



VIA E-MAIL

Re: Heineken Intellectual Property

To Whom It May Concern:

Heineken Brouwerijen B.V. ("Heineken") is the owner of many valuable designs, trademarks, trade dress and copyrights for the word Heineken, the Heineken logo and many other distinctive designs and words. Heineken has invested vast resources to establish their intellectual property portfolio and the goodwill associated therein. These marks and the Heineken brand name that they represent are famous throughout the world. Because of Heineken's popularity, extensive demand exists for Heineken-related products. Consequently, the intellectual property of Heineken may not be used without their express written permission. Continental Enterprises ("Continental") has been engaged by Heineken to help protect their valuable intellectual property.

Continental has learned that you are involved in the distribution of merchandise violating the intellectual property rights of Heineken (the "Merchandise"). The Merchandise bears marks or designs that are either identical to or clear imitations or derivations of Heineken's trademarks, trade dress and/or copyrighted material.

The unauthorized production or sale of merchandise bearing Heineken marks and/or designs, or ones confusingly similar thereto without a license is illegal. Such activities diminish the value of Heineken's intellectual property, cripple the effectiveness of Heineken's licensing programs and endanger Heineken's goodwill and reputation. Producing or distributing unlicensed merchandise also constitutes unfair competition. Such activities cause consumers to buy such merchandise in the mistaken belief that it originates from Heineken or is otherwise licensed by or related to Heineken, which siphons profits away from legitimate licensees and generates unjust profits for infringers such as your company. Consequently, the unauthorized use of Heineken's intellectual property constitutes infringement, counterfeiting and dilution, unfair competition, and violates a variety of federal and state civil and criminal laws.

Your activities with respect to Heineken place you in jeopardy of violating these various laws and the rights of Heineken. Any further sale of the Merchandise by you will be considered willful infringement. Willful infringements are subject to enhanced penalties, including, but not limited to, treble damages. Furthermore, you may be

subject to temporary or permanent court injunctions, impounding of all infringing materials with or without notice, liability for actual or statutory damages, and payment of attorneys' fees.

On behalf of Heineken, we demand that you:

1. Immediately cease any and all manufacture, distribution, promotion or sale of such unauthorized Merchandise.
2. Immediately provide Continental Enterprises with a full accounting, including but not limited to, all records pertaining to the procurement and sale of the Merchandise, including the names of all parties that may have manufactured, imported, exported, distributed or purchased this Merchandise in bulk.
3. Voluntarily surrender to Continental all infringing items in your possession, bearing copies, derivative works or imitations of the Heineken trademarks or designs. This includes, without limitation, any heat transfers, patches, computer embroidery tape, silk screens, photographs, positives, negatives, artwork, plates or other means of reproducing such trademarks or designs.
4. Cooperate with Continental representatives concerning the investigation of any other parties with which you have or have had a business relationship involving the Merchandise.
5. Pay to the order of "Heineken Brouwerijen B. V." \$4,750.00 to compensate them for the damages arising from your illegal activity.

At this stage, Heineken will accept the amount referred to above as compensation for the damage they have suffered as a result of your infringement and unfair competition practices as well as the costs they have incurred for the investigation and resolution of this matter. The amount requested here also represents less than the minimum amount Heineken would expect to receive if they are forced to litigate this issue, which they are prepared to do if necessary.

Be advised that any response which provides less than a voluntary surrender of all infringing Merchandise and information requested above and payment to Heineken, shall be deemed insufficient and shall be interpreted to mean that you intend to continue selling infringing Merchandise in violation of the law. Unless you comply with the foregoing demands, we will take appropriate steps to enforce our client's rights and to protect the public from continued deception. We will provide no further notice to you of our intent to seek all available remedies against you on our client's behalf.

Upon your receipt and review of this letter, please contact me no later than ten days from receipt of this letter to discuss a resolution to this matter. If I do not receive

any contact by this date, I will construe this to mean that you have no desire to resolve this matter informally and plan to continue your infringing activities in violation of the law. As such, the settlement offer outlined above will expire and I will advise Heineken to take whatever steps they deem necessary to fully protect their intellectual property rights.

This letter is being sent in an attempt to achieve a prompt and informal resolution of this matter, and is thus privileged. Nothing contained in, or omitted from, this letter is intended to be or should be considered an admission of any fact or a waiver of any right or defense, all of which are expressly reserved. Thus, this letter cannot be utilized in evidence or referred to in any litigation with regard to the merits of this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Seymour', with a large, sweeping flourish extending to the left.

Darlene Seymour
General Counsel