 202-783-2700  
Email: pagodoa@federalresearch.com  
Correspondent Name: CBCInnovis dba Federal Research  
Address Line 1: 1030 Fifteenth Street, NW, Suite 920  
Address Line 2: attn: Penelope J.A. Agodoa  
Address Line 4: Washington, DISTRICT OF COLUMBIA 20005

ATTORNEY DOCKET NUMBER: 342023

**DOMESTIC REPRESENTATIVE**

Name: Wachovia Capital Finance Corp (Central)  
Address Line 1: 150 South Wacker Drive, Suite 2200  
Address Line 2: Att'n: Portfolio Manager  
Address Line 4: Chicago, ILLINOIS 60606

NAME OF SUBMITTER: Penelope J.A. Agodoa

Signature: /pja/

Date: 10/21/2005

**Total Attachments: 76**

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**EXHIBIT A**

**Attachment to recordation Form Cover Sheet**

**Trademarks Only:**

**Continuing Information for item 4**

**Application number(s) or registration numbers(s)**

<b>APPLICATION NOS.</b>	<b>REGISTRATION NOS.</b>
76/611264	2208753
76587718	1299613
76598833	
78523888	
76611265	
76587721	
76587720	
76587723	
75363535	
73440033	
76587722	

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT ("Agreement"), dated September 16, 2005, is by and between PREMIUMWEAR, INC., a Delaware corporation ("Debtor"), with its chief executive office at 5500 Feltl Road, Minnetonka, Minnesota 55344 and CONGRESS FINANCIAL CORPORATION (CANADA), an Ontario corporation, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity "Secured Party"), having an office at 141 Adelaide Street West, Toronto, Ontario M5H 3L5.

W I T N E S S E T H :

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Secured Party and Wachovia Capital Finance Corporation (Central) (each individually a "Lender" and collectively, "Lenders") have entered or are about to enter into financing arrangements pursuant to which Lenders (or Secured Party on behalf of Lenders) may make loans and advances and provide other financial accommodations to Debtor, The John Forsyth Shirt Company Ltd. ("Shirt") and Forsyth of Canada, Inc. ("Forsyth" and together with Debtor and Shirt, each individually a "Borrower" and collectively, "Borrowers") as set forth in the Fourth Amended and Restated Loan Agreement, dated of even date herewith, by and among Borrowers, certain affiliates of Borrowers, Secured Party and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Borrowers pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party a continuing security interest in and a general lien upon, and a conditional assignment of, the

following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: (i) all of Debtor's trademarks, trade names, trade styles and service marks and all applications, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any trademarks, trade names, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all present and future license and distribution agreements (subject to the rights of the licensors therein) pertaining to the Trademarks, (d) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (e) the right to sue for past, present and future infringements thereof; (f) all rights corresponding thereto throughout the world; and (g) any and all other proceeds of any of the foregoing, including, without limitation, damages and payments or claims by Debtor against third parties for past or future infringement of the Trademarks.

## 2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor to Secured Party, any Lender and/or their respective affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under this Agreement, the Loan Agreement, the other Financing Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case and including loans, interest, fees, charges and expenses related thereto and all other obligations of Debtor to Secured Party or any Lender arising after the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Secured Party or any Lender (all of the foregoing being collectively referred to herein as the "Obligations").

## 3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to Secured Party the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Debtor shall pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full and clear title thereto, and the right and power to grant the security interest and conditional assignment granted hereunder. Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral consisting of registered Trademarks as registered trademarks and to maintain the existence of all of the Collateral as valid and subsisting, including, without limitation, the filing of any renewal affidavits and applications. The Debtor shall not abandon any rights in the Trademarks without the Secured Party's prior written consent. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement, and (iii) the licenses permitted under Section 3(e) below.

(c) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Secured Party, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Secured Party or any Lender to any such action, except as such action is expressly permitted hereunder.

(d) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral. Debtor further authorizes Secured Party to have this Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(e) As of the date hereof, Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder.

(g) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, attorneys' fees and legal expenses. Debtor shall be liable to

Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to Debtor, shall be payable on demand together with interest at the rate then applicable to the indebtedness of Borrowers to Secured Party set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(h) Debtor shall not file any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, unless Debtor has given Secured Party prompt written notice of such action. If, after the date hereof, Debtor shall (i) obtain any registered trademark or trade name, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States or any State thereof, political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, Debtor shall promptly execute and deliver to Secured Party any and all agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interest in and conditional assignment of such Trademark in favor of Secured Party.

(i) Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided, or avoidable through any action within Debtor's control without the Secured Party's prior written consent. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Debtor shall render assistance, as Secured Party shall determine is reasonably necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(k) To the best of Debtor's knowledge, no material infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Secured Party and Lenders, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Secured Party and Lenders hereunder. There has been no judgment holding any of the Trademarks invalid or unenforceable, in whole or part nor is the validity or enforceability of any of the Trademarks presently being questioned in any litigation or proceeding to which Debtor is a party. Debtor shall promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design which may infringe on any Trademark or may be likely to cause confusion with any Trademark. Debtor, at Debtor's expense, shall take such action as Secured Party, in Secured Party's reasonable discretion, may deem advisable for the protection of the Trademarks and Secured Party's interest in and to the Trademarks.



(l) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Secured Party and Lenders harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(m) Debtor shall promptly pay Secured Party and Lenders for any and all expenditures made by Secured Party pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the Obligations as set forth in the Financing Agreements and shall be part of the Obligations secured hereby.

#### 4. EVENTS OF DEFAULT

All Obligations shall become immediately due and payable, without notice or demand, at the option of Secured Party, upon the occurrence of any Event of Default, as such term is defined in the Loan Agreement (each an "Event of Default" hereunder).

#### 5. RIGHTS AND REMEDIES

If at any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party or any Lender, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Secured Party may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Secured Party may determine.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of

intended disposition of Collateral is required by law, the giving of five (5) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and attorneys' fees and legal expenses. Debtor agrees that Secured Party and Lenders have no obligation to preserve rights to the Trademarks against any other parties.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party or Lender. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its discretion determine. Debtor shall remain liable to Secured Party for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Secured Party on demand any such unpaid amount, together with interest at the rate then applicable to the indebtedness of Borrowers to Secured Party set forth in the Loan Agreement.

(f) Debtor shall supply to Secured Party or to Secured Party's designee, Debtor's knowledge and expertise relating to the manufacture, sale and distribution of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

(h) Upon payment and satisfaction in full of the Obligations and the termination of the Financing Agreements and upon Debtor's written request and at Debtor's expense, Secured Party shall promptly deliver the Collateral to Debtor which has not been used or applied towards payment of the Obligations and shall execute such documents and instruments necessary to effectuate the foregoing.

6. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Illinois but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of Illinois.

(b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Circuit Court of Cook County, Illinois and the United States District Court for the Northern District of Illinois, whichever Secured Party may elect and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of Debtor and Secured Party or any Lender in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Debtor shall appear in answer to such process, failing which Debtor shall be deemed in default and judgment may be entered by Secured Party against Debtor for the amount of the claim and other relief requested.

(d) DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY OR ANY LENDER IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Notwithstanding any other provision contained herein, Secured Party and Lenders shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or

relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party or such Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party and each Lender shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

7. MISCELLANEOUS

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor:	Premiumwear, Inc. 5500 Feltl Road Minnetonka, Minnesota 55344 Attention: Mr. Harris Hester Telephone No.: _____ Telecopy No.: _____
With a copy to:	Premiumwear, Inc. c/o Forsyth Holdings, Inc. 1071 Avenue of the Americas New York, New York 10018 Attention: Mr. Harris Hester Telephone No.: 212-382-1444 Telecopy No.: 212-382-3562
If to Secured Party:	Congress Financial Corporation (Canada), as Agent 141 Adelaide Street West, Suite 1500 Toronto, Ontario M5H 3L9 Attention: Portfolio Manager Telephone No.: 416-364-6080 Telecopy No.: 416-364-6068

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Secured Party any Lender and Borrowers pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this

Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7(e) hereof. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof. Unless otherwise defined herein, capitalized terms used herein and not defined herein shall have the meaning given to such term in the Loan Agreement.

(c) This Agreement shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Secured Party and its successors and assigns.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party. Secured Party shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Secured Party would otherwise have on any future occasion, whether similar in kind or otherwise.

(f) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

PREMIUMWEAR, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

CONGRESS FINANCIAL CORPORATION  
(CANADA), AS AGENT

By: \_\_\_\_\_

Title: **Darrell Key**  
Vice President, Loan Officer  
Congress Financial Corporation (Canada)

STATE OF New York )  
 ) ss.:  
COUNTY OF New York )

On this 16 day of September, 2005, before me personally came Harris Hester, to me known, who being duly sworn, did depose and say, that he is the President of PREMIUMWEAR, INC., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Shaya M. Berger

Notary Public

SHAYA M. BERGER  
Notary Public, State of New York  
No. 02BE6091369  
Qualified in Queens County  
Commission Expires April 28, 2007



STATE OF \_\_\_\_\_ )  
 ) ss.:  
COUNT OF \_\_\_\_\_ )

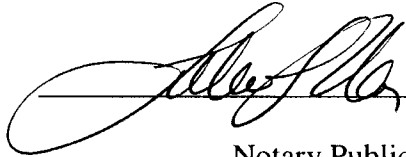
On this \_\_\_ day of \_\_\_\_\_, 2005, before me personally came \_\_\_\_\_, to me known, who being duly sworn, did depose and say, that he is the \_\_\_\_\_ of PREMIUMWEAR, INC., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

\_\_\_\_\_

Notary Public

PROVINCE  
STATE OF ONTARIO )  
CITY ) ss.:  
COUNT OF TORONTO )

On this 15<sup>th</sup> day of September, 2005, before me personally came Darrell Kay, to me known, who being duly sworn, did depose and say, that he is the VP loan officer of CONGRESS FINANCIAL CORPORATION (CANADA), the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

  
\_\_\_\_\_

Notary Public


EXHIBIT A  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT

LIST OF TRADEMARKS AND TRADEMARK APPLICATIONS

See attached


### PremiumWear, Inc. Trademarks Status Report 25 April 2005

Trademark	Country	Appl. No.	Appl. Date	Regn. No.	Regn. Date	Renewal Due	Image
4-IN-1 ALL WEATHER SYSTEM	United States of America	76/611264	9 Sep 2004				
<i>Classes Goods/Services</i> 25 Apparel, including outerwear, with and without personalized embroidery. Pending Awaiting examination							
4-IN-1 ALL WEATHER SYSTEM	Canada	1249736	8 Mar 2005				
<i>Classes Goods/Services</i> Apparel, including outerwear, with and without personalized embroidery. Pending Awaiting examination							
4-IN-1 ALL WEATHER SYSTEM	Australia	1045033	8 Mar 2005				
<i>Classes Goods/Services</i> 25 Apparel, including outerwear, with and without personalized embroidery. Pending Allowed							
4-IN-1 ALL WEATHER SYSTEM	New Zealand	726348	8 Mar 2005				
<i>Classes Goods/Services</i> 25 Apparel, including outerwear, with and without personalized embroidery. Pending Awaiting examination							

4-IN-1 ALL WEATHER SYSTEM (and design) Australia 1019616 9 Sep 2004 1019616 9 Sep 2004 9 Sep 2014 


Classes Goods/Services  
25 apparel, including outerwear, with and without personalized embroidery

Registered  
Accepted

4-IN-1 ALL WEATHER SYSTEM (and design) New Zealand 718253 9 Sep 2004 718253 19 Apr 2004 19 Apr 2014 

Classes Goods/Services  
25 apparel, including outerwear, with and without personalized embroidery


Registered  
Accepted

4-IN-1 ALL WEATHER SYSTEM (and design) Canada 1230024 13 Sep 2004 

Classes Goods/Services

Apparel, namely men's and women's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats, active wear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweatsuits, sweat shirts, and sportswear, namely shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, with and without personalized embroidery

Pending  
Awaiting examination

4-IN-1 ALL WEATHER SYSTEM (and design) United States of America 76587718 19 Apr 2004 

Classes Goods/Services  
25 apparel, including outerwear, with and without personalized embroidery

Pending  
Awaiting examination

COOL SWING United States of America 76598833 23 Jun 2004

Classes Goods/Services apparel, namely men's and women's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; activewear, namely jackets; pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweatsuits, sweat shirts; and sportswear, namely shorts, jackets, pullover windshirts, shirts, pants, sweat shirts

Pending  
Awaiting examination

COOL SWING Australia 1019856 9 Sep 2004

Classes Goods/Services apparel with and without personalized embroidery  
25  
Pending  
Awaiting examination

COOL SWING New Zealand 718248 9 Sep 2004

Classes Goods/Services apparel with and without personalized embroidery  
25  
Pending  
Awaiting examination

COOL SWING Canada 1230031 13 Sep 2004

Classes Goods/Services Apparel, namely apparel, namely men's and women's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; active wear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweatsuits, sweat shirts; and sportswear, namely shorts,

jackets, pullover windshirts, shirts, pants, sweat shirts, with and without personalized embroidery

Pending  
Awaiting examination

COOL SWING (and design)

Canada 1249734

8 Mar 2005



Classes Goods/Services  
Apparel with and without personalized embroidery.

Pending  
Awaiting examination

COOL SWING (and design)

Australia 1047343

22 Mar 2005



Classes Goods/Services  
Apparel with and without personalized embroidery.

Pending  
Accepted

COOL SWING (and design)

New Zealand 726350

8 Mar 2005



Classes Goods/Services  
Apparel with and without personalized embroidery.

Pending  
Awaiting examination

COOL SWING (and design)

United States of America

78523888

29 Nov 2004



Classes Goods/Services  
apparel, namely men's and women's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats, activewear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweatsuits, sweat shirts, and sportswear, namely shorts, jackets, pullover windshirts, shirts, pants, sweat shirts

Pending

Awaiting examination

DERMA2 Canada 1249737 8 Mar 2005

Classes Goods/Services

apparel with and without personalized embroidery; namely, men's and women's, tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; activewear ad outerwear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweat suits, sweat shirts; and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts.

Pending Awaiting examination

DERMA2 Australia 1044953 8 Mar 2005

Classes Goods/Services

apparel with and without personalized embroidery; namely, men's and women's, tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; activewear ad outerwear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweat suits, sweat shirts; and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts.

Pending Allowed

DERMA2 New Zealand 726349 8 Mar 2005

Classes Goods/Services

apparel with and without personalized embroidery; namely, men's and women's, tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; activewear ad outerwear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweat suits, sweat shirts; and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts.

Pending Awaiting examination

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DERMA2 United States 76611265 9 Sep 2004  
of America

Classes Goods/Services

apparel with and without personalized embroidery; namely, men's and women's, tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; activewear and outerwear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweat suits, sweat shirts, and sportswear; namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts.

25 Pending  
Awaiting examination

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H2O MOISTURE WICKING United States 76587721 19 Apr 2004  
of America

Classes Goods/Services

apparel, namely men's and women's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; active wear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweatsuits, sweat shirts; and sportswear, namely shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, with and without personalized embroidery

25 Pending  
Awaiting examination

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H2O MOISTURE WICKING Australia 1019655 9 Sep 2004

Classes Goods/Services

apparel with and without personalized embroidery

25 Pending  
Awaiting examination

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H2O MOISTURE WICKING New Zealand 718250 9 Sep 2004

H2O MOISTURE WICKING

H2O MOISTURE WICKING



H2O MOISTURE WICKING

Classes Goods/Services

25 apparel with and without personalized embroidery

Pending  
Awaiting examination

H2O MOISTURE WICKING

Canada 1230022

13 Sep 2004

H2O MOISTURE WICKING

Classes Goods/Services

apparel, namely men's and women's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; active wear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweat suits, sweat shirts; and sportswear, namely shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, with and without personalized embroidery

Pending  
Awaiting examination

H2O MOISTURE WICKING

H2O MOISTURE WICKING (& design)

Canada 1230023

13 Sep 2004

Classes Goods/Services

apparel, namely men's and women's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats; active wear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweat suits, sweat shirts; and sportswear, namely shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, with and without personalized embroidery

Pending  
Awaiting examination

H2O MOISTURE WICKING (& design)

Australia 1019734

9 Sep 2004

Classes Goods/Services  
25 apparel with and without personalized embroidery  
Pending  
Awaiting examination

H2O MOISTURE WICKING (& design)

New Zealand 718252

9 Sep 2004

718252

19 Apr 2004

19 Apr 2014

Classes Goods/Services  
25 apparel with and without personalized embroidery  
Registered  
Accepted

H2O MOISTURE WICKING (& design)

United States of America

76587720

19 Apr 2004

Classes Goods/Services  
25 apparel, namely men's and women's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hats, activewear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweatshirts, sweat shirts, and sportswear, namely shorts, jackets, pullover windshirts, shirts, pants, sweat shirt  
Pending

Awaiting examination

United States of America  
76587723  
19 Apr 2004

PAGE & TUTTLE

PAGE & TUTTLE

Classes Goods/Services

- 18 luggage and travel bags for all purposes, backpacks
- 21 insulated coolers
- 24 blankets of wool and fleeca, golf towels  
online ordering and mailing order catalog services featuring luggage, traditional and travel bags for all purposes, backpacks;
- 35 insulated coolers, blankets of wool and fleeca, apparel, hats, down vests, golf towels and golf accessories, golf hardware, personalized embroidery services
- 40 personalized embroidery services

Pending examination

PAGE & TUTTLE

Australia 1006070

10 Jun 2004

1006070

10 Jun 2004

10 Jun 2014

Classes Goods/Services

- 18 luggage, traditional and travel bags for all purposes, backpacks
- 21 insulated coolers.
- 24 blankets of wool and fleeca; golf towels; clothing, namely, men's, women's and children's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hosey, hats, gloves; activewear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, swimwear, warm-up suits, sweat suits, sweat shirts; and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, hosey, gloves, hats, down vests.
- 28 golf accessories, golf hardware  
online ordering and mailing order catalog services featuring men's, women's and children's sportswear apparel; luggage, traditional and travel bags for all purposes, backpacks; insulated coolers; blankets of wool and fleeca; golf towels and golf accessories, golf hardware.
- 40 personalized embroidery services

Registered

Accepted

PAGE & TUTTLE

Canada 1175752

23 Apr 2003

Classes Goods/Services

(SERVICES) On-line and catalog services for the sale of clothing and traditional and travel bags for all purposes, namely, bags, accessory bags, attache cases, backpacks, beauty cases, briefcases, duffle bags, garment bags, golf bags, gym bags, handbags, luggage, knapsacks, purses, shoe bags, shoulder bags, suitcases and tote bags; insulated coolers; blankets of wool and fleece; greeting cards; personalized embroidery services.  
 (MARES) Clothing and traditional and travel bags for all purposes, namely, accessory bags, attache cases, backpacks, toiletry bags sold empty, briefcases, duffle bags, garment bags, golf bags, gym bags, handbags, luggage, knapsacks, purses, shoe bags, shoulder bags, suitcases and tote bags; insulated coolers; blankets of wool and fleece; greeting cards.  
 (MARES) Clothing, namely, jackets.

Pending Allowed

PAGE & TUTTLE

New Zealand 713683

10 Jun 2004 713683

19 Apr 2004

19 Apr 2014

PAGE & TUTTLE

Classes Goods/Services

- 18 luggage, traditional and travel bags for all purposes, backpacks
  - 21 insulated coolers
  - 24 blankets of wool and fleece, golf towels
  - 25 Clothing, namely, men's, women's and children's tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hosiery, hats, gloves; activewear, namely, jackets, pullover windshirts, sweaters, shirts, shorts, pants, swimwear, warm-up suits, sweat suits, sweat shirts; and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, hosiery, gloves, hats, down vests.
  - 28 golf accessories
- online ordering and mailing order catalogue services featuring men's, women and children's sportswear apparel, luggage, traditional and

35 travel bags for all purposes, backpacks, insulated coolers, blankets of wool and fleece, golf towels and golf accessories, golf hardware, personalised embroidery services.

Registered  
Accepted

United States of America 75363535 26 Sep 1997 2208753 8 Dec 1998 8 Dec 2008

PAGE & TUTTLE

Classes Goods/Services

25 Clothing, namely, men's, women's, [and children's] tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, [hosiery,] hats, [gloves,] activewear, namely, jackets, pullover windshirts, sweaters, shirts, shorts, pants, [swimwear,] warm-up suits, sweatsuits, sweat shirts, and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, [hosiery and gloves].

Registered  
Accepted

United States of America 73440033 18 Aug 1983 1299613 9 Oct 1984 9 Oct 2014

PICKERING (and design)

Classes Goods/Services  
25 Men's, women's [and children's] sport shirts and sweaters.

Registered  
Accepted

PT PAGE & TUTTLE (and design)

Australia 1019742 9 Sep 2004 1019742 9 Sep 2004 9 Sep 2014



Classes Goods/Services

18 luggage, traditional and travel bags for all purposes, backpacks  
21 insulated coolers  
24 blankets of wool and fleece, golf towels clothing, namely, men's, women's and

- 25 children's, tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hosiery, hats, gloves; activewear, namely, jackets, pullover windshirts, sweaters shirts, shorts, pants, swimwear, warm-up suits, sweat suits, sweat shirts; and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, hosiery, gloves, hats, down vests
- 28 golf hardware and golf accessories  
online ordering and mailing order catalog services involving all of the following goods: men's, women's and children's sportswear apparel; luggage, traditional and travel bags for all purposes; backpacks; insulated coolers; blankets of wool and fleece; golf towels and golf accessories, golf hardware  
personalized embroidery services
- 40 Registered  
Accepted

PT PAGE & TUTTLE (and design)

New Zealand 718246 9 Sep 2004

PAGE & TUTTLE

- Classes Goods/Services
- 18 luggage, traditional and travel bags for all purposes, backpacks
- 21 insulated coolers
- 24 blankets of wool and faece clothing, namely, men's, women's and children's, tops, shirts, pullover windshirts, pants, shorts, sweat shirts, jackets, hosiery, hats, gloves; activewear, namely, jackets, pullover windshirts, sweaters shirts, shorts, pants, swimwear, warm-up suits, sweat suits, sweat shirts; and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts, hosiery, gloves, hats, down vests
- 26 golf towels and golf accessories, golf hardware  
online ordering and mailing order catalogue services featuring men's, women's, and children's sportswear, apparel; luggage, traditional and travel bags for all purposes; backpacks; insulated coolers; blankets of wool and faece; golf towels and golf accessories, golf hardware; personalised embroidery services
- 35
- Pending
- Accepted

United States of America  
76587722  
19 Apr 2004

PT PAGE & TUTTLE (and design)



Classes Goods/Services

- 18 luggage, travel bags for all purposes, backpacks
- 21 insulated coolers
- 24 blankets of wool and fleece; golf towels
- 25 apparel, namely, men's and women's, tops, shirts, pullover windshirts, pants, shorts, sweat suits, jackets, hals; activewear ad outerwear, namely jackets, pullover windshirts, sweaters, shirts, shorts, pants, warm-up suits, sweat suits, sweat shirts; and sportswear, namely, shorts, jackets, pullover windshirts, shirts, pants, sweat shirts
- 28 golf accessories, golf hardware
- 28 online ordering and mailing order catalog services featuring luggage, traditional and travel bags for all purposes, backpacks;
- 35 insulated coolers, blankets of wool and fleece, apparel, hals, down vests, golf towels and golf accessories, golf hardware; personalized embroidery services
- 40 personalized embroidery services

Pending examination

Canada 1230030 13 Sep 2004



Classes Goods/Services

Luggage, traditional and travel bags for all purposes, backpacks; blankets of wool and fleece; insulated coolers; apparel, hals, down vests; golf towels. Online ordering and mailing order catalog services featuring luggage, traditional and travel bags for all purposes, backpacks; insulated coolers, blankets of wool and fleece, apparel, hals, down vests; golf towels; personalized embroidery services.

Pending examination

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TM Administrator 38 records - END OF REPORT

IPPO WebTMS: printed 25 Apr 2005 16:01



EXHIBIT B  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT

LIST OF LICENSES

1. License Agreement dated as of July 18, 2003 between PremiumWear, Inc. and Raymond Lanctot Ltee pursuant to which PremiumWear licenses the "Page & Tuttle" trademark and any designs, graphic, logo or other commercial symbols related thereto, whether registered or not (a copy of which is attached hereto).

## LICENSE AGREEMENT

THIS AGREEMENT made the 18<sup>th</sup> day of July, 2003.

### BETWEEN:

**PremiumWear, Inc.**, a company existing under the laws  
of the state of Delaware, U.S.A.  
(the "Licensor")

- and -

**Raymond Lanctot Ltee**, a company existing under the  
laws of Canada  
(the "Licensee")

WHEREAS the Licensor is the owner of the Trade-mark (as defined herein), which is a widely recognized name in the wearing apparel industry in the United States through the extensive use of the Trade-mark by the Licensor;

AND WHEREAS the Licensee desires to use the Trade-mark in connection with the manufacture, distribution, promotion and sale of the Licensed Products through the Channels of Distribution in the Territory (as such terms are defined herein);

AND WHEREAS the Licensor wishes to license to the Licensee, and the Licensee wishes to license from the Licensor, the right to use the Trade-mark for use in association with the Licensed Products on the terms and conditions contained in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained, and subject to the terms and conditions hereinafter set out, the parties hereto agree as follows:

### SECTION 1 - DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, any amendment to this Agreement or any schedule to this Agreement, unless the context indicates to the contrary, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) "Agreement" means this agreement entitled "License Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof.

- 2 -

- (b) **"Channels of Distribution"** means the Initial Channel of Distribution and, if and when the rights to market through one or more of the Other Channels of Distribution are offered by the Licensor and assumed by the Licensee pursuant to section 2.2 hereof, will include such Other Channels of Distribution.
- (c) **"Confidential Information"** means (i) information, know-how, specifications and technical data regarding the manufacturing, sourcing, merchandising and marketing of the Licensed Products, (ii) the Standards, (iii) all correspondence, reports, records, supplier and customer information and catalogues pertaining to the foregoing, (iv) the contents of this Agreement and all information with respect to the relationship between the parties, and (v) all intellectual property rights associated with the foregoing, except
- (i) information which at the time of disclosure is in the public domain;
  - (ii) information which, after disclosure, becomes part of the public domain or otherwise than through the fault of the Licensee, and only after it has been publicly disclosed;
  - (iii) information which the Licensee receives from a third party; having the right to disclose it, provided however, that such information was not obtained by said third party, directly or indirectly, from the Licensor; and
  - (iv) information which is required to be disclosed by law to any competent judicial or governmental authority.
- (d) **"FOB Invoice Price"** means the total of the third party manufacturer's invoice price (FOB Canadian delivery point) of the Licensed Products sold by the third party manufacturer to the Licensee, less, to the extent included in such invoice price, the total of:
- (i) any returns of Licensed Products by the Licensee to the third party manufacturer;
  - (ii) freight, postage, handling, insurance and duties paid for and separately identified on the invoice or other documentation maintained in the ordinary course of business; and
  - (iii) excise taxes, GST, federal, provincial or state sales taxes, other consumption taxes, import/export taxes, customs duties and compulsory payments to governmental authorities actually paid and separately identified on the invoice or other documentation maintained in the ordinary course of business.
- (e) **"Initial Channel of Distribution"** means the sale of Licensed Products in on-course and off-course retail golf shops, retail specialty and department stores and the discount store Winners, but specifically excluding all other discount stores and off-price stores (such as, without limitation, Wal-Mart and K-Mart).

- 3 -

- (f) **"Licensed Products"** means travel bags and men's and women's apparel, consisting of knit and woven shirts, sweaters and outerwear, in each case bearing the Trade-mark, and such other products relating to the golf market as approved by the Licensor and the Licensee from time to time.
- (g) **"Minimum Royalty Payment"** means the annual guaranteed royalties payable by the Licensee to the Licensor during the Term of this Agreement as set forth in Schedule 8.1 (b) attached hereto.
- (h) **"Other Channels of Distribution"** means the sale of Licensed Products in (i) the advertising speciality market, and (ii) the promotional products market.
- (i) **"person"** means and includes an individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency or board or commission or authority or any other form of entity or organization.
- (j) **"Purchase Documentation"** means the books and records maintained by the Licensee and pertaining to the purchase of the Licensed Products from all third party manufacturers including, without limitation, purchase orders, production reports, invoices and shipping documentation, all in paper and computer database format.
- (k) **"Standards"** has the meaning provided by Section 6.1 hereof.
- (l) **"Term"** means the Initial Term referred to in section 10.1, and if applicable, the Renewal Term referred to in section 10.2, as the case may be.
- (m) **"Terms of Procurement"** has the meaning provided by section 3.12 hereof.
- (n) **"Territory"** means Canada.
- (o) **"Trade-mark"** means the Trade-mark "Page & Tuttle" and any design, graphic, logo or other commercial symbols related thereto, whether registered or not, as set forth in Schedule 1.1 attached hereto.

1.2 The following schedules are attached to and incorporated in this Agreement by reference and deemed to be part hereof:

- Schedule 1.1: Trade-mark
- Schedule 2.4: Ethical Standards
- Schedule 3.13: Manufacturer's Agreement
- Schedule 8.1(b): Minimum Royalty Schedule
- Schedule 8.1(d): Quarterly Royalty Calculation Report

1.3 Words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender and vice versa.

- 4 -

1.4 All references to currency are to Canadian currency unless otherwise provided for in this Agreement or in a schedule hereto and all payments shall be made in Canadian dollars.

## SECTION 2 - GRANT OF LICENSE

2.1 Subject to the provisions of this Agreement, the Licensor hereby grants to the Licensee during the Term hereof: (i) an exclusive license to use the Trade-mark solely in the Territory and solely in association with the manufacturing and/or the contracting for manufacture, and the distribution, marketing, promotion and sale (on a wholesale level) of the Licensed Products through the Channels of Distribution (which will be the Initial Channel of Distribution only, unless and until the Other Channels of Distribution are implemented pursuant to section 2.2 hereof), and (ii) the right to use the Confidential Information for purposes of the foregoing. In each case, the manufacturing, distribution, promotion, marketing and sale of the Licensed Products bearing the Trade-mark shall be in accordance with the Standards and all other reasonable specifications and instructions provided in writing by the Licensor from time to time. Any other use of the Trade-mark not contemplated and set forth herein requires the prior written approval of the Licensor, which approval may be arbitrarily withheld.

2.2

- (a) With respect to the Other Channels of Distribution only, if at any time during the Term of this Agreement the Licensor intends to market, or to license to any other person the rights to market, Licensed Products in the Territory through one or more of the Other Channels of Distribution, the Licensor will first give a written notice to the Licensee (an "Offer Notice") (which will be given no sooner than January 1, 2004) specifying:
- (i) the particular Other Channel of Distribution through which the Licensor intends to sell Licensed Products in the Territory;
  - (ii) the dates on which the Licensor intends that promotional activity and sales will commence (provided that the date of commencement of sales will be no earlier than nine (9) months after the notice is given, unless an earlier date is, in the opinion of the Licensor, feasible);
  - (iii) the minimum royalty payment which would apply to the sale of Licensed Products through such Other Channel of Distribution (which will be in addition to the Minimum Royalty Payment for sales through the Initial Channel of Distribution specified in Schedule 8.1 hereof); and
  - (iv) any special terms and conditions which will apply, (it being acknowledged that otherwise the terms and conditions of this Agreement will apply, and the rights to market through such Other Channel of Distribution will apply concurrent with the Term hereby provided).
- (b) Within 60 days after effectively receiving an Offer Notice under paragraph (a) of this section, the Licensee may give a notice (an "Acceptance Notice") to the

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Licensor advising whether it wishes to assume the rights to market Licensed Products in the Territory through the Other Channel of Distribution and on the terms specified in the Offer Notice. If the Licensee gives an Acceptance Notice, then this Agreement will be deemed to be amended by adding hereto the provisions specified in the Offer Notice.

- (c) If the Licensee does not give an Acceptance Notice within the 60 day period referred to above, then the Licensor may market, or license to any other person the rights to market, Licensed Products through such Other Channel of Distribution specified in the Offer Notice without further obligation of any kind to the Licensee.

2.3 The Licensed Products may not be sold, offered for sale, advertised, or promoted in any geographical territory other than the Territory nor through any retail outlet or by any means other than the Channels of Distribution. In particular, the Licensee will not offer or permit to be offered, either directly or through its customers, the Licensed Products directly to the general public over the internet, nor shall the Licensee sell Licensed Products directly to consumers without the prior written permission of the Licensor. The Licensor expressly reserves the right to consent to and grant the right to use the Trade-mark to other persons engaged in the manufacture, distribution and/or retail sale of merchandise or wares identical or similar to the Licensed Products: (i) in geographic areas other than the Territory or (ii) in the Territory through retail outlets and means other than the Channels of Distribution.

2.4 The Licensor seeks only to do business with those who aspire to a set of ethical standards compatible with those of the Licensor. The Licensee represents and warrants to abide by, and to ensure that all agreements with third party manufacturers referred to in sections 3.12 and 3.13 provide that those manufacturers will abide by, the Licensor's Ethical Standards as set out in Schedule 2.4 attached hereto. If a third party manufacturer breaches the Licensor's Ethical Standards, the Licensee shall, unless otherwise agreed with the Licensor, terminate its agreement with such manufacturer and will enter into an agreement with another third party manufacturer as soon as commercially reasonable in accordance with sections 3.12 and 3.13 of this Agreement. The Licensor will use reasonable efforts to assist the Licensee in identifying another suitable third party manufacturer.

### **SECTION 3 - ACKNOWLEDGEMENT OF RIGHTS AND COVENANTS BY LICENSEE**

3.1 The Licensee acknowledges the Licensor's exclusive right, title and interest in and to the Trade-mark and the validity of the application for registration thereof and agrees that the Trade-mark is and shall remain the sole and exclusive property of the Licensor in the Territory and that, except for the licensed rights to use as provided by this Agreement, the Licensee has and will hereby acquire no rights in the Trade-mark. The Licensee specifically acknowledges that its use of the Trade-mark shall not create in the Licensee any right, title or interest in the Trade-mark or the goodwill associated with the Trade-mark and that every past and future use of the Trade-mark by the Licensee shall enure to the benefit of the Licensor.

3.2 The Licensee agrees that it shall not at any time during or after the Term of this Agreement, do or cause to be done any act or thing, directly or indirectly, which would in any

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way impair, diminish, disparage the reputation of or reduce the value of any of the Licensor's right, title or interest in, or the validity of, the Trade-mark or the underlying intellectual property or the reputation and goodwill of the Licensor.

3.3 The Licensee agrees that it shall not at any time during or after the Term of this Agreement, directly or indirectly, in any manner whatsoever represent that it has any ownership or beneficial or proprietary interest in the Trade-mark or application for registration thereof.

3.4 The Licensee shall not be entitled to carry on business under any name containing the Trade-mark or any word confusing with or similar to the Trade-mark, other than as shall be specifically approved by the Licensor, which approval may be withheld or withdrawn at any time for any reason whatsoever.

3.5 The Licensee agrees that it shall not in any way or at any time be entitled to hold itself out as a partner, joint venturer, agent, division, subsidiary, associate or affiliate of the Licensor, nor hold out that it is otherwise related to the Licensor in any manner, except to the extent expressly permitted by the Licensor or this Agreement. The Licensee shall exercise care to ensure that it is clear to all persons that the Licensee is only a licensee of the Licensor and has no authority to bind the Licensor or to incur any liabilities or obligations on behalf of, or to pledge the credit of, the Licensor.

3.6 The Licensee shall not sell any Licensed Products to any person outside the Territory nor to any person whom the Licensee has knowledge of or has reason to believe will resell any Licensed Products outside the Territory.

3.7 The Licensee covenants and agrees that, except as hereinafter provided, it shall not, without the advance written permission of the Licensor, during the Term of this Agreement: (i) manufacture, distribute, promote or sell any products similar to or competitive with the Licensed Products and distributed in similar trade channels as the Channels of Distribution; or (ii) otherwise in any manner, directly or indirectly, engage in any business which is similar to or which would compete with the business of the manufacture, distribution, promotion or sale of the Licensed Products in the Territory; provided however, that this covenant will not apply to the manufacture, distribution, promotion and sale of men's and women's apparel bearing any of the Rainforest, Lady Fairway or Vuarnet trade-marks, which are trade-marks presently licensed for use in the Territory by the Licensee.

3.8 The Licensee acknowledges that, from time to time, the Licensor, at its discretion, may modify or add to the Licensed Products; for example, by the addition of a new style or line of men's or women's golf apparel or accessories. With respect to any such change, the Licensee agrees that should there be a dispute over the definition of Licensed Products, the Licensor shall, following a good faith discussion with the Licensee, render a written determination that shall be conclusive and binding on the Licensee.

3.9 The Licensee acknowledges that the Licensed Products manufactured, distributed, promoted and sold in connection with the Trade-mark shall not be duplicated or copied by the Licensee in connection with the manufacture, distribution, promotion and sale of other products bearing a trade-mark other than the Trade-mark. Without limiting the foregoing, the Licensee

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agrees that it shall not duplicate or copy any of the styles of any of the Licensed Products for use in connection with the manufacture, distribution, promotion and/or sale of men's and women's apparel bearing any of the Rainforest, Lady Fairway or Vuarnet trade-marks. Furthermore, the Licensee agrees that it shall not use any information or service supplied to it hereunder in connection with the manufacture, distribution, promotion and/or sale of any products other than the Licensed Products.

3.10 The Licensee acknowledges that the rights granted herein to it to use the Trade-mark apply only to its use in connection with the Licensed Products.

3.11 The Licensee acknowledges and agrees that the rights granted under this Agreement are personal to it and subject to the condition that no part of the process of manufacture of the Licensed Products shall be carried on by any person other than the Licensee or the recommended manufacturers referred to below without the prior written consent of the Licensor.

3.12 The Licensee agrees that it will, whenever reasonably possible, use the same third party suppliers and manufacturers of the Licensed Products as currently used by the Licensor in order to effect cost savings, to ensure consistency of the Licensed Products with products sold by the Licensor in the United States and to take full advantage of the Licensor's established relations with its suppliers and manufacturers. In connection with the procurement of the Licensed Products by the Licensee from the third party suppliers and manufacturers currently being utilized by the Licensor, the Licensee covenants and agrees with the Licensor to comply with the following (the "Terms of Procurement"):

(a) the Licensee will submit a written purchase order directly to the third party manufacturer no later than three (3) days following a verbal agreement with the manufacturer with respect to the terms of purchase of Licensed Products, including without limitation, the type and quantity of Licensed Products;

(b) the Licensee will pay the third party manufacturer in the currency requested by said manufacturer and any such payment will be in a timely fashion or as otherwise agreed upon with the manufacturer;

(c) the Licensee will pay the sourcing agent(s), if applicable, in the currency requested by said agent(s) and any such payment will be in a timely fashion or as otherwise agreed upon with the agent;

(d) the Licensee will utilize efficient and secure global supply chain procedures, consolidators, carriers and vendors and use its commercially reasonable efforts to maintain positive relations with said parties;

(e) the Licensee agrees that all Licensed Products manufactured for the Licensee by a third party manufacturer situated outside of the Territory shall be imported into the Territory in a manner that is consistent with all applicable laws and regulations pertaining to the importing of the Licensed Products; and



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(f) the Licensee shall promptly inform the Licensor of any problems or difficulties encountered in the relationship between the Licensee and any third party manufacturer, as well as with the actual procurement of the Licensed Products (such as problems with the importation of the Licensed Products).

3.13 Notwithstanding the foregoing, if the third party manufacturers currently used by the Licensor are unable to supply any portion of the Licensed Products, the Licensee may use a different third party manufacturer than currently used by the Licensor, subject to the prior written approval of the Licensor, which consent shall not be unreasonably withheld, provided that such manufacturer shall execute a manufacturer's agreement substantially in the form prescribed in Schedule 3.13 attached hereto. The Licensee agrees that it shall provide the Licensor with an executed copy of said agreement promptly following its execution. For all other Licensed Products which are procured from third parties not currently used by the Licensor, prior to any sale of any such Licensed Products, the Licensee shall submit to the Licensor a 'specification package' and written request for approval for each proposed Licensed Product. Such package shall include full manufacturing details for each product and samples of the proposed product. The Licensor shall have the sole and absolute discretion to approve or withhold approval of any such proposed Licensed Product, but will provide reasons for disapproval to the Licensee. If no written disapproval of or denial of consent to the proposed Licensed Product is made within twenty (20) business days after receipt of the specification package by the Licensor, approval shall be deemed to have been given. Upon receipt of preliminary samples or pre-production samples, the Licensee shall submit to the Licensor a written confirmation that there is no material change in the proposed Licensed Products as compared to the products and materials that were approved. The Licensee shall however, identify such 'non-material' changes. All submissions shall be in writing, identifying clearly the proposed Licensed Products to which they relate. Upon the Licensee's receipt of the approved Licensed Product, the Licensee shall deliver one sample of such product to the Licensor for its quality control testing, which quality control testing shall meet commercially reasonable standards in the industry and shall be disclosed to the Licensee prior to such delivery of sample. If such product fails the Licensor's quality control testing, the Licensee agrees to provide, at no cost, additional samples for testing and agrees to discontinue or correct the quality of manufacture of any Licensed Products reasonably objected to by the Licensor as being of quality not approved.

#### **SECTION 4 - REPRESENTATIONS AND WARRANTIES**

4.1 The Licensee hereby represents and warrants to the Licensor as follows:

- (a) the Licensee is a corporation duly incorporated, organized and is validly subsisting and in good standing in all respects under the laws of Canada and has the corporate power and is duly licensed, registered and qualified to carry on the business of the manufacture, distribution, promotion and sale of men's and women's wearing apparel in the Territory;
- (b) the Licensee has good right, full power and absolute authority to execute, deliver and perform this Agreement and is not under any obligation, contractual or otherwise, to request or obtain the consent of any person or any governmental authority to any of the transactions contemplated herein;

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- (c) the Licensee is duly licensed, registered or qualified as a corporation to do business and is in good standing in all respects in each jurisdiction in which it owns or leases property, carries on business or the nature or conduct of its business makes such qualification necessary or desirable; and
- (d) the Licensee does not hold or is not required to hold any permit, license, certification or authorization from any federal, provincial or local governmental or regulatory agency, board, commission or authority in order to permit the Licensee to carry on its business in compliance with all applicable laws. No permits, licenses, certifications, authorizations, consents or approvals of, or notification to, any federal, provincial or local governmental or regulatory agency, board, commission or authority are required for the execution, delivery or performance by the Licensee of this Agreement.

4.2 The Licensor hereby represents and warrants to the Licensee as follows:

- (a) the Licensor is a corporation duly incorporated, organized and is validly subsisting and in good standing in all respects under the laws of the State of Delaware;
- (b) the Licensor has good right, full power and absolute authority to execute, deliver and perform this Agreement and is not under any obligation, contractual or otherwise, to request or obtain the consent of any person or any governmental authority to any of the transactions contemplated herein;
- (c) no person has any agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the purchase, assignment, license or exercise of any of the rights or benefits of the Trade-mark in the Territory;
- (d) all statements contained in the application forms for registration of the Trade-mark in the Territory are true and correct and not misleading in any respect as at the date of such application;
- (e) to the best of the knowledge of the Licensor, it owns all right, title and interest in and to the Trade-mark to the extent necessary to fulfill all of its obligations under this Agreement, and has good right, full power and absolute authority to license the Trade-mark in the Territory. It is hereby acknowledged by the Licensee that, as of the date hereof, the Trade-mark has not been registered in Canada, although an application has been filed, and the Licensor does not absolutely represent or warrant to the Licensee, and there is no condition that, the Trade-mark is valid or enforceable in Canada or that use thereof or the manufacture, distribution, promotion or sale of any Licensed Products under the Trade-mark will not infringe or otherwise violate any rights of any other person. The parties agree that if it appears that any use of the Trade-mark may infringe the rights of others, then, upon request by the Licensor, each of the parties shall take such reasonable steps and efforts as may be necessary to cease any such infringement; and

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- (f) the Licensor will make available to the Licensee a list of all third party suppliers and manufacturers used by the Licensor in the manufacture of products that are similar to the Licensed Products and which are distributed, promoted and sold in the United States and the Licensor further represents and warrants that if the Licensee purchases the Licensed Products from such third parties, the Licensor will provide the Licensee with the product specifications for such similar products produced for use in the United States, will assist the Licensee with its price negotiations with such manufacturers and will provide the Licensee, at the Licensor's cost, with samples of the products that are similar to the Licensed Products and which are distributed, promoted and sold in the United States for advanced sale, marketing and promotion of the Licensed Products in the Territory.

#### SECTION 5 - ACTIONS AGAINST UNAUTHORIZED USE; INFRINGEMENTS

5.1 The Licensee shall promptly notify the Licensor of any unauthorized use, infringement, appropriation, imitation, simulation or misuse of the Trade-mark upon such unauthorized use, infringement, appropriation, imitation, simulation or misuse coming to the notice of the Licensee.

5.2 (a) The Licensee shall, if requested by the Licensor and at the Licensor's cost, provide any and all assistance to the Licensor and will execute any documents required by the Licensor to permit the Licensor to protect the Trade-mark.

(b) The Licensee shall, if requested by the Licensor, supply to the Licensor evidence of use and any other information required to support any Trade-mark application or registration of the Trade-mark for any of the Licensed Products.

5.3 The Licensor shall, at its own expense, have the right to engage in proceedings involving the Trade-mark or to take such steps as may be necessary to terminate such unauthorized use, infringement, appropriation, imitation, simulation or misuse. The Licensor may, in its sole discretion, settle any third party dispute with any third party at any time regarding such infringements and appropriations without Notice or compensation to Licensee.

5.4 In the event that the Licensor does not take action against any unauthorized use, infringement, appropriation, imitation, simulation or misuse of the Trade-mark, the Licensee may be permitted to take action, at its sole cost and expense, and the Licensee shall therefore be entitled to retain all damages related to the Licensee's actual damages. Any such action may only be taken by the Licensee however, with the Licensor's prior written consent. The Licensee's rights in such an action are limited by its rights under this Agreement. The Licensor shall have the right at its own expense and in its absolute discretion to join in any such action to the extent allowed by the court through lawyers of its own selection. Whether or not the Licensor joins in such action, any recovery shall be shared first proportionally as to out-of-pocket expenses incurred by the Licensee and the Licensor, then to cover actual losses of the Licensee and then to the Licensor. The Licensee is not permitted to settle any action which it may bring without the Licensor's consent.

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**SECTION 6 - MANNER OF USE/QUALITY CONTROL**

6.1 The Licensee acknowledges that it is of fundamental importance to the Licensor that the integrity of the Licensed Products and the Trade-mark be maintained at a level deemed appropriate by the Licensor. The Licensee agrees it will, at all times, abide by and maintain the standards for the manufacture, distribution, promotion, advertising and sale of the Licensed Products and the use of the Trade-mark which are established from time to time by the Licensor (the "Standards"). The Standards shall not be less than the same high standards of quality for products similar to the Licensed Products that have been maintained by the Licensor or its other licensees in the United States and which the trade or public have come to associate with the Trade-mark or other products of the Licensor. The Licensor may from time to time, in its sole discretion and upon reasonable Notice, require such changes in the Standards as the Licensor considers are desirable. The manner of use of the Trade-mark by the Licensee shall be strictly in accordance with such Standards of the Licensor, and the Licensee agrees to observe any and all such changes to such Standards.

6.2 The Licensor has the right, upon prior written Notice to the Licensee of at least fifteen (15) days, or thirty (30) days in the event that Ms. Diane Lanctot, the President of the Licensee, is outside of the province of Quebec, to inspect the Licensed Products upon and in connection with which the Trade-mark is used, as well as the facilities and methods of manufacture and production of the Licensed Products, in order that the Licensor may satisfy itself that the Licensed Products meet the Standards and all other reasonable specifications and instructions submitted or approved by the Licensor from time to time and specifically provided and disclosed to the Licensee.

6.3 From time to time, the Licensor may request, and the Licensee shall provide, a full and complete list of any and all third party manufacturers being utilized by the Licensee at that time for the production of Licensed Products hereunder. The Licensee shall use its commercially reasonable efforts to ensure that all third party suppliers or manufacturers of any portion of the Licensed Products have agreed to the Licensor's right to reasonably inspect and control the quality of such goods. Upon written request by the Licensor from time to time, the Licensee will provide samples of Licensed Products produced by each third party manufacturer utilized by the Licensee.

6.4 The Licensee agrees that the nature and quality of all advertising, promotional and other related uses of the Trade-mark by the Licensee shall conform to the Standards set by the Licensor from time to time. The Licensor may, from time to time, provide to the Licensee sample artwork, logos and designs relating to the Trade-mark which the Licensee will use in its advertising and promotional materials. The Licensor will bill the Licensee for such materials at the Licensor's cost. The Licensee shall make available to the Licensor, on reasonable request, copies or originals of the Licensee's advertising and promotional material, labelling, packaging and similar items which include the Trade-mark, and such requested items shall be subject to the written approval of the Licensor as to the nature, quality and appearance thereof, the Trade-mark applied thereto and conformance to the specifications or other requirements of the Licensor prior to any advertising, sale or distribution of such material.

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6.5 The Licensee agrees that all Licensed Products manufactured by or for the Licensee in association with the Trade-mark pursuant to this Agreement (i) shall be produced in a manner which is consistent with all applicable laws and regulations relating or pertaining to such manufacture, including laws relating to workplace and product safety, in the jurisdiction of such manufacture (and the Licensee will ensure that all persons engaged by it to manufacture Licensed Products similarly covenant to comply with such laws and regulations), and (ii) shall be advertised, marketed and sold in a manner which is consistent with all laws and regulations relating or pertaining to the sale of such products in the Territory, including, without limitation, all laws and regulations relating to advertising, packaging and labelling, and the Licensee will ensure that all persons to whom it provides Licensed Products for distribution or resale similarly covenant to comply with such laws and regulations.

6.6 From time to time, the Licensor may request, and the Licensee shall provide to the Licensor at no cost to the Licensor, specimens of Licensed Products, product labels, cartons, containers, packages, and similar materials in association with which the Trade-mark is being used or has been used as the Licensor shall require for the purpose of determining the Licensee's adherence to the requirements of this Section 6.

6.7 The Licensee agrees that it will meet or discuss with the Licensor on a timely basis, as dictated by the market and other conditions, to discuss marketing, sales, sourcing and operating plans relating to the sale of the Licensed Products.

6.8 The Licensee shall promptly notify the Licensor, in writing, of any material complaint by any person regarding any Licensed Products, setting forth, in reasonable detail, all pertinent information known to the Licensee in respect thereto.

6.9 The Licensee agrees that it will not affix any trade-marks, logos, designs, insignia or brand labels other than the Trade-mark to any Licensed Products or packaging of Licensed Products without the prior approval of the Licensor. Notwithstanding the foregoing, the Licensee has the right, at its customer's request and subject to the Standards of the Licensor, to embroider or embellish the Licensed Products with third party names, logos, or other identification, as customarily required in the particular industry to prepare the Licensed Products for resale by the Licensee's customers. In no event however, shall the Licensee's embroidery or embellishment of the Licensed Products replace or cause any confusion with respect to the Trade-mark branding and labelling of the Licensed Products.

6.10 Licensed Products which are determined by the Licensor, acting reasonably, to not materially meet the Standards, or which do not properly display the Trade-mark, shall not be distributed or otherwise sold by the Licensee and any such Licensed Products which have been distributed or otherwise sold shall, upon request by the Licensor, be immediately recalled and replaced by the Licensee at the Licensee's expense. The Licensee shall provide the Licensor with a list of all purchasers of any such recalled products and shall certify to the Licensor that all such products have been replaced.

6.11 Whenever Licensee is disposing of irregular items (being items of Licensed Products with a manufacturing or other defect such that they cannot be sold as first-class products) or close-out items (being discontinued stock keeping units) of Licensed Products, it

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will do so only through distributors or customers, and only in a manner, which will not unduly reduce or diminish the image, marketability or value of the Trade-mark, the reputation of the Licensed Products and the goodwill associated therewith. Furthermore, the percentage of irregulars of any of the Licensed Products which may be disposed of annually shall not, in any event, exceed five percent (5%) of the total number of units of first quality Licensed Products sold by the Licensee in that year. In addition, the percentage of close-outs of any Licensed Products which may be disposed of annually shall not, in any event, exceed fifteen percent (15%) of the total number of units of first quality Licensed Products sold by the Licensee in that year. Furthermore, the Licensee agrees that if the percentage of irregular and close-out items exceed twenty percent (20%) in the aggregate of the total number of units of Licensed Products procured by the Licensee during any year of the Term, the Licensee will confer with the Licensor prior to the further sale or distribution of the Licensed Products to discuss appropriate plans for distribution of such items.

6.12 In all contracts with manufacturers, suppliers, agents, distributors, customers and other persons, and in all other written materials relating to Licensed Products or the Trade-mark, the Licensee will clearly indicate that the Trade-mark is a trade-mark of the Licensor and that it is being used by the Licensee only with the permission of the Licensor.

6.13 The Licensee undertakes strictly to comply with all laws and regulations pertaining to Trade-marks and marking requirements in force from time to time in the Territory.

6.14 The Licensee shall, at the request of the Licensor, join in such registrations, applications, and amendments as are necessary or desirable to protect the validity of the Trade-mark and this Agreement and shall execute such documents as may be necessary to implement the registrations, applications and amendments. Any such registrations by the Licensee shall be in the name and at the sole expense of the Licensor and nothing herein contained shall be construed as an assignment or grant to the Licensee of any right, title or interest in or to the Trade-mark for the Licensed Products or any right in relation thereto.

6.15 The Licensee agrees to disclose to the Licensor full information, details and specifications with respect to any and all new developments, designs or improvements that the Licensee may consider appropriate with respect to the Licensed Products or Trade-mark and shall assign to the Licensor any rights which the Licensee may have in any such new developments, designs or improvements and shall execute, at the request of the Licensor, all applications and other documents required by the Licensor to obtain full legal protection in Canada or any other jurisdiction for such developments, designs or improvements.

6.16 Except as provided herein, the Licensee shall not adopt or use the Trade-mark as a trade name, or adopt or use a trade name that is similar to or likely to be confusing with the Trade-mark.

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6.17 The Licensee shall not use the Trade-mark except as provided herein and shall not, in any circumstances, modify or amend the Trade-mark or use any word or symbol or combination thereof in conjunction with the Trade-mark in such a way as to adversely affect the distinctiveness thereof or add any words, symbols, logos, designs or colours to the Trade-mark, except as expressly approved by the Licensor.

6.18 The Licensee shall provide the Licensor with evidence of its use of the Trade-mark as reasonably required by the Licensor.

6.19 The Licensee represents that it has expertise in the business of manufacturing (or causing the manufacture thereof), distribution, promotion and sale of similar products to the Licensed Products in the Territory and through the Channels of Distribution. The Licensee agrees that it shall distribute and sell the Licensed Products and maintain adequate inventories so as to satisfactorily meet demand and provide timely delivery in the Territory except in cases set out in paragraph 11.6 of this Agreement.

6.20 The Licensee agrees that it shall diligently and continuously promote the Licensed Products within the Territory with a view to building brand awareness and gaining maximum volume of distribution and sales. Furthermore, the Licensee agrees that it shall expend at least two percent (2%) of its net sales of the Licensed Products per year on advertising and promotion of the Licensed Products. Amounts spent in excess of such advertising and promotion minimum payment for any year during the Term may not be applied to reduce or offset the advertising and minimum payment due for any other year during the Term. It is acknowledged that the Licensee is responsible for all costs and expenses of implementing all sales and marketing plans for the Licensed Products in the Territory, including, without limitation, the cost of all catalogues and promotional materials. The Licensee will furnish to the Licensor a detailed accounting of all advertising expenditures spent by the Licensee pursuant to this section 6.20 on a yearly basis. The yearly statement will be certified to be correct by the Licensee's duly authorized Chief Financial Officer or equivalent.

6.21 The Licensee represents that it will begin accepting orders for the purchase of the Licensed Products in the Territory through the Channels of Distribution no later than December 31, 2003.

6.22 Subject to governing laws, the Licensee shall not sell or distribute, in any manner whatsoever, any of the Licensed Products to wholesalers, distributors, retail stores or merchants that are not included in the Channels of Distribution nor to any wholesalers, distributors, retail stores or merchants that are included in the Channels of Distribution but are not reasonably acceptable to the Licensor.

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**SECTION 7 - REGISTRATIONS**

7.1 The Licensor agrees to use its reasonable efforts, at the expense of the Licensor, to register and maintain the Trade-mark as a registered Trade-mark under the laws of the Territory. The Licensor shall pay all costs to register the Trade-mark in the Territory, including search fees, legal fees and disbursements and government filing fees.

7.2 If the Licensee proposes to use the Trade-mark in association with wares or services for which the Trade-mark is not registered in the Territory, then the Licensee shall advise the Licensor of its intention to so use the Trade-mark and, if the Licensor consents to such use, the Licensee shall cooperate with the Licensor in the filing of the appropriate applications to extend the Trade-mark registrations or to file applications for new registrations. The Licensee shall pay all costs of searching, filing and recording such extensions to the registrations or new registrations. If at any time the Licensor determines that the Trade-mark is not available for registration in association with the new wares or services, or that such use may infringe the rights of others, the Licensor shall so advise the Licensee and the Licensee shall not use the Trade-mark in association with the new wares or services.

**SECTION 8 - ROYALTIES, PAYMENTS, BOOKS AND RECORDS**

- 8.1 (a) For the purposes of this Agreement, a "License Year" shall be twelve (12) consecutive calendar months commencing on January 1 and ending on December 31 of the same year, except that the first License Year will commence on the date hereof and will end on December 31, 2004.
- (b) The Licensee agrees to pay to the Licensor, with respect to each License Year or partial License Year during the Term, a royalty amount equal to 10% of the FOB Invoice Price of all Licensed Products manufactured by a third party manufacturer and purchased by the Licensee during such License Year, provided however, that the Licensee shall pay a royalty in each License Year not less than the Minimum Royalty Payment applicable to that License Year which is set forth in Schedule 8.1 (b) attached hereto.
- (c) The royalties will be calculated and paid by the Licensee hereunder quarterly during each License Year, within thirty (30) days after the end of each calendar quarter in the License Year, except that, for the first License Year, the first royalty payment will not be due until April 30, 2004.
- (d) The royalty payments in each License Year will be calculated on a cumulative basis, such that each quarterly payment will be in the amount which will result in the cumulative total of all payments for that License Year being equal to the greater of (i) 10% of the FOB Invoice Price of all Licensed Products purchased by the Licensee in that License Year up to the end of that quarter, or (ii) the total portion of the Minimum Royalty Payment for that License Year payable each quarter, representing 25% of the annual Minimum Royalty Payment due and payable for the year. The Licensee will submit to the Licensor, together with its quarterly remittance following each quarter of each License Year, a Quarterly



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Royalty Calculation Report, in the form set forth in Schedule 8.1(d) attached hereto.

- (e) Notwithstanding the foregoing, it is acknowledged that, for the purposes of the royalty and Minimum Royalty Payment obligations hereunder, the inventory of Licensed Products held in the Licensee's possession at the end of each License Year (other than the last License Year of the Term) may be deemed to be purchases in the first quarter of the immediately succeeding License Year. The Licensee will submit to the Licensor a written list of inventory of Licensed Products in its possession at the end of each License Year.
- (f) Interest will be payable on overdue amounts at the rate of 0.5% per month (equivalent to 6% per annum).

8.2 Within sixty (60) days of the end of each License Year during the term of this Agreement, and within sixty (60) days of the termination of this Agreement, and also forthwith upon the request of the Licensor acting reasonably, the Licensee shall furnish to the Licensor, at the sole expense of the Licensee:

- (a) a purchase summary for such License Year or other period as required by the Licensor, to permit the Licensor to determine that the amount of the royalty paid under this section is the full amount which is due and payable, and
- (b) a complete and accurate summary of the net sales of all Licensed Products sold by the Licensee during the preceding and current License Years, by style. For purposes of this report, net sales shall be calculated as invoiced shipments net of returns, discounts, allowances, taxes, freight and handling.

Such information shall be certified accurate by the Chief Financial Officer, the Controller or any other officer of the Licensee and shall include such other relevant information relating to the matters therein contained as may reasonably be required by the Licensor.

8.3 If the Licensor has reasonable cause to believe that the Licensee has sold any of the Licensed Products to customers that are outside of the Territory or are not included in the Channels of Distribution, the Licensee shall make available to the Licensor, at the premises of the Licensee, a complete and accurate summary of the net sales of all Licensed Products sold by the Licensee during the preceding and current License Years, by customer. The Licensor acknowledges and agrees that any review of the foregoing information shall be conducted on a strictly confidential basis and such information will be used only for the purposes of this Agreement and for no other purposes whatsoever.

8.4 The Licensee agrees to maintain complete and accurate books of account and copies of all documents and other material relating to this Agreement including, without limitation, the Purchase Documentation regarding the FOB Invoice Price and terms and conditions of the purchase of the Licensed Products for three (3) years following the termination or expiration of this Agreement, or in the event of a dispute between the parties, until the dispute is resolved, whichever date is later. The Licensor and professional independent representatives of its choice

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shall have reasonable access, upon reasonable prior written Notice of at least fifteen (15) days to the Licensee:

- (a) to examine such books and documents including, without limitation, the Purchase Documentation,
- (b) to examine all books, records and databases on which such books and documentation including, without limitation, the Purchase Documentation, are recorded, and
- (c) to interview the Chief Financial Officer, the Controller and any other similarly designated person of the Licensee in relation to any of the books and records including, without limitation, the Purchase Documentation and all payments due under this Agreement.

The cost of such examination shall be on a strictly confidential basis and shall be born by the Licensor unless such examination indicates that the royalties payable over the period of the examination have been understated by an aggregate amount greater than 5%, in which case the full cost of the examination will be reimbursed by the Licensee to the Licensor. Any sums found by such examination to be due to the Licensor by the Licensee shall bear interest at the rate of 6% per annum from the date when such understated sum should have been paid, and shall be immediately due and payable.

## SECTION 9 - CONFIDENTIALITY AND IMPROVEMENTS

9.1 The Licensee covenants to maintain the confidentiality of all Confidential Information during the Term of this Agreement and after the termination or expiration thereof and shall not for any reason without the prior written consent of the Licensor, directly or indirectly, provide any other person with access to the Confidential Information or make use of the Confidential Information for the benefit of any person other than the Licensor or assist others in doing so. Without limiting the generality of the foregoing, providing access includes disclosure, sale, copying, dissemination, publishing, broadcasting or reproduction by any means whatsoever. All applicable intellectual property rights residing in the Confidential Information, including, without limitation, know-how and trade secrets, are and will remain the exclusive property of Licensor.

9.2 Confidential Information received by the Licensee under this Agreement may only be disclosed by the Licensee:

- (a) to persons within or employed by the Licensee in order to carry out the purposes of this Agreement; and
- (b) to contractors of the Licensee for use only within the framework of their contracts with the Licensee as approved by the Licensor in work relating to the subject matter of the Confidential Information,

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providing that any such Confidential Information shall only be disseminated to such persons or contractors on a need-to-know basis pursuant to an agreement of confidentiality which shall be in a form approved by the Licensor and that any such Confidential Information shall be marked with an appropriate restrictive legend.

9.3 The Licensee shall ensure that Confidential Information received by it under this Agreement shall be controlled as provided herein. If the Licensee becomes aware that it will be or may reasonably be expected to become unable to meet the non-disclosure or restricted use provisions of this Agreement, it shall immediately inform the Licensor. The parties shall thereafter consult to define an appropriate course of action (without prejudice to any of the Licensor's rights or remedies).

9.4 The Licensee shall:

- (a) disclose and assign, and does hereby assign, to the Licensor all right, title and interest that the Licensee may have in and to all inventions, works, discoveries, improvements and innovations ("Work Product") developed or created by the Licensee solely or jointly with others which are based on or arise from the Confidential Information or which relate to the Licensed Products and shall waive all moral rights which the Licensee may have in such Work Product; and
- (b) keep and maintain for the Licensor precise and up-to-date written records of all such Work Product and not take any action, directly or indirectly which would adversely affect the value of such Work Product or the validity or enforceability of any intellectual property rights residing therein.

#### **SECTION 10 - TERM AND TERMINATION**

10.1 Subject to earlier termination as herein provided, the initial term of this Agreement shall commence on the date hereof and expire on the 31<sup>st</sup> day of December, 2007. (the "Initial Term").

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10.2 Provided the Licensee has not breached any provision of this Agreement which has not been cured to the satisfaction of the Licensor, and provided the Licensee has paid to the Licensor all royalties (including all Minimum Royalty Payments) and other amounts (if any) which have become due and payable hereunder, then the Licensee will have the right, by giving written notice to the Licensor on or before December 31, 2006, to renew this Agreement for a term (the "Renewal Term") commencing on January 1, 2008 and expiring on December 31, 2011. All terms and conditions of the Agreement shall continue to apply during the Renewal Term.

10.3 The Licensee shall be deemed to be in default under this Agreement and the Licensor shall be entitled to terminate this Agreement and all rights and licenses granted herein immediately, without notice to the Licensee or prior opportunity to cure (except as hereinafter specifically provided), if any of the following shall occur (each of which is separate and independent):

- (i) the Licensee defaults in the payment of any amount due and owing hereunder and fails to make such payment within fifteen (15) days after the Licensor gives written notice of such default to the Licensee;
- (ii) the Licensee defaults in the performance or observance of any of its other obligations hereunder (including, without limitation, the failure to commence accepting orders for the purchase of Licensed Products throughout the Territory by March 31, 2004 or the failure to comply with the Terms of Procurement), and such default is not cured to the satisfaction of the Licensor within thirty (30) days after the Licensor gives notice of such default to the Licensee
- (iii) the Licensee promotes or sells any unapproved Licensed Products in contravention of section 3.13 hereof;
- (iv) the Licensee is adjudged bankrupt, becomes insolvent or is unable or is deemed to be unable or admits its inability to pay its debts and stops or threatens to stop payments generally or ceases or threatens to cease to carry on its business or major part thereof;
- (v) a liquidator, administrator, trustee, receiver or receiver and manager of the Licensee is appointed, or an encumbrancer takes possession of any part of the undertaking, assets, rights or revenues of the Licensee;
- (vi) any assets of the Licensee are seized or attached in conjunction with any action against the Licensee;
- (vii) any action is taken for, or with a view to, liquidation, dissolution, winding-up, official management, bankruptcy or insolvency of the Licensee;
- (viii) the Licensee enters into or proposes to enter into any scheme of arrangement or any assignment or composition with or for the benefit of

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its creditors generally or any class of its creditors or proceedings are commenced in relation to the Licensee under any law, regulation or proceeding relating to the reconstruction or readjustment of debts;

- (ix) except as otherwise provided for under this Agreement, the Licensee transfers or attempts to transfer this Agreement or any rights hereunder to any person without the prior written consent of the Licensor;
- (x) the Licensee sells, transfers or assigns all, or substantially all, of the assets of the Licensee, without the prior written consent of the Licensor;
- (xi) a change of control of the Licensee occurs, as a result of which those persons who presently control the Licensee cease to do so, in any manner whatsoever, without the prior written consent of the Licensor;
- (xii) the Licensee merges, amalgamates or otherwise combines its business with any other person, without the prior written consent of the Licensor;
- (xiii) if the Licensee shall act in a manner detrimental to the goodwill associated with the Licensed Products or the Trade-mark or the reputation of the Licensor including, without limitation, the commission of an act of fraud by the Licensee or an involvement in criminal activities by any director or officer of the Licensee or by employees of the Licensee in the course of their work; or
- (xiv) if the Licensee shall abandon or express any intention to abandon the use of the Trade-mark.

10.4 Upon expiry of the Initial Term (unless this Agreement is renewed) or expiry of the Renewal Term, or upon earlier termination of this Agreement, the Licensee shall:

- (i) cease to be a licensee of the Licensor and immediately cease to hold itself out as a licensee of the Trade-mark;
- (ii) immediately cease to use in any manner the Trade-mark except as expressly permitted by the Licensor;
- (iii) execute all documents necessary in the sole discretion of the Licensor to evidence and record the termination of the Trade-mark license rights of the Licensee granted under this Agreement with such government offices as the Licensor shall consider necessary;
- (iv) immediately pay to Licensor all royalties, Minimum Royalty Payments, fees, amounts and other charges as have become due hereunder up to and including the date of expiry or termination; (and for this purpose, Minimum Royalty Payments will be deemed to be payable on a pro rata basis for any portion of a year ending on the date of termination of this Agreement);

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- (v) promptly provide the Licensor with a written account of all Licensed Products bearing or associated with the Trade-mark or any part thereof in the possession or control of the Licensee at the date of termination. Upon request by the Licensor, the Licensee shall use its commercially reasonable efforts to sell, in the Territory through the Channels of Distribution, at then current prices and otherwise, in an orderly manner and without any damage to the value of the Trade-mark, all remaining inventories of the Licensed Products in its possession or under its control as at the date of termination, for a period of one hundred and twenty (120) days from the date of arrival of the Licensed Products to the Licensee's warehouse, (or such longer period as may be specified by the Licensor) following such termination. The Licensor shall have the right (but not the obligation) to buy any or all of the Licensed Products listed in such written account at the Licensee's cost of manufacture. The Licensor shall have the right at any time and without prior Notice to the Licensee to conduct a physical inventory of the Licensor in order to verify such account and will be entitled to review Licensee's books and records with respect to consignments of Licensed Products, and in this regard the Licensor shall provide necessary access to all places under its control to the Licensor; and
- (vi) ensure it fully discharges all its obligations to the customers of the Licensee with respect to the Licensed Products.

10.5 In the event that the rights granted hereunder terminate due to circumstances as set forth in subsection 10.3, the Licensee, its receivers, representatives, trustees, agents, administrators, successors, and/or assigns shall have no right to sell, exploit or in any way deal with any of the Licensed Products which bear or are associated with the Trade-mark or any part thereof, except with, and at all times subject to, such prior written consent and prior instructions the Licensor may give from time to time.

10.6 For certainty, it is acknowledged by the Licensee that its covenant to cease use of the Trade-mark following termination or expiry of this Agreement is a reasonable restraint on the conduct of its business imposed by the Licensor to fully protect the Licensor's interest in the Trade-mark.

10.7 Without restricting any of the other rights or remedies of the Licensor hereunder, upon termination of the rights granted hereunder and regardless of the reason for termination, all rights whatsoever granted or accruing to the Licensee pursuant to this Agreement shall automatically revert to the Licensor. Any remedies of the Licensor provided for in this Agreement shall not be exclusive of any other remedies available to the Licensor under this Agreement or by law, but the same shall be deemed to be cumulative.

10.8 The parties agree that any dispute arising under this Agreement shall be resolved by arbitration conducted in Montreal under the rules of arbitration provided in Article 940 and following of the Code of Civil Procedure of Quebec, the decision rendered pursuant to such arbitration being final and binding upon the parties; provided, however, that the Licensor retains

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the right, exercisable in its sole discretion, to seek an injunction or any other summary, interlocutory or equitable remedy to prevent or bring to an end the misuse of the Trade-mark or the breach by the Licensee of its obligations regarding the Trade-mark, before any court of competent jurisdiction selected by the Licensor.

## **SECTION 11 - INDEMNITY, LIABILITY AND INSURANCE**

11.1 The Licensee shall indemnify and hold the Licensor, and any director, officer, shareholder and affiliate thereof, harmless of and from any claims or suits brought against the Licensor by any person arising out of any unauthorized use or misuse by the Licensee of the Trade-mark or of the Licensor's other intellectual property rights in or relating to the Licensed Products in the Territory, or any unauthorized use of Confidential Information, by the Licensee, its officers, directors, employees, agents or anyone directly acting by, through, on behalf of or pursuant to contractual or any other relationship with the Licensee in connection with the manufacture, distribution, sale, advertising and/or promotion of the Licensed Products. As concerns the foregoing indemnification, the Licensee shall defend and hold harmless the Licensor at no cost and expense to the Licensor whatsoever, against any loss, damage or expense whatsoever including, without limitation, legal fees and expenses of investigation with respect to any claim, action or proceeding against the Licensor. This indemnity is in addition to and shall not affect any other indemnity contained in this Agreement. The Licensor shall have the right to defend any action or proceeding relating to the aforesaid with legal counsel of its own selection.

11.2 The Licensor shall defend and indemnify the Licensee and any director, officer, shareholder and affiliate thereof against any claim made by any person alleging that the use by the Licensee of the Trade-mark in the Territory and in the authorized Channels of Distribution infringes a Canadian trade mark or other intellectual property right of that person, provided: (i) the Trade-mark has not been altered, changed or modified by the Licensee in any way, (ii) the Licensee notifies the Licensor within thirty (30) days of receipt of the claim, (iii) the Licensor has sole control of the defense and all related settlement negotiations, and (iv) the Licensee provides the Licensor with assistance, information and authority reasonably necessary to perform the above (and the Licensor will reimburse the Licensee for reasonable out-of-pocket expenses incurred in providing such assistance). In the event the Trade-mark is held or is believed by the Licensor to infringe the trade mark or other intellectual property right of any other person, the Licensor shall have the option to: (a) obtain all necessary rights to continue using the Trade-mark, (b) modify the Trade-mark so that it is non-infringing, or (c) terminate this Agreement, in which event the parties undertake to negotiate in good faith for the license by the Licensor to the Licensee of another trade-mark owned by the Licensor. The Licensor will have no liability for any indirect, special, incidental or consequential damages incurred by the Licensee on account of any such infringement or as a result of the Licensor's termination of this Agreement, including, without limitation, loss of business, revenue, profits or other economic advantage. This section stipulates Licensor's entire liability, and Licensee's exclusive remedy, for claims of infringement of trade marks or other intellectual property rights.

11.3 The Licensee shall obtain and maintain at its expense automobile liability insurance and comprehensive general liability insurance, including, without limitation, product liability insurance, business interruption insurance and advertiser's liability insurance, which names the Licensor and its officers, directors, shareholders, employees and agents as additional

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insureds, and provides adequate protection, in the Licensor's reasonable judgment, for any claim, suit, loss, damage, liability, fine, payment or cost which may be incurred by the Licensor as a result of any alleged or actual defect in material, design or workmanship or any breach of warranty relating to the manufacture of Licensed Products. The amount of such insurance shall not be less than three million dollars (\$3,000,000) for each occurrence and three million dollars (\$3,000,000) in the aggregate, unless the Licensor specifically agrees in writing to a lesser amount. The Licensee shall produce to the Licensor a certificate of insurance evidencing that such insurance is in full force and effect and that it cannot be cancelled without the insurer giving the Licensor written notice at least thirty (30) days prior to the effective date of the cancellation.

11.4 To the extent that the type and value of insurance coverage described in section 11.3 is unavailable or insufficient to cover any legal costs, claim, action or proceeding made against the Licensor, the Licensee shall indemnify the Licensor in respect of all liability or legal costs arising from or relating to such claim, action or proceeding.

11.5 The Licensee acknowledges and agrees that the Licensor will not be responsible for any loss, damage or expense whatsoever incurred by the Licensee and arising from or incidental to its relationship with any third party supplier or manufacturer currently used by the Licensor.

11.6 No party hereto shall be liable to any other party hereto for any breach of this Agreement in the event that such party is unable to perform or fulfill its obligations hereunder (other than payment obligations) due to an act of God, action or failure to act of any government or governmental board, commission, department bureau or authority, confiscation or expropriation, terrorism, war, blockage, insurrection, riot, sabotage, flood, fire, explosion, epidemic, landslide, lightning, earthquake, storm, accident, strike, lockout, work slowdown, work stoppage, power failure or shortage and any failure of supplies, equipment, labour or transportation. Provided however, notwithstanding any such occurrence, the Licensor will be entitled to terminate this Agreement pursuant to section 10.3 hereof upon the occurrence of any event referred to in that section.

## SECTION 12 - GENERAL PROVISIONS

12.1 The rights and privileges hereby conferred on the Licensee under this Agreement are strictly personal to the Licensee and the Licensee shall not be entitled to assign, sell, encumber, give, convey, lend or otherwise transfer or license any of the rights granted hereunder or grant any sub-license of, or any other rights to, the license granted to the Licensee hereunder without the prior written consent of the Licensor, which consent may be withheld for any reason whatsoever. Failure by the Licensee to notify the Licensor of any such assignment, sale, encumbrance, gift, conveyance, loan, transfer, license or sub-license shall be deemed to be a breach of this Agreement and the Licensor shall be entitled to terminate this Agreement immediately upon Notice to the Licensee. The Licensor shall be entitled to assign this Agreement and its rights and obligations under this Agreement upon written Notice to the Licensee. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Licensor. The Licensee shall, upon such a transfer by the Licensor, release the



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Licensor from any further liability with respect to those rights and obligations under this Agreement.

12.2 If any provision of this Agreement for any reason shall be declared void, illegal, invalid or unenforceable in whole or in part, such provision shall be severable from all other provisions herein and shall not affect or impair the validity or enforceability of any other provision of this Agreement.

12.3 This Agreement constitutes the entire agreement between the Licensee and the Licensor with respect to the subject matter herein. The parties hereby acknowledge and declare that the representations and facts contained in the recitals located prior to Section 1 of this Agreement are true and correct. There is no representation, warranty, agreement or understanding between them or supported hereby other than as expressed herein. The terms and conditions of this Agreement supersede all previous proposals, agreements, undertakings, quotations, negotiations and other communications between the parties hereto, whether written or oral, with respect to the subject matter herein. No amendment or variation to this Agreement shall be binding upon any party hereto unless made in writing and signed by the authorized officers of such party.

12.4 The failure of a party hereto to exercise or enforce any right conferred upon it by this Agreement shall not be deemed to be a waiver of any such right or operate so as to bar the exercise or enforcement thereof at any time or time thereafter.

12.5 The parties hereby agree to do all acts and things that at any time and from time to time may be required for the better carrying out and performance of the intention and terms of this Agreement. This includes, without limitation, the agreement to negotiate, in good faith, an adjustment to the requisite Minimum Royalty Payments in the event of a material adverse change in the wearing apparel industry in the Territory or with the Channels of Distribution of not less than twelve (12) consecutive months duration. The Licensee will have the right to invoke this section 12.5 only once during the Initial Term of this Agreement.

12.6 This Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, personal representatives, successors and permitted assigns of the parties hereto.

12.7 Time is of the essence for the purposes hereof.

12.8 (a) Any notice, designation, communication, demand or other document (in this subsection a "Notice") required or permitted to be given hereunder to any party hereto shall be in writing and shall be sufficiently given or sent if:

- (i) it is delivered personally to such party, or
- (ii) it is delivered by prepaid overnight courier to such party;

at the address set forth below or to such other address as such party receiving such Notice shall have communicated to the other party hereto by notice given as aforesaid

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(A) to the Licensor:

PremiumWear, Inc.  
5500 Feltl Road  
Minnetonka, Minnesota  
USA, 55343-7902  
Attention: General Manager, Golf Division

with a copy to:  
New England Business Services, Inc.  
500 Main Street  
Groton, MA, 01471  
Attention: General Counsel

(B) to the Licensee:

Raymond Lanctot Ltee  
5790 rue Pare  
Montreal, Quebec  
H4P 2M2  
Attention: Ms. Diane Lanctot

with a copy to:  
LÉGER ROBIC RICHARD  
55 St-Jacques  
Montréal, Québec  
H2Y 3X2  
Attention: Mr. Georges T. Robic

(iii) or it is delivered by fax transmission:

(A) to the Licensor:

Fax No: 952.979.1708

(B) to the Licensee:

Fax No: 514.342.4059

LÉGER ROBIC RICHARD

Fax No.: 514.845.7874

with a copy by regular mail to such party at the address set forth above or to such other address as such party receiving such Notice shall have communicated to the other party hereto by notice given as aforesaid.

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- (b) Any Notice delivered personally as set forth in paragraph 12.8 (a) (i) shall be deemed to have been given and received at the time such notice is so personally delivered by courier. Any Notice delivered as set forth in paragraph 12.8 (a) (ii) shall be deemed to have been received on the 2nd business day following the business day on which such Notice is delivered to the courier. Any notice transmitted by fax as set forth in paragraph 12.8 (a) (iii) and evidenced with a confirmation of receipt shall be deemed to have been received at the time such notice is so transmitted.
- 12.9 (a) "this Agreement", "the Agreement", "hereof", "herein", "hereto" and similar expressions refer to this Agreement and to the Schedules and not to any particular Section, Subsection, paragraph, subparagraph, clause, subclause or other portion of this Agreement and include any and every agreement supplemental or ancillary to this Agreement.
- (b) A reference to any one or more parties to this Agreement shall be deemed to include a reference to the respective successors and permitted assigns of such party.
- 12.10 The division of this Agreement into sections, subsections and schedules and the use of headings are for convenience or references only and shall not affect the interpretation or construction of this Agreement. The titles to the sections hereof have been inserted for ease of reference only and shall not affect the interpretation or construction of this Agreement.
- 12.11 This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein without regard to the principles of conflicts of law, and the parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Quebec.
- 12.12 The parties acknowledge that they have agreed that this Agreement, as well as all related documents, be drawn up in the English language only. Les parties reconnaissent avoir convenu que cette convention, ainsi que les documents s'y rattachant, soient rédigés dans la langue anglaise seulement.
- 12.13 It is acknowledged and agreed that all restrictions imposed by the Licensor on the use of the Trade-mark contained herein are reasonable and valid in the circumstances of the proprietary interest of the Licensor in the Trade-mark and the ongoing goodwill associated with the Trade-mark. For greater certainty, the Licensor shall be entitled at any time and from time to time to apply for an injunction, interim or otherwise, restrain any breach or threatened breach of such provisions of this Agreement and such right to an injunction shall be in addition to, and not a limitation of, any other rights or remedies which the Licensor may have for damages or otherwise.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date written above.

**PREMIUMWEAR INC.**


Per:

  
Name: DAVID E. BERG

Title: PRESIDENT

**RAYMOND LANCTOT LTEE**

Per:

  
Name: Diane Lanctot

Title: President

**SCHEDULE 1.1**

**Trade-marks**

**PAGE & TUTTLE**

Application #: 1175752  
Filed on the 23<sup>rd</sup> day of April, 2003

*d*

**SCHEDULE 2.4****Ethical Standards**

**Laws and Workplace Regulations.** Apparel manufacturers will comply with laws and regulations in all locations where they conduct business.

**Forced Labour.** Apparel manufacturers will not use involuntary or forced labour – indentured, bonded or otherwise.

**Child Labour.** Apparel manufacturers will not hire any employee under the age of 14, or under the age interfering with compulsory schooling, or under the minimum age established by law, whichever is greater.

**Harassment or Abuse.** Apparel manufacturers will provide a work environment free of harassment, abuse or corporal punishment in any form.

**Compensation and Benefits.** Apparel manufacturers will pay at least the minimum total compensation required by local law, including all mandated wages, allowances and benefits.

**Hours of Work.** Hours worked each day, and days worked each week, shall not exceed the legal limitations of the countries in which apparel is produced. Apparel manufacturers will provide at least one day off in every seven day period, except as required to meet urgent business needs.

**Discrimination.** Apparel manufacturers will employ, pay, promote, and terminate workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.

**Health and Safety.** Apparel manufacturers will provide a safe and healthy work environment. Where residential housing is provided for workers, apparel manufacturers will provide safe and healthy housing.

**Freedom of Association.** Apparel manufacturers will recognize and respect the right of employees to exercise their lawful rights of freedom of association, including joining or not joining any association.

**Environment.** Apparel manufacturers will comply with environmental rules, regulations and standards applicable to their operations, and will observe environmentally conscious practices in all locations where they operate.

**Customs Compliance.** Apparel manufacturers will comply with applicable customs law and, in particular, will establish and maintain programs to comply with customs laws regarding illegal transshipment of apparel products.

**Drug Interdiction.** Apparel manufacturers will cooperate with local, national and foreign customs and drug enforcement agencies to guard against illegal shipments of drugs.

**SCHEDULE 3.13**

**Manufacturer's Agreement**

This Manufacturer's Agreement is made pursuant to that certain License Agreement (the "Agreement") between PremiumWear, Inc. ("Licensor") and Raymond Lanctot Ltee ("Licensee") dated July 18, 2003.

As a condition to this manufacture or production by the undersigned third-party manufacturer of any of the Licensed Products bearing the Trade-mark the manufacturer acknowledges that the Trade-mark is the sole property of the Licensor and that the right of the manufacturer to manufacture or produce the Licensed Products with the Trade-mark thereon is in all respects subject to the terms and conditions set forth in the Agreement. The manufacturer agrees that the provisions of the Agreement shall take precedence over and supersede any and all contractual relationships between the Licensee and the manufacturer and, in particular, the manufacturer recognizes that all manufacturing or production rights are subject to (a) the restrictions of the use of the Trade-mark and (b) the termination provisions as set forth in the Agreement. The manufacturer further acknowledges that its manufacture or production of the Licensed Products shall give the manufacturer no right to use the Trade-mark or to sell the Licensed Products bearing the Trade-mark to the Licensee beyond the Term permitted by the Agreement. The Manufacturer further promises not to sell the Licensed Products with the Trade-mark thereon to any party except the Licensee. If the Licensor terminates the Agreement, the manufacturer agrees to make no claim against the Licensor for any reason whatsoever. This Manufacturer's Agreement shall not be valid unless and until signed by all parties.

Accepted and Agreed:

Acknowledged:

By: \_\_\_\_\_  
Manufacturer

By: \_\_\_\_\_  
PremiumWear, Inc.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 8.1 (b)****Minimum Royalty Schedule**

The royalty amount to be paid to the Licensor by the Licensee shall be ten percent (10%) of the FOB Invoice Price of all Licensed Products purchased by the Licensee during each License Year of the Term.

Minimum annual FOB Invoice Price of the Licensed Products for the periods specified shall be as follows:

	Estimated number of Units	Minimum Annual Cost (Cdn\$)	Minimum Annual Royalty Payments (Cdn\$)	Minimum Quarterly Royalty Payments (Cdn.\$)
<b>Initial Term:</b>				
Date of commencement of this Agreement through December 31, 2004 <sup>1</sup>	10,000	\$115,000	\$11,500 <sup>2</sup>	\$2,875.00
January 1, 2005 through December 31, 2005	20,000	\$230,000	\$23,000	\$5,750.00
January 1, 2006 through December 31, 2006	30,000	\$345,000	\$34,500	\$8,625.00
January 1, 2007 through December 31, 2007	40,000	\$460,000	\$46,000	\$11,500.00
<b>Renewal Term:</b>				
January 1, 2008 through December 31, 2008	44,000	\$506,000	\$50,600	\$12,650.00
January 1, 2009 through December 31, 2009	47,000	\$540,500	\$54,050	\$13,512.50
January 1, 2010 through December 31, 2010	49,000	\$563,500	\$56,350	\$14,087.50
January 1, 2011 through December 31, 2011	51,000	\$586,500	\$58,650	\$14,662.50

<sup>1</sup> The first License Year may consist of more than 12 months, depending on the date of commencement of this Agreement, but in no event will it commence after January 1, 2004.

<sup>2</sup> For the purposes of the calculation of the first License Year minimum royalty payment, in the event that the first License Year is greater than 12 months, the first minimum royalty payment will apply to these additional months also.



**SCHEDULE 8.1(d)**

**Quarterly Royalty Calculation Report**

Licensee Name \_\_\_\_\_  
License Year \_\_\_\_\_  
(To nearest \$CDN)

Quarter 1    Quarter 2    Quarter 3    Quarter 4

FOB Cost of Purchases of Licensed Product

Quarter \_\_\_\_\_  
Cumulative License Year \_\_\_\_\_

Actual Royalty Calculation @ 10% of FOB Cost

Quarter \_\_\_\_\_  
(1) Cumulative License Year \_\_\_\_\_

Minimum Royalty Payment

Quarter \_\_\_\_\_  
(2) Cumulative License Year \_\_\_\_\_

Remittance Due

(3) Cumulative License Year \_\_\_\_\_  
(Greater of (1) or (2))

Quarter to equal (3) cumulatively

*R*

**FIRST AMENDMENT TO LICENSE AGREEMENT**

THIS FIRST AMENDMENT TO LICENSE AGREEMENT (the "First Amendment") is made the 30<sup>th</sup> day of September, 2004.

**BETWEEN:**

**PremiumWear, Inc.**, a company existing under the laws of the state of Delaware, U.S.A.  
(the "Licensor")

- and -

**Raymond Lanctot Ltee**, a company existing under the laws of Canada  
(the "Licensee")

WHEREAS, the Licensor and the Licensee are parties to that certain License Agreement dated July 18, 2003 (the "Agreement"), pursuant to which Licensor has licensed to Licensee the right to use the Trade-mark for use in association with the Licensed Products (as such terms are defined in the Agreement) on the terms and conditions contained in the Agreement;

WHEREAS, capitalized terms used and not otherwise defined in this First Amendment shall have the meanings ascribed to them in the Agreement;

WHEREAS, the Licensor wishes to license to the Licensee, and the Licensee wishes to license from the Licensor, the right to use the Trademark in connection with the manufacture, distribution, promotion and sale of the Licensed Products through the Other Channels of Distribution in the Territory, on the terms and conditions contained in the Agreement, as amended by this First Amendment.

NOW THEREFORE THIS FIRST AMENDMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained, and subject to the terms and conditions hereinafter set out, the parties agree as follows:

1. Paragraph (h) of Section 1.1 of the Agreement is hereby amended in its entirety to read as follows:

"(h) "Other Channels of Distribution" means the sale of the Licensed Products to (i) members of the Advertising Specialty Institute (ASI) and the Promotional Products Association (PPA) and all other distributors of business incentive products, (ii) the uniform market (i.e., institutional selling or purchasing clothing items to be worn by persons such as employees, customers, and their agents whereby the name or logo of the institution usually appears on the clothing), and (iii) decorators (i.e., screen printers or embroiderers or others who embellish products through decoration with company or event logos and not intended for consumer retail), and (iv)

wholesalers who distribute products primarily to the foregoing channels; but specifically excluding traditional retailers, jobbers or any other channel not approved by the Licensor."

2. Subject to the provisions of the Agreement, as amended by this First Amendment, the Licensor hereby grants to the Licensee during the Term of the Agreement: (i) an exclusive license to use the Trade-mark solely in the Territory and solely in association with the manufacturing and/or the contracting for manufacture, and the distribution, marketing, promotion and sale (on the wholesale level) of the Licensed Products through the Other Channels of Distribution, and (ii) the right to use the Confidential Information for purposes of the foregoing.

3. Except as specifically provided in this First Amendment, the foregoing license shall be subject to all the terms and conditions of the Agreement. Except as specifically provided in this First Amendment, the foregoing license shall not in any way affect the license granted pursuant to the Agreement with respect to the Initial Channel of Distribution, and so long as the license granted pursuant to this First Amendment with respect to the Other Channels of Distribution remains in effect, the term "Channels of Distribution", as used in the Agreement, shall refer to both the Initial Channel of Distribution and the Other Channels of Distribution.

4. The Licensee's minimum annual Net Sales (as hereinafter defined) of the Licensed Products through each of the Initial Channel of Distribution and the Other Channels of Distribution for each License Year shall be as set forth in Schedule A attached to this First Amendment. "Net Sales" means the Licensee's gross sales (before any discount or other adjustment), less (a) actual returns, shipping costs and sales taxes specifically itemized as such and paid by customer, and (b) any discounts from list price offered to all customers of a given type as a trade discount. If the Licensee's Net Sales of the Licensed Products for a given License Year through either the Initial Channel of Distribution or the Other Channels of Distribution do not meet the minimum described in Schedule A, then notwithstanding the payment by the Licensee of the Minimum Royalty Payment for that License Year, the Licensor shall be entitled to terminate the license granted under the Agreement (as amended hereby) with respect to the Channel of Distribution in which such shortfall occurred. The Licensor shall notify the Licensee in writing of its intention to terminate the license with respect to the applicable Channel of Distribution as of a date specified in such notice, which date shall be at least ninety (90) days after the date such notice is given. Upon the effectiveness of such termination, the Minimum Annual Royalty applicable to the remaining Channel of Distribution shall be as set forth in amended Schedule 8.1(b) attached to this First Amendment.

5. Schedules 8.1(b) and 8.1(d) to the Agreement are hereby amended in their entirety as set forth in Amended Schedule 8.1(b) and Amended Schedule 8.1(d) attached to this First Amendment.

6. Section 8.1 of the Agreement is hereby amended by adding new subsection 8.1(g) to read as follows:

"(g) All royalty payments shall be made in U.S. dollars. The Licensor and the Licensee hereby acknowledge that the currency exchange rate between

Canadian dollars and U.S. dollars, as of the date of this First Amendment, is approximately \$1.00 Canadian dollar = \$0.80 U.S. dollars. If the currency exchange value of one Canadian dollar declines to less than \$0.68 U.S. dollars as of the end of two consecutive calendar quarters, the parties agree to adjust the Minimum Royalty Payment obligations hereunder to equitably reflect such decline, retroactive to the first of the two consecutive calendar quarters giving rise to such adjustment; provided, however, that if, following any such adjustment, the currency exchange value of one Canadian dollar thereafter appreciates to \$0.68 U.S. dollars or more as of the end of two consecutive calendar quarters, then the Minimum Royalty Payment obligations set forth in Amended Schedule 8.1(b) attached to this First Amendment shall be reinstated, retroactive to the first of the two consecutive calendar quarters giving rise to such reinstatement."

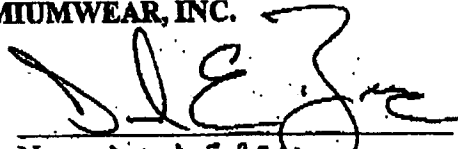
7. In the case where Licensee purchases the Licensed Products directly from Licensor, Licensor agrees that should Licensee refuse to pay or defaults on its payment of the royalty payments owing by Licensee to Licensor in respect of the Licensed Products so sold by Licensor to Licensee, such refusal or default will not invalidate, annul or otherwise repudiate the sale of the Licensed Products which have been sold by Licensor to Licensee.

8. Except as expressly amended hereby, the provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this First Amendment has been executed by the parties as of the date written above.

PREMIUMWEAR, INC.

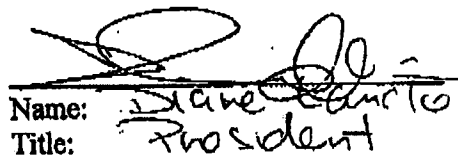
Per:



Name: DAVID E GERY  
 Title: President & CEO

RAYMOND LANCTOT LTEE

Per:



Name: David Lanctot  
 Title: President

**SCHEDULE A****Minimum Annual Net Sales**

Minimum annual Net Sales of the Licensed Products through each of the Initial Channel of Distribution and Other Channels of Distribution for the periods specified shall be as follows:

<b>Initial Term:</b>	<b>Minimum Annual Net Sales (Cdn\$)</b>
<b>Date of commencement of the Agreement through December 31, 2004</b>	--
<b>January 1, 2005 through December 31, 2005</b>	<b>\$220,000</b>
<b>January 1, 2006 through December 31, 2006</b>	<b>\$350,000</b>
<b>January 1, 2007 through December 31, 2007</b>	<b>\$440,000</b>
<b>Renewal Term:</b>	
<b>January 1, 2008 through December 31, 2008</b>	<b>\$530,000</b>
<b>January 1, 2009 through December 31, 2009</b>	<b>\$640,000</b>
<b>January 1, 2010 through December 31, 2010</b>	<b>\$765,000</b>
<b>January 1, 2011 through December 31, 2011</b>	<b>\$918,000</b>

**AMENDED SCHEDULE 8.1(b)****Minimum Royalty Schedule**

The royalty amount to be paid to the Licensor by the Licensee shall be ten percent (10%) of the FOB Invoice Price of all Licensed Products purchased by the Licensee during each License Year of the Term.

(a) Minimum annual FOB Invoice Price of the Licensed Products for the periods specified shall be as follows:

	Estimated number of Units	Minimum Annual Cost (US\$)	Minimum Annual Royalty Payments (US\$)	Minimum Quarterly Royalty Payments (US\$)
<b>Initial Term:</b>				
Date of commencement of the Agreement through December 31, 2004	10,000	\$92,000	\$9,200	\$2,300.00
January 1, 2005 through December 31, 2005	25,625	\$235,600	\$23,560	\$5,890.00
January 1, 2006 through December 31, 2006	42,000	\$386,400	\$38,640	\$9,660.00
January 1, 2007 through December 31, 2007	55,000	\$505,600	\$50,560	\$12,640.00
<b>Renewal Term:</b>				
January 1, 2008 through December 31, 2008	62,000	\$570,400	\$57,040	\$14,260.00
January 1, 2009 through December 31, 2009	69,000	\$632,400	\$63,240	\$15,810.00
January 1, 2010 through December 31, 2010	75,000	\$690,800	\$69,080	\$17,270.00
January 1, 2011 through December 31, 2011	83,000	\$757,200	\$75,720	\$18,930.00

(b) If the license is terminated in accordance with the provisions of Section 4 of the First Amendment with respect to the Other Channels of Distribution, the minimum annual FOB Invoice Price of the License Products with respect to the Initial Channel of Distribution for the periods specified shall thereafter be as follows:

	Estimated number of Units	Minimum Annual Cost (US\$)	Minimum Annual Royalty Payments (US\$)	Minimum Quarterly Royalty Payments (US\$)
<b>Initial Term:</b>				
Date of commencement of the Agreement through December 31, 2004	--	--	--	--
January 1, 2005 through December 31, 2005	20,000	\$184,000	\$18,400	\$4,600.00
January 1, 2006 through December 31, 2006	30,000	\$276,000	\$27,600	\$6,900.00
January 1, 2007 through December 31, 2007	40,000	\$368,000	\$36,800	\$9,200.00
<b>Renewal Term:</b>				
January 1, 2008 through December 31, 2008	44,000	\$404,800	\$40,480	\$10,120.00
January 1, 2009 through December 31, 2009	47,000	\$432,400	\$43,240	\$10,810.00
January 1, 2010 through December 31, 2010	49,000	\$450,800	\$45,080	\$11,270.00
January 1, 2011 through December 31, 2011	51,000	\$469,200	\$46,920	\$11,730.00

(c) If the license is terminated in accordance with the provisions of Section 4 of the First Amendment with respect to the Initial Channel of Distribution, the minimum annual FOB Invoice Price of the Licensed Products with respect to the Other Channels of Distribution for the periods specified shall thereafter be as follows:

	Estimated number of Units	Minimum Annual Cost (US\$)	Minimum Annual Royalty Payments (US\$)	Minimum Quarterly Royalty Payments (US\$)
<b>Initial Term:</b>				
Date of commencement of the Agreement through December 31, 2004	--	--	--	--
January 1, 2005 through December 31, 2005	5,625	\$51,600	\$5,160	\$1,290.00
January 1, 2006 through December 31, 2006	12,000	\$110,400	\$11,040	\$2,760.00
January 1, 2007 through December 31, 2007	15,000	\$137,600	\$13,760	\$3,440.00
<b>Renewal Term:</b>				
January 1, 2008 through December 31, 2008	18,000	\$165,600	\$16,560	\$4,140.00
January 1, 2009 through December 31, 2009	22,000	\$200,000	\$20,000	\$5,000.00
January 1, 2010 through December 31, 2010	26,000	\$240,000	\$24,000	\$6,000.00
January 1, 2011 through December 31, 2011	32,000	\$288,000	\$28,800	\$7,200.00

**AMENDED SCHEDULE 8.1(d)**  
**Quarterly Royalty Calculation Report**

Licensee Name \_\_\_\_\_  
License Year \_\_\_\_\_  
(To the nearest US\$\$)

	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<b>FOB Cost of Purchases of Licensed Product</b>				
Quarter				
Cumulative License Year				
<b>Actual Royalty Calculation @ 10% of FOB Cost</b>				
Quarter				
(1) Cumulative License Year				
<b>Minimum Royalty Payment</b>				
Quarter				
(2) Cumulative License Year				
<b>Remittance Due</b>				
(3) Cumulative License Year				
(Greater of (1) or (2))				
Quarter to equal (3) cumulatively				
<b>Minimum Net Sales through the Initial Channel of Distribution</b>				
Quarter				
Cumulative License Year				
<b>Minimum Net Sales through the Other Channels of Distribution</b>				
Quarter				
Cumulative License Year				



November 30, 2004

Raymond Lanctot Ltee  
5790 rue Pare  
Montreal, Quebec H4P 2M2  
Attn: Ms. Diane Lanctot

Re: Limited Consent

Dear Diane:

Reference is made to the License Agreement dated July 18, 2003 (as amended and in effect from time to time, the "License Agreement") between PremiumWear, Inc. (the "Licensor") and Raymond Lanctot Ltee (the "Licensee"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the License Agreement.

The Licensee has advised the Licensor that it desires to manufacture, import, distribute, promote or sell certain products bearing the "Jack Nicklaus" trade-mark or any related trade-mark (the "Nicklaus Products") that could be considered similar to or competitive with the Licensed Products and distribute such products in similar trade channels as the Initial Channel of Distribution, and that by engaging in such business, the Licensee could be considered to be engaged in a business which is similar to or competes with the business of the manufacture, distribution, promotion or sale of the Licensed Products in the Territory.

As you are aware, Section 3.7 of the License Agreement does not permit the Licensee to manufacture, distribute, promote or sell any products similar to or competitive with the Licensed Products and distribute such products in similar trade channels as the Channels of Distribution, or otherwise in any manner, directly or indirectly, engage in any business which is similar to or which would compete with the business of the manufacture, distribution, promotion or sale of the Licensed Products in the Territory, except with the advance written permission of the Licensor or as otherwise specifically permitted thereby. As a result, the Licensee has asked the Licensor to consent to the Licensee's engaging in the manufacture, distribution, promotion and sale of the Nicklaus Products. The Licensor is willing to consent, and does hereby consent, to such action, subject to the conditions described herein, and the Licensee hereby agrees to such conditions, as follows:

1. The Licensee shall be permitted to manufacture, import, promote, distribute and sell the Nicklaus Products for and to only (a) off-golf course retailers (namely, department stores and "big box" golf retailers) and (b) the greater of (i) thirty-five (35) "high end" on-course golf pro shops located at the higher tier golf courses in the Territory from time to time or (ii) on-course golf pro shops located at the top twenty percent (20%) best-rated golf courses in the Territory from time to time.

Raymond Lanctot Ltee  
November 30, 2004  
Page 2 of 2

- 2. The Licensee shall maintain a separate sales force and product managers for the Licensed Products and the Nicklaus Products, and no one in either sales force will represent both lines except at the corporate management level.

This consent shall not entitle the Licensee to, and the Licensee agrees that it shall not, directly or indirectly, manufacture, import, promote, distribute or sell the Nicklaus Products for or through the Other Channels of Distribution without the advance written permission of the Licensor. Moreover, this consent shall not be interpreted so as to diminish or limit in any manner the obligations of the Licensee under the License Agreement with respect to the promotion, distribution and sale of the Licensed Products through the Channels of Distribution in the Territory.

This consent shall remain in effect until December 31, 2006, and shall automatically renew for additional one-year periods until the expiry of the License Agreement; provided, however, that this consent shall automatically expire, without notice to the Licensee, as of December 31 of any calendar year, beginning with December 31, 2006, in which the Licensee shall not have achieved the minimum annual Net Sales of Licensed Products set forth in Schedule A attached to the First Amendment to the License Agreement through each of the Initial Channel of Distribution and the Other Channels of Distribution. If this consent expires due to the Licensee's failure to achieve the minimum annual Net Sales for a particular calendar year, the Licensee shall have a period of 180 days immediately following the expiry of this consent to liquidate its Nicklaus Products either in inventory or on order as of such expiry date. Any restriction on the Licensee's business activities contained herein shall automatically lapse as of the expiration or termination of the License Agreement.

The consent granted herein shall not extend to or affect any obligations not expressly set forth herein and shall not impair any right of the Licensor consequent thereon. No waiver herein granted or agreement herein made shall extend beyond the terms expressly set forth herein for such waiver or agreement, nor shall anything contained herein be deemed to imply any willingness of the Licensor to agree to, or otherwise prejudice any rights of the Licensor with respect to, any similar waivers or agreements that may be requested for any future period, and this consent shall not be construed as a waiver of any other provision of the License Agreement or to permit the Licensee to take any other action which is prohibited by the terms of the License Agreement. Except as specifically waived hereby, each of the terms and conditions of the License Agreement are hereby ratified and confirmed and shall remain in full force and effect.

Please sign and return one copy of this letter which will constitute our agreement with respect to the subject matter hereof.

PREMIUMWEAR, INC.

By:   
Name: David E. Berg  
Title: President

RAYMOND LANCTOT LTEE

By:   
Name: Diane Lanctot  
Title: President

**Minimum annual Net Sales of the Licensed Products through each of the Initial Channel of Distribution and Other Channels of Distribution for the periods specified shall be as follows:**

	Minimum Annual Net Sales (Cdn\$)
<b>Initial Term:</b>	
Date of commencement of the Agreement through December 31, 2004	--
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January 1, 2006 through December 31, 2006	\$350,000
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<b>Renewal Term:</b>	
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January 1, 2010 through December 31, 2010	\$765,000
January 1, 2011 through December 31, 2011	\$918,000

**Minimum annual FOB Invoice Price of the Licensed Products for the periods specified shall be as follows:**

	Estimated number of Units	Minimum Annual Cost (US\$)	Minimum Annual Royalty Payments (US\$)	Minimum Quarterly Royalty Payments (US\$)
<b>Initial Term:</b>				
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January 1, 2007 through December 31, 2007	42,000	\$386,400	\$38,640	\$9,660.00
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<b>Renewal Term:</b>				
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January 1, 2011 through December 31, 2011	83,000	\$757,200	\$75,720	\$18,930.00

EXHIBIT C  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT

SPECIAL POWER OF ATTORNEY

STATE OF New York )  
 ) ss.:  
COUNTY OF New York )

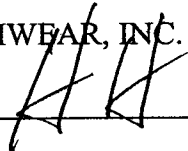
KNOW ALL MEN BY THESE PRESENTS, that PREMIUMWEAR, INC. ("Debtor"), having an office at 5500 Feltl Road, Minnetonka, Minnesota 55344 hereby appoints and constitutes, severally, CONGRESS FINANCIAL CORPORATION (CANADA), AS AGENT ("Secured Party"), and each of its officers, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Secured Party, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Collateral Assignment and Security Agreement, dated of even date herewith, between Debtor and Secured Party (the "Security Agreement") and is subject to the terms and provisions thereof. This Power of Attorney, being coupled with an interest, is irrevocable until all "Obligations", as such term is defined in the Security Agreement, are paid in full and the Security Agreement is terminated in writing by Secured Party.

Dated: September 11, 2005

PREMIUMWEAR, INC.  
By:   
Title: Harris Hester, President

STATE OF New York )  
 ) ss.:  
COUNTY OF New York )

On this 16<sup>th</sup> day of September, 2005, before me personally came Harris Hester, to me known, who being duly sworn, did depose and say, that he is the President of PREMIUMWEAR, INC., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Shaya M. Berger

Notary Public

STATE OF \_\_\_\_\_ )  
 ) ss.:  
COUNTY OF \_\_\_\_\_ )

**SHAYA M. BERGER**  
Notary Public, State of New York  
No. 02BE6091369  
Qualified in Queens County  
Commission Expires April 28, 2007

On this \_\_\_\_ day of \_\_\_\_\_, 2005, before me personally came \_\_\_\_\_, to me known, who, being duly sworn, did depose and say, that he is the \_\_\_\_\_ of CONGRESS FINANCIAL CORPORATION (CANADA), the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

\_\_\_\_\_

Notary Public