

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): M2B, LLC

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other limited liability co. New York

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 11/24/2003

2. Name and address of receiving party(ies)

Name: Belly Basics, Inc. Internal Address: Suite 501 Street Address: 276 Fifth Avenue City: New York State: NY Zip: 10001

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State New York Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2090359

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Jeffrey C. Katz, Esq.

Internal Address: DAVIS & GILBERT LLP

Street Address: 1740 Broadway

City: New York State: NY Zip: 10019

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41) \$ 40.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

502293

DO NOT USE THIS SPACE

9. Signature.

Jeffrey C. Katz Name of Person Signing

Signature

12/4/2003

Date

Total number of pages including cover sheet, attachments, and document: 5

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

CH \$40.00 502293 2090359

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT dated as of November 20, 2003, among M2B, LLC, a New York limited liability company ("Buyer"), and BELLY BASICS, INC., a New York corporation ("Seller"), JODY GARDNER and CHERIE SEROTA.

WHEREAS, Seller is a manufacturer of women's sportswear under the Trademarks hereinafter defined; and

WHEREAS, Buyer desires to purchase Seller's orders and inventory and the Trademarks; and

WHEREAS, Seller is willing to sell the aforesaid assets in accordance with the terms and conditions hereof;

NOW, THEREFORE, the parties hereto, in consideration of the premises hereof and other good and valuable consideration, hereby agree as follows:

I

DEFINITIONS

1.1. Definitions. The following capitalized terms used herein shall have the respective meanings given to such terms below.

"Acquired Assets" means (i) the portions of the finished-goods, fabric and packaging-materials Inventory of which a list and description is set forth on Schedule 2.5, (ii) all open orders from customers, (iii) the Trademarks, (iv) the Licenses, (v) all customer and vendor mailing lists, and (v) all specifications, creative materials, advertising and promotional materials and marketing materials, studies and reports. For the purposes hereof, royalties from the Licenses and Distribution Agreement shall be allocated between Seller and Buyer based on the number of days in the royalty payment period in question before the Closing and remaining in such payment period.

"Advances" means advances of cash from or on behalf of Buyer to Seller, listed on Schedule I hereto.

"Assignments" means the assignments of the Trademarks to Buyer.

"Assumption" means the assignments by Seller of the Licenses and the Distribution Agreement to, and assumption thereof by, Buyer in form satisfactory to Seller; provided, however, that in the case of the Distributorship Agreement, neither such assignment nor such assumption shall become effective unless Distributor approves thereof in writing.

"Base Sales Amount" means the lesser of (i) Net Sales in the calendar year 2004, and (ii) \$1,500,000.

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SECURITY INTEREST

9.1. Seller's Security Interest. Seller shall have a security interest in the Trademark "Belly Basics," to secure the performance by Buyer to pay all Contingent Payments and payments for Inventory in accordance with the terms hereof. This Section shall constitute a security agreement under the Uniform Commercial Code ("UCC") and Seller is authorized to file financing statements with the appropriate state office and with the U.S. Patent and Trademark office to perfect such security interest. Seller shall be entitled to foreclose on the aforesaid security interest only in the event of the failure by Buyer to make any payment required hereby to be made to Seller within 30 days of the delivery by Seller to Buyer of written notice of such failure ("Event of Default"), unless there shall be a dispute regarding the requirement to make such payment, the resolution of which Buyer is pursuing expeditiously and in good faith. In the event of an Event of Default, Seller shall have all the rights and remedies of a secured party under the UCC and other applicable law. Seller agrees to file a termination statement at its own expense to terminate such security interest once the secured payments have all been made (other than those not required pursuant to the terms hereof).

X

INDEMNIFICATION

10.1. Indemnification by Seller. Seller hereby agrees to indemnify, defend and hold harmless Buyer and its directors and officers (collectively, "indemnified parties") against and in respect of all Liabilities, obligations, judgments, Liens, injunctions, charges, orders, decrees, rulings, damages, dues, assessments, taxes, losses, fines, penalties, expenses, fees, costs, amounts paid in settlement (including reasonable attorneys' and expert witness fees and disbursements in connection with investigating, defending or settling any action or threatened action), arising out of any claim, damages, complaint, demand, cause of action, audit, investigation, hearing, action, suit or other proceeding asserted or initiated or otherwise existing in respect of any matter (collectively, the "Losses") that results from (i) the material inaccuracy of any representation or warranty made by Seller herein, or nonfulfillment of any agreement or covenant of Seller contained herein; or (ii) any Liability of Seller which Buyer is required to pay other than as provided in Section 2.2 hereof; provided, however, that such indemnification shall not apply to any Losses arising as the result of the gross negligence or wilful misconduct of Buyer. In the event that any Losses are incurred by Buyer as the result of any Undisclosed Liability, Buyer shall have the right to a Holdback of the amount thereof from any Contingent Payment or payment for Inventory thereafter to be made to Seller.

10.2. Indemnification by Buyer. Buyer hereby agrees to indemnify, defend and hold harmless Seller and its directors and officers (collectively, "indemnified parties") against and in respect of all Liabilities, obligations, judgments, Liens, injunctions, charges, orders, decrees, rulings, damages, dues, assessments, taxes, losses, fines, penalties, expenses, fees, costs, amounts paid in settlement (including reasonable attorneys' and expert witness fees and disbursements in connection with investigating, defending or settling any action or threatened action), arising out of any claim, damages, complaint, demand, cause of action, audit, investigation, hearing, action, suit or other proceeding asserted or initiated or otherwise existing in respect of any matter (collectively, the "Losses") that results from (i) the failure of Buyer to make the payments required to be made by it hereunder or nonfulfillment of any other agreement or covenant of Buyer contained herein, or (ii) any material inaccuracy of any representation or warranty made by Buyer herein; provided, however,

12.12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed wholly within such jurisdiction.

12.13. Jurisdiction and Venue. Each of the parties hereto hereby consents to the exclusive jurisdiction and venue of the state or federal courts located in the Borough of Manhattan, New York, and agrees that any action concerning a dispute arising out of or relating to this Agreement shall be brought in any such court and that process, notice of motion, or other application of the court, or a judge thereof, or any notice in connection with the proceedings provided for herein may be served within or without the State of New York as provided herein for the serving of notices hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement date first above written.

BELLY BASICS, INC.

By: 

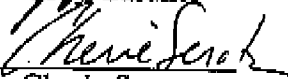
M2B, LLC

By: 

With respect to Articles VII and VIII only:



Jody Gardner



Cherie Serota