

Form PTO 1594 (Rev 07/05)
 Attorney Docket: RXP001.3.4.SRC029US01

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

**RECORDATION FORM COVER SHEET
 TRADEMARKS ONLY**

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

<p>1. Name of Conveying Party(ies): B.D. Baggies Ltd.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State Delaware <input type="checkbox"/> Other _____</p> <p>Citizenship (see guidelines) <u>USA</u> Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and Address of Receiving Party(ies): Additional names(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Name: <u>WP Lavori in Corso Srl</u> Address: <u>Via dell'Arcoveggio 59/5</u> City: <u>Bologna</u> State: _____ Country: <u>Italy</u> Zip: <u>40129</u> <input type="checkbox"/> Association, Citizenship _____ <input type="checkbox"/> General Partnership, Citizenship _____ <input type="checkbox"/> Limited Partnership, Citizenship _____ <input checked="" type="checkbox"/> Corporation, Citizenship <u>Italy</u> <input type="checkbox"/> Other, Citizenship _____</p> <p><small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment)</small></p>
<p>3. Nature of Conveyance/Execution Date(s): Execution Date: <u>July 1, 2005</u></p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other <u>Trademark License Agreement</u></p>	

4. Application Number(s) or Registration Number(s) and Identification or Description of the Trademark:

A. Trademark Application Number(s): 76/693,057 B. Trademark Registration Number(s): 1,596,517 1,568,457 2,040,674

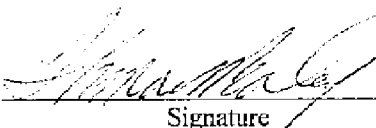
Additional sheet(s) attached? Yes No

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

Trademark: THE ORIGINAL B-D BAGGIES	Registered: May 15, 1990	Registration: 1,596,517
Trademark: B-D BAGGIES	Registered: November 28, 1989	Registration: 1,568,457
Trademark: THE ORIGINAL B D BAGGIES	Registered: February 25, 1997	Registration: 2,040,674
Trademark: B.D. BAGGIES	Filed: September 24, 2008	Application: 76/693,057

<p>5. Name & Address of Party to Whom Correspondence Concerning Document Should Be Mailed:</p> <p>Name: <u>Thomas S. Baker, Jr.</u> Address: <u>Thomas S. Baker, Jr., Attorney at Law, LLC.</u> <u>1371 West 3rd Avenue</u> City: <u>Columbus</u> State: <u>Ohio</u> Zip: <u>43212</u> Phone Number: <u>(614) 488-2202</u> Fax Number: <u>(614) 488-2232</u> Email Address: _____</p>	<p>6. Total Number of Applications and Registrations Involved: <u>4</u></p> <p>7. Total Fee (37 CFR 2.6(b)(6) & 3.41): \$115.00</p> <p><input type="checkbox"/> Authorized to be Charged to by Credit Card <input checked="" type="checkbox"/> Authorized to be Charged to Deposit Account <input type="checkbox"/> Enclosed</p> <p>8. Payment Information</p> <p>A. Credit Card: Last 4 Numbers _____ Expiration Date _____</p> <p>B. Deposit Account Number: <u>020413</u> Authorized User Name: <u>Thomas S. Baker, Jr.</u></p>
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9. Signature:

Thomas S. Baker, Jr.  10/2/09
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments and documents: _____

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

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TRADEMARK LICENSE AGREEMENT

THIS AGREEMENT is made the 1 day of July 2005

This Trademark License Agreement replaces and substitutes the previous in force (The Apparel Group, now B.D. Baggies Ltd and WP Lavori in Corso).

BETWEEN

1. **B.D.BAGGIES LTD**, of 5616 Kirkwood Highway, Wilmington, DE 19808, USA
("the LICENSOR"); and
2. **WP LAVORI IN CORSO SRL** of Via dell'Arcoveggio 59/5, 40129 Bologna, Italy
("the LICENSEE")

WHEREAS

- A. The LICENSOR is the sole owner of the trademark B.D. BAGGIES ("the Trademark") in the United States, its territories and possessions, and in other jurisdictions, and the Trademark are registered in the United States Patent and Trademark Office and with the equivalent authorities in such other jurisdictions and has the right to grant licenses in respect.;
- B. The LICENSEE entered already in the past into a Trademark License Agreement with the LICENSOR has requested to the LICENSOR to continue to have the license to exploit the rights relating to the Trademark worldwide.
- C. The LICENSOR has agreed to continue to grant such a license to the LICENSEE on the terms set out in this Agreement.

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NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereby agree that the License Agreement to read in full as follows:

TRADEMARK LICENSE AGREEMENT

1. GRANT

THE LICENSOR hereby grants to Licensee an exclusive license to use the Trademark for the manufacture, purchase for resale, distribution or sale of the products set forth on Exhibit A (the "Authorized Goods") in the Territory (as hereinafter defined), subject to the terms and conditions of this Agreement, during the Term.

2. TERRITORY

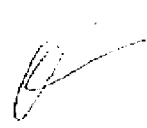
(a) The license granted hereby shall permit the manufacture, purchase for resale, sale or distribution by Licensee of the Authorized Goods bearing the Trademark only to accounts or stores described on Exhibit A which are located in the geographic area set forth on Exhibit A (such accounts within the geographic area being defined as the "Territory"). Licensee shall not export, and shall use good faith efforts to restrict its independent sales agents and distributors from exporting, Authorized Goods outside the scope of the Territory. In the event that Licensee discovers or is notified that any of its independent sales agents or distributors is exporting Authorized Goods outside the scope of the Territory, Licensee shall promptly use its best efforts to cause such sales agent or distributor to cease such unauthorized exporting. If such sales agent or distributor refuses to cease such unauthorized exporting, Licensee shall cease to use the services of such sales agent or distributor in respect of Authorized Goods.

3. RESERVATION OF RIGHTS

All rights in the Trademark other than those specifically granted herein are reserved by THE LICENSOR for its own exclusive use and benefit, including, but not limited to, the right to use the Trademark: (i) on all goods except the Authorized Goods within the Territory and (ii) on all goods outside the scope of the Territory.

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4. ROYALTIES

(a) Royalties. In consideration of and for the grant of the license granted hereunder, Licensee shall pay to THE LICENSOR during the Initial Term (as defined in Paragraph 7 hereof) a royalty of five percent (5%) of Net Sales (as hereinafter defined) of Authorized Goods, provided that minimum aggregate royalties payable for the periods set forth below shall be as follows:

<u>Contract Year</u>	<u>Duration</u>	<u>Minimum Royalty</u>
1	July 1, 2005 through June 30, 2006	\$300,000
2	July 1, 2006 through June 30, 2007	\$300,000
3	July 1, 2007 through June 30, 2008	\$300,000
4	July 1, 2008 through June 30, 2009	\$300,000
5	July 1, 2009 through June 30, 2010	\$300,000
6	July 1, 2010 through June 30, 2011	\$300,000

such amounts being hereinafter referred to as "Minimum Royalties."

(b) Notwithstanding the provisions of Paragraphs 4(a) and 17, the parties acknowledge and agree that Licensee enters into a sublicense agreement with every body interested in. For this sublicense activity THE LICENSEE does not has to grant any remuneration to THE LICENSOR.

(c) Renewal Term Royalties. During the Renewal Period (as defined in Paragraph 7 hereof), Licensee shall pay to THE LICENSOR a royalty at the same rate as in effect during the Initial Term, provided that Minimum Royalties for contract years 7 to 12 shall be as mutually agreed by the parties as set forth in Paragraph 7.

(d) Payments. Payments shall be made quarterly and in advance at the beginning of the quarter and each quarterly payment shall be at least one quarter of the applicable annual minimum royalty payment.

(e) Sell-Off Royalties. Notwithstanding the foregoing, Licensee shall pay to THE LICENSOR royalties ("Sell-Off Royalties") of five percent (5%) of Net Sales of Authorized Goods sold during any Sell-Off Period (as hereinafter defined).

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(f) Net Sales. "Net Sales" shall mean the aggregate wholesale price of all Authorized Goods bearing one or more of the Trademark (including close-outs) sold by Licensee, its sub licensee, agents or distributors, less discounts, returns and freight, and exclusive of sales or value added taxes, if any. Authorized Goods which are distributed, but not sold, by Licensee or its sub licensee and Authorized Goods shipped to outlet stores or retailers affiliated with Licensee or its sub licensee shall be deemed for royalty and reporting purposes to have been sold at the normal dealer price of such goods.

(g) Sales. Authorized Goods shall be deemed "sold" when title to such goods is transferred to a purchaser not directly or indirectly affiliated with Licensee or its sub licensee or when such goods are shipped to an outlet store or retailer affiliated with Licensee or its sublicensee.

(h) Currency. All amounts set forth herein are expressed in U.S. currency.

5. REPORTS AND RECORDS

(a) Quarterly Reporting. Licensee shall render quarterly Reports (as hereinafter defined) to THE LICENSOR throughout the Initial Term and the Renewal Period and any additional period thereafter during which Authorized Goods are sold by Licensee pursuant to the terms hereof no later than thirty (30) days after the end of each Quarter or Sell-Off Period, as applicable. A "Quarter" shall be defined for purposes of this Agreement as any three-month period ending December 31, March 31, June 30 and September 30 during the Initial Term or Renewal Period. A "Report" shall be defined to include the following information in a form reasonably satisfactory to THE LICENSOR:

- (i) The total number of units of each type of Authorized Goods sold or distributed by Licensee during the immediately preceding Quarter;
- (ii) The Net Sales dollar volume of each type of Authorized Goods sold during the Quarter (and a computation of any royalties due and owing to THE LICENSOR for such period);
and
- (iii) The quantity of defective Authorized Goods returned to the Licensee during such period.

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(b) Annual Reporting. Licensee shall also render annual reports to THE LICENSOR, no later than thirty (30) days following the end of each contract year period ending June 30 during the Term, showing the dollar and unit volume of Authorized Goods purchased by each customer of Licensee during such year by each of the following categories:

- (i) department stores;
- (ii) better specialty stores; and
- (iii) Licensee's own stores;

as well as a summary accounting (certified by Licensee's chief financial officer) of all royalties payable in respect of such period. Subject to objection and audit, as hereinafter provided, if such summary accounting shows that royalties paid in respect of such period exceed the greater of the (i) Minimum Royalties paid in respect of such period or (ii) royalties paid calculated based on Net Sales, as applicable, THE LICENSOR shall refund such excess to Licensee.

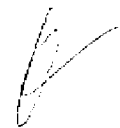
(c) Audits. Licensee agrees that it will keep accurate and complete books of account and records showing Authorized Goods sold by it and the price thereof in accordance with generally accepted accounting principles, consistently applied. THE LICENSOR or its authorized representatives shall have the right at all reasonable times during normal business hours and on reasonable notice to Licensee at any time during the Term of this Agreement and for two (2) years thereafter to inspect and make copies of the books and records of Licensee insofar as they relate to the transactions covered by this Agreement. If THE LICENSOR should conduct such an audit with respect to any year, and the Net Sales or Sell-Off Royalties previously reported for any such year should be found to be understated by five percent (5%) or more, then Licensee shall bear the expense of such audit.

6. PAYMENTS

Within thirty (30) days following any Quarter during the Term or the Sell-Off Period, Licensee shall pay to THE LICENSOR the royalties due with respect to Net Sales accrued during such Quarter or otherwise due as Minimum Royalties. All late payments shall bear interest at the rate of 2% above the prime rate of the Chase Manhattan Bank of New York City as of the date of default, as published in the Wall Street Journal.

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7. TERM

(a) Term. The initial term ("Initial Term") of this Agreement shall commence on July 1, 2005 and continue until June 30, 2011. Both the parties has the right to terminate this Agreement with 24 months notice in writing unless earlier terminated pursuant to the provisions of Paragraph 13 of this Agreement.

(b) Renewal. In absence of the 24 months notice, this Agreement may be extended for a further renewal period of six (6) years ("Renewal Period"), provided that or before January 1, 2011, that Licensee shall not have breached in any material respect the terms of this Agreement, and that the parties mutually agree on Minimum Royalties and Minimum Net Sales (as hereinafter defined) applicable to each contract year during the Renewal Period on or by such date.

(c) Term. The period from the beginning of the Term until the effective date of termination or expiration of this Agreement shall constitute the "Term" of this Agreement.

8. APPROVALS

(a) Approval of Authorized Goods. No Authorized Goods shall be manufactured, purchased for resale, sold or distributed by Licensee prior to written approval by THE LICENSOR of such Authorized Goods and the packaging and accompanying materials therefor pursuant to the following procedures:

If at any time during the Term hereof Licensee proposes to distribute any style of Authorized Goods not previously approved in writing by THE LICENSOR, Licensee shall submit to THE LICENSOR, at Licensee's expense, prototypes of such styles of Authorized Goods. THE LICENSOR will notify Licensee in writing, within fifteen (15) calendar days of receipt, of its disapproval of such prototypes. If THE LICENSOR does not notify Licensee in writing of its disapproval of such prototypes within said fifteen (15) days, then the prototypes shall be considered approved.

THE Licensor's approval of prototypes of the Authorized Goods shall not be in derogation of THE Licensor's right to indemnification pursuant to Paragraph 15 hereof.

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(b) Approval of Packaging and Promotional Materials.

Licensee shall submit, at Licensee's expense, for THE Licensor's approval in advance of any dissemination or use by Licensee, prototypes of all packaging, labels, advertising and promotional material or literature which Licensee intends to use in the merchandising, sale and distribution of the Authorized Goods. THE LICENSOR will notify Licensee, within fifteen (15) calendar days of receipt, of disapproval of prototype packaging, labels, advertising and promotional material or literature. If THE LICENSOR does not notify Licensee within said fifteen (15) days of its disapproval of such packaging, labels, advertising and promotional material or literature, THE LICENSOR will be deemed to have approved such items.

(c) Production Line and Marketplace Samples. Licensee warrants that all Authorized Goods, packaging, labels, advertising and promotional material or literature manufactured, purchased for resale, sold, distributed or disseminated by Licensee shall conform to the prototypes approved by THE LICENSOR. Licensee shall, at Licensee's expense, upon THE Licensor's reasonable request, submit to THE LICENSOR production line samples of finished Authorized Goods, packaging, labels, advertising and promotional material or literature from time to time for comparison with approved prototypes. Such samples shall be submitted in quantities requested by THE LICENSOR reasonable for evaluation by THE LICENSOR. If, in the reasonable judgment of THE LICENSOR, any of such Authorized Goods, packaging, labels, advertising and promotional materials or literature are not in conformity with approved prototypes, such non-conforming goods shall be disposed of as provided in Section 10 hereof.

9. PROTECTION OF TRADEMARK

(a) Recognition. Licensee acknowledges that THE LICENSOR is the owner of the Trademark in the Territory and that Licensee's use of the Trademark under this Agreement shall inure to the benefit of THE LICENSOR. Licensee acknowledges that it is not acquiring any interests or rights in the Trademark apart from the rights set forth in this Agreement. Licensee will not contest or deny the validity of the Trademark or the title of THE LICENSOR thereto, register or attempt to register the Trademark or any other trademark or trade name which may be confusingly similar to any of them, or in any way assist others in so doing. Upon termination of this Agreement or expiration of the Term, Licensee shall forthwith discontinue entirely all use of the Trademark (subject to the provisions of Paragraph 14 hereof), and all rights granted according to the terms of this Agreement shall revert to THE LICENSOR.

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(b) Guidelines. THE LICENSOR may provide materials and guidelines to Licensee as to reproductions of the Trademark and related artwork and Licensee's display of the Trademark on Authorized Goods. All artwork or other materials furnished to Licensee by THE LICENSOR for this purpose shall remain the property of THE LICENSOR and shall be returned to THE LICENSOR upon THE Licensor's request. Licensee shall follow THE Licensor's instruction with regard to proper Trademark usage, including display of trademark registration symbols and notices. Licensee acknowledges that THE LICENSOR may impose color restrictions on the Trademark.

(c) Notification. Without limiting the provisions of Paragraph 9(b), on all packaging, labels, advertising and promotional materials of any description, including, but not limited to, catalogues, brochures and advertisements disseminated by Licensee in connection with the Authorized Goods, Licensee shall place the following notice:

B.D. BAGGIES®

On all Authorized Goods bearing the following marks, Licensee shall place the following notice:

B.D. BAGGIES®

(d) Confusion. Licensee agrees not to use, at any time during the Term, any other word, trademark, brand name, trade name, symbol, design or the like which is similar to or possibly may be confused with the Trademark licensed hereunder. Licensee will not take any action which will harm or prejudice the Trademark or THE Licensor's rights therein in any way during the Term or any allowed period of use thereafter.

(e) Corporate Use. Licensee shall not use and shall prevent each of its independent contractors, if any, from using the Trademark in its names or in the name of any operating entity formed by them.

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(f) Trademark Administration and Infringement. Licensee shall bear, and reimburse THE LICENSOR for, all costs of applications for registration, renewal, maintenance, protection and enforcement of the Trademark in the Territory. The Trademark shall be registered in the name of THE LICENSOR. Licensee shall at THE Licensor's request and Licensee's expense assist THE LICENSOR in confirming or registering its rights in the Trademark with any government or person and shall execute any required documents in this regard. Licensee will promptly advise THE LICENSOR in writing of all claims and potential claims of which it has notice or knowledge and all suits threatened or brought against Licensee involving the Trademark. Decisions regarding action involving the protection and defense of the Trademark shall be solely in the discretion of THE LICENSOR, and Licensee may not take any such action without the express written consent of THE LICENSOR, except as provided below. If Licensee elects to take any protective or defensive action relating to the Trademark with the consent of THE LICENSOR, or requests THE LICENSOR to take such action, Licensee shall bear the costs of any such protective or defensive action in the Territory, irrespective of whether such actions are prosecuted or defended by THE LICENSOR or Licensee. Licensee will advise THE LICENSOR of any potentially infringing uses by others promptly upon becoming aware of such uses. If Licensee fails to investigate, bring an infringement action against a potential infringer, settle or compromise any claims relating to the uses described in the preceding sentence, then THE LICENSOR may investigate and bring such claim at its own expense. In no event may any claim be settled or compromised without the prior written consent of THE LICENSOR. Licensee shall cooperate with THE LICENSOR with respect to actions described in this Paragraph 9(f) which are defended by THE LICENSOR, and THE LICENSOR shall cooperate with Licensee with respect to actions described in this Paragraph 9(f) which are prosecuted by Licensee.

(g) Use of Sub-Brand Names. Licensee agrees that should Licensee desire to feature on the Authorized Goods additional trademark, other than the Trademark and other than Licensee's trade name, Licensee will notify THE LICENSOR of that trademark. Any use of such additional trademark, and the ownership and registration thereof, shall be as mutually agreed.

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10. QUALITY OF AUTHORIZED GOODS/INSPECTION

(a) Quality. Licensee shall be responsible for the quality of all Authorized Goods and warrants that all Authorized Goods distributed or sold shall be free of defects and in conformity with the prototypes of Authorized Goods approved by THE LICENSOR, except as provided in this Paragraph 10. In the event that Licensee discovers, either through receipt of a notice from THE LICENSOR or otherwise, that non-conforming Authorized Goods have been produced and/or sold and distributed:

- (i) Licensee shall promptly cease the manufacture, purchase for resale, sale and distribution of such non-conforming Authorized Goods.
- (ii) Licensee shall, promptly after such discovery, issue return authorizations for non-conforming Authorized Goods which are in the marketplace.
- (iii) Except as set forth in (iv) below, Licensee shall dispose of all such non-conforming Authorized Goods in a manner approved in writing by THE LICENSOR.
- (iv) Licensee may sell, in outlet stores or pursuant to such other method of sale as may be approved in writing by THE LICENSOR in its sole discretion, Authorized Goods that are cosmetically defective but of an industry recognized second quality. No other Authorized Goods may be sold in outlet stores without the prior written consent of THE LICENSOR.

(b) Inspection. Upon prior written notice to Licensee, THE LICENSOR or its authorized representatives shall have the right at all reasonable times during normal business hours from time to time to enter upon and examine Licensee's manufacturing facilities and other premises where Authorized Goods are manufactured or stored and to observe Licensee's operating methods and quality control procedures relevant to the Authorized Goods.

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Two handwritten signatures in black ink, one on the left and one on the right, appearing to be initials or names.

11. AUTHORITY, COMPLIANCE WITH LAWS AND NON-INFRINGEMENT

Each party warrants to the other that (i) it has the full corporate power and authority to enter into this Agreement, and the Board of Directors of Licensee has approved Licensee's entering into this Agreement and (ii) by its entering into this Agreement, it is not in violation of any agreement with a third party. Licensee warrants to THE LICENSOR that the Authorized Goods will be manufactured, purchased for resale, packaged, advertised, sold and distributed in compliance with all applicable governmental requirements and that, to the best of its knowledge, and without regard to the use of the Trademark, the Authorized Goods will not infringe the patent, copyright or other intellectual property rights of any third party. THE LICENSOR warrants to Licensee that, to the best of its knowledge, the use of the Trademark on the Authorized Goods will not infringe the trademark rights of any third party.

12. PROMOTION AND SALE

(a) Minimum Net Sales. Licensee agrees that it shall have Net Sales of no less than the following amounts during the contract years of the Term specified below:

<u>Contract Year</u>	<u>Minimum Net Sales</u>
1	\$ 1,500,000
2	\$ 1,500,000
3	\$ 1,500,000
4	\$ 1,500,000
5	\$ 1,500,000
6	\$ 1,500,000

(such Net Sales referred to herein collectively as "Minimum Net Sales") .

b) Best Efforts. Licensee shall use its best efforts to expand the sale of Authorized Goods in the Territory and shall, at its sole cost and expense, advertise, promote and support its sale of Authorized Goods in the Territory. If, in the reasonable judgment of THE LICENSOR, Licensee should at any time fail to vigorously and diligently promote the sale, distribution and availability of Authorized Goods in any segment of the Territory, THE LICENSOR shall give Licensee written notice of such failure, specifying the segment of the Territory involved and recommending remedial action. If, in the reasonable judgment of THE LICENSOR, such failure shall not have been cured within sixty (60) days after the giving of such written notice, THE LICENSOR shall have the right to terminate this Agreement pursuant to Paragraph 13 hereof.

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(c) Sales Staff. Licensee shall maintain a qualified production, sales and delivery staff (independent contractors or employees, at Licensee's election) adequate to promote and execute the sale of Authorized Goods. If Licensee uses the services of independent contractors in its manufacturing, sales or distribution arrangements, Licensee shall so inform THE LICENSOR, and THE LICENSOR shall have the continuing right to approve such contractors (or to revoke or withhold such approval). Under no circumstances shall such contractors become, or be considered, the agents, servants or employees of THE LICENSOR.

(d) Inventory. Licensee shall maintain at all times an adequate inventory of Authorized Goods, and materials required for the manufacture, distribution and sale of Authorized Goods, to enable it to fill orders for Authorized Goods in the Territory promptly and efficiently.

13. TERMINATION

(a) Defaults. In the event either party defaults on its agreements and obligations provided herein (including, without limitation, Licensee's agreement not to export Authorized Goods outside the Territory), the non-defaulting party may give the other party written Notice (as defined in Paragraph 19(b)) specifying the default. If the defaulting party does not cure said default and notify the other party in writing of such cure within thirty (30) days after receipt of said Notice, the party giving Notice of default may terminate this Agreement; provided, however, that if the default relates to the non-payment of royalties, the cure period shall be ten (10) days; and provided, further, that if Licensee has on more than one prior occasion failed to pay royalties due THE LICENSOR until a Notice under this subparagraph has been given, THE LICENSOR may terminate this Agreement in its sole discretion effective immediately upon written Notice to Licensee. No such termination shall affect any obligations of the non-terminating party arising prior to such termination or the terminating party's rights to seek damages for breach thereof.

(b) Insolvency. THE LICENSOR may terminate this Agreement in the event of the insolvency, adjudication of bankruptcy or filing of a petition for voluntary or involuntary bankruptcy of or by Licensee, or Licensee's making of a general arrangement with or assignment for the benefit of creditors or the appointment of (or seeking of the appointment of) a receiver or trustee for the assets of Licensee.

(c) Change in Control. THE LICENSOR may terminate this Agreement in the event of a change in ownership, either directly or indirectly, of more than 50% of Licensee's voting stock, or a sale by Licensee of all or substantially all of its operating assets.

(d) Minimum Sales Goals. THE LICENSOR may terminate this Agreement if Licensee fails to meet annual Minimum Net Sales in any given contract year of the Term.

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(e) Required Notice. In order to terminate this Agreement pursuant to subparagraphs (b) through (d) of this Paragraph 13, THE LICENSOR or Licensee, as applicable, must send written Notice to the other party in accordance with the notification provisions of Paragraph 19(b) of this Agreement, and termination of the Agreement shall be effective upon receipt of such Notice.

14. RIGHTS AFTER TERM

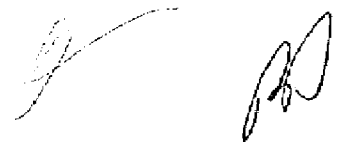
(a) Sell-Off Period. Following the end of the Term, but only if the Term does not end by reason of any default by Licensee in the performance of its obligations under this Agreement, Licensee may continue to sell, distribute, advertise and promote for one hundred and eighty (180) days after the end of the Term, subject to all the terms and conditions of this Agreement, as if such terms and conditions were still in full force and effect, any finished goods or work-in-process inventories of Authorized Goods in existence at the date of expiration of the Term. Licensee shall continue to make Reports and pay Sell-Off Royalties for all Authorized Goods sold after the Term. The obligations of Licensee under Paragraphs 3, 4, 5, 6, 8, 10, 11, 12(d), 15, 16, 17 and 18 of this Agreement shall survive the end of the Term.

(b) Reports. Within thirty (30) days after the end of the Term, Licensee will provide reports, in a form reasonably satisfactory to THE LICENSOR, containing the following information as of such termination or expiration date:

- (i) The quantity of Authorized Goods of each type in Licensee's finished goods and work-in-process inventories and inventories of raw materials and trim purchased for the manufacture of Authorized Goods;
- (ii) The quantity of Authorized Goods and raw materials and trim for the manufacture of Authorized Goods on order from suppliers; and
- (iii) The quantity of Authorized Goods on order by customers.

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(c) Licensor's Purchase Option. Notwithstanding the provisions of Paragraph 14(a), at the sole option of THE LICENSOR, following the end of the Term and upon written notice to Licensee given within ninety (90) days after the end of the Term, (i) Licensee shall sell to THE LICENSOR or THE Licensor's designee, at Licensee's cost, Licensee's remaining inventory of Authorized Goods (either finished or in process) whether or not labelled with the Trademark, and Licensee's inventory of raw materials and trim purchased for the manufacture of Authorized Goods and (ii) THE LICENSOR or its designee shall assume Licensee's rights and obligations with respect to orders from suppliers of Authorized Goods and raw materials and trim for the manufacture of Authorized Goods and customer orders for Authorized Goods. The consummation of the above transactions shall occur not later than thirty (30) days after delivery of the above notice to Licensee.

(d) Reconciliation. Within thirty (30) days following the expiration of the one hundred and eighty (180) day period provided in Paragraph 14(a), or the period from the end of the Term until THE LICENSOR's purchase of Licensee's inventories pursuant to Paragraph 14(c), as applicable, Licensee will make available for review by THE LICENSOR all invoices for sales of Authorized Goods during such period, along with reconciliation against the report of finished goods and work-in-process inventories of Authorized Goods pursuant to Paragraph 14(b)(i) above.

15. INDEMNIFICATION BY LICENSEE

Except as provided in Paragraph 9 of this Agreement, Licensee covenants and agrees to indemnify and hold THE LICENSOR harmless from and against any and all losses, claims, damages, expenses, judgments, awards, petitions, demands or liabilities of any type, joint or several, to which THE LICENSOR may become subject on account of the manufacture, purchase for resale, sale, distribution, advertising or promotion or similar activity related to the Authorized Goods or this Agreement. The party receiving notification of any event which may be indemnifiable according to the terms of this Paragraph 15 shall as soon as reasonably possible notify the other party upon receipt of notice of any such claim, and Licensee shall engage reputable counsel reasonably acceptable to THE LICENSOR with experience in the matter to be defended. THE LICENSOR shall have the right, if it determines that it is reasonably necessary or advisable, to separately defend any action relating to this Agreement in its own name, and at its own cost, and determine in good faith whether any claim or suit, on the basis of liability, expediency or otherwise, shall be paid, compromised, defended or appealed. THE LICENSOR may incur such expenses, including attorneys' fees, as it may deem reasonably necessary or advisable for the investigation, defense or payment of any claims, and such amounts shall be included as expenses to be borne by Licensee hereunder, except as otherwise agreed hereunder. THE LICENSOR shall cooperate with Licensee with respect to actions described in this Paragraph 15 which are defended solely by Licensee. The out-of-pocket expenses of THE Licensor's cooperation shall be treated as expenses to be borne by Licensee hereunder.

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16. INSURANCE

Licensee shall maintain Broad Form Comprehensive General Liability Insurance, including products liability and contractual liability insurance for the Authorized Goods, naming THE LICENSOR as an additional insured, in an amount not less than \$250,000 per person, \$250,000 per occurrence for bodily injury, \$25,000 for property damage and \$1,000,000 in excess insurance over the primary insurance. Licensee shall maintain such coverage throughout the Term and during any additional period of permitted selling of Authorized Goods. The aforesaid insurance shall be from companies and in form reasonably satisfactory to THE LICENSOR. The insurance policy shall provide that it is not subject to cancellation or non-renewal without written Notice to THE LICENSOR. The policy shall be written on an "occurrence" and not a "claims made" basis. THE LICENSOR shall have the right of subrogation against any insurance company or guarantor of Licensee with respect to obligations owed to THE LICENSOR pursuant to Paragraph 15 hereof. Licensee shall, upon execution hereof, provide THE LICENSOR with a Certificate of Insurance evidencing this coverage, and Licensee and/or its representative will mail written Notice of any material change and/or cancellation of coverage within seven (7) days of receipt of same, and will provide replacement coverage evidenced by a Certificate of Insurance within thirty (30) days of Licensee's receipt of Notice of insurance cancellation or material change of coverage. Licensee's obligations pursuant to this paragraph shall survive the termination or expiration of this Agreement.

17. TRANSFERABILITY

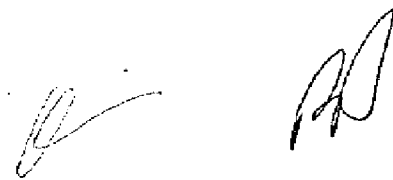
This Agreement shall bind and inure to the benefit of THE LICENSOR and its successors and assigns. The rights granted to Licensee hereunder shall be exclusive to it and shall not, without the prior written consent of THE LICENSOR, be transferred or assigned by it to any other person, firm or corporation. In addition, the provisions hereof shall be deemed to include assignment by operation of law and shall be deemed to restrict the hypothecation, pledge or granting of a security interest in the subject matter of this Agreement. Any assignment, transfer or sublicense of any of the rights granted to Licensee hereunder which does not conform to the requirements of this Agreement shall be null and void.

18. DESIGN EXCLUSIVITY

Licensee agrees that, throughout the Term and within the Territory enumerated in Exhibit A, it will not directly or indirectly manufacture, have manufactured, purchase for resale, sell or distribute goods of identical design as the Authorized Goods, whether under Licensee's own names or as a distributor for or licensee of a third party, or otherwise. Licensee agrees that it shall ensure that its independent manufacturing, sales or distribution contractors shall not use the Trademark in any manner not authorized by this Agreement.

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19. MISCELLANEOUS

(a) Non-Waiver. Failure of either party to complain of any act or omission on the part of the other, no matter how long the same may continue or how many times such shall occur, shall not be deemed to be a waiver of rights with respect to such act or omission, or any similar future act or omission, under this Agreement.

(b) Notices. All notices, reports, payments, prior approvals of artwork and samples and the like ("Notices") required by this Agreement, or voluntary requests, shall be sent by U.S. mail or other customary means, including telex, overnight courier, facsimile, or registered or certified mail. If Notice is by registered or certified mail, then Notice shall be deemed received upon placement of such Notice with the governmental mail agency, postage prepaid. If Notice is by other than registered or certified mail, then Notice shall be deemed received upon confirmation to the sending party that such Notice has been received by the receiver of such Notice, or the receiver's actual receipt of the Notice.

If to THE LICENSOR:

B.D. BAGGIES LTD.
5616 Kirkwood Highway,
Wilmington, Delaware, DE 19808, USA
Attn: Mr. Robert Dotey (VP USA Operations & Director)
Fax: (302) 994-4636

If to LICENSEE:

WP Lavori in Corso
Via dell'Arcoveggio 59/5
40129 Bologna, Italy
Attn: Cristina Calori
Fax: +39 051 327-856

(c) Relationship. This Agreement shall not constitute or be considered a partnership, employer-employee relationship, joint venture, or agency between the parties hereto. Neither of the parties hereto nor any of their employees or agents shall have the power or authority to bind or obligate the other party, except as agreed to in this Agreement.

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TRADEMARK
REEL: 004000 FRAME: 0786

(d) Cumulative Rights. All rights and remedies of THE LICENSOR and Licensee shall be cumulative and not alternative to, in addition to and not exclusive of, any other rights or remedies to which THE LICENSOR may be lawfully entitled hereunder, at law or in equity. Licensee acknowledges that any breach of Paragraphs 9, 10 and 18 of this Agreement shall cause irreparable harm to THE LICENSOR and that in the event of such breach THE LICENSOR, in addition to any other remedies that it may have, shall be entitled to specific performance. The rights and remedies of THE LICENSOR and Licensee shall be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time and as often as may be expedient, and any option or election to enforce any such right or remedy may be exercised or changed at any time and from time to time. The termination of the Agreement shall not discharge or release THE LICENSOR or Licensee from any liability or obligation then accrued or any liability or obligation continuing beyond or arising out of the termination of this Agreement.

(e) Governing Law. This Agreement shall be deemed to have been executed in the State of Delaware and shall be governed in accordance with the laws of the State of Delaware. The parties agree, for purposes of judicial resolution of disputes concerning this Agreement, to submit any such disputes to the jurisdiction and courts of the State of Delaware.

(f) Severability. If any term, covenant, condition or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or application of such term or provision to any person or circumstance other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant, condition or provision of this Agreement shall be valid and shall be enforced to the fullest extent provided by law.

(g) Entire Agreement. This instrument (including the Exhibits hereto) contains the entire Agreement between the parties hereto relating to the subject matter hereof, and no oral statements or representations or prior written material not herein contained shall have any force or effect. No modification or amendment of this Agreement may be made except in writing signed by all of the parties hereto.

(h) Headings. The headings in the paragraphs and subparagraphs hereof shall not be construed to contravene the language of such paragraphs.

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TRADEMARK
REEL: 004000 FRAME: 0787

(i) Confidentiality. This Agreement and information related to its execution and content shall be kept confidential by the parties to the Agreement. Licensee agrees to ensure that its parent or affiliated companies will not divulge the terms of this Agreement or information related to this Agreement to any third parties. The making of any press release or announcement relating to this Agreement, including the timing and content of such press release or announcement, shall be subject to the mutual agreement of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

B.D.BAGGIES LTD

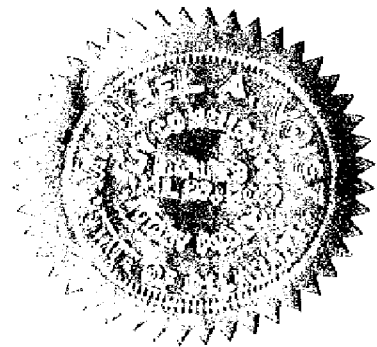
By: [Signature]
Name: Robert Dotey
Title: VP USA Operations & Director

STATE OF Delaware COUNTY OF New Castle, ss.:

On July 1, 2005 before me, Michael A. Voigt Notary for and in the State of Delaware personally appeared *Dr. Robert Dotey* and he is known to me to be the individual described in, and who executed the foregoing, and duly acknowledged to me that he executed the same.

MICHAEL A. VOIGT
NOTARY PUBLIC
STATE OF DELAWARE
MY COMMISSION EXPIRES APRIL 29, 2009

[Signature]
Notary Public



WP LAVORI IN CORSO
By: [Signature]
Name: Cristina Calori

Title:

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[Signature]
(19 pages)

EXHIBIT A

Authorized Goods/Territory

Licensee shall have the license to sell the following Authorized Goods bearing the Trademark to department stores, better specialty stores, i.e., specialty stores other than discounters, and Licensee's own stores, if applicable, located within the geographic area indicated below:

Authorized Goods

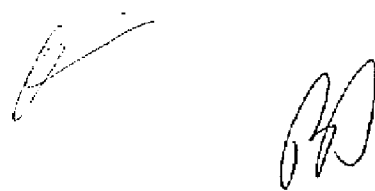
Men's' woven and knit shirts, sweaters, bottoms, neckwear

Geographic Area

Worldwide.

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