

01-19-2006



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To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

Bear Surfwear Limited

- Individual(s)
- General Partnership
- Corporation- State: _____
- Other _____
- Association
- Limited Partnership

Citizenship (see guidelines) Jersey, Channel Islands

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) December 12, 2005

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Solitude, LLC

Internal

Address: c/o Randy Paskal

Street Address: 1135 N. Mansfield Avenue

City: Los Angeles

State: CA

Country: U.S.A. Zip: 90038

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other LLC

Citizenship _____
Citizenship _____
Citizenship _____
Citizenship CA
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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 1371370

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):
INSTINCT

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

Name: DANA M. NEWMAN

Internal Address: C/O MOVIOLA

Street Address: 1135 N. MANSFIELD AVENUE

City: LOS ANGELES

State: CA Zip: 90038

Phone Number: (323) 467-3107

Fax Number: (323) 962-8601

Email Address: DNEWMAN@MOVIOLA.COM

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers 1982

Expiration Date 01/15/2006 LAETTER 0000013 1371370

b. Deposit Account Number _____

Authorized User Name _____

48.00

9. Signature:

Dana M. Newman

Signature

JANUARY 9, 2006

Date

DANA M. NEWMAN

Name of Person Signing

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

34

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

AGREEMENT

between

BEAR SURFWEAR LTD
(Registration No.: 38820)

("BEAR")

and

SOLITUDE, LLC
(Registration No.: 911 917069)

1. INTERPRETATION AND DEFINITIONS

- 1.1 "Agreement" means this Agreement and all annexures hereto;
- 1.2 "Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions in the Republic of South Africa are customarily closed;
- 1.3 "Effective Date" means the date on which the last payment of the Purchase Price is payable in accordance with clauses 5 and 7 below;
- 1.4 "Net Sales Price" means the invoiced amount in a sale or other disposal of Products, or pursuant to the rendering of services, to a purchaser or other customer or recipient at arms length excluding any taxes payable in respect of the

all in the ordinary course of commercial business, with no other deductions;
- 1.5 "Parties" means BEAR and SOLITUDE;
- 1.6 "Payment Cycle" means each period of 3 (three) consecutive months terminating on 31 March, 30 June, 30 September and 31 December in each year;
- 1.7 "Payment Date" means in respect of any Payment Cycle terminating on:
 - 1.7.1 31 March in any year, 30 April of the same year.
 - 1.7.2 30 June in any year, 31 July of the same year;

1.7.3 30 September in any year, 31 October of the same year; and

1.7.4 31 December in any year, 31 January of the following year.

1.8 "Products" mean all products or services falling within the scope of the specification of goods or services in respect of which the Trade Marks have been registered or in respect of which application for registration of the Trade Mark has been made as the case may be.

1.9 "Purchase Price" means R600 000;

1.10 "Signature Date" means the date on which this Agreement is signed by the party last to do so;

South America, the continent of Europe and the country of Japan;

1.12 "Trade Marks" means the Trade Marks listed in Annexure "A".

1.13 Words in the singular include the plural and vice versa.


1.14 Words importing any one gender include each of the other two genders.

1.12 References to natural persons include legal persons (Incorporated or unincorporated) and vice versa.

1.13 A reference to a Party shall include a reference to that Party's successors and permitted assigns.

- 1.14 The headings of clauses are intended for convenience only and shall not affect the interpretation of this Agreement.
- 1.15 Schedules and annexures to this Agreement shall be deemed to form part of this Agreement.
- 1.16 Unless redefined within a particular schedule or annexure, terms defined in this Agreement shall bear the same meaning in the schedules and annexures.
- 1.17 Where words have been defined in the body of this Agreement, such words will have the meaning so assigned throughout the Agreement, unless the context clearly otherwise requires.
- 1.18 If any provision in a definition in this Agreement is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive clause in the body of the Agreement, notwithstanding
- 1.19 Where any period is prescribed in this Agreement, that period shall be reckoned inclusively of the first day and exclusively of the last day unless the last day is not a Business Day, in which case the last day shall be the next succeeding Business Day.
- 1.20 References in this Agreement to any statute or statutory provision shall include any statute or statutory provision which amends, extends, consolidates or replaces the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.

2. INTRODUCTION

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- 2.1 BEAR is a company duly registered and incorporated in accordance with the company laws of Jersey, Channel Islands.
- 2.2 SOLITUDE is a California Limited Liability Company of full legal capacity located in Santa Barbara, California, United States of America, and operates a business in the clothing industry.
- 2.3 SOLITUDE wishes to purchase the Trade Marks and BEAR wishes to sell the Trade Marks to SOLITUDE.
- 2.4 BEAR and SOLITUDE wish to record their agreement for this purpose.

3. SALE OF INTELLECTUAL PROPERTY

3.1 BEAR is the proprietor of the Trade Marks. BEAR wishes to sell and assign each item of the trade marks to SOLITUDE as well as all accrued rights in respect of the Trade Marks as set forth herein.

SOLITUDE all of BEAR's accrued rights, title and interest in and to the Trade Marks, including without limitation any claims against third parties arising out of any infringement of, or impingement on, BEAR's rights in respect of the Trade Marks or any right thereof, subsisting and enforceable by BEAR as at the Effective Date. SOLITUDE may exercise and enforce such accrued rights and claims in its own name and on its own behalf as though it were the seller.

3.3 The purchase price payable for the Trade Marks by SOLITUDE to BEAR shall be R600 000, payable as set forth in Sections 5 and 7 herein. The purchase price shall be payable into an account determined by BEAR in writing. All Trade Mark applications and/or renewals of Trade Marks which are due for renewal prior to the Effective Date shall be prosecuted and/or renewed to their conclusion and determination before the Registrar of Trade Marks by SOLITUDE at the cost and expense of SOLITUDE. SOLITUDE undertakes

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[Signature]

to give all assistance and co-operation necessary to BEAR to enable BEAR to prosecute said applications to their conclusion and/or to ensure the renewal of the Trade Marks.

- 3.4 BEAR has disposed of the trade marks set out in Annexure "B" hereto to Foschini (Pty) Limited. In terms of the agreement of sale of the trade marks in Annexure "B" hereto, BEAR is obliged to offer to Foschini (Pty) Limited the Trade Marks. Foschini has 21 (twenty one) days in which to accept the offer.
- 3.5 In the event that Foschini accepts the offer to purchase the Trade Marks, this Agreement shall be null and void.

4. TITLE TO THE INTELLECTUAL PROPERTY

4.1 All of BEAR's rights, title and interest in and to the Trade Marks and all risk in the Trade Marks shall pass to SOLITUDE with effect from the Effective Date. Provided that payment of the Purchase Price has been made by SOLITUDE

Parties undertake, if called upon to do so by the other Party, to sign all such documents and do all such things as may be required to record the substitution of SOLITUDE and/or any subsequent proprietor of the Trade Marks.

4.2 Each Party shall bear such Party's own costs incidental to:

- 4.2.1 the drafting and lodgement of the documents referred to in 4.2; and
- 4.2.2 substitution of SOLITUDE and/or subsequent proprietor as the proprietor in respect of the Trade Marks.

4.3 It is recorded and agreed that the assignment of the Trade Marks is without the goodwill of the business concerned in the goods and services in respect of which the Trade Marks have been used by BEAR prior to the Signature Date.

4.4 BEAR represents and warrants that it holds the full right, title and interest in and to the Trade Marks, and the power and authority to grant the licenses and transfers of the Trade Marks granted under this Agreement, and neither the license nor use by SOLITUDE of the Trade Marks, as permitted under this Agreement, will in any way constitute an infringement or other violation of any trademark or other intellectual property right or right of publicity of any third party. BEAR will indemnify and defend, and holds SOLITUDE and its members, managers, directors, officers, and employees harmless against, all costs, expenses, damages, claims, liabilities, proceedings, costs, and reasonable attorneys' fees which relate to or arise out of any claim that SOLITUDE's use, license and/or purchase of the Trade Marks under this Agreement constitutes an infringement of any trademark of any country. In addition, if SOLITUDE's right to use the Trade Marks is enjoined at any time, BEAR must, at SOLITUDE's option, (a) procure for SOLITUDE the right to use, at SOLITUDE's option, the Trade Marks; or (b) refund all amounts paid by SOLITUDE in connection with the Trade Marks, including royalties and incidental charges, such as marketing, advertising and promotion.

4.5 Notwithstanding what is set out elsewhere in this Agreement and, in the event that any of the warranties set out in clause 4.4 fail to be true and correct in any material respect at any time and/or if BEAR otherwise breaches its obligations in respect of this Agreement at any time, any claim for damages pursuant to such breach by BEAR shall be limited to the consideration as set out in clause 5 then paid by SOLITUDE to BEAR.

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5. PAYMENT

5.1 SOLITUDE shall pay to BEAR the Purchase Price by way of a direct deposit into a bank account or by way of cheque to such address as BEAR may nominate in writing from time to time as follows:

5.1.1 By way of payment of the consideration set out in clause 7 below over a period of 3 (three) years from the Signature Date; or

5.1.2 By way of payment of the Purchase Price in full on Signature Date; or

5.1.3 By way of payment of any portion of the consideration set out in clause 7 below over a period of 3 years from the Signature Date plus the balance of the Purchase Price outstanding on expiry of the period of 3 (three) years from the Signature Date.

5.2 Pending full payment of the Purchase Price, BEAR hereby grants to SOLITUDE upon the terms and conditions of this Agreement the exclusive licence in the Territory to use each Trade Mark upon or in relation to the Products. In the event that SOLITUDE does not pay the Purchase Price in full within the 3 (three) year period specified in Section 5.1.1, title to the Trade Marks shall not transfer to SOLITUDE, and the license provided for in this Section shall terminate; provided, however, that in such case the parties may mutually agree in writing to extend the payment term specified in Section 5.1.1 and/or the license term in this Section 5.2, but are not required to do so.

6. TERM OF AGREEMENT

6.1 This Agreement shall commence on the Signature Date and, unless terminated sooner in accordance with the provisions of this Agreement shall continue for a term of 3 (three) years.

6.2 Should the Trade Marks lapse, whether by effluxion of time or otherwise, or fail to proceed to registration, or be held to be invalid for whatever reason or be excluded from this Agreement by agreement by the Parties, this Agreement shall continue in respect of the remainder of the Trade Marks.

7. **CONSIDERATION AND RELATED FINANCIAL ARRANGEMENTS**

7.1 In consideration of the exclusive licence granted in terms of clause 5.2 of this Agreement and in settlement of the Purchase Price, SOLITUDE shall, subject to the provisions of this Agreement, pay BEAR royalties calculated at a rate of three percent (3%) of the Net Sales Price of all Products sold or otherwise disposed of under the Trade Marks, or any of them. For the purposes of calculating the royalties payable in any particular Payment Cycle, trade discounts and credits given will be accounted for in the Payment Cycle in which they are given irrespective of whether or not the transaction or transactions to which they relate were concluded in the same Payment Cycle.

7.2 Royalties under this agreement will be payable in respect of each Payment Cycle to a bank account or accounts specified in writing by BEAR from time to time, on the Payment Date immediately following the Payment Cycle concerned, or in such other manner as BEAR may require in its reasonable discretion from time to time.

7.3 No sales or other disposals of any of the Products (other than the provision of samples in the ordinary course of business) shall be made by SOLITUDE otherwise than in accordance with properly prepared and recorded documents that form part of the accounting records of SOLITUDE.

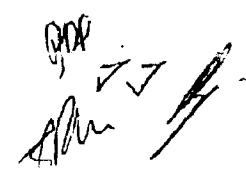
7.4 At the time of making every royalty payment under this Agreement, SOLITUDE shall forward to BEAR a royalty report by facsimile, together with an original following contemporaneously by mail, setting out such details as BEAR may require from time to time. Every royalty report will be signed by a

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director or other responsible official of SOLITUDE to indicate their certification of the royalty report as complete and accurate. For the avoidance of doubt, it is recorded and agreed that SOLITUDE's obligation to make payment of royalties in terms of this Agreement is a separate obligation to, and in no way conditional on, SOLITUDE'S obligation to send royalty reports to BEAR.

- 7.5 SOLITUDE undertakes to keep complete, accurate and up to date records of all royalty bearing transactions under this Agreement and of all other transactions concerning the Products and services for a minimum period of 5 (five) years from the end of the year of creation of the records in question. SOLITUDE shall allow those records to be inspected at any time during normal office hours upon reasonable notice by representatives of BEAR and/or accountants and/or lawyers acting on behalf of BEAR. The persons making the inspection will be entitled to inspect all documentary and other computer records in the possession or under the control of SOLITUDE, to question SOLITUDE's personnel in charge of those records and their compilation, to examine the stock records and physical stock of Products held by or on behalf of SOLITUDE at any location and to make extracts from or copies of SOLITUDE's accounting stock records and other records using the copying facilities of SOLITUDE. If any such inspection on behalf of BEAR reveals a discrepancy between royalties payable and royalties paid which discrepancy exceeds 5%, SOLITUDE will promptly make good any under payment and also reimburse BEAR in full for all out of pocket expenses incurred by BEAR in making sole inspection, including but not limited to the travel costs of BEAR's personnel and the fees and travel costs of other disbursements charged by accountants and/or lawyers participating in the inspection or advising BEAR on the inspection and its consequences.

- 7.6 SOLITUDE shall submit to BEAR, in a format as prescribed by BEAR, the following information as well as all other information that may reasonably be requested by BEAR from time to time:



7.6.1 By 1 November of each year, a marketing and business plan incorporating the following:

7.6.1.1 a detailed marketing plan for the territory including the proposed quarterly advertising and promotions budget broken down by category of proposed expenditure;

7.6.1.2 a sales forecast by month for the following calendar year;

7.6.1.3 an inventory for cost per month;

7.6.1.4 a quarterly report for all advertising and/or promotions expenditure; and

7.6.1.5 monthly sales and inventory updates, reported against the annual plan.

7.6.2 BEAR reserves the right to alter the format and content of these reports upon reasonable notice to SOLITUDE.

8. QUALITY CONTROL

8.1 Pending final payment of the Purchase Price:

8.1.1 SOLITUDE shall ensure that the Products processed, packaged, stored or supplied by it are of high quality in all respects and SOLITUDE shall ensure that such Products comply in all respects with such specifications, directions and standards of quality as BEAR and/or any governmental or other regulatory authority in the Territory may specify from time to time.

8.1.2 SOLITUDE shall not manufacture, process, sell, offer for sale or otherwise deal in any Products or Services by reference to the Trade

Marks other than products which comply with the provisions of clause 8.1.1 above.

8.1.3 SOLITUDE shall discharge its obligations in connection with the processing, packaging, storage, distribution and sale of the Products and rendering of the Services with all due skill, care and diligence.

8.1.4 If reasonably called upon to do so by BEAR, SOLITUDE shall submit samples of all packaging, advertising, promotional and other documentary material to be used in relation to the Products to BEAR for approval prior to any such material being used. If so reasonably required by BEAR, SOLITUDE shall not use any such material without such prior approval.

8.1.5 SOLITUDE shall use the Trade Marks strictly in the form that they are registered or intended to be registered and/or stipulated from time to time by BEAR.

8.1.6 SOLITUDE shall not, by virtue of this Agreement or otherwise, obtain or claim any right, title or interest in or to the Trade Marks except the right of use as are specifically set out in this Agreement. SOLITUDE warrants that it has not made and pending final payment of the Purchase Price, undertakes not to make any applications for registration of any item of the Trade Marks or in any other manner claim or assert rights of any nature to the Trade Marks or any other name, mark or style similar thereto.

8.1.7 SOLITUDE shall not, by virtue of this Agreement or otherwise, obtain or claim any right, title or interest in or to the Trade Marks except the right of use as are specifically set out in this Agreement. SOLITUDE warrants that it has not made and pending final payment of the Purchase Price, undertakes not to make any applications for registration of any item of the Trade Marks or in any other manner claim or assert rights of any nature to the Trade Marks or any other name, mark or style similar thereto.

8.1.8 Pending final payment of the of Purchase Price and transfer of the Trade Marks from BEAR to SOLITUDE, SOLITUDE acknowledges and agrees that the benefit of all use of the Trade Marks shall at all times enure for the benefit of BEAR whom SOLITUDE acknowledges is the proprietor of the Trade Marks.

8.1.9 SOLITUDE shall not at any time apply anywhere in the world to register any trade mark identical to a Trade Mark or so nearly resembling a Trade Mark as to be likely to deceive or cause confusion or apply anywhere in the world to register any other item of intellectual property identical or substantially similar to any item of the Trade Marks.

8.1.10 SOLITUDE hereby indemnifies and holds BEAR harmless against all costs, expenses, damages, claims, liabilities and proceedings which relate to or arise out of any negligence, breach or other wrongful conduct of SOLITUDE in regards to any use or dealing by SOLITUDE in the Products under or by reference to the Trade Marks.

9. MAINTENANCE OF TRADE MARKS

9.1 SOLITUDE shall at its own expense maintain all statutory registrations of the Trade Marks in force in the Territory as at the Commencement Date or which proceed to registration thereafter.

9.2 SOLITUDE undertakes not to do or permit to be done any act which would or might jeopardise or invalidate the registration of any Trade Mark or to do any act which might assist or give rise to an application to revoke or expunge or remove any Trade Mark from any applicable Register or which might prejudice the right or title of BEAR to the Trade Marks.

10. CONDITION PRECEDENT

10.1 This Agreement is entirely subject to the suspensive condition that:

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10.1.1 Foschini fails to accept the offer referred to in clause 3.4 above.

10.2 The suspensive condition contained in clause 10.1.1 is not capable of waiver and/or relaxation, unless the Parties agree thereto in writing.

10.3 BEAR shall use its reasonable endeavours to procure the timely fulfilment of the suspensive condition in clause 10.1.1.

10.4 If the suspensive condition in clause 10.1.1 has not been fulfilled or waived in writing by no later than the date stipulated therefore, then this Agreement shall automatically fail and be of no further force or effect and the Parties shall be restored as near as possible to the position in which they would have been in had this Agreement been entered into and neither Party shall have any claim against the other of them, save as may arise out of any breach by the Parties under their obligations under this clause 10.

10.4.1 Each Party shall bear its own costs of and incidental to the ... accordance with the intent and purpose of this clause 10.

11. TERMINATION

11.1 BEAR may terminate this Agreement if:

11.1.1 SOLITUDE commits a material breach of a material provision of this Agreement, provided that if the breach is capable of remedy termination shall only occur if the breach is not remedied within 30 days of BEAR having notified SOLITUDE in writing specifying the breach and requiring it to be remedied.

11.1.2 In the event that the Purchase Price is not paid in full by SOLITUDE to BEAR within 3 (three) years from the Signature Date.

11.2 SOLITUDE may terminate this Agreement if:

11.2.1 BEAR breaches any term of this Agreement and if the breach is capable of remedy, fails to remedy such breach within 30 (thirty) days of SOLITUDE having notified BEAR in writing specifying the breach and requiring it to be remedied. In the event of any breach by BEAR, SOLITUDE may, without prejudice to its rights to claim damages, claim specific performance and withhold the payment of any royalties that may be or become payable by SOLITUDE to BEAR under this Agreement until such time as the breach has been remedied.

11.2.2 A trademark infringement claim is made against SOLITUDE and/or BEAR involving any of the Trade Marks.

Termination of this Agreement by either party shall be without prejudice to any existing rights and/or claims that the terminating party may have against the other party.

11.3 In the event of the termination of this Agreement howsoever arising:

11.3.1 SOLITUDE shall cease forthwith to use the Trade Marks;

11.3.2 SOLITUDE shall within 30 (thirty) days deliver up to BEAR any Products, together with all documents, packaging, advertising, promotional or other material and/or copies thereof containing any reference to the Trade Marks in the possession, custody or control of SOLITUDE.

13. SPECIFIC PERFORMANCE

If a Party breaches any provision of this Agreement, the other Party may,

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notwithstanding any provisions to the contrary in this Agreement and without prejudice to its right to claim damages but subject to clause 4.5, be entitled to claim specific performance.

14 MISCELLANEOUS

14.1 Whole Agreement

14.1.1 This Agreement constitutes the whole agreement between the Parties relating to the subject matter hereof and the Parties waive the right to rely on any alleged express provision not contained in this Agreement.

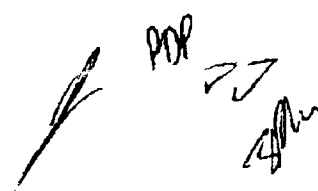
14.1.2 No amendment, alteration, addition, variation or consensual cancellation of this Agreement will be valid unless in writing and signed by the Parties.

14.2 Waiver and Indulgences

14.2.1 No waiver of any of the terms or conditions of this Agreement will be binding for any purpose unless expressed in writing and signed by the Party giving the same and any such waiver will be effective only in the specific instance and for the purpose given.

14.2.2 No indulgence granted by a Party shall constitute a waiver or abandonment of any of that Party's rights under this Agreement; accordingly, that Party shall not be precluded, as a consequence of having granted that indulgence, from exercising any rights against the other Party which may have arisen in the past or which may arise in the future.

14.3 Severability



In the event that any provision of this Agreement is found to be invalid, unlawful or unenforceable, such provision shall be severable from the remaining terms, which shall continue to be valid and enforceable.

14.4 Notices and Addresses

14.4.1 Postal Address

14.4.1.1 Any written notice in connection with this Agreement may be addressed:

in the case of the BEAR:

Telefax number: +27 11 334 5622

Marked for the attention of: Larry Serman

in the case of the SELLER:

Telefax number: 805 695 8689

Marked for the attention of: Shaun Tomson

14.4.1.2 The notice shall be deemed to have been duly given:

14.4.1.2.1 on delivery, if delivered to the Party's physical address during normal working hours in terms of the next sub-clause dealing with service of legal documents;

14.4.1.2.2 on despatch, if sent to the Party's then

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telefax number and confirmed by registered letter posted to the Party's postal address set out above no later than the next Business Day.

14.4.1.3 A Party may change that Party's address and telefax number for this purpose, by notice in writing to the other Party.

14.4.2 Address for Service of Legal Documents

14.4.2.1 The Parties choose the following addresses at which documents in legal proceedings in connection with this Agreement may be served (i.e. their *domicillum citandi et executandi*):

BEAR: 14 Protecon Road
Protecon
Tollonoburg, R 8A
1206 Coast Village Circle
SOLITUDE: Santa Barbara
Ca. 93108, USA

14.4.2.2 A Party may change that Party's address for this purpose to another physical address, by notice in writing to the other party.

14.4.3 Notwithstanding anything to the contrary contained in this clause 14.4, a written notice or communication actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen address.

14.5 Governing Law

This Agreement shall be governed in all respects by the laws of the Republic of South Africa.

14.6 Acting as Principal

Each of the Parties warrants that, in entering into this Agreement, it acts as a principal and not as an agent for any undisclosed principal.

14.7 Co-operation

Each of the Parties undertakes to do all such things and sign all such documents as may be necessary to give effect to the intent of this Agreement.

SIGNED at Johannesburg on this the 14th day of October 2003 in the presence of the undersigned witnesses.

AS WITNESSES:

[Signature]
.....
.....

For and on behalf of: BEAR SURFWEAR LTD

[Signature]
.....

Name: R. S. Gordon
Capacity: Authorised by resolution
Who warrants his authority hereof

SIGNED at Santa Barbara on this the 10th day of 2003 in the presence of the undersigned witnesses.

AS WITNESSES:

[Signature]
.....

For and on behalf of: SOLITUDE, LLC

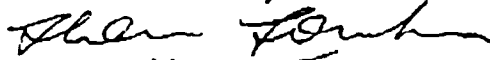
[Signature]
.....



Name: Randy Pickett

Capacity: CEO

Who warrants his authority hereto



Name: Shawn Tomson

Capacity: President



Annexure

SCHEDULE OF FOREIGN INSTINCT MARKS

COUNTRY	TRADE MARK NO.	TRADE MARK	CLASS	STATUS	RENEWAL
Australia	353700	INSTINCT	25	Registered	25 November 2011
Australia	AP/M/00/00160	INSTINCT OCEAN	25	Pending	
Australia	353699	INSTINCT	28	Registered	25 November 2011
Australia	842513	INSTINCT & SURF RIDER DEVICE	25	Registered	13 July 2010
Belgium	426180	INSTINCT & SURF RIDER DEVICE	25	Registered	9 September 2006
Canada	317564	INSTINCT	25	Registered	22 August 2016
Canada	511687	INSTINCT (Special Form)	25	Abandoned	?
Germany	1064330	INSTINCT (Special Form)	25	Registered	?
New Zealand	212010	INSTINCT & SURF RIDER DEVICE	25	Registered	7 August 2012
United Kingdom	1143670	INSTINCT	28	Registered	11 November 2011
United States of America *	1371370	INSTINCT & SURF RIDER DEVICE	25	Registered	19 November 2005
Portugal *	258778	INSTINCT	25	Registered	Renewed this year
Portugal *	258779	SURF RIDER DEVICE	25	Registered	Renewed this year
Portugal *	1025219	INSTINCT OCEAN Form & Device	25	Registered	Renewal due within next 6 months
European Community	186908	INSTINCT & DEVICE	25	Pending	
Italy *	419,295	INSTINCT	25	Problematical	
Japan *	1635104	INSTINCT	25	Registered	10 November 2003
Japan *	1613516	INSTINCT & Device	25 (17)	Registered	29 September 2003
Spain *	1.160.212	INSTINCT & Device	28 (24)	Registered	25 November 2003
Sweden	244340	INSTINCT & SURF RIDER Device	28	Registered	25 October 2003
Sweden			3, 9, 14, 18, 24, 25 & 28	Registered	18 December 2012
Switzerland	176536	INSTINCT & SURF RIDER Device	25	Registered	10 October 2008
Denmark *	VR1988/01459	INSTINCT & SURF RIDER Device	25 & 28	Registered	5 April 2008
Chile	606.674	INSTINCT & Device	25	Registered	30 October 2011
Chile	606.677	INSTINCT & SURF RIDER Device	25	Registered	30 October 2011
Italy	869577	INSTINCT & Surf Rider Device	25	Registered	1 June 2009
Sri Lanka	1.60.211	INSTINCT & Device	25	Lapsed	
Uruguay *	1618903 (previously 203.379)	INSTINCT (SF)	25	Registered	?
Uruguay *	1385892	Surf Rider Device	25	Registered	?
Vietnam	200/1/16214	INSTINCT OCEAN DRIVEN & Device	25	Pending	

* Indicates marks still recorded in the name of Beach Graduates Establishment, although they were assigned to Bear Sunwear Limited (refer Deed).

BEAR SURFWEAR LIMITED

Minutes of a Meeting of the Board of Directors of Bear Surfwear Limited held at
Suite 1, 1 Britannia Place, St. Helier, Jersey JE4 5PP, Channel Islands on Friday,
19th August 2003

Present: Mr. I.R. Swindale
Mr. I.R. Dove

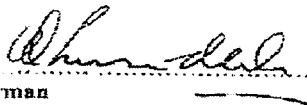
Chairman and Secretary: With the consent of those present, Mr. I.R. Swindale was appointed chairman and Mr. I.R. Dove agreed to take the Minutes of the Meeting.

Sale of Trademarks And Copyright: The Chairman presented to the Meeting a Draft Sale Agreement received from Spoor & Fisher, Pretoria, which is attached to and shall form part of these Minutes. **IT WAS RESOLVED THAT:**

1. Bear Surfwear Limited shall sell and assign the trade marks to be set out in Annexure "A" and all copyright owned by Bear Surfwear Limited in all copyrighted works comprised in the trade marks in favour of Solitude LLC of Santa Barbara, California, United States of America, subject only to the right of Foschini Retail Group (Proprietary) Limited to make an offer for the Trade Marks to be set out in Annexure "B" within 21 days of the date of the Agreement.
2. Bear Surfwear Limited enter into the Sale of Intellectual Property Agreement substantially in the form attached hereto.

documents to give effect to the foregoing.

Termination: There being no further business, the Chairman declared the Meeting closed.


Chairman

ADDENDUM TO AGREEMENT

BETWEEN:

**BEAR SURFWEAR LIMITED
("BEAR")**

a company incorporated under the company laws of Jersey (registration No. 38820)

and

**SOLITUDE LIMITED
("SOLITUDE")**

a company incorporated under the laws of the state of California (registration No. 911917069)

1. RECORDAL

1.1 It is recorded that Bear and Solitude entered into a written Agreement on 6 November 2003 ("the Agreement") in terms of which Bear was entitled to use the Trade Marks set out in annexure "A" to the Agreement. ("the Trade Marks").

1.2 It was envisaged by the Agreement that Solitude would use the Trade Marks as an exclusive licensee pending full payment of the purchase price of R600 000.00 by Solitude to Bear which payment was and is to be made subject to the conditions as more fully set out in the Agreement.

1.3

1.3.1 In terms of clause 1.12 of the Agreement Trade Marks mean:

"the Trade Marks listed in annexure "A".

**CERTIFIED TRUE COPY
OF THE ORIGINAL DOCUMENT**
[Signature]
DELENE BERTASSO
BUILDING No. 13
HIGHGROVE OFFICE PARK, OAK AVENUE
CENTURION
COMMISSIONER OF OATHS
PRACTISING ATTORNEY R.S.A.

[Signature]
TRADEMARK
REEL: 003288 FRAME: 0047

1.3.2 The parties have amended annexure "A" and have agreed that the updated annexure "A", which annexure is annexed to this addendum as annexure "A1" be wholly incorporated in and form part of the Agreement, and that annexure "A1" replace annexure "A" of the Agreement.

1.4 The parties have agreed that the additional Trade Marks as set out in annexure "B1" to this addendum, be incorporated in and form part of the Agreement so that the terms and conditions of the Agreement will extend to these additional Trade Marks.

1.5

1.5.1 In terms of clause 1.3 of the Agreement, the effective date means:

"the date on which the last payment of the purchase price is payable in accordance with clauses 5 and 7 below."

1.5.2 The parties have agreed that the definition of the Effective Date be amended so as to mean the following:

"the date on which the purchase price is paid by SOLITUDE to BEAR and which date shall not be later than 30 November 2005".

1.6 The parties have agreed that the undermentioned clauses of the agreement be deleted in their entirety;

Clause 1.4

Clause 1.6

Clause 1.7

Clause 3.4

Clause 3.5

Clause 5.2

Clause 7 inclusive of 7.1, 7.2, 7.3, 7.4, 7.5 and 7.6

Clause 8

Clause 10

TRADEMARK

REEL: 003288 FRAME: 0048

1.7

1.7.1 In terms of clause 5 of the agreement, it is recorded that:

"5.1 SOLITUDE shall pay to BEAR the Purchase Price by way of a direct deposit into a bank account or by way of cheques to such address as BEAR may nominate in writing from time to time as follows:

5.1.1 By way of payment of the consideration set out in clause 7 below over a period of 3 (three) years from the Signature Date; or

5.1.2 By way of payment of the Purchase Price in full on Signature Date; or

5.1.3 By way of payment of a portion of the consideration set out in clause 7 below over a period of 3 years from the Signature Date plus the balance of the Purchase Price outstanding on expiry of the period of 3 (three) years from the Signature Date"

1.7.2 The parties have agreed that the provisions of clause 5.1 as reflected above are no longer of application due to the prevailing circumstances and that clause 5.1 be amended so as to provide for the following:

"SOLITUDE shall pay to BEAR the full purchase price in the sum of R600 000.00 by way of a direct deposit into their bank account held at Standard Bank, Carlton Centre Branch, branch number 230500, account number 0002689901 and which payment will be made by no later than the 30th of November 2005".

1.8

1.8.1 In terms of clause 3.3 of the agreement it is recorded that:

"The purchase price for the Trade Marks by SOLITUDE to BEAR shall be R600.00, payable as set forth in Sections 5 and 7 herein. The purchase price shall be payable into an account determined by BEAR in writing. All Trade Mark applications and/or renewals

of Trade Marks which are due for renewal prior to the Effective Date shall be prosecuted and/or renewed to their conclusion and determination before the Registrar of Trade Marks by SOLITUDE at the cost and expense of SOLITUDE. SOLITUDE undertakes to give assistance and co-operation necessary to BEAR to enable BEAR to prosecute said applications to their conclusion and/or ensure the renewal of the Trade Marks."

1.8.2 The parties have agreed that the provisions of clause 3.3 be amended to read as follows:

"The purchase price payable for the Trade Marks by SOLITUDE to BEAR shall be R600.000, payable as set forth in clause 5. The purchase price shall be payable into an account determined by BEAR in writing. All Trade Mark applications and/or renewals of Trade Marks which are due for renewal prior to the Effective Date shall be prosecuted and/or renewed to their conclusion and determination before the Registrar of Trade Marks by SOLITUDE at the cost and expense of SOLITUDE. BEAR undertakes to give assistance and co-operation necessary to SOLITUDE to enable SOLITUDE to prosecute said applications to their conclusion and/or ensure the renewal of the Trade Marks."

1.9

1.9.1 In terms of clause 4.4 of the agreement, it is recorded that:

"BEAR represents and warrants that it holds the full right, title and interest in and to the Trade Marks, and the power and authority to grant the licenses and transfers of the Trade Marks granted under this Agreement, and neither the license nor use by SOLITUDE of the Trade Marks, as permitted under this Agreement, will in any way constitute an infringement or other violation of any trademark or other intellectual property right or right of publicity of any third party. BEAR will indemnify and defend, and holds SOLITUDE and its members, managers, directors, officers, and employees harmless against, all costs, expenses, damages, claims, liabilities, proceedings, costs and reasonable attorneys' fees which relate to or arise out of a ny claim that SOLITUDE's use, license and/or purchase of the Trade Marks under this Agreement constitutes an infringement of any trademark of any country. In addition, if SOLITUDE's right to use the Trade Marks is enjoined at any time, BEAR must, at SOLITUDE's option and BEAR's expense, and in addition to any other rights or remedies that SOLITUDE may have, either:

- (a) procure for SOLITUDE the right to use, at SOLITUDE's option, the Trade Marks; or
- (b) refund all amounts paid by SOLITUDE in connection with the Trade Marks, including royalties and incidental charges, such as marketing, advertising and promotion.

1.9.2 The parties have agreed that the provisions of this clause be amended to read as follows:

"By virtue of its signature to this agreement BEAR warrants that:

It holds full right, title and interest in and to the trade marks, and the power and authority to transfer the trade marks granted under this agreement to Solitude.

It is unaware of any conflicting rights whereby the trade marks or their use will infringe the intellectual property rights or any other rights of any third party;

As at the date of signature Bear is unaware of any pending litigation in respect of the trade marks whereby its proprietary rights are challenged.

1.10

1.10.1 In terms of clause 6.1 of the agreement, it is recorded that:

"This agreement shall commence on the signature date and, unless terminated, sooner in accordance with the provisions of this agreement shall continue for a term of three years."

1.11.2 The parties have agreed that this clause be amended to provide for the following:

"This agreement shall commence on the effective date."

1.11

1.11.1 In terms of clause 11.1.2 of the agreement it is recorded that:

"In the event that the purchase price is not paid in full by SOLITUDE to BEAR within three years from the Signature Date."

1.11.2 The parties agree that this clause be amended to read as follows:

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"In the event that the purchase price is not paid in full by SOLITUDE to BEAR not later than 30 November 2005, provided that if the breach is capable of remedy, termination shall only occur if the breach is not remedied within 30 (thirty) days of BEAR having notified SOLITUDE in writing specifying the breach and requiring it to be remedied."

- 1.12 The parties wish to amend and amplify the Agreement to record their Agreement in respect of the aforesaid amendments of annexure "A" to the Agreement, and in respect of the provisions of the amendments and deletions of the relevant referred to clauses of the agreement in this addendum.

2. AGREEMENT

- 2.1 The parties hereby agree that clause 1.12 of the Agreement be amended to read:

"means the Trade Marks listed in annexures "A1" and "B" to the addendum".

- 2.2 The parties hereby agree to amend the provisions of the agreement and delete the relevant clauses as provided for in this addendum.

3. REMAINDER OF THE AGREEMENT

The parties record and agree that all other terms and conditions of the Agreement remain in full force and effect.

4. GENERAL PROVISIONS

- 4.1 No concessions, indulgence or additional benefit which a Party ("the Grantor") may at any time grant to the other Party shall be deemed to constitute a novation or an amendment of this addendum or a waiver of the rights of the Grantor hereunder.

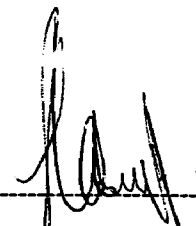
4.2 No agreement purporting to vary the terms and conditions hereof shall be of any force and effect unless reduced to writing and signed by the Parties hereto.

4.3 This document contains the entire Agreement between the Parties relating to the subject matter hereof and no Parties shall be bound by any undertakings, representations, warranties, promises or the like not recorded herein.

4.4 This addendum, the implementation hereof, and any matters arising therefrom or incidental thereto shall be governed by and dealt with in accordance with the laws of the Republic of South Africa.

THUS DONE and SIGNED at on the 12 day of December 2005

For and on behalf of:



BEAR SURFWEAR LIMITED


AS WITNESSES

- 1. 
- 2. 

THUS DONE and SIGNED at on the day of 11/22 2005

For and on behalf of:

Solitude LLC
Randy Paskal



SOLITUDE LLC

AS WITNESSES:

1. *Mark Ferry* Mark Ferry 11-22-05
2. *Richard Borys* Richard Borys 11-22-2005

FBP
[Signature]

UPDATED SCHEDULE "A" OF INSTINCT TRADE MARKS

Country	Trade Mark Number	Trade Mark	Class	Status	Renewal
*AUSTRALIA	353700	INSTINCT	25	REMOVED	
*ARIPO	AP/M/00/00160	INSTINCT OCEAN DRIVEN DEVICE	25	WITHDRAWN	
AUSTRALIA	353699	INSTINCT	28	REGISTERED	25/11/2011
AUSTRALIA	842513	INSTINCT & SURF RIDER DEVICE	25	REGISTERED	13/07/2010
BENELUX	426180	INSTINCT & SURF RIDER DEVICE	25	REGISTERED	9/09/2006
*CANADA	317564	INSTINCT	25	REMOVED	
CANADA	511687	INSTINCT (special form)	25	ABANDONED	
*GERMANY	1064330	INSTINCT (special form)	25	LAPSED	
NEW ZEALAND	212010	INSTINCT & SURF RIDER DEVICE	25	REGISTERED	07/08/2012
UNITED KINGDOM	1143670	INSTINCT	28	REGISTERED	11/11/2011
UNITED STATES OF AMERICA	1371370	INSTINCT & SURF RIDER DEVICE	25	REGISTERED	19/11/2005
PORTUGAL	258778	INSTINCT	25	REGISTERED	10/05/2013
PORTUGAL	258779	SURF RIDER DEVICE	25	REGISTERED	10/05/2013
TAIWAN	1025219	INSTINCT OCEAN DRIVEN (special form) & DEVICE	25	REGISTERED	Registered
*EUROPEAN COMMUNITY	56908	INSTINCT & DEVICE	25	PENDING	Taken over by other agents
*ITALY	419,295	INSTINCT	25	RENEWED	Power of Attorney outstanding
JAPAN	635104	INSTINCT	25 (17)	REGISTERED	25/11/2013
JAPAN	1613516	INSTINCT & DEVICE	28 (24)	REGISTERED	29/09/2013
SPAIN	1.160.212	INSTINCT & DEVICE	28	REGISTERED	4/03/2008
SWEDEN	244340	INSTINCT & SURF RIDER DEVICE	3, 9, 14, 18, 24, 25, 28	REGISTERED	18/12/2012
IRELAND	176536	INSTINCT & SURF RIDER DEVICE	25	REGISTERED	10/10/2008
DENMARK	VR1988/01459	INSTINCT & SURF RIDER DEVICE	25, 28	REGISTERED	5/04/2008
CHILE	606.674	INSTINCT & DEVICE	25	REGISTERED	30/10/2011
CHILE	606.677	INSTINCT & SURF RIDER DEVICE	25	REGISTERED	30/10/2011
ITALY	869577	INSTINCT & SURF RIDER DEVICE	25	REGISTERED	1/06/2009
*SPAIN	11.60.211	INSTINCT & DEVICE	25	REGISTERED	21/09/2007
ARGENTINA	1618903 (previously 203.379)	INSTINCT (special form)	25	REGISTERED	?
ARGENTINA	365892	SURF RIDER DEVICE	25	REGISTERED	?
MALAYSIA	200/116214	INSTINCT OCEAN DRIVEN & DEVICE	25	REGISTERED	20/12/2011

Indicates the status of marks which have been updated

TRADEMARK

PPR 2

ADDITIONAL SCHEDULE OF INSTINCT TRADE MARKS

Country	Trade Mark	Number	Class(es)	Date	Status
AUSTRIA	INSTINCT (special form) & SURF RIDER DEVICE	145227	25, 28	08/09/1986	REGISTERED
BRAZIL	INSTINCT & SURF RIDER DEVICE	819335088	25	?	PENDING
COSTA RICA	INSTINCT OCEAN DRIVEN (special form) & DEVICE	6897-7978	25	18/01/2002	REGISTERED
FRANCE	INSTINCT	1624075	12, 25, 28	21/11/1990	REGISTERED
GREECE	INSTINCT	100001	25, 28	23/07/1990	REGISTERED
INDIA	INSTINCT OCEAN DRIVEN (special form) & DEVICE	1048813	?	?	PENDING
INDONESIA	INSTINCT OCEAN DRIVEN (special form) & DEVICE	D00 2011.20493.20639	25	19/09/2001	LAPSED
LIECHTENSTEIN	INSTINCT	7913	25, 28	27/06/1990	REGISTERED
MEXICO	INSTINCT (special form) & SURF RIDER DEVICE	340805	25	22/07/1998	REGISTERED
NORWAY	INSTINCT (special form) & SURF RIDER DEVICE	128307	25, 28	27/12/1985	REGISTERED
PANAMA	INSTINCT (special form) & SURF RIDER DEVICE	100255	25	22/04/1999	REGISTERED
PEOPLES REPUBLIC OF CHINA	INSTINCT OCEAN DRIVEN (special form) & DEVICE	?	25	?	PENDING
PERU	INSTINCT OCEAN DRIVEN (special form) & DEVICE	80513	25	04/09/2000	REGISTERED
PHILIPPINES	INSTINCT OCEAN DRIVEN (special form) & DEVICE	42001-0006471	25	31/08/2001	?
REPUBLIC OF KOREA	INSTINCT OCEAN DRIVEN DEVICE	2001-50822	25	17/11/2001	REGISTERED
SINGAPORE	INSTINCT (special form) & SURF RIDER DEVICE	T97/12609B	25	14/4/1997	REGISTERED
SWEDEN	INSTINCT (special form)	163131	25	?	REGISTERED
SWITZERLAND	INSTINCT (special form) & SURF RIDER DEVICE	350737	25, 28	12/09/1986	REGISTERED
THAILAND	INSTINCT (special form) & SURF RIDER DEVICE	KOR142744	25	27/11/1990	REGISTERED
TURKEY	INSTINCT	126843	25	12/02/1991	REGISTERED
UNITED KINGDOM	INSTINCT	1143669	25	11/11/1991	REGISTERED

TRADEMARK