

01-30-2001



101598608

Re: 1-18-01

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

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

Submission Type		Conveyance Type	
<input type="checkbox"/> New	<input checked="" type="checkbox"/> Resubmission (Non-Recordation) Document ID # <input type="text" value="101468846"/>	<input type="checkbox"/> Assignment	<input type="checkbox"/> License
<input type="checkbox"/> Correction of PTO Error Reel # <input type="text"/> Frame # <input type="text"/>	<input type="checkbox"/> Corrective Document Reel # <input type="text"/> Frame # <input type="text"/>	<input type="checkbox"/> Security Agreement	<input type="checkbox"/> Nunc Pro Tunc Assignment Effective Date Month Day Year <input type="text"/>
		<input type="checkbox"/> Merger	
		<input type="checkbox"/> Change of Name	
		<input checked="" type="checkbox"/> Other <input type="text" value="Purchase Agreement"/>	

Conveying Party Mark if additional names of conveying parties attached

Name Execution Date Month Day Year

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3) City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

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

FOR OFFICE USE ONLY

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

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

**TRADEMARK
REEL: 002223 FRAME: 0498**

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

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

#

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

Mark if additional numbers attached

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

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75441601"/>	<input type="text" value="75441803"/>	<input type="text" value="75456906"/>	<input type="text" value="2073836"/>	<input type="text" value="2193333"/>	<input type="text"/>
<input type="text" value="75459450"/>	<input type="text" value="75441594"/>	<input type="text"/>	<input type="text" value="2194961"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75441639"/>	<input type="text" value="75441583"/>	<input type="text"/>	<input type="text" value="2193301"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Jonathan Kirsch

Name of Person Signing

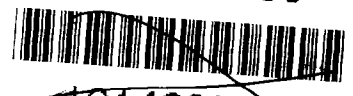
Signature

Date Signed

8.14.00

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

09-25-2000



101468846

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Submission Type

New

Resubmission (Non-Recordation)
Document ID #

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger Effective Date
Month Day Year

Change of Name

Other

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

Formerly 75441601

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

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

09/22/2000 DNGUYEN 00000198 75441601
01 FC:481 40.00 DP
02 FC:482 250.00 DP

FOR OFFICE USE ONLY

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

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

TRADEMARK
REEL: 002223 FRAME: 0500

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

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

#

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

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

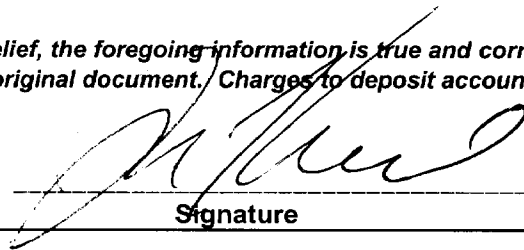
No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Jonathan Kirsch

Name of Person Signing



Signature

8/8/00
Date Signed

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement"), dated this 14th day of September, 1998 (the "Effective Date"), is entered into at Los Angeles, California, and Broomfield, Colorado, by and among **Gaiam Holdings, Inc.** a Colorado corporation ("Buyer"); **Healing Arts Publishing, LLC**, a California limited liability company ("LLC"), **Steven P. Adams** ("Adams" or "Shareholder," depending on the context); and **Healing Arts Publishing, Inc.**, a California corporation ("Corporation") (Shareholder and Corporation are collectively referred to as "Sellers") and, for purposes of Section 5.4 only, **Gaiam, Inc.**, a Colorado corporation, with respect to the following:

- A. Shareholder has represented that he owns all the outstanding capital stock of Corporation (the "Shares").
- B. Buyer desires to purchase from Corporation, and Corporation desires to sell to Buyer, [REDACTED] of the assets of the business of Corporation (the "Business"), subject to certain liabilities.
- C. In order to effect the sale of assets, Corporation hereby transfers all of the assets of the Business, subject to certain liabilities, to LLC in exchange for [REDACTED] of the membership interests in LLC.
- D. Buyer hereby purchases membership interests in LLC representing [REDACTED] of the membership interests (subject to adjustment as described below).
- E. Buyer hereby loans certain funds to LLC and contributes certain additional funds to LLC in order to conduct the Business.
- F. In order to induce Buyer to loan funds to LLC and otherwise to enter into the transaction contemplated by this Agreement, Corporation and Shareholder hereby guarantee all of the obligations of LLC and hereby secure such guaranties, Adams and LLC hereby enter into an Employment Agreement, and the parties hereby enter into a Non-Compete and Confidentiality Agreement.

ACCORDINGLY, in consideration of the mutual covenants, agreements, representations and warranties contained in this Agreement, the parties agree as follows:

1. TRANSACTION.

On the terms and subject to all of the conditions hereof, and upon the performance by the parties hereto of their respective obligations hereunder, simultaneously with the execution of this Agreement, the following shall be effected:

- 1.1 **Transfer of Assets.** Corporation shall hereby transfer to LLC all of its assets,

including without limitation, its equipment, inventory, fixtures, receivables, tradenames, trademarks, servicemarks, personal property (tangible and intangible), intellectual property rights, choses in action, and contract rights (the "Assets"), subject only to those liabilities set forth on Exhibit 1.1 hereof (the "Assumed Liabilities"), which LLC shall hereby assume.

1.2 OMITTED

1.3 OMITTED

1.4 OMITTED

1.4.1 OMITTED

1.4.2 OMITTED

1.4.3 OMITTED

BLANK SHEET

PAGES 3 – 29 OF THE PURCHASE
AGREEMENT ARE OMITTED

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it on the day and year first above written.

Buyer: GAIAM HOLDINGS, INC.

By: *Lynn Powers*

Corporation: HEALING ARTS PUBLISHING, INC.

By: *Steven P. Adams*
Steven P. Adams, President

By: *Kathleen Mulcahy*
Kathleen Mulcahy, Assistant Secretary

Shareholder:

Steven P. Adams
STEVEN P. ADAMS

LLC: HEALING ARTS PUBLISHING, LLC

By: *Steven P. Adams*
Steven P. Adams, President

For purposes of Section 5.4 only:

GAIAM, INC.

By: *Lynn Powers*

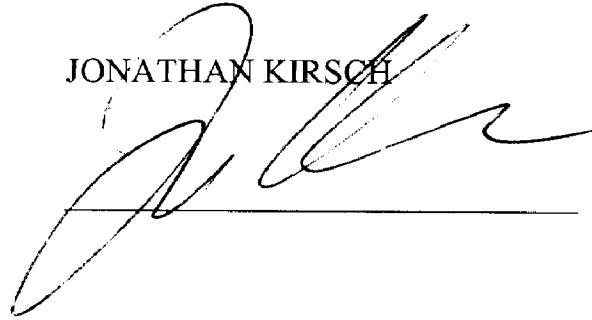
CERTIFICATE OF EXPRESS MAILING
(37 C.F.R. §1.10)

Express Mail Label No.: EL599399735US

Date of Deposit: August 9, 2000

I hereby certify that this [X] Paper and/or [X] Fee is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. 1.10 on the date indicated above and is addressed to Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231.

JONATHAN KIRSCH

A handwritten signature in black ink, appearing to read 'Jonathan Kirsch', is written over a horizontal line. The signature is stylized and cursive.

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement"), dated this 14th day of September, 1998 (the "Effective Date"), is entered into at Los Angeles, California, and Broomfield, Colorado, by and among **Gaiam Holdings, Inc.** a Colorado corporation ("Buyer"); **Healing Arts Publishing, LLC**, a California limited liability company ("LLC"), **Steven P. Adams** ("Adams" or "Shareholder," depending on the context); and **Healing Arts Publishing, Inc.**, a California corporation ("Corporation") (Shareholder and Corporation are collectively referred to as "Sellers") and, for purposes of Section 5.4 only, **Gaiam, Inc.**, a Colorado corporation, with respect to the following:

A. Shareholder has represented that he owns all the outstanding capital stock of Corporation (the "Shares").

B. Buyer desires to purchase from Corporation, and Corporation desires to sell to Buyer, 50.37% of the assets of the business of Corporation (the "Business"), subject to certain liabilities.

C. In order to effect the sale of assets, Corporation hereby transfers all of the assets of the Business, subject to certain liabilities, to LLC in exchange for [REDACTED] in LLC.

D. Buyer hereby purchases membership interests in LLC representing 50.37% of the membership interests (subject to adjustment as described below).

E. [REDACTED]

F. [REDACTED]

ACCORDINGLY, in consideration of the mutual covenants, agreements, representations and warranties contained in this Agreement, the parties agree as follows:

1. TRANSACTION.

On the terms and subject to all of the conditions hereof, and upon the performance by the parties hereto of their respective obligations hereunder, simultaneously with the execution of this Agreement, the following shall be effected:

1.1 **Transfer of Assets.** Corporation shall hereby transfer to LLC all of its assets,

including without limitation, its equipment, inventory, fixtures, receivables, tradenames, trademarks, servicemarks, personal property (tangible and intangible), intellectual property rights, choses in action, and contract rights (the "Assets"), subject only to those liabilities set forth on Exhibit 1.1 hereof (the "Assumed Liabilities"), which LLC shall hereby assume.

1.2

[REDACTED]

1.3

[REDACTED]

1.4

[REDACTED]

1.4.1

[REDACTED]

1.4.2

[REDACTED]

1.4.3

[REDACTED]

1.5

1.6

1.7

1.8

1.9

1.10

1.11

1.12 Corporate Approval.

1.13 Consents. Sellers shall deliver to Buyer all necessary agreements and consents of any parties to the consummation of the transaction contemplated by this Agreement, or otherwise pertaining to the matters covered by it.

2.

[REDACTED]

[REDACTED]

(b) Corporation and DDC have implemented a plan of Corporate Restructuring

[REDACTED]

3.

[REDACTED]

[REDACTED]

[REDACTED]

3.1

[REDACTED]

[REDACTED]

[REDACTED]

3.2

[REDACTED]

[REDACTED]

3.2.1

[REDACTED]

[REDACTED]

3.2.2

[REDACTED]

[REDACTED]

3.2.3

[REDACTED]

[REDACTED]

3.2.3.1 [REDACTED]

[REDACTED]

3.2.3.2 [REDACTED]

3.2.3.2.1 [REDACTED]

3.2.3.2.2 [REDACTED]

3.2.3.2.3 [REDACTED]

[REDACTED]

3.2.3.2.4 [REDACTED]

3.2.3.2.5 [REDACTED]

3.2.3.2.6 [REDACTED]

3.2.3.2.7 [REDACTED]

3.2.4 [REDACTED]

[REDACTED]

3.3

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3.3.1

[REDACTED]

[REDACTED]

3.3.2

[REDACTED]

[REDACTED]

4.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.1

[REDACTED]

[REDACTED]

[REDACTED]

4.2

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.3

[REDACTED]

[REDACTED]

5.

5.1

5.2

5.2.1

5.2.2

5.3

5.3.1

5.3.2

5.4

[REDACTED]

6.

[REDACTED]

[REDACTED]

6.1

[REDACTED]

6.2

[REDACTED]

6.3

[REDACTED]

6.4

[REDACTED]

6.5

[REDACTED]

6.6

[REDACTED]

6.7

[REDACTED]

6.8

[REDACTED]

6.8.1

[REDACTED]

6.8.2

[REDACTED]

6.8.3

[REDACTED]

6.8.4

[REDACTED]

6.8.5

6.8.6

6.8.7

6.8.8

6.8.9

6.8.10

6.9

6.10

6.10.1

6.10.2

6.10.3

6.10.4

6.10.5

6.11

6.11.1

6.11.2 [REDACTED]

6.11.3 [REDACTED]

6.12 [REDACTED]

6.13 **Intellectual Property.** Schedule 6.13 to this Agreement is a schedule of all trade names, trademarks, service marks and copyrights and their registrations, owned by Corporation or in which it has any rights or licenses, together with a brief description of each. Neither Corporation nor Shareholder has any knowledge of any infringement or alleged infringement by others of any trade name, trademark, service mark or copyright. Corporation has not infringed, and is not now infringing on any trade name, trademark, service mark or copyright belonging to any other person, firm or corporation. Corporation is not a party to any license, agreement or arrangement, whether as licensor, licensee, franchiser, franchisee or otherwise with respect to any trademarks, service marks, trade names or applications for them, or any copyright. Corporation owns, or holds adequate licenses or other rights to use all trademarks, service marks, trade names and copyrights necessary for its business as now conducted by Corporation (including without limitation those listed on Schedule 6.13), and that use does not, and will not, conflict with, infringe on or otherwise violate any rights of others.

6.14 **Title to Assets.** Corporation has good and marketable title to all its assets and interests in assets, whether real, personal, mixed, tangible or intangible, which constitute all the assets and interest in assets that are used in the business of Corporation. All these assets are free and clear of restrictions on or conditions to transfer or assignment and free and clear of mortgages, liens, pledges, charges, encumbrances, equities, claims, easements, rights of way, covenants, conditions

or restrictions except for (a) those disclosed in the Latest Balance Sheet or in Schedules to this Agreement which specifically refer to this Section 6.14; (b) the lien of current property taxes not yet due and payable; and (c) possible minor matters that, in the aggregate, are not substantial in amount and do not have a Material Adverse Effect. Corporation is not in default or in arrears in any respect under any lease which would have a Material Adverse Effect. All buildings and structures (including roofs and machinery and equipment permanently affixed to such buildings and structures) and tangible personal property of Corporation that is necessary to the operation of the Business are in good operating condition and repair, ordinary wear and tear excepted. Corporation is in possession of all premises leased to it from others. Neither Shareholder; nor any officer, director or employee of Corporation, nor any spouse, child or other relative of any of these persons, owns, or has any interest, directly or indirectly, in any of the real or personal property owned by or leased to Corporation or any copyrights, patents, trademarks, trade names or trade secrets licensed by Corporation.

6.15

[REDACTED]

6.15.1

[REDACTED]

6.15.1.1

[REDACTED]

6.15.1.2

[REDACTED]

6.15.1.3

[REDACTED]

6.15.2

[REDACTED]

6.15.3

[REDACTED]

[REDACTED] ck
[REDACTED] n
[REDACTED] ns.

6.15.4 [REDACTED] granted herein.
[REDACTED]

6.15.5 To the best of [REDACTED]
[REDACTED]
[REDACTED] whatsoever.

6.15.6 [REDACTED] i
by Corporation and [REDACTED]
[REDACTED] programs have been [REDACTED]
by I.L.C. and [REDACTED]
[REDACTED]
on Corporation or I.L.C.

6.15.7 [REDACTED] I.L.C.
[REDACTED] DSE in perpetuity.

6.15.8 [REDACTED] the
Program [REDACTED] the American [REDACTED]
[REDACTED] such as the
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6.15.9 [REDACTED]

to the [redacted]

6.16

[redacted]

6.17

[redacted]

6.18

[redacted]

6.23

[REDACTED]

6.24

[REDACTED]

6.24.1

[REDACTED]

[REDACTED]

6.24.2 No written

[REDACTED]

6.24.3

[REDACTED]

6.24.4

[REDACTED]

6.24.5

[REDACTED]

6.24.6

[REDACTED]

6.24.7

[REDACTED]

6.24.8

[REDACTED]

[REDACTED]

6.24.9 [REDACTED]

P [REDACTED]

C [REDACTED]

C [REDACTED]

6.24.10 [REDACTED]

6.24.11 [REDACTED]

6.25 [REDACTED]

6.26 [REDACTED]

7. [REDACTED]

[REDACTED] level capacity and

[REDACTED] no

8.

[REDACTED]

9.

[REDACTED]

10.

[REDACTED]

10.1

[REDACTED]

[REDACTED]

10.2 [REDACTED]

10.2.1 [REDACTED]

10.2.2 [REDACTED]

10.2.3 [REDACTED]

10.3 [REDACTED]

10.4 [REDACTED]

10.5 [REDACTED]

10.6 [REDACTED]

10.7 [REDACTED]

10.8 [REDACTED]

[REDACTED]

10.9

[REDACTED]

[REDACTED]

11.

[REDACTED]

11.1

[REDACTED]

11.2

[REDACTED]

12.

[REDACTED]

[REDACTED]

12.2

[REDACTED]

12.3

[REDACTED]

12.4

[REDACTED]

12.5

[REDACTED]

12.6

change the name of Company
name.

12.7

[REDACTED]

13.

13.1

[REDACTED]

13.2

[REDACTED]

14.

[REDACTED]

15.

15.1

15.2

16.

16.1

16.2

16.2.2

16.2.3

16.3 **Effect of Headings.** The subject headings of the paragraphs and subparagraphs are included for convenience only and will not effect the construction or interpretation of any of its provisions.

16.4 **Word Usage.** Unless the context clearly requires otherwise: (a) plural and singular number will each be considered to include the other; (b) the masculine, feminine and neuter genders will each be considered to include the others; (c) "shall," "will," "must," "agree," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.

16.5 **Entire Agreement; Modification and Waiver.** This Agreement and the ancillary documents and agreements referred to in this Agreement constitute the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement will be binding unless executed in writing by all parties. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

16.6 **Counterparts.** This Agreement may be executed simultaneously or in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Agreement.

16.7 **Parties in Interest.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement. No provision gives any third persons any right of subrogation or action against any party to this Agreement.

16.8 **Assignment.** This Agreement will be binding on and will enure to the benefit of the parties to it and their respective heirs, legal representatives, successors and assigns; provided, however, Buyer may not assign any of its rights under this Agreement, except to a family member of Buyer or to an entity owned or controlled by Buyer or which owns or controls Buyer. No such assignment by Buyer will relieve Buyer of any of Buyer's obligations or duties under this Agreement.

16.9 **Arbitration.** Any controversy or claim arising out of, or relating to this Agreement or the making, performance or interpretation of it will be settled by arbitration in Denver, Colorado, under the Commercial Arbitration rules of the American Arbitration Association then existing, and judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy. Arbitrators will be persons experienced in negotiating, making

and consummating acquisition agreements.

16.10 **Specific Performance and Waiver of Recision Rights.** Each party's obligations under this Agreement are unique. If any party should default in its obligations under this Agreement, the parties acknowledge that it would be extremely impractical to measure the resulting damages; accordingly, the non-defaulting party or parties, in addition to any other available rights or remedies, may sue in equity for specific performance and the parties each expressly waive the defense that a remedy in damages will be adequate. Despite a breach or default by any of the parties or any of their respective representations, warranties, covenants or agreements under this Agreement, if the agreement and sale contemplated by it is consummated at the closing, each of the parties waive any unilateral right that such party may have to rescind this Agreement or the transaction consummated by it; provided, however, that this waiver will not effect any rights or remedies available to the parties under this Agreement or under law.

16.11 **Attorney Fees.** If any legal action, arbitration or other proceeding is brought for the enforcement of this Agreement because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to recover reasonable attorney fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

16.12 **Nature and Survival of Warranties and Obligations; Setoffs.** All representations, warranties, covenants and agreements of Buyer and Sellers contained in this Agreement or in any instruments, certificate, opinion or other writing provided for in it (other than the representations of Shareholder set forth in Section 6.8 hereof ("Tax Warranties")) will survive until September 8, 2001. All Tax Warranties will survive without limitation. All statements contained in any schedule, certificate, or other writing delivered in connection with this Agreement or the transactions contemplated by this Agreement will constitute representations and warranties under this Agreement. Buyer may reduce any amounts due to Sellers or LLC, and set off against its obligations hereunder, without any further action or notice to Sellers or LLC, any amounts due and payable from Sellers or LLC to Buyer under the terms of this Agreement, including without limitation Section 12.1 hereof. Notwithstanding the foregoing, any amounts in excess of disputed amounts shall be paid to Corporation or Shareholder when otherwise due.

16.13 **Notices.** Unless otherwise specifically permitted by this Agreement, all notices under this Agreement shall be in writing and shall be delivered by personal service, federal express or comparable overnight service or certified mail (if such service is not available, then by first class mail), postage prepaid, to such address as may be designated from time to time by the relevant party, and which shall initially be:

If to Corporation:

Healing Art Publishing, Inc.
2434 Main Street
Santa Monica, California 90405
Attn: Steven P. Adams

With a copy to:

Harvey Gilbert, Esq.
9777 Wilshire, Ste. 505
Beverly Hills, CA 90212

If to Shareholder:

Steven P. Adams
2434 Main Street
Santa Monica, California 90405

With a copy to:

Harvey Gilbert, Esq.
9777 Wilshire, Ste. 505
Beverly Hills, CA 90212

If to Buyer:

Gaiam Holdings Inc.
360 Interlocken Blvd. Suite 300
Broomfield, CO 80021
Attn: Lynn Powers

With a copy to:

Leslie S. Klinger, Esq.
Kopple & Klinger, LLP
2029 Century Park East
Suite 3290
Los Angeles, CA 90067

And a copy to:

Mark K. Shaner, Esq.
3177 South Parker Road
Aurora, CO 80014

Any notice sent by certified mail shall be deemed to have been given three (3) days after the date on which it is mailed. All other notices shall be deemed given when received. No objection may be made to the manner of delivery of any notice actually received in writing by an authorized agent of a party.

Any party may change its address for purposes of this paragraph by giving the other parties written notice of the new address in the manner set forth above.

16.14 **Governing Law.** This Agreement and the ancillary documents executed together with this Agreement will (except to the extent otherwise specifically provided in such documents) be construed in accordance with and governed by the laws of the State of Colorado, as applied to contracts that are executed and performed entirely in Colorado.

16.15 **Further Assurances.** Sellers, at any time after the Effective Date, will execute, acknowledge, and deliver any further deeds, assignments, conveyances, and other assurances, documents, and instruments of transfer, reasonably requested by Buyer (and will use their best efforts to cause third parties to do the same), and will take any other action consistent with the terms of this Agreement that may reasonably be requested by Buyer for the purpose of assigning, transferring, granting, conveying, and confirming to Buyer, or reducing to possession, any or all property to be conveyed and transferred under this Agreement. If requested by Buyer, Corporation will prosecute or otherwise enforce in its own name for the benefit of LLC any claims, rights, or benefits that are transferred to LLC under this agreement and that require prosecution or enforcement in Corporation's name. Any prosecution or enforcement of claims, rights, or benefits under this Section 16.15 will be solely at LLC's expense, unless the prosecution or enforcement is made necessary by a breach of this agreement by any of Sellers.

16.16 **Severability.** If any provision of this Agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the parties that all other provisions of this Agreement be construed to remain fully valid, enforceable and binding on the parties.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it on the day and year first above written.

Buyer: GAIAM HOLDINGS, INC.

By: *Lynn Powers*

Corporation: HEALING ARTS PUBLISHING, INC.

By: *Steven P. Adams*
Steven P. Adams, President

By: *Kathleen Mulcahy*
Kathleen Mulcahy, Assistant Secretary

Shareholder:

Steven P. Adams
STEVEN P. ADAMS

LLC: HEALING ARTS PUBLISHING, LLC

By: *Steven P. Adams*
Steven P. Adams, President

For purposes of Section 5.4 only:

GAIAM, INC.

By: *Lynn Powers*

HEALING ARTS TRADEMARK STATUS LOG

8-26-97

Page 1 of 3

MARK	STATUS
LIVING ARTS Word Mark - Cl. 35 (Distribution and Catalog sales of Health, Fitness and Beauty Products) (1293.3.11)	REGISTERED Date of Registration: 6/24/97 Register: Principal Register Regis. No.: 2,073,836
LIVING ARTS AND DESIGN Design Mark -- Cl. 35 (Distribution and Catalog sales of Health, Fitness and Beauty Products (1293.3.14)	PENDING Status: Published for Opposition
LIVING ARTS Word Mark -- Cl. 9 (Audio and Video Products) (1293.3.15)	PENDING Status: Published for Opposition
LIVING ARTS Word Mark -- Cl. 16 (Greeting Cards and other Printed Matter) (1293.3.16)	PENDING Status: Published for Opposition
LIVING YOGA Word Mark -- Cl. 25 (Clothing) (1293.3.23)	PENDING Status: Trademark Application filed 2/27/98
LIVING YOGA AND DESIGN Design Mark -- Cl. 25 (Clothing) (1293.3.24)	PENDING Status: Trademark Application filed 5/25/98

HEALING ARTS TRADEMARK STATUS LOG

8-26-97

Page 2 of 3

LIVING YOGA

Word Mark -- Cl. 28 (Yoga Equipment)
(1293.3.25)

PENDING

Status: Status: Trademark Application
filed 2/27/98

LIVING YOGA

Word Mark -- Cl. 9 (Audio and Video
Products on the subject of Yoga,
health, fitness and personal
improvement.
(1293.3.26)

PENDING

Status: Trademark Application filed
2/27/98

LIVING YOGA

Design Mark -- Cl. 16 (Books and other
printed matter on the subject of Yoga,
health, fitness and general
improvement)
(1293.3.27)

PENDING

Status: Trademark Application filed
2/27/98

HEALING ARTS TRADEMARK STATUS LOG

8-26-97

Page 3 of 3

LIVING YOGA

Word Mark -- Cl. 41 (Providing education and training on the subjects of yoga, health, fitness and personal improvement)
(1293.3.28)

PENDING

Status: Trademark Application filed
2/27/98

LIVING YOGA

Word Mark -- Cl. 25 (Bags, Backpacks, Fannypacks, waterbottle sacks)
(1293.3.31)

PENDING

Status: Trademark Application filed
3/25/98