FORM PTO-1595 (Rev. 6-93)  OMB No. 0651-0011 (exp. 4/94) 3-98  Tab settings  To the Honorable Commissioner of Pate	Patent and Trademark Office
1. Name of conveying party(ies):  ITEMS INTERNATIONAL, INC.  Additional name(s) of conveying party(ies) attached?  Yes X No	Name and address of receiving party(ies)  Name:CONGRESS FINANCIAL CORPORATION  Internal Address:
3. Nature of conveyance:	
☐ Assignment ☐ Merger	Street Address: 1133 AVENUE OF THE AMERICAS
Security Agreement   Change of Name	NV 71D 10036
C) Other	City: NEW YORK State: NY ZIP: 10036
Execution Date: DECEMBER 17, 1998	Additional name(s) & address(es) attached? D Yes No
4. Application number(s) or patent number(s):  If this document is being filed together with a new application  A. Patent Application No.(s)  SEE SCHEDULE A ANNEXED HERETO	n, the execution date of the application is:  B. Patent No.(s)  SEE SCHEDULE A ANNEXED HERETO
Additional numbers att	ttached? Yes D No
Name and address of party to whom correspondence concerning document should be mailed:	6. Total number of applications and patents involved:
Name: OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.	7. Total fee (37 CFR 3.41)\$1,280.00
Internal Address: VALERIE S. MASON, ESQ.	¼ Enclosed
29TH FLOOR	<ul> <li>Authorized to be charged to deposit account</li> </ul>
Street Address: 230 PARK AVENUE	8. Deposit account number:
City: NEW YORK State: NY ZIP: 10169	(Attach duplicate copy of this page if paying by deposit account)
28/1998 DHGUYEN 00000015 08397448 DO NOT US	E THIS SPACE
9. Statement and signature.  To the best of my knowledge are belief, the foregoing inform the original document.  PRESTON R. CAPPELLO  When the prestor is a signature.  PRESTON R. CAPPELLO	nation is true and correct and any attached copy is a true copy of
Name of Person Signing	Signature Date

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

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

1743.migtori, p.o. 2020

### EXHIBIT A TO PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

### LIST OF PATENTS AND PATENT APPLICATIONS

See Attached

A-1

EXHIBIT A TO

PATENT COLLATERAL ASSIGNMENT AND SECURITY INTEREST

# ITEMS INTERNATIONAL, INC.

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 1

Argentina			
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 95-016-AR	95-016-AR-
	Status Country Application Number Filing Date ABANDONED AR AR002106 A1 24-May-1996	Patent Number Issue Date	Issue Date
ROTATABLY ADJUSTABLE	ONDER: ITEMS INTERNATIONAL, INC.	RSSM NO. 96-278-AR-	96-278-AR-
SHOULDOWN BINDING KI'VI'S	Status Country Application Number Filing Date ABANDONED AR P970105737 05-Dec-1997	Patent Number Issue Date	Issue Date
APPARATUS FOR ADJUSTING THE	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 96-324-AR-	96-324-AR-
FLEXIBILITY OF FOOTWEAR	Status Country Application Number Filing Date	Patent Number Issue Date	Issue Date

ABANDONED AR

P980100203

16-Jan-1998

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Chile			
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 95-016-CL	95-016-CL
	Status Country Application Number Filing Date ABANDONED CL 985-96 05-Jun-1996	Patent Number Issue Date	Issue Date
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 95-016-CL-2	95-016-CL-2
	Status Country Application Number Filing Date	Patent Number Issue Date	Issue Date
	ABANDONED CL 1368-97 09-Jul-1997	•	
ROTATABLY ADJUSTABLE	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 96-278-CL	96-278-CL-
SNOWBOARD BINDING PLATE	Status Country Application Number Filing Date	Patent Number Issue Date	Issue Date
	ABANDONED CL 2678/97 (05-Dec-1997		
APPARATUS FOR ADJUSTING THE	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 96-324-CL	96-324-CL-

FLEXIBILITY OF FOOTWEAR

Status

Country

Application Number Filing Date

Patent Number

Issue Date

ABANDONED CL

123-98

16-Jan-1998

FORWARD LEAN AND

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 3

European Patent Office			
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	95-016-EP-
	Status Country Application Number Filing Date ABANDONED EP 96908597.6 29-Fcb-1996	Patent Number	<u>Issue Date</u>
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 95-016-EP-2	95-016-EP-2
	Status Country Application Number Filing Date APP. NOT EP 97928822.2 04-Jun-1997	Patent Number	Lyne Date
ROTATABLY ADJUSTABLE	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	96-278-EP-
SHOW BOARD BUILDING FLATE	Status Country Application Number Filing Date	Patent Number	Issue Date
	APP. NOT EP 97952290.1 04-Dec-1997 FILED		
APPARATUS FOR ADJUSTING THE	OTTDEL: ITEMS INTERNATIONAL, INC.	RSSM NO. 96-324-EP-	96-324-EP-
FLEXIBILITY OF FOOTWEAR	Status Country Application Number Filing Date	Patent Number	Issue Date

APP. NOT FILED

EP

98901813.0

15-Jan-1998

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

SNOWBOARD BINDING ASSEMBLY

Status

Omner: ITEMS INTERNATIONAL, INC.

ABANDONED

П

118362

22-May-1996

Patent Number Issue Date

RSSM NO.

95-016-IL-

Country Application Number Filing Date

(srae)

Thursday, December 03, 1998

Page: 4

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 5

<b>Patent Cooperation Treaty</b>	aty		
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 95-016-WO-	95-016-WO-
	Status Country Application Number Filing Date NATIONAL WO PCT/US96/02806 29-Feb-1996 PHASE	Patent Number Issue Date	Issue Date
SNOVEBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	RSSM NO. 95-016-WO-2
	Status Country Application Number Filing Date	Patent Number Issue Date	Issue Date
	ABANDONED WO PCT/US97/09619 04-Jun-1997		
ROTATABLY ADJUSTABLE	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	RSSM NO. 96-278-WO-
SNOWBOARD BINDING PLATE	Status Country Application Number Elling Date	Patent Number Issue Date	Issue Date
	ABANDONED WO PCT/US97/22283 04-Dec-1997		
APPARATUS FOR ADJUSTING THE	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	RSSM NO. 96-324-WO

FLEXIBILITY OF FOOTWEAR

Status

Country

Application Number Filing Date

Patent Number Issue Date

ABANDONED

WO

PCT/US98/00736

15-Jan-1998

FORWARD LEAN AND

## PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

SNOWBOARD BROING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 95-016-PE-	95-016-PE-
	Status Country Application Number Filing Date APP.PENDING PE 593 08-Jul-1997	Patent Number	Issue Date
ROTATABLY ADJUSTABLE	Owner: ITEMS INTERNATIONAL, INC.	RSSMNO. 96-278-PE	96-278-PE-
SNOWBOAKD BINDING PLATE	Status Country Application Number Filing Date	Patent Number Issue Date	Issue Date
APPARATUS FOR ADJUSTING THE	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 96-324-PE-	0K-134-DF

FORWARD LEAN AND

FLEXIBILITY OF FOOTWEAR

Status

Country Application Number Filing Date

Patent Number Issue Date

RSSM NO. 96-324-PE-

ABANDONED

PE

000033

16-Jan-1998

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 7

nited
States
es of
America
<u>පු</u> .

RESILIENT LOOPS AND MATING Owner: ITEMS INTERNATIONAL, INC. RSSM	ISSUED US 29/031,636 01-Dec-1994 D379,030	Status Country Application Number Filing Date	UPPER PORTION FOR A  OWDEL: ITEMS INTERNATIONAL, INC.  RSSM	
RSSM NO. 94-255-115-	D379,030	Patent Number	RSSM NO. 94-254-US	
04-255-IS-	06-May-1997	Issue Date	94-254-US-	

HOOKS FOR SECURING

FOOTWEAR TO A FOOT

Status

Country Application Number Filing Date

ISSUED

08/348,054

01-Dec-1994

5,640,785

24-Jun-1997

Patent Number Issue Date

**RSSM NO.** 94-255-US-

## PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 8

SNOWBOARD BINDING ASSEMBLY SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.  Status Country Application Number ABANDONED US 08/397,448  Owner: ITEMS INTERNATIONAL, INC.  Status Country Application Number ABANDONED US 08/451,694	Vumber Filing Date 02-Mar-1995  Vumber Filing Date 26-May-1995	RSSM NO. 95-016-US.  Patent Number Issue Date  RSSM NO. 95-016-US.  Patent Number Issue Date	95-016-US- LSSUE Date 95-016-US-P LSSUE Date
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.  Status Country Application Number ABANIDONED US 08/597,890	Number Filing Date 05-Feb-1996	RSSM NO. 9: Patent Number 1:	95-016-US-P2 Issue Date
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.  Status  Country Application Number  ABANDONED US 08/700,743	lumber Eiling Date 09-Jul-1996	RSSM NO. 9: Patent Number I	95-016-US-P3 Issue Date
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.  Status Country Application Number  ALLOWED US 08/808,851	umber Filing Date 28-Fcb-1997	RSSM NO. 99 Patent Number Is	95-016-US-P4

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

and the state of t		<b></b>	Page: y
SNOWBOARD BINDING ASSEMBLY	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	95-016-US-P5
	Status Country Application Number Filing Date APP.PENDING US 08/990,955 15-Dec-1997	Patent Number	Issue Date
EYELET FOR WEARING APPAREL	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	95-226-US-
	Status Country Application Number Filing Date		Issue Date
	ISSUED US 29/051,636 14-Mar-1996		02-Jun-1998
LACING ELEMENT FOR	Owner: ITEMS INTERNATIONAL	RSSM NO.	95-230-US-
	Status Country Application Number Filing Date	Patent Number	Issue Date
	ISSUED US 29/051,630 14-Mar-1996	D389292	20-Jan-1998
LACING ELEMENT FOR FOOTWEAR	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	95-234-US-
1	Status Country Application Number Filing Date	Patent Number	Issue Date
	ABANDONED US 08/615,738 14-Mar-1996		
PROTECTIVE INSERTS IN AND FOR FOOTWEAR	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 96-103-US-	96-103-US-

OFFICE ACTION

S

08/807,154

27-Feb-1997

Patent Number Issue Date

Status

Country Application Number Filing Date

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 10

BAND DESIGN FOR FOOTWEAR	POOTWEAR WITH COMPOSITE OUTER SURFACE AND COMPOSITES FOR FOOTWEAR
Owner: Status ISSUED	Orner: Status Office ACTION
Owner: ITEMS INTERNATIONAL, INC.  Status Country Application N ISSUED US 29/057,739	Country Application N US 08/899,431
TIONAL, INC.  Application Number 29/057,739	umb
Siling Date 27-Jun-1996	er Filing <u>Date</u> 24-Jul-1997
RSSM NO. 96-124-US- Patent Number Issue Date D385,691 04-Nov-199	RSSM NO. 96-123-US- Patent Number Issue Date
96-124-US- Issue Date 04-Nov-1997	96-123-US- Issue Date

## PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 11

				Advance		
ARTICLE OF FOOTWEAR	Отпег	ITEMS INTERNATIONAL, INC.	TIONAL, INC.	-	RSSM NO. 96-153-US-	96-153-US-
	Status	Country	Application Number	Filing Date	Patent Number	Issue Date
	ISSUED	US	29/056,594	03-Jul-1996	D397,544	01-Sep-1998
SOLE FOR FOOTWEAR	Owner	ITEMS INTERNATIONAL, INC.	TIONAL, INC.	1922	RSSM NO.	RSSM NO. 96-153-US-D
	Status	Country	Application Number	Filing Date	Patent Number	Issue Date
	ISSUED	US	29/062,230	12-Nov-1996	D398,144	15-Sep-1998
FOOTWEAR DESIGN	Owner:	ITEMS INTERNATIONAL, INC	TIONAL, INC.		RSSM NO.	96-153-US-DI
	Status	Country	Application Number	Filing Date	Patent Number	Issue Date
	ABANDONED	)NED US	29/070,782	15-May-1997		
BOOT	Owner:	ITEMS INTERNATIONAL, INC.	HONAL, INC.		RSSM NO.	96-153-US-D2
	Status	Country	Application Number	Filing Date	Patent Number	Issue Date
	ISSUED	US	29/070,751	15-May-1997	D394540	26-May-1998
BOOT	Owner:	ITEMS INTERNATIONAL, INC	TIONAL, INC.		RSSM NO.	96-153-US-P
	Status	Country	Application Number	Filing Date	Patent Number	Issue Date

ISSUED

S

29/056,696

08-Jul-1996

D392444

24-Mar-1998

## PATENT PROPERTY REPORT

Thursday, December 03, 1998

(Sorted by Country then by Invention)

Page: 12

FOOTWEAR	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO. 96-195-US-	%-195-US-
	Status Country Application Number Filing Date APP.PENDING US 29/079,141 22-Oct-1997	Patent Number Issue Date	Issue Date
ROTATABLY ADJUSTABLE	Owner: TIEMS INTERNATIONAL, INC.	RSSM NO. 96-278-US-	96-278-US-
ENGREE BINDING ASSEMBLY	Status Country Application Number Filing Date ALLOWED US 08/760,761 05-Dec-1996	Patent Number	Issue Date
BOOT UPPER	Owing: TIEMS INTERNATIONAL, INC.	RSSM NO.	96-321·US-
	Status Country Application Number Filing Date	Patent Number	Issue Date
	ISSUED US 29/063,964 19-Dec-1996	D394146	12-May-1998
SOLE FOR FOOTWEAR	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	96-322-US-
	Status Country Application Number Filing Date	Patent Number Issue Date	Issue Date

**ISSUED** 

S

29/063,982

19-Dec-1996

D399,343

13-Oct-1998

## PATENT PROPERTY REPORT

Thursday, December 03, 1998

(Sorted by Country then by Invention)

Page: 13

f	RSSM NO. 96-359-US-		ITEMS INTERNATIONAL, INC.	SINTERNA		Owner:	SOLE FOR FOOTWEAR
	Patent Number 5,832,635	Filing Date 14-May-1997	Application Number 08/856,525	<b>Country</b> US	D	Status ISSUED	FLEXIBILITY OF FOOTWEAR
	RSSM NO. 96-324-US-P		ITEMS INTERNATIONAL, INC.	SINTERNA	!	Owner:	APPARATUS FOR ADJUSTING THE
		17-Jan-1997	08/785,667	SO	ABANDONED	ABAN	
Issue Date	Patent Number	Filing Date	Application Number Fling Date	Country		Status	FLEXIBILITY OF FOOTWEAR
96-324-US	RSSM NO.		JTEMS INTERNATIONAL, INC.	SINTERNA		Owner:	APPARATUS FOR ADJUSTING THE

Status

Country Application Number Filing Date

Patent Number Issue Date

APP.PENDING US

29/074,185

25-Jul-1997

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 14

FOOTWEAR UPPER	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	RSSM.NO. 96-360-US-
	Status Country Application Number Filing Date ISSUED US 29/070,693 13-May-1997	Patent Number D400,697	Issue Date 10-Nov-1998
FOOTWEAR DESIGN	L ITEMS INTERNA	RSSM NO.	96-360-US-D1
	Status Country Application Number Filing Date ABANDONED US 29/082,201 16-Jan-1998	Patent Number	Lssue Date
SHOE UPPER	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	96-360-US-D2
	Status Country Application Number Filing Date ABANDONED US 29/082,180 16-Jan-1998	Patent Number	Issue Date
SNOWBOARD BRAKE	Owner: ITEMS INTERNATIONAL, INC.	RSSM NO.	96-364-US-
		Patent Number Issue Date	Issue Date
	ABANDONED US 08/808,122 28-Feb-1997		
SHOE UPPER	Owner: TEMS INTERNATIONAL, INC.	RSSM NO 07-208-116	07_208_116

Status

Country Application Number Filing Date

Patent Number Issue Date

RSSM NO.

97-298-US-

Orner: ITEMS INTERNATIONAL, INC.

ALLOWED

S

29/075,090

12-Aug-1997

### PATENT PROPERTY REPORT

(Sorted by Country then by Invention)

Thursday, December 03, 1998

Page: 15

Owner: ITEMS INTERNATIONAL, INC.

SOLES FOR FOOTWEAR

Status

ABANDONED US

29/075,057

12-Aug-1997

Country Application Number Filing Date

Patent Number Issue Date

RSSM NO. 97-299-US-

thereof or in any other country or in any office or agency of such other country or any political subdivision thereof, including, without limitation, those patents, applications, registrations and recordings in the manner and with the status described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any patents and all reissues, divisions, continuations, extensions and renewals thereof (all of the foregoing being collectively referred to herein as the "Patents"); (b) all present and future inventions and improvements described and claimed therein; (c) all of Debtor's now existing or hereafter arising right, title and interest in and to each of the Patent Licenses (as such term is defined below) and all proceeds thereunder, including, but not limited to (i) all rights of Debtor to receive monies due to become due to it thereunder or in connection therewith; (ii) all rights of Debtor to claims for damages and other relief pursuant or in respect of the Patent Licenses; and (iii) all of rights of Debtor to perform and exercise all remedies thereunder and to require performance by the other parties to the Patent Licenses of their obligations thereunder; and provided, that in no event shall the acceptance of this assignment by Secured Party or the exercise of any of its rights hereunder or otherwise, constitute an assumption of any liability or obligation of Debtor to any of the other parties to the Patent Licenses or any other person; (d) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all Patent 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, all damages and payments or claims by Debtor against third parties for past or future infringement of the Patents.

### 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 and/or its 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 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 (all of the foregoing being collectively referred to herein s 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):

- 2 -

- (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 full and clear title thereto in the manner and with the status indicated on Schedule A hereto, 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 material registered Patents in any jurisdiction as registered Patents in such jurisdictions and to maintain all of the Collateral as valid and subsisting, including, without limitation, the filing of any renewal affidavits and applications. 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 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 in the United States of America, and in such other jurisdictions as Secured Party reasonably determines are necessary to protect its security interest in the material Patents (the "Perfected Jurisdictions"). Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral signed only by Secured Party or as otherwise determined by Secured Party in the Perfected Jurisdictions. 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 in the Perfected Jurisdictions.
- (e) As of the date hereof, Debtor does not have any material Patents 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, or any office or agency of such other country or any political subdivision thereof, 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 (such licenses and any future license agreements Debtor enters into, as permitted by this Agreement and the other Financing Agreements are referred to collectively as the "Patent Licenses").
- (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 material Collateral or the security interest in the material Patents 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 Prime Rate Revolving Loans as set forth in the Loan Agreement and shall be part of the Obligations secured hereby and in the other Financing Agreements.
- (h) Debtor shall give written notice to Lender of the filing of any application for the registration of a Patent with the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, contemporaneously with such filing. If, after the date hereof, Debtor shall (i) obtain any patent, including any reissue, division, continuation, continuation-in-part, or extension of any patent, file any patent application, including any application for reissue or extension of any patent, or any divisional, continuation, or continuation-in-part application 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 any office or agency of such other country or political subdivision thereof, or (ii) become the owner of any patent or new patentable inventions used in the United States, any State thereof, any political subdivision thereof or in any other country or political subdivision thereof, 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 assignments, 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 Patent in favor of Secured Party.
- (i) Debtor has not abandoned any of the Patents except as indicated on Exhibit A hereto and Debtor will not do any act, nor omit to do any act, whereby any material Patent may become abandoned, invalidated, unenforceable, avoided or avoidable. 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 any of the material Patents may become abandoned, canceled, invalidated, avoided or avoidable.
- (j) Debtor shall render any 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 or any office or agency of such other country or political subdivision thereof, to maintain such application and registration of the material Patents as Debtor's exclusive property and to protect Secured

- 4 -

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, after due inquiry, no infringement or unauthorized use presently is being made of any of the material Patents that would adversely affect the fair market value of the Patents or the benefits of this Agreement granted to Secured Party, including, without limitation, the remedies of Secured Party hereunder. There has been no judgment holding any of the Patents invalid or unenforceable, in whole or part nor is the validity or enforceability of any of the Patents 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 other process or product which infringes upon any material Patent or is likely to cause confusion with any material Patent. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's reasonable discretion, may deem advisable for the protection of Secured Party's interest in and to any material Patents.
- (l) Debtor assumes all responsibility and liability arising from the use of the Patents and Debtor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including reasonable 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 Patent or out of the manufacture, promotion, labelling, 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 for any and all reasonable expenditures made by Secured Party pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the material Collateral, or the security interests in the material Patents and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the Prime Rate Revolving Loans set forth in the Loan Agreement 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

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, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party

- 5 -

shall have the following rights and remedies which may be exercised with prior 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 Patents for any purpose whatsoever. Secured Party may make use of any Patents 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 to the extent such license will not violate any existing Patent License. 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 Patents (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 reasonable 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 has no obligation to preserve rights to the Patents against any other parties.
- (e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of Collateral to the reasonable costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party. 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 Prime Rate Revolving Loans 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 and sale of the products and services to which the Patents relate and Debtor's customer lists and other records relating to the Patents 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.

### 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 New York (without giving effect to principles of conflicts of law).
- (b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York in New York County and the United States District Court for the Southern District of New York 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 or related or incidental to the dealings of Debtor and Secured Party in respect of this Agreement or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or thereafter 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 and Secured Party each hereby waive 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 respective 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 such party's option, by service upon the other party in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, the served party shall appear in answer to such process, failing which the served party shall be deemed in default and judgment may be entered by plaintiff against defendant 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

- 7 -

AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NO EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AN 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) Secured Party 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 that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party 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:

Items International, Inc.

1540-A East Pleasant Valley Boulevard

Altoona, Pennsylvania 16602

Attention: Chief Financial Officer

If to Secured

1133 Avenue of the Americas Party:

New York, New York 10036

Congress Financial Corporation

Attention: Mr. Andrew W. Robin

(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 and Secured Party 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," "herein," "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 corporation, limited liability participation, 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.

- (c) This Agreement, the other Financing Agreements and any other document referred to herein or therein 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 and Debtor. 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) Upon the receipt by Lender of (i) payment in full in cash or other immediately available funds of all of the Obligations (which are not contingent) and (ii) cash collateral in such amounts and on such terms as Lender shall deem reasonably acceptable for all contingent Obligations or such other arrangements for the satisfaction of contingent Obligations with respect to all contingent Obligations as Lender shall deem reasonably acceptable, then (A) this Agreement shall terminate and (B) upon written notice of same from Lender to Borrower, upon Borrower's request and at the expense of Borrower, except as otherwise required by applicable law, Lender shall execute and deliver to Borrower UCC-3 termination statements and such other release documents with respect to the Collateral as may be reasonably requested by Borrower, in form and substance, satisfactory to Lender and Borrower, to

effectuate the termination of the security interest granted by Borrower to Lender herein and in the other Financing Agreements.

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

TIEWIS INTERNATIONAL, INC.
By: A. Peth guehr.
Title: PRESIDENT
CONGRESS FINANCIAL CORPORATION
by Starto Seels
Title:

STATE OF NEW YORK )  (COUNTY OF NEW YORK )	
On this haday of December, 1998, before the fetch working, to me known, who being the fraction of ITEMS INTERNATIONAL, INcome executed the foregoing instrument; and that he sign of Directors of said corporation.	duly sworn, did depose and say, that he is C., the corporation described in and which
	Allen lin
-	Allen am Notary Public
	ALLEN CREMER Notary Public, State of New York No. 02CR5080700 Qualified in Kings County Commission Expires June 16, 1999
STATE OF NEW YORK )	•
STATE OF NEW YORK )  onumber () ss.:  COUNTY OF NEW YORK )	
On this Minday of December, 1998, before  Seckel, to me known, who, being of the CUP of CONGRESS FINANCIAL CORP	e me personally came duly sworn, did depose and say, that he is

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, State of New York
No. 02CR5080700
Qualified in Kings County
Commission Expires June 16, 1999

### EXHIBIT B TO PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

### **LICENSES**

None

B-1

### EXHIBIT C TO COLLATERAL ASSIGNMENT

### PATENT 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 ITEMS INTERNATIONAL, INC. ("Debtor"), having an office at 1540-A East Pleasant Valley Boulevard, Altoona, Pennsylvania 16602 hereby appoints and constitutes CONGRESS FINANCIAL CORPORATION ("Secured Party"), and each officer thereof, 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 patents 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 Patent 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 the Secured Party has received (i) payment in full in cash or other immediately available funds of all of the "Obligations" (as such term is defined in the Security Agreement) which are not contingent and (ii) cash collateral in such amounts and in such terms as Secured Party shall deem reasonably acceptable for all contingent obligations or such other arrangements for the satisfaction of such contingent Obligations as Secured Party shall deem reasonably acceptable.
Dated: December, 1998
ITEMS INTERNATIONAL, INC.
By:
Title:

STATE OF N	NEW YORK )	
	) ss.:	
COUNTY OF	F NEW YORK )	
On thi	is day of December, 1998,	before me personally came
		duly sworn, did depose and say, that he is
the		NC., the corporation described in and which
		gned his name thereto by order of the Board
	of said corporation.	since mis manne increase by creek or one poure
of Directors of	or said corporation.	
		Noton: Dublic
		Notary Public

C-2

### SCHEDULE A

TO

### PATENT COLLATERAL ASSIGNMENT

		T		,
PATENT	APPLICATION NUMBER	APPLICATION FILING DATE	PATENT NUMBER	ISSUE DATE
SNOWBOARD BINDING ASSEMBLY	08/397,448	3/2/95		
SNOWBOARD BINDING ASSEMBLY	08/451,694	5/26/95		
SNOWBOARD BINDING ASSEMBLY	08/597,890	2/5/96		
SNOWBOARD BINDING ASSEMBLY	08/700,743	7/9/96		
SNOWBOARD BINDING ASSEMBLY	08/808,851	2/28/97		
SNOWBOARD BINDING ASSEMBLY	08/990,955	12/15/97		
EYELET FOR WEARING APPAREL	29/051,636	3/14/96	D394745	6/2/98
LACING ELEMENT FOR FOOTWEAR	29/051,630	3/14/96	D389292	1/20/98
LACING ELEMENT FOR FOOTWEAR	08/615,738	3/14/96		
PROTECTIVE INSERTS IN AND FOR FOOTWEAR	08/807,154	2/27/97		
FOOTWEAR WITH COMPOSITE OUTER SURFACE AND COMPOSITES FOR FOOTWEAR	08/899,431	7/24/97		
BAND DESIGN FOR FOOTWEAR	29/057,739	6/27/96	D385,691	11/4/97

PATENT	APPLICATION NUMBER	APPLICATION FILING DATE	PATENT NUMBER	ISSUE DATE
ARTICLE OF FOOTWEAR	29/056,594	7/3/96	D397,544	9/1/98
SOLE FOR FOOTWEAR	29/062,230	11/12/96	D398,144	9/15/98
FOOTWEAR DESIGN	29/070,782	5/15/97		
BOOT	29/070,751	5/15/97	D394540	5/26/98
BOOT	29/056,696	7/8/96	D392444	3/24/98
FOOTWEAR	29/079,141	10/22/97		
ROTABLY ADJUSTABLE SNOWBOARD BINDING ASSEMBLY	08/760,761	12/5/96		
BOOT UPPER	29/063,964	12/19/96	D394146	5/12/98
SOLE FOR FOOTWEAR	29/063,982	12/19/96	D399,343	10/13/98
APPARATUS FOR ADJUSTING THE FORWARD LEAN AND FLEXIBILITY OF FOOTWEAR	08/785,667	2/17/97		
APPARATUS FOR ADJUSTING THE FORWARD LEAN AND FLEXIBILITY OF FOOTWEAR	08/856,525	5/14/97	5,832,635	11/10/98
SOLE FOR FOOTWEAR	29/074,185	7/25/97		
FOOTWEAR UPPER	29/070,693	5/13/97	D400,697	11/10/98
FOOTWEAR DESIGN	29/082,201	1/16/98		
SHOE UPPER	29/082,180	1/16/98		
SNOWBOARD BREAK	08/808,122	2/28/97		
SHOE UPPER	29/075,090	8/12/97		

PATENT	APPLICATION NUMBER	APPLICATION FILING DATE	PATENT NUMBER	ISSUE DATE
SOLES FOR FOOTWEAR	29/075,057	8/12/97		
UPPER PORTION FOR A FOOTWEAR	29/031,636	12/1/94	D379,030	5/6/9′7
RESILIENT LOOPS AND MATING HOOKS FOR SECURING FOOTWEAR TO A FOOT	08/348,054	12/1/94	5,640,785	6/24/97

C:\S14\CONGRESS\ITEMS\SCHA.PRC/mm

**RECORDED: 12/23/1998**