



Memorandum of Agreement and Intervention by Boca Authentic Inc. et al. to the Agreement of Sale between Maynards Industries Ltd. and 4033086 Canada Inc.

Recitals

WHEREAS Maynards Industries Ltd. ("Maynards") has, on December 2, 2003, obtained the surrender and taken in payment from Boca Authentic ("BAI") the rights, title and interest which BAI holds or owns in any trademarks, including without limitation, *Boca Authentic (Design)*, *Boca Organic*, *Boca Authentic*, *Boca Authentic Cotton (Design)*, and *Relax Clothing Authentic Boca* and all rights, title and interest which BAI has, in any agreements pursuant to which it has licensed the trademarks and any revenues derived from such licensing (the "Boca moveable property");

WHEREAS as of December 3, 2003, by Agreement of Sale, Maynards sold transferred and assigned unto 4033086 Canada Inc. ("4033086") that portion of the Boca moveable property comprising the said trademarks, for a price of [REDACTED] plus applicable GST/QST, a copy of the said Agreement of Sale being attached hereto as Annex A.

WHEREAS in the Agreement of Sale between Maynards and 4033086 Maynards only warrants that it is the owner of BAI's right, title and interest in and to the said trademarks, and more particularly, Maynards has expressly excluded from said sale, transfer and assignment any other representations or warranties, whether legal, conventional, expressed or implied, and the Agreement of Sale expressly stipulates that Maynards does not warrant in any manner whatsoever, the title of BAI in and to the said trademarks which are therein stated to have been purchased on an "as is/where is" basis, at the risk of 4033086;

WHEREAS at the request of 4033086, BAI is willing to make and otherwise affirm certain representations, warranties and covenants concerning the said trademarks and in particular, BAI's title and interest in same, subject to the rights of Maynard, as abovementioned, and without limitation, BAI is willing to agree as follows and otherwise intervene in and to the said Agreement of Sale between Maynards and 4033086;

WHEREFORE it is agreed as follows:

1. For good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, BAI intervenes in and to the Agreement of Sale between Maynards and 4033086, as if it were a party thereto, and makes the following representations and warranties, which 4033086 is relying upon, and BAI further covenants with 4033086 as follows, namely:

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- a) BAI is duly incorporated, validly existing and in good standing under the laws of Quebec and Canada. BAI's corporate name was modified from "155873 Canada Inc." to "Boca Authentic Inc."
- b) BAI acknowledges and confirms that on December 2, 2003, it surrendered without reserve all of the Boca moveable property to Maynards;
- c) BAI declares and represents that it has taken communication of and is satisfied and content with the Agreement of Sale between Maynards and 4033086 for the sale, transfer and assignment to 4033086 of the said trademarks;
- d) Under express reserve of the foregoing and to the extent that the same was or is required or necessary, BAI hereby transfers and assigns unto 4033086, all of BAI's rights, title and interest which BAI may have had as of 23:59 hours, December 2, 2003, had and/or which it may still have or has in and to the said trademarks, including without limitation BAI's rights in the registered trademarks in Canada, listed below, namely:

Boca Authentic (Design), registration no. TMA 555667

Boca Organic, registration no. TMA 449789

Boca Authentic, registration no. TMA 376835

Boca Authentic Cotton (Design), registration no. TMA 377254

Relax Clothing Authentic Boca, registration no. TMA 5056620; and

the following U.S. registered trademarks and service marks, listed below, namely:

Boca, registration no. 2580568

Boca Authentic Cottons, service mark registration no. 1835494

Boca Authentic, registration no. 2599894

(collectively, the "trademarks").

- e) Save for the hypothecary rights of Maynards and the voluntary surrender (giving in payment) effected by BAI unto Maynards, BAI had complete and entire title, free and clear of all of all charges, hypothecs, liens or encumbrances with full capacity to sell, transfer and assign the trademarks to 4033086 as of 23:59 hours, December 2, 2003 and as well, as of the date hereof;
- f) None of the trademarks have been licenced to any third party, save and except for and in conformity with the licence agreement between BAI and [REDACTED] the licence agreement between BAI and [REDACTED] and the licence [REDACTED]

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agreement between [REDACTED]

e) BAI is not in default or arrears to file and remit any and all sales taxes (GST/QST), including those collected by it from its licensees, including without limitation, from [REDACTED]

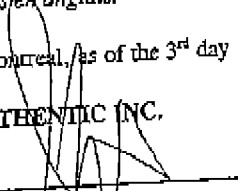
b) Subject to the hypothecary rights of Maynards and the surrender of all of Boca moveable property to Maynards, all of BAI's Trademarks are valid, subsisting and in full force and effect; BAI has received no demand to expunge or otherwise adversely affect its rights in and to the said Trademarks;

2. [REDACTED] ("Secondary Intervenants") shall intervene in and to this Agreement binding themselves solidarily with and for BAI and with and for themselves, that the representations, warranties and covenants made by BAI in this Agreement, are true and correct;

3. The parties have required that this Agreement and related documents be drafted in English. *Les parties aux présentes ont exigé que ce contrat et les documents y afférents soient rédigés en anglais.*

Signed at Montreal, /s/ of the 3<sup>rd</sup> day of December, 2003.

BOCA AUTHENTIC INC.

Per:   
Pierre Lefevre

Per:   
Ghassan Kassouf

Per:   
Vince Theodoro

[REDACTED]

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HYPOTHECATION OF MOVEABLES

BETWEEN: BOCA AUTHENTIC INC., a body politic and corporate, duly incorporated under the laws of Canada, having its head office at 9445 Jean Pratt, Suite 202, Montreal, Quebec, Canada, H4N 2W7, herein acting through and represented by Mr. Tevlonno, its Secretary, duly authorized as he declares;

(hereinafter referred to as "Grantor")

AND: MAYNARDS INDUSTRIES LIMITED, a body politic and corporate, duly incorporated under the laws of Canada, having a place of business at 7080, Avenue du Parc, Suite 100, Montreal, Quebec, Canada, H3N 1X6, herein acting through and represented by \_\_\_\_\_, its \_\_\_\_\_, duly authorized as he declares

(hereinafter referred to as "Creditor")

HEREBY AGREE AS FOLLOWS:

1. OBLIGATIONS

1.1 The Grantor acknowledges that pursuant to an offer of financing dated April 11, 2003 (the "Credit Agreement"), the Creditor has made loans and advances to 4028384 Canada Inc. (the "Debtor") in a total amount of approximately \$305,000 and may in the future make additional loans or advances to the Debtor, and that as a condition of that financing Grantor agreed to provide a hypothec over the Property (as defined at 2.1 below). The Credit Agreement and the said loans and advances which have been made or may in future be made by the Creditor to the Grantor pursuant thereto and any renewals, replacements, additions, extensions, modifications, substitutions or reformations thereto are herein collectively referred to as the "Loan".

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## 2. HYPOTHECATION

2.1 In order to secure and guarantee, on a continuing and collateral basis, the payment of all sums due to the Creditor pursuant to the Loan, in capital, interest and costs, and the performance of all the Debtor's other obligations pursuant to the Loan, the performance of all of the obligations of the Grantor hereunder, and all costs incurred by or on behalf of the Creditor for recovering or preserving the property hereby hypothecated, as well as the performance of any and all other obligations which Grantor may in future incur in favour of the Creditor (hereinafter collectively, the "Debt"), the Grantor hereby hypothecates all its right, title and interest in and to the following property:

- (i) All right title and interest the Grantor may now or in future hold in any trademarks (the "Trade-Marks"), including those trade-marks listed at schedule 1, and
- (ii) All right title and interest the Grantor may now or in future hold in any agreements pursuant to which it has licensed the Trade-Marks and any revenues derived from such licensing

(the whole collectively, the "Property"), in favour of the Creditor for and in the sum of Three Hundred and Fifty Thousand Dollars in lawful funds of Canada (\$350,000 CDN) plus interest thereon (for the purposes of the present hypothecation) at the rate of twenty percent (20%) per annum (or the maximum rate allowable by law if said 20% rate equals or exceeds the lawful maximum interest rate)

2.2 The Grantor is and shall remain obligated on a continuing basis, and the hypothec, security and rights hereby created in favour of the Creditor secure and shall continue to secure the Debt whether the moneys, indebtedness or obligations so secured are advanced or incurred prior to, at the time of, or after the execution of the present Hypothecation.

2.3 The hypothec, security and rights hereby created in favour of the Creditor shall not be extinguished, reduced, novated or otherwise affected by reason of any payments which may be made to and/or collected by the Creditor directly or indirectly from any person(s) under any circumstances, and shall remain in full force and effect for the full sum stipulated in Clause 2.1 until the Debt is paid in full or a receipt or other written instrument executed by the Creditor is delivered by the Creditor to the Grantor expressly stating that the amounts therein referred to are in reduction or full payment of the hypothec, security and rights hereby created in favour of the Creditor. The Grantor or the Debtor shall be deemed to

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obligate itself again, as provided in Article 2797 of the Civil Code of Quebec, with respect to any future obligation hereby secured.

2.4 The hypothecs, security and rights hereby created in favour of the Creditor are and shall remain in addition to, and neither in lieu or replacement of, nor as novation or impairment of, any other hypothec, security and right presently or in the future held by and/or on behalf of the Creditor for the Debt.

### 3. COLLECTION OF CLAIMS

3.1 (a) Notwithstanding the hypothecation of claims, book debts, accounts receivable, proceeds of insurance, revenues or any other amounts owing to or which may become owing to the Grantor which form part of the Property (the "Claims") in favour of the Creditor, the Creditor hereby authorizes the Grantor to collect the Claims as they fall due.

(b) Notwithstanding Clause 3.1(a) hereof, the Creditor may, in the event of a Default, as defined at Clause 7.1 of this Hypothecation of Movables, withdraw the authorization set forth in Clause 3.1(a) hereof by service of notice on the Grantor and on debtors of the Claims that the Creditor will thenceforth collect the Claims falling due; whereupon all Claims thenceforth falling due shall be paid by the debtors thereof solely to the Creditor, the Creditor being the sole person authorized and entitled to grant discharge therefor. The Grantor shall have no further right or authority to collect any Claims, and any payment of Claims received by the Grantor shall be received by the Grantor as agent for the Creditor and the Grantor hereby undertakes to reimburse forthwith to the Creditor all Claims so received.

3.2 The Creditor shall be entitled to apply the amount of any Claims collected by it towards the payment or reduction of the whole or any portion of the Debt, as the Creditor in its discretion deems appropriate. Neither the receipt nor the application of any Claims by the Creditor shall reduce, novate or otherwise affect the hypothecs, security and rights hereby created in favour of the Creditor, all of which shall remain in full force and effect for the full amount thereof.

3.3 The Creditor shall not be liable for any loss or damage resulting from any decision on the part of the Creditor not to exercise, to exercise only in part, or to delay or suspend the exercise of any of its rights under this Article 3.

### 4. GRANTOR'S REPRESENTATIONS AND WARRANTIES

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4.1 The Grantor hereby represents and warrants to the Creditor that, presently and for so long as the hypothec, security and rights created hereby in the Creditor's favour remain in force and effect:

4.1.1 the Grantor is and shall be a corporation, duly incorporated and in good standing, it has the necessary power and authority to enter into and perform the present Hypothecation, and all necessary corporate steps have been taken to authorize the execution and implementation hereof;

4.1.2 the Grantor is and shall be the sole and absolute lawful owner of the Property with good and marketable title therein and thereto, free and clear of any and all hypothecs, prior claims or other third party rights ranking equal with or prior to the hypothecs, security and rights created hereby in favour of the Creditor, and the Grantor will warrant and defend its title to the Property against the claims and demands of all persons whomsoever;

4.1.3 the head office and principal place of business of the Grantor is situated at the address set forth above;

4.1.4 the Grantor carries on and shall continue to carry on and operate an "enterprise" within the meaning of said term as set forth in Article 1525(3) of the *Civil Code of Quebec*, and the Property is used in this enterprise;

## 5. GRANTOR'S OBLIGATIONS

5.1 The Grantor shall:

5.1.1 maintain the Property free and clear of any claim, hypothec, security, encumbrance, charge or right (including any of same which affect the Grantor's title in and to the Property) ranking equal with or prior to the hypothec, security and rights created hereby in favour of the Creditor;

5.1.2 not sell, transfer, assign, gift, lease, lend or otherwise alienate or dispose of the Property, any part thereof or title therein or thereto, without the prior written consent of the Creditor.

5.2 Should the Grantor fail to pay when due any amount payable under Clause 5.1 hereof or fail to perform any of the Grantor's obligations hereunder, the Creditor may do so on behalf of the Grantor and without any prior notice to the Grantor, in which event the Grantor shall pay to the Creditor, upon the Creditor's demand, all sums so paid by the Creditor

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together with interest thereon, both before as well as after demand of payment, at the rate provided for in the Loan or equal to the rate charged by Creditor's primary financier at the date of default plus two percent (2%) per annum, which ever is the highest rate.

5.3 Nothing herein in general, nor in Clause 5.2 hereof in particular, shall create any obligation on the part of the Creditor to do any act or to pay any sum of money to or on behalf of the Grantor or otherwise.

## 6. DEFAULT AND REMEDIES

6.1 The occurrence of any of the following events shall, automatically and without any notification or formality whatsoever, other than as required by a public order provision of law, constitute and is hereby defined as a "DEFAULT" hereunder:

- 6.1.1 the failure of the Debtor to make payment in full, when due, in principal, interest and costs, of any amount forming part of the Debt or to fulfill any of its other obligations and undertakings forming part of the Debt, as and when same become due;
- 6.1.2 the failure by the Grantor to fulfill any of its obligations and undertakings under this Hypothecation of Movables;
- 6.1.3 the breach or untruth of any of the declarations, representations and/or warranties made by the Grantor hereunder;
- 6.1.4 the insolvency or bankruptcy of the Grantor or the Debtor, or the Grantor or the Debtor becoming subject to the *Bankruptcy and Insolvency Act, Canada*, including as a result thereof, the filing by the Grantor or the Debtor of a proposal or notice of intention to file a proposal or a petition being filed against the Grantor or the Debtor pursuant thereto; the Grantor or the Debtor becoming the object of a winding up proceeding under the *Winding Up Act, Canada*; or the Grantor or the Debtor becoming the object of protection under the *Companies Creditors Arrangements Act, Canada*; or any other similar legislation presently in force or coming into force in the future;
- 6.1.5 the whole or any portion of the Property or any substantial portion of any other assets of the Grantor or the Debtor becoming the object of any exercise of hypothecary rights, voluntary or forced surrender, any prior notice seeking surrender and/or the exercise of any hypothecary rights, receivership, taking of possession and/or security enforcement by or on behalf of any creditor of the Grantor or the Debtor other than the Creditor;

- 6.1.6 the whole or any portion of the Property or any substantial portion of any other assets of Grantor or the Debtor being sold in execution or satisfaction of the rights of any creditor of the Grantor or the Debtor other than the Creditor;
- 6.1.7 the Grantor or the Debtor ceasing or threatening to cease carrying on business as a going concern; or
- 6.2 In the event of Default, automatically and without any notification by the Creditor to the Grantor or any other person, or any other formality except such notice and formalities as are strictly required by a public order provision of law, Debtor and Grantor shall lose the benefit of any term and all amounts secured hereunder shall become immediately due and payable, and the Creditor shall be entitled to:
- 6.2.1 enforce any or all of the hypothecs, security and rights created hereby or presently or in the future available under law;
- 6.2.2 exercise any or all hypothecary rights or recourses or any and all other rights and recourses, presently or in the future available under law and/or against and/or in respect of the Grantor and the whole or any portion of the Property simultaneously or successively, as the Creditor sees fit. The Creditor shall at all times be entitled to exercise different and separate hypothecary rights and/or other rights and recourses against different portions (or components of portions) of the Property as the Creditor sees fit, and the Creditor shall at all times be entitled, subject only to such notification as strictly required by a public order provision of law, to change or substitute any hypothecary rights and/or other rights and recourses for other hypothecary rights and/or other rights and recourses as it sees fit.
- 6.3 In the event of Default and the giving by the Creditor of a prior notice of the exercise of any hypothecary rights against or in respect of the whole or any portion of the Property, the Grantor shall, upon demand, abandon and surrender such Property to and in favour of the Creditor or such person designated by the Creditor, and the Grantor hereby agrees to do so. In addition, the Grantor shall, upon demand, execute and deliver to and in favour of the Creditor, all written consents therefor requested by the Creditor, failing which the Creditor shall be entitled, as the Grantor's power of attorney, to so execute and deliver such consents.

## 7. REMEDIES AND WAIVERS

- 7.1 No right or recourse hereby conferred upon the Creditor, or available to the Creditor as a result hereof or under law, shall be exclusive of any other right or recourse, but each

such right or recourse shall be cumulative and shall be in addition to every other right and recourse conferred upon or available to the Creditor.

7.2 No act or omission by the Creditor shall be construed as constituting or implying any waiver or renunciation by the Creditor to or of any Default or any right or recourse conferred upon the Creditor, or available to the Creditor as a result hereof or under law, unless specifically in writing.

## 8. MISCELLANEOUS

8.1 Whenever the context requires it, the singular shall be interpreted as the plural and vice versa, and the masculine, feminine or neuter genders shall be interchangeable.

8.2 In the event of the determination by any Court of competent jurisdiction of the nullity and/or unenforceability of any provision(s) hereunder, then such null and/or unenforceable provision(s) shall be deemed, for all purposes, to have been severed herefrom and the present Hypothecation of Moveables, with such provision(s) severed therefrom, shall otherwise remain in full force and effect.

8.3 The interpretation, validity and enforcement of these presents shall be subject to and governed by the laws of the Province of Quebec, Canada.

8.4 Any notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been received by the party or parties to which they are directed when delivered, or if by prepaid registered mail, three (3) days after the mailing thereof, or, if telegraphed or by telex or telefax, twenty-four (24) hours after the registration at the telegraph office of origin or the transmittal by telex or telefax. Such notices shall be addressed to the parties at the address indicated in this agreement.

Either party may change its address as set forth herein upon written notice to the other.

8.5 The Grantor shall promptly execute such other documents and perform such other acts as may, in the reasonable opinion of the Creditor, be required in order to maintain the present hypothecs, security and other rights created in favour of the Creditor in full force and effect and to give full and proper effect to the contents, intent and purposes hereof, failing which the Grantor hereby irrevocably grants to the Creditor its power of attorney to do so.

8.6 Time is of the essence hereof.

8.7 The preamble hereto shall form part hereof.

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8.8 The parties hereto acknowledge that they have required and are satisfied that the foregoing as well as all notices, actions and legal proceedings be drawn up in the English language./Les parties à ce document reconnaissent qu'elles ont exigé que ce qui précède ainsi que tous avis, actions ou procédures légales soient rédigés et exécutés en anglais et s'en déclarent satisfaites.

8.9 This Hypothecation of Moveables may be signed in counterparts.

IN WITNESS WHEREOF, the Grantor and the Creditor have executed this Hypothecation of Moveables at the places and on the dates hereinafter indicated.

This \_\_\_\_\_ day of \_\_\_\_\_, 2003 at Montreal, Quebec, Canada

BOCA AUTHENTIC INC.

For: \_\_\_\_\_  
Name: Vince Trevisano  
Title: Secretary

This \_\_\_\_\_ day of \_\_\_\_\_, 2003 at Montreal, Quebec, Canada

MAYNARDS INDUSTRIES LIMITED

For: \_\_\_\_\_  
Name:  
Title:

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SCHEDULE 1 to the Hypothecation of Moveables dated , 2003.

APPENDIX

<u>Trade-Mark :</u>	<u>Registration number :</u>
> Boca Authentic (design)	TMA555667
> Boca Organic	TMA449789
> Boca Authentic	TMA376835
> Boca Authentic Cottons (design)	TMA377254
> Relax Clothing Authentic Boca	TMA506620

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DEC-08-03 10:33 From: KUGLER KANDESTIN

T-868 P.08/10 J08-704

**PRIOR NOTICE OF THE  
EXERCISE OF A HYPOTHECARY RIGHT**

*(Article 2757 and following of the Civil Code of Quebec)*

**MAYNARDS INDUSTRIES LIMITED**, a legal person duly constituted according to law, having its head office and principal place of business at 7080 Avenue du Parc, Suite 100, Montreal, Quebec, Canada, H3N 1X6;

(the "CREDITOR")

**HEREBY GIVES NOTICE TO:**

**BOCA AUTHENTIC INC. / BOCA AUTHENTIQUE INC.**, a legal person duly incorporated, having a principal place of business at 9445 Jean Pratt, Suite 202, Montreal, Quebec, Canada, H4N 2W7;

(the "DEBTOR")

-and-

**THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS**, having a place of business at 1 Notre Dame Street East, Suite 7.07, in the City and District of Montreal, Province of Quebec, postal code H2Y 1B6;

as follows, namely:

1. THAT pursuant to a document entitled "Hypothecation of Moveables" executed on June 16, 2003, published by registration of

DEC-01-09 10:33 From:KUGLER KANDESTIN

1-896 P.01710 J00\*105

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a Notice in the *Register of Personal and Movable Real Rights* under number 03-0345215-0001 (the "HYPOTHEC"), the DEBTOR, as security for all present and future obligations towards the CREDITOR pursuant to an Agreement dated April 11, 2003 by and between the CREDITOR, as Lender, 4028384 Canada Inc. ("BORROWER"), as Borrower and *inter alia* the DEBTOR as Guarantor, as amended by letter agreement dated June 16, 2003 (collectively, the "CREDIT AGREEMENT"), hypothecated to and in favour of the CREDITOR for and in the amount of \$350,000.00 plus interest at the rate of 20% *per annum*, all of the DEBTOR's right, title and interest in and to the following property (the "HYPOTHECATED PROPERTY"), namely:

- a. all right, title and interest the DEBTOR may now or in the future hold in any trademarks, including those trademarks listed below, namely:
  - Boca Authentic (Design), registration number TMA 555667
  - Boca Organic, registration number TMA 449789
  - Boca Authentic, registration number TMA 376835
  - Boca Authentic Cotton (Design), registration number TMA 377254
  - Relax Clothing Authentic Boca, registration number TMA 506620
  
- b. all right, title and interest the DEBTOR may now or in the future hold in any agreements pursuant to which it is licensed, the trademarks and any revenues derived from such licensing.

2. THAT as a result of events of default pursuant to the CREDIT AGREEMENT, in general, and in particular:

- a. the default of the BORROWER towards Bank of Montreal, which constitutes an event of default pursuant to Clause 8 (a) of the CREDIT AGREEMENT, and,

DEC-03-03 10:34 From:RUGLER MARIE-LISE

-3-

- b. the failure by the BORROWER to pay interest due on October 31, 2003, which constitutes an event of default pursuant to Clause 8(b) of the CREDIT AGREEMENT;

the entire balance of all loans and advances under the CREDIT AGREEMENT, in capital and in interest, namely, the sum of \$208,509.85, balance in capital and interest under the CREDIT AGREEMENT as at November 18, 2003 plus interest after said date calculated at the rate set forth in the CREDIT AGREEMENT (the "DEBT") has become fully due and exigible, has been demanded from the BORROWER and the DEBTOR by demand letter under even date herewith and remains unpaid (the "DEFAULT").

3. THAT as a result of the HYPOTHEC, and the DEFAULT, the CREDITOR has the right and intends to exercise the hypothecary right concerning and against the HYPOTHECATED PROPERTY consisting of the taking in payment of the HYPOTHECATED PROPERTY pursuant to Articles 2748 and following of the *Civil Code of Quebec*, in general, and Articles 2778 and following of the *Civil Code of Quebec*, in particular (the "HYPOTHECARY RIGHT").

4. THAT the DEBTOR or any interested third party has the right to remedy the DEFAULT by effecting full payment of the DEBT (with interest) to the CREDITOR, as well as any and all costs incurred by the CREDITOR as a result of the present Notice, and any and all costs incurred by the CREDITOR with respect to the HYPOTHECATED PROPERTY.

5. THAT the DEBTOR is hereby called upon to surrender the HYPOTHECATED PROPERTY to the CREDITOR before the expiry of twenty (20) days immediately following the date of publication (Registration) of the present Notice so that the CREDITOR may exercise the HYPOTHECARY RIGHT.

6. THAT the present Notice is given by the CREDITOR without prejudice and under reserve of any and all rights, recourses and remedies available to the CREDITOR against the DEBTOR and the HYPOTHECATED PROPERTY.

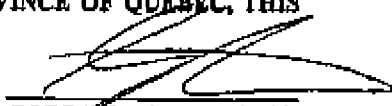


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7. THAT the present Notice is given by ME GORDON LEVINE of the firm KUGLER KANDESTIN, attorneys for the CREDITOR, practising at 1 Place Ville Marie, Suite 2101 in the City and District of Montreal, Province of Quebec, H3B 2C6.

SIGNED IN MONTREAL, PROVINCE OF QUEBEC, THIS 2<sup>nd</sup> day of December, 2003.



GORDON LEVINE, in his above-described capacity

  
WITNESS - Nadia Palermo

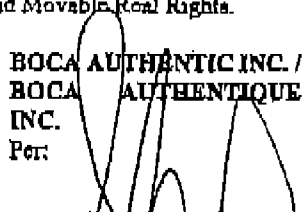
  
WITNESS - Sylvie Besner

INTERVENTION

The DEBTOR hereby:

- (a) Takes cognizance of the present Prior Notice;
- (b) Renounces to the service of the present Prior Notice; and
- (c) Acknowledges receipt of a true copy of the present Prior Notice in lieu of service and grants permission to publish said Prior Notice in the Register of Personal and Movable Real Rights.

BOCA AUTHENTIC INC. /  
BOCA AUTHENTIQUE  
INC.  
Per:

  
Pierre Lefebvre, President  
Duly authorized in virtue of a  
Resolution of the Board of  
Directors dated December 2,  
2003

DEC-08-03 10:34 From:KUGLER KANDESTIN

T-858 P.10/10 Job-704

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**AFFIDAVIT**

I, the undersigned, Nadia PALERMO, Legal Secretary, residing and domiciled at 1646 François-H.-Prévost Street, City of Montreal, Province of Quebec, do hereby solemnly declare:

- 1. THAT I am one of the subscribing witnesses to the execution by Me Gordon LEVINE, lawyer for the CREDITOR of the Prior Notice of the Exercise of a Hypothecary Right dated the 2<sup>nd</sup> day of December, 2003 (the "NOTICE");
- 2. THAT the NOTICE was signed by Me Gordon LEVINE in my presence and in the presence of Sylvie Beamer, the other subscribing witness thereto, all of us being of the full age of majority.

AND I HAVE SIGNED

*Nadia Palermo*  
Nadia PALERMO

Solemnly declared before me at Montreal  
this 2<sup>nd</sup> day of December, 2003.

*Maria Sarmo*  
Commissioner of Oaths for the  
District of Montreal



20-12-2003 10:32 DE KUGLER KANDESTIN

DEC-08-03 10:32 From:KUGLER KANDESTIN

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Ministère  
de la Justice



Registre des droits personnels  
et réels mobiliers

E030644651-LLR98

DEMANDE DE SERVICE: 03-0644651

2003-12-02

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ÉTAT CERTIFIÉ DE L'INSCRIPTION NO 03-0644651-0001

DATE DE CERTIFICATION DU REGISTRE:

2003-12-02 15:00

INSCRIPTION DATE-HEURE-MINUTE  
03-0644651-0001 2003-12-02 14:53  
PRÉAVIS D'EXERCICE D'UN DROIT HYPOTHÉCAIRE

PARTIES

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Titulaire  
MAYNARDS INDUSTRIES LIMITED  
7080 AVENUE DU PARC, SUITE 100, MONTREAL, QUEBEC

R3N 1X6

Constituant  
BOCA AUTHENTIC INC.  
9449 JEAN PRATT, SUITE 202, MONTREAL, QUEBEC

R4N 2W7

Constituant  
BOCA AUTHENTIQUE INC.  
9449 JEAN PRATT, SUITE 202 MONTREAL, QUEBEC

R4N 2W7

BIENS

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ALL OF THE DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE FOLLOWING  
PROPERTY, NAMELY:

A. ALL RIGHT, TITLE AND INTEREST THE DEBTOR MAY NOW OR IN THE FUTURE  
HOLD IN ANY TRADEMARKS, INCLUDING THOSE TRADEMARKS LISTED BELOW,  
NAMELY:

- BOCA AUTHENTIC (DESIGN), REGISTRATION NUMBER TMA 555667
- BOCA ORGANIC, REGISTRATION NUMBER TMA 449789
- BOCA AUTHENTIC, REGISTRATION NUMBER TMA 376835
- BOCA AUTHENTIC COTTON (DESIGN), REGISTRATION NUMBER TMA 377254
- RELAX CLOTHING AUTHENTIC BOCA, REGISTRATION NUMBER TMA 506620

B. ALL RIGHT, TITLE AND INTEREST THE DEBTOR MAY NOW OR IN THE FUTURE  
HOLD IN ANY AGREEMENTS PURSUANT TO WHICH IT IS LICENSED, THE TRADEMARKS  
AND ANY REVENUES DERIVED FROM SUCH LICENSING.

1, rue Notre-Dame Est, Bureau 707  
Montréal (Québec) H2Y 1R6  
Montréal et les environs: (514) 854-4949  
Québec et les environs: (418) 844-4949  
Sans frais: 1 800 465-4949  
Télécopieur: (514) 854-4947  
rendus@rdprm.gouv.qc.ca  
www.rdprm.gouv.qc.ca

... 2

C 4793305

PAR MESURE DE SÉCURITÉ, NE PAS ACCEPTER CE DOCUMENT SANS VÉRIFIER LE FILIGRANE  
RDPRM À LA LUMIÈRE ET LA LIGNE MICROLASER. TOUTE ALTÉRATION DOIT ÊTRE VÉRIFIÉE.

2012-2013 18-01 DE SWEET'S INDEX  
 DEC-08-03 10:52 From:KUGLER KANESTIN

T-856 P 02/10 Job-704

## SURRENDER AND CONSENT

**BOCA AUTHENTIC INC./BOCA AUTHENTIQUE INC.** (the "DEBTOR") hereby:

**1.** acknowledges that the DEBTOR is indebted towards **MAYNARDS INDUSTRIES LIMITED** (the "CREDITOR") in the amount of \$~~1,000,000~~ balance in capital, interest and accessories as of the date hereof (the "DEBT"), the whole evidenced and secured by "Hypothecation of Moveables" executed by the DEBTOR in favour of the CREDITOR on June 16, 2003 published by Notice registered in the *Register of Personal and Movable Real Rights* under number 03-0345215-0001 (the "HYPOTHEC"), which HYPOTHEC charges all of the DEBTOR's right, title and interest to the following property (the "PROPERTY"), namely:

- a. all right, title and interest the insolvent person may now or in the future hold in any trademarks, including those trademarks listed below, namely:
  - Boca Authentic (Design), registration number TMA 555667
  - Boca Organic, registration number TMA 449789
  - Boca Authentic, registration number TMA 376835
  - Boca Authentic Cotton (Design), registration number TMA 377254
  - Relax Clothing Authentic Boca, registration number TMA 506620
- b. all right, title and interest the INSOLVENT PERSON may now or in the future hold in any agreements pursuant to which it is licensed, the trademarks and any revenues derived from such licensing.

**2.** acknowledges that the DEBTOR received from the CREDITOR the following Notices (collectively the "NOTICES") on the following dates:

- a) "Notice of Intention to Enforce Security" pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*, Canada on November 19, 2003; and,
- b) "Prior Notice of the Exercise of a Hypothecary Right" pursuant to Articles 2757 and following of the *Civil Code of Quebec* on December 2, 2003;

all of which NOTICES were validly given, served and published in all respects;

**3.** acknowledges that, under law and as a result of the NOTICES, the CREDITOR is entitled to exercise the therein described Hypothecary Right of taking in payment of the PROPERTY in accordance with Articles 2748 and following of the *Civil Code of Quebec* in general and Articles 2778 and following of *Civil Code of Quebec* in particular (the "HYPOTHECARY RIGHT");

**4.** hereby voluntarily surrenders the PROPERTY to and in favour of the CREDITOR in all respects, completely consents to the CREDITOR exercising the HYPOTHECARY RIGHT against and in respect of the PROPERTY, and acknowledges that, as of the date hereof, the CREDITOR is owner of the PROPERTY;

**5.** hereby delivers to the CREDITOR a "Transfer and Assignment" in respect of the PROPERTY, duly executed in blank along with a duly executed Consent Resolution; and,

DEC-09-03 10:32 From:KUGLER KANDESTIN

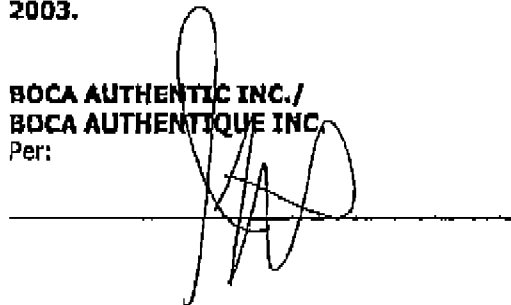
7-856 P.03/10 Job-704

Page 2.

6. hereby agrees to execute all further documentation necessary to give full and proper effect to these presents.

**SIGNED IN MONTREAL, PROVINCE OF QUEBEC, THIS 2<sup>nd</sup> DAY OF DECEMBER, 2003.**

**BOCA AUTHENTIC INC./  
BOCA AUTHENTIQUE INC.**  
Per:



APPOINTMENT OF DOMESTIC REPRESENTATIVE

The law firm of Pearson & Pearson, LLP, having a business address at 10 George Street, Lowell, Massachusetts 01852, United States of American is hereby appointed as Assignee's representative upon whom notices or process in proceedings affecting the following marks may be served:

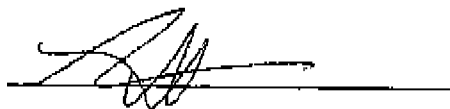
BOCA, Registration No. 2,580,568

and

BOCA AUTHENTIC, Registration No. 2,599,894

4033086 Canada, Inc.

By:

A handwritten signature in black ink, appearing to be 'A. A.', is written over a horizontal line.

TRADEMARK

REEL: 003401 FRAME: 0225

**PEARSON & PEARSON, LLP**  
ATTORNEYS AT LAW  
GATEWAY CENTER  
10 GEORGE STREET  
LOWELL, MASSACHUSETTS 01852

GARDNER W. PEARSON  
1869-1953  
JOHN HOWARD PEARSON  
1910-1985

TELEPHONE (978) 452-1971  
FAX (978) 453-8887  
E-MAIL: patlaw@pearson-pearson.com

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JOHN HOWARD PEARSON, JR.  
DANIEL J. MANSUR  
WALTER F. DAWSON

**TELEFAX COVER SHEET**

DATE: October 2, 2006

TO: United States Patent and Trademark Office  
Assignment Recordation Department

FAX NO.: 571.273.0140

FROM: Daniel J. Mansur, Esquire

PAGES: 23  
(Including Cover Sheet)

RE: U.S. Trademark Registrations  
2,580,568 and 2,599,894

Dear Sir or Madam,

Please see Recordation Sheet and accompanying documents to follow.

Thank you.

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RECORDED: 10/02/2006

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