



State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 53 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JAN 16 2009

DEBRA BOWEN
Secretary of State

A0686913

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JAN 13 2009

AGREEMENT AND PLAN OF MERGER

between

OUTDOOR GEAR, INC.,
a California Corporation

and

THE ORIGINAL FOOTWEAR COMPANY,
a California Corporation

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("Agreement") is made as of JANUARY 29, 2008, by and among Outdoor Gear, Inc., a California corporation ("Buyer"), The Original Footwear Company, a California corporation ("Target"), and Terry Mackness, in his individual capacity (with respect to Section 10.2 only).

RECITALS

WHEREAS, Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of California;

WHEREAS, Target is a corporation duly organized, validly existing, and in good standing under the laws of the State of California;

WHEREAS, Buyer and Target are both engaged in the business of designing, manufacturing, and selling footwear and other products;

WHEREAS, the Boards of Directors of Buyer and Target have approved, and deem it advisable and in the best interests of its stockholder to consummate the merger of Buyer and Target with The Original Footwear Company being the "surviving corporation" as that term is defined in California Corporations Code Section 190 and Outdoor Gear, Inc. being the "disappearing corporation", as that term is defined in Corporations Code Section 165, on the terms described herein;

WHEREAS, the Boards of Directors of each Buyer and Target, and the sole shareholder of each of Buyer and Target have approved this Agreement and the transactions contemplated hereby in accordance with the provisions of the California Corporations Law; and

WHEREAS, it is intended that the merger qualify as a tax-free reorganization within the meaning of Internal Revenue Code Section 368(a).

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

ARTICLE 1

DEFINITIONS

Capitalized terms in this Agreement shall have the meanings ascribed to them in this Article 1 unless such terms are defined elsewhere in this Agreement.

1.1 "Knowledge": Of Target shall mean the actual knowledge of Terry Mackness after such inquiry and review of Target's employees and records as would be reasonable under the circumstances.

1.2 "Material Adverse Effect": An event, occurrence or non-occurrence having an adverse effect on Target's business, operations, conditions (financial or otherwise) or prospects of Target's business that results or could reasonably be expected to result in costs or liabilities in excess of \$100,000 individually or in the aggregate, but shall not include (i) any effect or change occurring as a result of general economic or financial conditions or other developments which are not unique to Target but also affect other entities that participate or are engaged in the line of business in which Target participates or is engaged, and does not affect Target disproportionately to such other entities, or (ii) any effect or change that results solely from the announcement or pendency of the Merger.

AGREEMENT OF MERGER

2.1 Agreement to Merge. At the Effective Time, as defined in this Agreement, a merger will take place ("the Merger") whereby Buyer will be merged with and into Target, and Target will be the Surviving Corporation. (The term "Surviving Corporation" appearing in this Agreement denotes Target after consummation of the Merger.) Target's corporate name, existence, and all its purposes, powers, and objectives will continue unaffected and unimpaired by the Merger, and as the Surviving Corporation it will be governed by the laws of the State of California in accordance with the California General Corporation Law (the "California Corporations Code"). The Surviving Corporation shall succeed to and assume all of the rights, properties, liabilities and obligations of Target, except as otherwise provided herein.

The separate existence and corporate organization of Buyer shall cease at the Effective Time, at which time Buyer and Target will become a single corporation, which will bear Target's name. Notwithstanding the foregoing, Target may, if it so chooses, do business under the fictitious business name "Outdoor Gear."

2.2 Closing Date; Effective Time. Unless this Agreement is earlier terminated in accordance with its terms, the Merger will be effected as soon as practicable after all the conditions established in Articles 6 and 7 of this Agreement have been satisfied or waived (other than the condition set forth in Section 6.10). Closing of the Merger (the "Closing") will be held at 10:00 a.m. local time, at the offices of Target at 4213 Technology Drive, in Modesto, California, or at such other time and place as the parties may agree promptly, but in no event later than January 12, 2009. The time and date of Closing are called the "Closing Date." On or about the Closing Date, the parties hereto

shall cause the Merger to be consummated by filing an agreement of merger (the "Agreement of Merger") and an officer's certificate, from both the surviving corporation and the disappearing corporation certifying approval of the Agreement of Merger by their shareholders and boards of directors with the Secretary of State of California in accordance with the provisions of the California Corporations Code (the time of acceptance by the Secretary of State of California of such filing, or such later time as specified in the Agreement of Merger, shall be referred to in this Agreement as the "Effective Time").

2.3 Effect of Merger: The Merger shall have the effects set forth in California Corporations Code Section 1107.

2.4 Governance of Surviving Corporation.

(a) Articles of Incorporation. The articles of incorporation of Target in effect at the Effective Time will become the articles of incorporation of the Surviving Corporation. From and after the Effective Time, said articles of incorporation, as they may be duly amended from time to time, will be, and may be separately certified as, the articles of incorporation of the Surviving Corporation.

(b) Bylaws. The bylaws of Target in effect at the Effective Time will be the bylaws of the Surviving Corporation, until they are thereafter duly altered, amended, or repealed. The directors of Buyer at the Effective Time will be the directors of the Surviving Corporation, each to hold office in accordance with the provisions of applicable law and the articles of incorporation and bylaws of the Surviving Corporation, until their successors have been duly elected and qualified. Target shall secure, effective as of the Effective Time, such resignations of its

incumbent directors as is necessary to enable the designees of Buyer to be elected or appointed to the Board of Directors of the Surviving Corporation, and the Surviving Corporation shall take all actions available to it to cause such designees of Buyer to be so elected or appointed at the Effective Time. The officers of Buyer at the Effective Time will be the officers of Surviving Corporation, each to hold office subject to the bylaws of the Surviving Corporation.

ARTICLE 3

CONVERSION OF SHARES

3.1 Conversion of Buyer's Shares. At the Effective Time:

Each share of Buyer's common stock issued and outstanding immediately before the Effective Time will be converted into one share of common stock of the Surviving Corporation;

3.2 Conversion of Target's Shares. Each share of Target's common stock issued and outstanding immediately before the Closing Date (the "Target Common Stock") will by virtue of the Merger and without action on the part of the shareholder be converted into the right to receive from and be paid by Target:

(a) \$3.715170278 per share for a total purchase price of Six Million

Dollars (\$6,000,000), payable as follows:

(i) One Million Five Hundred Thousand Dollars (\$1,500,000)

payable to The Mackness 1997 Revocable Trust (the "Trust") (the sole shareholder of Target), by bank wire of immediately available funds on the Effective Time; and

(ii) The balance of Four Million Five Hundred Thousand Dollars

(\$4,500,000) shall be payable to the Trust according to the terms of a promissory note

(the "Note") bearing interest at the rate of five percent (5%) per annum from the Effective

Time. The Note shall provide for payments of principal and interest in the amount of Forty Seven Thousand Seven Hundred Twenty Nine Dollars and Forty Eight Cents (\$47,729.48) per month for the first twenty four months, a lump sum payment of principal on the twenty-fourth month of One Million Five Hundred Thousand Dollars (\$1,500,000), and payments of principal and interest in the amount of Sixty Eight Thousand Thirty-Seven Dollars and Sixty Nine Cents (\$68,037.69) per month for months twenty-five through sixty, all as set forth in Exhibit C attached hereto. The Note shall be secured by all of the assets of Target, and shall be personally guaranteed by Kevin Cole (the sole shareholder of Buyer). The Security Agreements, Personal Guaranty, and related documents shall all be in a form acceptable to the Trust.

(b) Notwithstanding any other provision of this Agreement, for federal, state and local income tax purposes, the conversion of Target's common stock will be treated as a redemption of Target common stock by Target for the amounts described in Section 3.2(a).

(c) Buyer, Target and Terry Mackness agree to elect to close the books of Target as of the Closing Date for federal, state and local income tax purposes pursuant to the rules promulgated under Subchapter S of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (and any similar state or local Tax law), and allocate all Target's items of income and loss through the Closing Date to Terry Mackness.

3.3 Stock Options. On or before the Closing Date, Target shall take all action (satisfactory to Buyer in its sole discretion) necessary to provide that immediately before the Closing Date: (1) each of the then outstanding employee stock options and warrants to purchase shares of Target Common Stock (each an "Option") shall be addressed as

follows: (i) the outstanding employee stock option for 5,000 shares of Target Common Stock held by Shannon Earle, and the outstanding employee stock option for 3,000 shares of Target Common Stock held by Richard Kohl shall be rescinded and cancelled; (ii) the outstanding employee stock options for 50,000 shares of Target Common Stock held by Maureen Faye Flanders and the outstanding employee stock options for 25,000 shares of Target Common Stock held by Mikael Rudolfsen shall be exercised by those employees, and sold to the Trust, which will cancel them at the Effective Time; (iii) all of the warrants representing a total of 155,000 shares of Target Common Stock will be assigned and transferred to the Trust and canceled; (2) to the extent the employee stock options are exercised, the holder of such Option shall receive from the Trust, on behalf of Target, for each share of Target Common Stock subject to each Option, whether or not then exercisable or vested, an amount (subject to any applicable withholding tax) in cash equal to the excess of the per-share price set forth in subsection 3.2(a) above, over the per-share exercise price under each such Option, or such amount agreed upon by each Option holder; (3) when the shares issued as a result of the exercise of the employee stock options are delivered to Target by the Trust for cancellation, in consideration for such cancellation, the Trust will receive from Target, for each share of Target Common Stock subject to such Option, the per-share price set forth in subsection 3.2(a) above; and (4) when the warrants are delivered to Target by the Trust for cancellation, in consideration for such cancellation, the Trust shall receive from Target, for each share of Target Common Stock subject to each Option the per-share price set forth in subsection 3.2(a). Such amounts shall be paid out of that portion of the purchase price set forth in Section 3.2(a)(i). Before the Effective Time, Target shall obtain all necessary agreements, consents or releases from holders of Options and shall take all reasonable actions

necessary to give effect to the transactions contemplated by this Section 3.3, all of which shall be reasonably acceptable to Buyer.

Except as may be otherwise agreed to by Buyer and Target, as of the Effective Time, (1) The Original Footwear Company's 1999 Stock and Incentive Plan shall terminate; (2) the provisions in any other plan, program, or arrangement providing for the issuance or grant of any other interest in respect of the capital stock of Target shall be terminated; and (3) no holder of Options by virtue of any Stock Purchase Warrants or any other plans, programs, or arrangements shall have any rights thereunder to acquire any equity interests of Target. Target shall take all actions necessary to cause the foregoing actions to be completed prior to the Effective Time, and will provide Buyer evidence, reasonably satisfactory to Buyer, that the foregoing has been completed.

3.4 Exchange of Shares. On the Closing Date, the Surviving Corporation will deliver a letter of transmittal to each person who is shown as a shareholder of record of Target Common Stock immediately before the Closing Date. The letter of transmittal will be substantially in the form of Exhibit D to this Agreement. Upon delivery and surrender to the Surviving Corporation of the holder's executed letter of transmittal and certificate(s) evidencing ownership of Target Common Stock, the holder will be entitled to receive in exchange therefore the amount of cash consideration specified in Section 3.2(a)(i) less applicable withholding taxes (as provided below) and the original Note Security Agreements, Personal Guaranty, and related documents specified in Section 3.2(a)(ii). All such certificates will be canceled. No interest will be paid, payable, or accrued on the amount of cash payable to any person under Section 3.2(a)(i). The amount of cash payable to any shareholder of Target shall be subject to, and reduced by

an amount equal to, the amount of any state, federal, and foreign withholding taxes incurred (and not previously paid by or on behalf of such shareholder).

ARTICLE 4

TARGET'S REPRESENTATIONS AND WARRANTIES

4.1 Organization, Standing, Qualification. Target is duly organized, validly existing, and in good standing under the laws of California and has the corporate power to own all of its properties and assets and to carry on its business as it is now being conducted. Target is duly qualified or licensed to do business as a foreign corporation and is in good standing in each jurisdiction where the nature of the business conducted by it makes such qualification or licensing necessary, except in such other jurisdictions where the failure to be so duly qualified or licensed and in good standing would not have a Material Adverse Effect.

4.2 No Subsidiaries. Target has no subsidiaries. The sole shareholder of Target operates the Original SWAT Foundation, a California non-profit corporation, and will continue to do so after the Effective Date.

4.3 Authorization. Target's board of directors has duly authorized the execution of this Agreement, and Target has the corporate power and is duly authorized, subject only to the approval of this Agreement by its shareholder and the filing of this Agreement and an officer's certificate from Buyer and Target reflecting approval of this Agreement by their shareholders and boards of directors with the Secretary of State of California, to merge Buyer into Target pursuant to this Agreement. This Agreement has been duly executed and delivered by Target and, assuming the due authorization, execution, and delivery of Buyer, constitutes the valid and binding obligation of Target, enforceable against Target in accordance with its terms, except as such enforceability may be subject

to laws of general application related to bankruptcy, insolvency, and the relief of debtors now or hereafter in effect and rules of law governing specific performance, injunctive relief, or other equitable remedies.

4.4 Requisite Approval. The approval of a majority of the outstanding shares of Target Common Stock is the only approval of holders of Target capital securities required to approve the Merger.

4.5 Capital Structure of Target. As of November 30, 2008, and as of and immediately prior to the Effective Time, Target's authorized capital stock consists of 4,375,000 shares of voting Target Common Stock, of which 1,385,000 shares are issued and outstanding, and 125,000 shares of Preferred Stock, none of which are issued and outstanding. Target's capital stock is held by the persons and in the amounts set forth in Exhibit E hereto. 236,053 shares of Target capital stock are held in treasury. There are 83,000 shares of Target Common Stock reserved for issuance pursuant to Target's 1999 Stock and Incentive Plan and 155,000 shares of Target Common Stock subject to outstanding Stock Purchase Warrant agreements. Exhibit F sets forth the following information with respect to outstanding Options: (1) the name of each option holder; (2) the number of shares of Target Common Stock to be issued on exercise of Options held by each such holder; (3) the exercise price of such Options; (4) the vesting schedule for such Options, including the extent vested to date; and (5) whether such Options are intended to qualify as incentive stock options as defined in Internal Revenue Code §422, as amended. All issued and outstanding shares have been, and all shares to be issued pursuant to outstanding Options will be, validly issued in full compliance with all federal and state securities laws, fully paid and nonassessable, not subject to preemptive rights created by statute, the articles of incorporation, or the bylaws of Target and issued free

and clear of any similar rights under any agreement to which Target is a party or by which it is bound, and do or will have one voting right per share. Other than as set forth in Exhibit F hereto, there are no outstanding subscriptions, options, rights, warrants, convertible securities, or other agreements or commitments obligating Target to issue or to transfer from treasury any additional shares of its capital stock of any class.

4.6 Financial Statements: Balance Sheet Date. The (i) unaudited balance sheet of Target as of February 29, 2008 (the "Balance Sheet"), and the related unaudited income statements, statements of shareholders' equity, and statements of cash flows of Target for the period then ended (the "Unaudited Financials"), prepared by Grimbleby Coleman, Certified Public Accountants, and (iii) internally prepared financial statements for the period commencing March 1, 2008 through November 30, 2008, copies of which have been delivered by Target to Buyer, are accurate and complete in all material respects and fairly present the financial position of Target as of that date and the results of operations for the periods covered therein and have been prepared on the accounting basis used by the Target for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles. November 30, 2008 is referred to in this Agreement as the "Balance Sheet Date."

4.7 Property. Except as may be disclosed in the schedules to be furnished pursuant to Article 8, and except for the lien for any current taxes or assessments not yet delinquent, Target owns free and clear of any liens, claims, charges, options, or encumbrances all the property reflected on its books at the Balance Sheet Date and all Property acquired since that date, except such Property as has been disposed of in the ordinary course of business consistent with prior practices of Target or with Buyer's written consent. For purposes of this paragraph, a disposition of any single asset (other

than inventories) carried on the books of Target at more than \$1,000 will be considered to be a disposition not in the ordinary course of business.

4.8 Inventory. The inventories of Target reflected on the Balance Sheet, as well as all inventory items acquired since the Balance Sheet Date that are now the property of Target, consist of raw materials, supplies, work in process, and finished goods of such quality and in such quantities as are being used and will be usable or are being sold and will be salable in the ordinary course of the business of Target. These inventories exclude scrap, slow-moving items, and obsolete items and are valued at the lower of cost or market value. Target has continued to replenish these inventories in a normal and customary manner consistent with prudent practice prevailing in the business, and there have not been any material write-downs in the value of, the inventory, and no such write-downs would be required, except for write-downs consistent with those taken in the ordinary course of business consistent with past practice.

4.9 Accounts Receivable. All accounts receivable reflected on the Balance Sheet (and accrued since the Balance Sheet Date) have arisen in the ordinary course of business, constitute valid and enforceable claims of Target, and are free and clear of all liens.

4.10 Interests in Target's Property. Except as disclosed in Schedule 5 furnished pursuant to Article 8 hereof, the Employment Agreements between Target and Terry Mackness and Maureen Flanders, and except for the obligations arising under the terms of this Agreement, no officer, director, or shareholder of Target has any interest in any property, real or personal, tangible or intangible, including copyrights, trademarks, or trade names, used in or pertaining to the business of Target and no such person or any of

his or her family members or affiliates, has any claim against, is party to any contract with, or is entitled to any payment or benefit from, Target.

4.11 Absence of Undisclosed Liabilities. There are no liabilities of Target other than the following:

(i) Liabilities disclosed or provided for in the Balance Sheet, including the notes to the Balance Sheet;

(ii) Liabilities disclosed in the schedules furnished pursuant to Article 8;
or

(iii) Liabilities incurred in the ordinary course of business consistent with the past practice since the Balance Sheet Date, none of which has been materially adverse to the business of Target, and none of which is attributable to any period before the Balance Sheet Date.

4.12 Absence of Specified Changes. Since the Balance Sheet Date there has not been:

(i) any material change in the business, results of operations, assets, financial condition, or manner of conducting the business of Target other than changes in the ordinary course of business consistent with past practice, none of which has had a Material Adverse Effect on the business, results of operations, assets, or financial condition of Target;

(ii) any material damage, destruction, or loss (whether or not covered by insurance) adversely affecting any aspect of the business or operations of Target;

(iii) any direct or indirect redemption or other acquisition by Target of any of Target's shares of capital stock of any class, or any declaration, setting aside, or

payment of any dividend or other distribution of Target's capital stock of any class, other than as set forth in Section 3.3;

(iv) any increase in the compensation, incentive payments, or severance payable or to become payable by Target to any of its officers, employees, or agents, other than compensation increases in the normal increases granted in the ordinary course of business;

(v) any option to purchase, or other right to acquire, stock of any class of Target granted by Target to any person;

(vi) any employment, bonus, severance, change of control, or deferred compensation agreement or arrangement entered into between Target and any of its directors, officers, or other employees or consultants;

(vii) any issuance of capital stock of any class by Target;

(viii) any sale or disposition of a material amount of assets or material interests owned or possessed by Target, other than sales occurring in the ordinary course of business consistent with past practices and prior periods;

(ix) any indebtedness incurred by Target for borrowed money or any commitment to borrow money entered into by Target or any guaranty given by Target;

(x) any cancellation by Target of any material indebtedness owing to Target, or any cancellation or settlement by Target of any material claims against others;

(xi) any change in accounting practices by Target;

(xii) any change in method of accounting with respect to taxes, any change to a tax election, any filing of an amended tax return, any settlement or compromise of any proceeding with respect to any material tax liability;

(xiii) any amendment to Target's articles of incorporation or bylaws; or

(xiv) any agreement or commitment by or on behalf of Target to do or take any of the actions referred to in (i) through (xiii) above.

4.13 Permits, Licenses, and Franchises. Target has obtained all necessary permits, licenses, franchises, and other authorizations and has complied with all laws applicable to the conduct of its business in the manner and in the areas in which business is presently being conducted; and all such permits, licenses, franchises, and authorizations are valid and in full force and effect. Target has not engaged in any activity that would cause revocation or suspension of any such permits, licenses, franchises, or authorizations; no action or proceeding contemplating the revocation or suspension of any of them is pending or threatened; and no approvals or authorizations will be required after the consummation of the Merger to permit Surviving Corporation to continue Target's business as presently conducted.

4.14 Judgments, Decrees, or Orders Restraining Business. Target is not a party to or subject to any judgment, decree, or order entered in any suit or proceeding brought by any governmental agency or by any other person, enjoining Target with respect to any business practice, the acquisition of any property, or the conduct of business in any area.

4.15 Insurance. Exhibit G is a list of all of Target's insurance policies currently in place. All such insurance policies are in full force and effect; all premiums due on such policies have been fully paid; and no notice of cancellation or termination has been received with respect to any policy.

4.16 Labor Disputes. Target is not a party to any collective bargaining agreement or other contract with a labor union. To Target's Knowledge, no work stoppage, strike, lockout, or other labor dispute in respect to Target is pending or threatened, and no application for certification of a collective bargaining agent is pending or threatened.

4.17 Environmental Compliance: Hazardous Materials. As used in this paragraph "Environmental Laws" means any federal, state, local, or foreign laws, statutes, regulations, ordinances, decrees, judgments, or orders and all common law concerning public health or safety, worker health or safety, or pollution or protection of the environment, as the foregoing are enacted or in effect before the Closing Date. As used in this paragraph, "Hazardous Material" means any hazardous or toxic substance, material, or waste that is regulated by any federal authority or by any state or local authority where the substance, material, or waste is located.

Target has complied in all material respects with, and has not been cited for any violation of, Environmental Laws; and no material capital expenditures will be required for compliance with any Environmental Laws as of the Closing Date. Target has not received any written notice, claim, report, or other information regarding any violation or alleged violation of any Environmental Laws. Target has not retained or assumed by contract or operation of law any material liability or obligation of another person under any Environmental Law. To Target's Knowledge, there are no underground storage tanks located on the real properties described in the Schedule 1 to this Agreement in which any Hazardous Material has been or is being stored, nor has there been any spill, disposal, discharge, or release of any Hazardous Material into, upon, or over that real property or into or upon ground or surface water on that real property. To Target's Knowledge, there are no asbestos-containing materials incorporated into the buildings or interior improvements that are part of that real property or into other assets of Target, nor is there any electrical transformer, fluorescent light fixture with ballasts, or other equipment containing PCBs on the real property. All reports, audits, assessments, and other similar documents in possession of Target, if any, relating to any material liability or potential

material liability of Target under any Environmental Law or to any Hazardous Material have been provided to Buyer.

4.18 Disclosure. No representation or warranty by Target in this Agreement and no statement by Target by any executive officer or other persons or contained in any document, certificate, or other writing furnished by or on behalf of Target to Buyer in connection with this transaction contains or will contain any untrue statement of material fact, or omits or will omit to state any material fact necessary to make it not misleading or to fully provide the information required to be provided in the document, certificate, or other writing.

4.19 Powers of Attorney. Target has no powers of attorney outstanding other than those issued in the ordinary course of business with respect to insurance, tax, and customs matters.

4.20 No Violation of Other Instruments. The execution and delivery of this Agreement by Target does not, and the consummation of the Merger by Target will not, (1) violate any provision of Target's articles of incorporation or bylaws; (2) violate any provision of, result in the acceleration of any obligation under, result in a right of termination in another party to, or result in the imposition of any lien or encumbrance on any asset of Target pursuant to the terms of, any note, lien, lease, franchise, license, permit, agreement, instrument, order, arbitration award, judgment, or decree; (3) result in the termination of any agreement, license, franchise, lease, or permit to which Target is a party or by which Target is bound; or (4) violate or conflict with any other restriction of any kind or character to which Target is subject. After Target's shareholders have approved the plan of merger as set forth in this Agreement, Target will take, or will have taken, all actions required by law or by Target's articles of incorporation or bylaws or

otherwise required or necessary to authorize the execution and delivery of this Agreement and to authorize the Merger of Target with Buyer pursuant to this Agreement.

4.21 No Brokers. Target has not incurred, nor will it incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or charges or any similar charges in connection with this Agreement or any transactions contemplated hereby.

4.22 Taxes. All Tax Returns required to be filed by or with respect to the Target have been timely filed, and all such Tax Returns are complete and correct in all material respects. The Target has paid in full all Taxes due and payable, whether or not shown on such Tax Returns. There are no Tax Liens upon any of the assets or properties of the Target, other than with respect to Taxes not yet due and payable. With the exception of a routine sales tax audit to be conducted by the California Franchise Tax Board (which is anticipated to take place on January 27, 2009), no examination or audit of any Tax Return relating to any Taxes of the Target or with respect to any Taxes due from or with respect to the Target by any taxing authority is currently in progress or, to the knowledge of the Target, threatened or contemplated. No assessment of Tax has been proposed in writing against the Target or any of its assets or properties and, with the exception of an anticipated built in gains tax of approximately \$45,000 associated with the disposition of equipment (a shoe mold) in 2008, the Target knows of no grounds for any such assessment. There are no outstanding agreements, waivers or arrangements extending the statutory period of limitation applicable to any claim for, or the period for the collection or assessment of, Taxes due from or with respect to the Target for any taxable period. All Taxes required to be withheld, collected or deposited by or with respect to Target have been timely withheld, collected or deposited as the case may be, and to the extent

required, have been paid to the relevant taxing authority. The Target (A) is not and has never been a member of an affiliated group filing a consolidated federal income Tax Return and (B) does not have any liability for Taxes of any person arising from the application of Treasury Regulation section 1.1502-6 or any analogous provision of state, local or foreign law, or as a transferee or successor, by contract, or otherwise. The Target is currently and has been since March 1, 2008 properly classified and qualified as an "S" corporation under the Code and any applicable state, local, or foreign laws. "Tax" or "Taxes" means all United States federal, state, local or foreign income, profits, estimated, gross receipts, windfall profits, severance, property, intangible property, occupation, production, sales, use, license, excise, emergency excise, franchise, capital gains, capital stock, employment, withholding, transfer, stamp, payroll, goods and services, value added, alternative or add-on minimum tax, or any other tax, custom, duty or governmental fee, or other like assessment or charge of any kind whatsoever, together with any interest, penalties, fines, related liabilities or additions to tax that may become payable in respect thereof imposed by any taxing authority. "Tax Return" shall mean any return, declaration, report or similar statement required to be filed with respect any Taxes (including any attached schedules), including, without limitation, any information return, claim or refund, amended return and declaration of estimated Tax.

ARTICLE 5

BUYER'S REPRESENTATIONS AND WARRANTIES

5.1 Organization and Standing of Buyer. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of California.

5.2 Corporate Power and Action. Buyer's board of directors has duly authorized the execution of this Agreement, and Buyer has the corporate power to execute and

deliver this Agreement and is duly authorized, subject only to the filing of the Agreement of Merger and officer's certificates from Buyer and Target certifying approval of the Agreement of Merger by their shareholders and boards of directors with the Secretary of State of California, to merge Buyer into Target pursuant to this Agreement. This Agreement has been duly executed and delivered by Buyer and, assuming the due authorization, execution, and delivery by Target, constitutes the valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be subject to laws of general application related to bankruptcy, insolvency, and the relief of debtors now or hereafter in effect and rules of law governing specific performance, injunctive relief, or other equitable remedies.

5.3 No Violation of Other Instruments. The execution and delivery of this Agreement by Buyer does not, and the consummation of the Merger will not, (1) violate any provision of the articles of incorporation or bylaws of Buyer; (2) violate any provision of, result in the acceleration of any obligation under, result in a right of termination in another party to, or result in the imposition of any lien or encumbrance on any asset of Buyer under any mortgage, note, lien, lease, franchise, license, permit, agreement, instrument, order, arbitration award, judgment, or decree to which Buyer is a party or by which it is bound; or (4) violate or conflict with any other restriction of any kind or character to which Buyer is subject. After the shareholder(s) of Buyer have approved the Merger, Buyer will take, or will have taken, all actions required by law, its articles of incorporation or bylaws, or otherwise required or necessary to authorize the execution and delivery of this Agreement and to authorize the Merger.

5.4 No Brokers. Buyer has not incurred, and will not incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or charges or any

similar charges in connection with this Agreement or any transactions contemplated hereby.

ARTICLE 6

CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

6.1 Performance of Acts and Undertakings of Target. Each of the material acts and undertakings of Target to be performed on or before the Closing Date pursuant to the terms of this Agreement have been duly performed.

6.2 Certified Resolutions. Target has furnished Buyer with a copy certified by Target's secretary, of (1) a resolution or resolutions duly adopted by Target's board of directors authorizing and approving this Agreement and directing that it be submitted to a vote of Target's shareholders, and (2) a resolution or resolutions adopting this Agreement, duly approved by the holders of at least a majority of the total number of outstanding shares of Target Common Stock.

6.3 Continued Accuracy of Target's Warranties. All the representations and warranties of Target contained in this Agreement and in the schedules furnished pursuant to Article 8 are true in every respect as of the date of this Agreement and materially true as of the Closing Date (except for those representations and warranties that address matters only as of the date of this Agreement or any other particular date, which shall have been true as of such particular date).

6.4 Approvals From Authorities. Buyer has received, or has satisfied itself that it will receive, in form satisfactory to Buyer, all necessary approvals of the transactions contemplated by this Agreement from authorities having any jurisdiction over the business of Target so that Target may continue to carry on its business as presently

conducted after consummation of the Merger; and no such approval has been withdrawn or suspended.

6.5 Consents. All consents of other parties to the notes, leases, franchises, agreements, licenses, and permits of Target necessary to permit consummation of the Merger have been obtained, including but not limited to, the consent of Wells Fargo Bank with respect to Target's existing line of credit.

6.6 Shareholder Approval. At least a majority of the outstanding shares of Target Common Stock have been voted for the approval of the Merger.

6.7 Employment Agreements. Those executives and employees of Target designated by Buyer have entered into employment agreements on terms satisfactory to such executives or employees and their respective counsel and to Buyer and its counsel.

6.8 Filing of Merger Agreement. The Agreement of Merger and officer's certificates from Buyer and Target certifying approval of the Agreement of Merger by their shareholders and boards of directors have been filed in the office of the Secretary of State or other office of each jurisdiction in which such filings are required for the Merger to become effective, or Buyer has satisfied itself as of the Closing Date, that all such filings will be or are capable of being made effective.

6.9 Termination of Outstanding Convertible Securities. All outstanding rights, Options and convertible securities of Target described in Section 3.3 have been acquired by the Trust, and/or terminated, canceled, or otherwise eliminated.

6.10 No Order, Injunction, Restraint, or Proceedings. No government entity shall have enacted, issued, promulgated, enforced, or entered, any statute, rule, regulation, executive order, decree, injunction, or other order (whether temporary, preliminary, or permanent) that is in effect and that has the effect of making the Merger illegal or

otherwise prohibiting consummation of the Merger. No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Merger shall be in effect, nor shall any proceeding brought by an administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, seeking any of the foregoing be pending. There shall not have been instituted by any governmental authority or any third party any material litigation or proceedings against any of the parties to this Agreement in connection with the Merger and the other transactions contemplated by this Agreement.

6.11 Approval of Statement. On or before the Closing Date, Target has delivered to Buyer, in writing, a statement giving Buyer Target's good faith estimate of Target's inventories in its warehouse, pre-paid liabilities, and cash, and the status of Target's accounts receivable and accounts payable, and Buyer, in good faith, is reasonably satisfied with such statement and any explanations thereof accompanying such statement.

ARTICLE 7

CONDITIONS PRECEDENT TO TARGET'S OBLIGATION TO CLOSE

7.1 Performance of Acts and Undertakings by Buyer. Each of Buyer's acts and undertakings to be performed on or before the Closing Date pursuant to this Agreement have been performed.

7.2 Certified Resolutions. Buyer has furnished Target with certified copies of (1) resolutions duly adopted by the board of directors of Buyer authorizing and approving the execution and delivery of this Merger Agreement and authorizing the consummation of the transactions contemplated by this Agreement.

7.3 Continued Accuracy of Buyer's Warranties. The representations and warranties of Buyer contained in this Agreement are true as of the date of this Agreement and as of the Closing Date (except for those representations and warranties that address matters only as of the date of this Agreement or any other particular date, which shall have been true as of such particular date).

7.4 Shareholder Approval. At least a majority of the outstanding shares of Target Common Stock have been voted for the approval of the Merger.

ARTICLE 8

SCHEDULES OF TARGET'S ASSETS AND LIABILITIES

Target will deliver to Buyer the schedules described in Exhibit H (the "Schedules") simultaneously upon the execution of this Agreement. Each such Schedule will have been executed by or on behalf of Target and will be accompanied by a copy of each document referred to in the Schedule.

ARTICLE 9

BUYER'S INVESTIGATION

Before the Closing Date, Buyer may directly or through its representatives make such investigation of the assets and business of Target (including confirmation of its cash, inventories, accounts, accounts receivable, and liabilities, and investigation of its title to and the condition of its property and equipment) as Buyer deems necessary or advisable. The investigation will not affect (1) Target's representations or warranties contained or provided for in this Agreement; (2) Buyer's right to rely on those representations and warranties; or any of the indemnities contained herein in favor of the Buyer, or (3) Buyer's right to terminate this Agreement as provided in this Article 9 and in Article 11. Target will allow Buyer and its representatives full access, at reasonable times after the

date of execution of this Agreement, to its premises and to all the books, records, and assets of Target, and Target's officers will furnish to Buyer such financial and operating data and other information with respect to the business and properties of Target as Buyer from time to time reasonably requests. Buyer agrees not to disclose any confidential information obtained in the course of its investigation or use it for any purposes other than evaluation of Target with respect to the Merger.

ARTICLE 10

SURVIVAL OF REPRESENTATIONS, WARRANTIES, AND INDEMNITIES

10.1 Survival of Representations, Warranties, and Indemnities. The representations, and warranties, included or provided for in this Agreement or in any schedule or certificate or other document delivered pursuant to this Agreement will survive the closing date for a period of one year except for Specified Representations, which shall survive for the applicable statute of limitations. No claim may be made under this Article in respect of any breach of any representation or warranty unless written notice of the claim is given within the applicable survival period. Specified Representations shall mean representations under Sections 4.5 and 4.22.

10.2 Indemnification. Terry Mackness and The Mackness 1997 Revocable Trust, jointly and severally, will indemnify, defend, and hold Buyer harmless, from and against all losses, liabilities, costs, expenses, judgments, assessments, penalties, damages, deficiencies, suits, actions, claims, proceedings, demands, and causes of action, including but not limited to reasonable attorney's fees, court costs, and related expense, that were caused by, arose as a result of, or arose with respect to any of the following:

(a) Any inaccuracy in any representation or warranty, or any breach of any representation or warranty, of Target under this Agreement or any Schedule, certificate, instrument, or other document delivered pursuant to this Agreement;

(b) Any failure of Target duly to perform or observe any term, provision, covenant, or agreement to be performed or observed by Target pursuant to this Agreement, and any Schedule, certificate, agreement, or other document entered into or delivered pursuant to this Agreement; or

(c) Any inaccuracy whatsoever in the Balance Sheet or the estimated built in gains tax for 2008; provided, however, that Buyer will not be indemnified and held harmless pursuant to this Article 10 unless and until the aggregate amount of all such damages, losses and expenses exceed \$150,000, in which event Buyer will be indemnified and held harmless in full for such damages, losses, and expenses in excess of \$150,000 up to the amount of \$500,000, provided that claims arising directly or indirectly from any breach of any Specified Representation shall not be subject to the foregoing deductible or cap. Indemnification claims will first be satisfied by reducing the outstanding principal amount of the Note commencing with the next scheduled principal payments in order of maturity. All claims under this provision for indemnity will be made within the time period and in the manner provided for in Section 10.1.

ARTICLE 11

GROUNDS FOR TERMINATION

11.1 Termination of Agreement. In addition to the termination rights provided for in Article 9, this Agreement and the transactions contemplated under this Agreement

may be terminated at any time before the Effective Time, either before or after the meeting of Target's shareholders:

(a) By mutual written consent of Buyer and Target;

(b) By Buyer if (1) there has been a material misrepresentation or a material breach of warranty in Target's warranties set forth in this Agreement or in any schedule or certificate delivered pursuant to this Agreement, or (2) there has been a material breach of any of Target's covenants or agreements set forth in this Agreement, in the case of each of clauses (1) and (2), which breach is not curable or, if curable, is not cured with five days after written notice of such breach is given by Buyer to Target;

(c) By Target if (1) there has been a material misrepresentation or a material breach of warranty in Buyer's warranties set forth in this Agreement, or (2) there has been a material breach of any of Buyer's covenants or agreements set forth in this Agreement, in the case of each of clauses (1) and (2), which breach is not curable or, if curable, is not cured within five days after written notice of such breach is given by Target to Buyer;

(d) By Buyer or Target if any governmental entity shall have issued an order, decree, or ruling or taken any other action permanently restraining, enjoining, or otherwise prohibiting the Merger and such order, decree, ruling, or other action shall have become final and nonappealable;

(e) By Buyer if there shall be any action taken, or any statute, rule, regulation, or order enacted, promulgated or issued or deemed applicable to the Merger by any governmental entity, which would prohibit or restrict Buyer's ownership or operation of any portion of the business of Target;

(f) By Buyer if it has determined that there has been a Material Adverse Effect on the business, assets, or financial condition of Target whether by reason or changes, developments, or operations in the ordinary course of business or otherwise;

(g) By Target or by Buyer if the Merger shall not have been consummated by January 12, 2009; provided that the party seeking to terminate this Agreement pursuant to this clause (g) has not caused such failure to close by any action or inaction constituting a breach of any of the representations, warranties, covenants, or agreements contained in this Agreement; and

(h) By Target if it has determined that there has been a Material Adverse Effect on the business, assets, or financial condition of Buyer, whether by reason of changes, developments, or operations in the ordinary course of business or otherwise.

11.2 Right to Proceed. In the event that this Agreement is terminated pursuant to Article 9 or Article 11, all further obligations of Buyer and of Target under this Agreement will terminate without further liability of Buyer to Target or Target to Buyer, except for the provisions set forth in Articles 11 and 16, the confidentiality obligations of Buyer under Article 9.

11.3 Return of Target's Documents in Event of Termination. In the event of the termination of this Agreement for any reason, Buyer will return to Target all documents, work papers, and other materials (including copies) relating to the transactions contemplated in this Agreement, whether obtained before or after execution of this Agreement. Buyer will not use any information so obtained for any purpose and will take all practicable steps to have such information kept confidential.

11.4 Attorney Fees and Costs in Event of Termination. In the event of the termination of this Agreement for any reason, each party will bear its own costs and expenses, including attorney fees.

ARTICLE 12

PUBLIC ANNOUNCEMENT

Neither Buyer nor Target, without the consent of the other, will make any public announcement or issue any press release with respect to this Agreement or the transactions contemplated by it, which consent will not be unreasonably withheld, except as may be required by law or by any listing agreement with, or the policies of, a national securities exchange, in which case reasonable efforts will be used to consult with the other party before such announcement or release.

ARTICLE 13

MEETINGS OF TARGET'S SHAREHOLDERS

Target will take all necessary steps to obtain the necessary written consent of its shareholders, or to call a meeting of its shareholders to consider and vote approval of the Merger to be held within two business days from the date of this Agreement. Target's board of directors will recommend to the shareholders that they adopt the plan of merger and approve the terms of this Agreement.

ARTICLE 14

COVENANTS

Between the date of this Agreement and the Closing Date, Target will operate its business only in the ordinary course and in a normal manner consistent with past practice. During this period, Target will not encumber any asset or enter into any transaction or make any commitment relating to its assets or business other than in the ordinary course

of its business (consistent with its prior practices), or take any action that would render inaccurate any representation or warranty contained in this Agreement or would cause a breach of any other covenant under this Agreement, without first obtaining the written consent of Buyer.

ARTICLE 15

GOVERNING LAW; SUCCESSORS AND ASSIGNS; COUNTERPARTS; ENTIRE AGREEMENT

This Agreement (a) will be construed under and in accordance with the laws of the State of California, regardless of laws that might otherwise govern under applicable principles of conflicts of laws thereof; (b) will be binding on and will inure to the benefit of the parties to the Agreement and their respective successors and assigns; (c) may be executed in one or more counterparts, all of which will be considered one and the same Agreement, and will become effective when one or more counterparts will have been signed by each of the parties and delivered to Buyer and Target; and (d) embodies the entire agreement and understanding, superseding all prior agreements and understandings, written or oral, between Target and Buyer relating to the subject matter of this Agreement.

ARTICLE 16

NOTICES

All notices, requests, demands, and other communications under this Agreement will be in writing and will be considered to have been duly given on the date of service if served personally on the party to whom notice is to be given or sent via facsimile (with acknowledgment of complete transmission received), or on the second day after mailing if mailed to the party to whom notice is to be given, by first-class mail, registered or certified, postage prepaid, and properly addressed as follows:

certified, postage prepaid, and properly addressed as follows:

The Original Footwear Company
Attention: Terry Mackness
4213 Technology Drive
Modesto, CA 95356
Facsimile: (209) 545-6014

With a copy to:

Matthew Pacher
Damrell, Nelson, Schrimp, Pallios, Pacher & Silva
1601 I Street, 5th Floor
Modesto, CA 95354
Facsimile: (209) 526-3534

To Buyer at:

Outdoor Gear, Inc.
Attention: Kevin Cole
269 Smith Road
Alamo, CA 94507
Facsimile: (925) 955-1633

With a copy to:

Neil Townsend
Bingham McCutchen LLP
399 Park Avenue
New York, NY 10022-4614

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

ARTICLE 17

RESOLUTION OF DISPUTES

17.1 Definition of Disputes. Except for any claims arising from the Note and the Security Agreement referenced therein, any claim or controversy arising out of or pertaining to, this Agreement ("Dispute") shall be resolved as provided in this Article 17.

The parties agree that no party shall have the right to sue any other party regarding a Dispute except as provided in this Section.

17.2 Negotiation. If a Dispute arises between the parties, they shall use their best efforts for a period of at least thirty (30) days to resolve the Dispute by negotiation. To commence the Dispute resolution process, either party shall serve written notice on the other party specifically identifying the Dispute and requesting that efforts at resolving the Dispute begin.

17.3 Mediation. In the event the parties are unable to resolve the Dispute by negotiation, the parties shall participate in mediation administered by Judicial Arbitration and Mediation Services ("JAMS") pursuant to its comprehensive Arbitration Rules and Procedures. Either party may commence mediation by providing the other party a written request for mediation, setting forth the subject of the Dispute and the relief requested. The parties will cooperate and act in good faith with JAMS and with one another in selecting a mediator from JAMS' panel of neutrals, and in scheduling the mediation process. If the parties are unable to agree upon the selection of the mediator within thirty days of receipt of the written request for mediation, then Terry Mackness shall have the final right to designate the mediator.

17.4 Litigation. If the parties do not accept the arbitrator's award, either party may initiate litigation in court as set forth hereafter. Each party hereto hereby consents and agrees that the state court located in Stanislaus County, California shall have exclusive jurisdiction to hear and determine any claims or disputes pertaining to this Merger Agreement or any of the other agreements or to any matter arising out of or related to this Merger Agreement; provided, that each party hereto acknowledges that any appeals from such court may have to be heard by a court located outside of Stanislaus

County, California; and further provided, that nothing in this Merger Agreement shall be deemed or operate to preclude the Trust from bringing suit or taking other legal action in any other jurisdiction to collect the obligations under the Note and the Security Agreement, or to enforce a judgment or other court order in favor of the Trust. Each party hereto expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each party hereto hereby waives any objection which such person may have based upon lack of personal jurisdiction, improper venue or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court.

ARTICLE 18

AMENDMENTS

This Agreement may be amended only by the written agreement of all parties; provided, however, that if amended after the meeting of the shareholders of Target referred to in Article 13, the terms regarding the per-share price of Target's stock contained in Section 3.2(a) will not be amended without the further approval of Target's shareholders as required by law.

In witness whereof, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officers, all as of the day and year first above written.

The Original Footwear Company,
a California corporation

By: Maureen Flanders
Maureen Flanders,
Secretary

By: Terry Mackness
Terry Mackness,
President

Outdoor Gear, Inc.,
a California corporation

By: Mary Lou Cole
Mary Lou Cole,
Secretary

By: Kevin Cole
Kevin Cole,
President

Terry Mackness
Terry Mackness, in his individual capacity
with respect to Section 10.2

The Mackness 1997 Revocable Trust,
with respect to Section 10.2

By: Terry Mackness
Terry Mackness,
Trustee

By: Judith Mackness
Judith Mackness,
Trustee

EXHIBIT C

PROMISSORY NOTE

PROMISSORY NOTE

\$4,500,000

Date: January 12, 2009

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to Terry Mackness, as Trustee of The Mackness 1997 Revocable Trust ("Holder"), or order, at 4213 Technology Drive, Modesto, California, 95356 or at such other place as Holder may designate in writing, the principal sum of Four Million Five Hundred Thousand Dollars (\$4,500,000), together with interest on the principal balance from time to time remaining unpaid which shall commence to accrue from the date hereof until paid at the rate of five percent (5%) per annum. Principal and interest shall be payable in lawful money of the United States of America, in installments as follows:

(A) Principal and interest payments in the amount of Forty Seven Thousand Seven Hundred Twenty Nine Dollars and Forty Eight Cents (\$47,729.48) per month, shall be payable on the 12th day of the month in arrears beginning on February 12, 2009 through January 12, 2011;

(B) A principal only payment of One Million Five Hundred Thousand Dollars (\$1,500,000) on January 12, 2011; and

(C) Principal and interest payments in the amount of Sixty Eight Thousand Thirty Seven Dollars and Sixty Nine Cents (\$68,037.69) per month payable on the 12th day of the month in arrears beginning on February 12, 2011 with final payment due on January 12, 2013.

1. This Note is secured by all of the assets of Borrower pursuant to that certain Security Agreement dated as of even date with the date hereof. The Security Agreement contains provisions for the acceleration of the maturity of this Promissory Note (the "Note").

TRADEMARK

REEL: 004058 FRAME: 0844

2. Borrower may prepay some or all the principal under this Note at any time without penalty or premium.

3. Holder acknowledges that under Article 10 of that certain Agreement and Plan of Merger between Holder and Borrower of even date herewith, the principal balance of this Note may be reduced pursuant to the indemnification provisions set forth therein.

4. If any of the following "Events of Default" occur and are continuing, at the Holder's option and immediately upon notice by Holder, all sums of principal and interest under this Note shall become due and payable, without any further notice, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character.

(a) Borrower shall fail to pay when due any principal, interest, or other amounts payable under this Note which is not remedied within ninety (90) days after written notice thereof to Borrower by Holder.

(b) An Event of Default as defined in the Security Agreement occurs and is not cured or waived by Holder as provided therein.

5. Upon the occurrence and during the continuance of any Event of Default, Holder shall have the remedies described in Section 4 above as well as those set forth in the Security Agreement.

6. If any lawsuit, arbitration, or reference is commenced which arises out of or relates to this Note or the Security Agreement, the prevailing party shall be entitled to recover from each other party such sums as the court, arbitrator, or referee may adjudge to be reasonable attorneys' fees in the action or reference, in addition to costs and expenses otherwise allowed by law.

7. This Note is governed by the laws of the State of California.

8. If Holder delays in exercising or fails to exercise any of its rights under this Note, that delay or failure shall not constitute a waiver of any of Holder's rights, or of any breach, default or failure of condition under this Note. No waiver by Holder of any of its rights, or of any of its rights, or of any such breach, default or failure of condition shall be effective, unless the waiver is expressly stated in a writing signed by Holder. All of Holder's remedies in connection with this Note or under applicable law shall be cumulative, and Holder's exercise of any one or more of those remedies shall not constitute an election of remedies.

9. This Note inures to and binds the heirs, legal representatives, successors and assigns of Borrower and Holder; provided, however, that Borrower may not assign this Note or assign or delegate any of its rights or obligations, without the prior written consent of Holder in each instance.

IN WITNESS WHEREOF, Borrower has caused this Note to be executed as of the day first hereinabove written. Prior to signing this Note, Borrower has read and understood all the provisions of this Note and agrees thereto.

Borrower:

THE ORIGINAL FOOTWEAR COMPANY
a California corporation

By: _____

Kevin Cole

Its: Chairman of the Board

Mail Address:

4213 Technology Drive
Modesto, CA 95356

EXHIBIT D

LETTER OF TRANSMITTAL TO
THE ORIGINAL FOOTWEAR COMPANY'S SHAREHOLDER

January 12, 2009

Kevin Cole
Chairman of the Board
The Original Footwear Company
4213 Technology Drive
Modesto, CA 95356

Re: *Return of Common Stock Certificate*

Mr. Cole:

The undersigned is the holder of record of following described certificate representing shares of common stock of The Original Footwear Company:

<u>Name & Address of Registered Shareholder</u>	<u>Certificate Number</u>	<u>Number of Shares</u>
The Mackness 1997 Revocable Trust	6	1,385,000

The undersigned encloses with this letter of transmittal the above described certificate, to be exchanged for the cash, Promissory Note in the principal amount of \$4,500,000, Security Agreements, Continuing Guaranty and related documents (the "Documents") that the undersigned is entitled to under the Agreement and Plan of Merger dated January 12, 2009 ("Merger Agreement") by and between Outdoor Gear, Inc. ("Buyer") and The Original Footwear Company ("Target"). It is understood that the above-described Documents will be delivered, and One Million Five Hundred Thousand Dollars (\$1,500,000) in cash will be paid to the undersigned shareholder upon surrender of the above described certificate.

By executing this letter of transmittal, the undersigned represents that they (1) have read the Merger Agreement; (2) understand, consent to, and agree to be bound by the terms and conditions of the Merger Agreement; and (3) have the legal authority to convey and transfer the shares of common stock listed above.

In payment for the above-listed shares of common stock of The Original Footwear Company, please issue a check to Terry Mackness and Judith Mackness, Trustees of The Mackness 1997 Revocable Trust and deliver it to the undersigned at the address set forth below:

Name: Terry Mackness
4213 Technology Drive
Modesto, CA 95356

Taxpayer Identification Number:

The Mackness 1997 Revocable Trust

Date:

Terry Mackness,
Trustee

Judith Mackness,
Trustee

EXHIBIT E

LIST OF HOLDERS OF TARGET'S CAPITAL STOCK

The following is a list of (a) the names and most recent addresses of the beneficial and record holders of shares of capital stock of The Original Footwear Company, and (b) the number and type of shares of capital stock held by each such holder:

<u>Name and Address</u>	<u>Number of Shares</u>	<u>Type of Capital Stock Held</u>
The Mackness 1997 Revocable Trust 4213 Technology Drive Modesto, CA 95356	1,385,000	Common Stock

EXHIBIT F

LIST OF HOLDERS OF TARGET CAPITAL STOCK OPTIONS

The following is a list of (a) the name of each holder of options to purchase capital stock of The Original Footwear Company, (b) the number and type of shares of capital stock to be issued on exercise of Options held by each such holder, (c) the exercise price of such Options, (d) the vesting schedule for such Options, and (e) whether such Options are intended to qualify as an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended:

OPTIONS UNDER 1999 STOCK AND INCENTIVE PLAN

Awardee/Warrant Holder	Total No. Shares of Common Stock Subject to Option	Exercise Price Per Share	Shares Vested	Total Outstanding
Maureen Faye Flanders	20,000	\$1.00	20,000*	20,000
Maureen Faye Flanders	30,000	\$2.00	30,000*	30,000
Shannon Earle	5,000	\$4.50	5,000*	5,000
Richard Kohl	3,000	\$4.50	3,000*	3,000
Mikael Rudolfsen	25,000	\$2.50	25,000*	25,000

OUTSTANDING STOCK WARRANTS

Laurance S. Dempsey 1988 Rev. Trust	35,000	\$1.072	35,000	35,000
The Beebe Family Trust UID 2/28/96	100,000	\$1.072	100,000	100,000
Samuel Mackness	20,000	\$1.00	20,000	20,000

*These shares are intended to qualify as incentive stock options as defined in Section 422 of the Internal Revenue Code of 1986, as amended; All outstanding Options and Warrants are fully vested.

EXHIBIT G

LIST OF THE ORIGINAL FOOTWEAR
COMPANY'S INSURANCE POLICIES

Insurance Information:

<u>Type</u>	<u>Carrier</u>	<u>Rep</u>	<u>Phone#</u>	<u>Renewal Date</u>	<u>Acct#</u>
Premier Business Owners Policy	Allied Insurance	Karen Harbeck DiBuduo & Defendis	577-2775 578-1841-fax	2/15/09	ACP BPW7802580660
Commercial Umbrella Liability	Nationwide Mutual				ACPCAA7802580660
Business Auto Policy					ACPPBA7802580660
Business Liability	Continental Insurance Company			3/12/09	ACP7802580660
Ocean Freight	Allied Insurance				OC0711169
Inland Marine	Allied Insurance				ACPCIM7812580660
Equipment/forklift					
Worker's Comp	Zurich North America	Karen Harbeck DiBuduo & Defendis	577-2775	5/26/08	MO17910383-001-00001
Life Insurance	Prudential Financial	Karen Harbeck DiBuduo & Defendis	577-2775	6/1/08	Terry#7612012
Medical Insurance	Blue Shield	Renee	557-2754	6/08	Group#605791
Dental Insurance	Premier Access	Renee	557-2754	5/08	Group #516
ERISA(401K)	Travelers	Karen		6/08	#105142435

Surety Bond-Container coverage:

International Fidelity Insurance Co. US Intermodal 7/08 Bond#:9907Q3264

EXHIBIT H

LIST OF SCHEDULES TO BE DELIVERED TO BUYER

- Schedule 1: Schedule of Real Property of The Original Footwear Company
- Schedule 2: Schedule of Tangible Personal Property of The Original Footwear Company
- Schedule 3: Schedule of Intellectual Property of The Original Footwear Company
- Schedule 4: Schedule of Litigation of The Original Footwear Company
- Schedule 5: Schedule of Contracts of The Original Footwear Company
- Schedule 6: Schedule of Taxes of The Original Footwear Company
- Schedule 7: Schedule of Government Reports of The Original Footwear Company
- Schedule 8: Schedule of Employee Benefit Plans of The Original Footwear Company
- Schedule 9: Schedule of Current Employees Names, Current Salaries, Accrued Vacation, Accrued Sick Time, and Bonus Structures of The Original Footwear Company

OFFICERS' CERTIFICATE OF APPROVAL
OF AGREEMENT AND PLAN OF MERGER


Terry Mackness and Maureen Flanders certify the following:

1. They are the President and Secretary, respectively, of THE ORIGINAL FOOTWEAR COMPANY, a California corporation.
2. The Agreement and Plan of Merger in the form attached was duly approved by the board of directors and shareholders of the corporation.
3. The shareholder approval was by the holders of 100% of the outstanding shares of the corporation.
4. There is only one class of shares and the number of shares outstanding entitled to vote on the merger is 1,623,000.

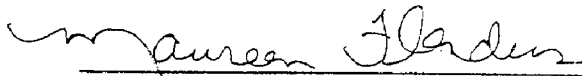
We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date:

1/12/09



Terry Mackness
President



Maureen Flanders
Secretary

TRADEMARK

REEL: 004058 FRAME: 0856

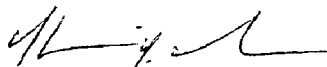
OFFICERS' CERTIFICATE OF APPROVAL
OF AGREEMENT AND PLAN OF MERGER

Kevin D. Cole and Mary Lou Cole certify the following:

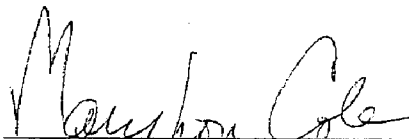
1. They are the President and Secretary, respectively, of Outdoor Gear, Inc., a California corporation.
2. The agreement of merger in the form attached was duly approved by the board of directors and shareholders of the corporation.
3. The total number of outstanding shares of the corporation is 1,000,000. The number of shares voted in favor of the agreement of merger equaled or exceeded the vote required. The number of shares of common stock required to approve the agreement of merger was more than 50 percent.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: January 9, 2009



Kevin D. Cole
President



Mary Lou Cole
Secretary

