

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM310341

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Spirit Activewear Inc.		04/13/2007	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Jake Ptasznik		
Street Address:	18627 Rocoso Place		
City:	Tarzana		
State/Country:	CALIFORNIA		
Postal Code:	91356		
Entity Type:	INDIVIDUAL: UNITED STATES		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	3200974	S SPIRIT	
CORRESPONDENCE DATA			
Fax Number:	4087208383		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	310-207-3800		
Email:	alexis_karriker@bstz.com		
Correspondent Name:	BLAKELY SOKOLOFF TAYLOR & ZAFMAN		
Address Line 1:	1279 Oakmead Parkway		
Address Line 4:	Sunnyvale, CALIFORNIA 94085-4040		
ATTORNEY DOCKET NUMBER:	009509.T004		
NAME OF SUBMITTER:	eric S. Hyman		
SIGNATURE:	/eric s hyman/		
DATE SIGNED:	07/10/2014		
Total Attachments: 5			
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MAIMAN KELLER & LOCK

Mergers & Acquisitions team for T.R.G.-The Real Estate Group, Inc

18757 Burbank Blvd. Suite 129 - Tarzana, CA 91356

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Date: 4/13/2007

Purchase Agreement for: Business Assets X

INTRODUCTION: This is an offer and an agreement to buy and sell business assets that supersedes all previous offers or agreements.

1. DEFINITIONS: The following definitions and designations shall apply regardless of number or gender:

BUSINESS:
SPIRIT ACTIVEWEAR INC.
648 MATEO STREET
LOS ANGELES, CA 90021

BUYER:
JAKE PTASZNIK AS ASSIGNEE FOR CORPORATION
18627 ROCOSO PLACE
TARZANA, CA 91356

SELLER:
LARRY DASALLA AND SPIRIT ACTIVEWEAR INC.

BUYER'S BROKER:
MAIMAN KELLER & LOCK
18757 BURBANK BLVD. SUITE 129
TARZANA, CA 91356

SELLER'S BROKER:
SM REALTORS
815 E. COLORADO ST. SUITE 250
GLENDALE, CA 91205

AGENT'S NAME: MIKE MAIMAN

AGENT'S NAME: GINALIN TAN

COP: Change of possession of business assets or stock from Seller to Buyer (as checked above).

CLOSING OR COE: Close of escrow.

2. SALE OF BUSINESS ASSETS: Seller agrees to sell the business assets to Buyer and Buyer agrees to buy the business assets from Seller for the price and on the terms and conditions set forth below.

3. ASSETS: This sale shall include all the assets of the business including but not limited to any equipment, machinery, trade fixtures, leaseholds, leasehold improvements, contract rights, business records (with Seller retaining a reasonable right of inspection), licenses and permits, franchises, goodwill, intellectual property, graphic designs, clothing designs, logos, trade marks, copyrights and patents, software, internet domain names, URL names, e-mails, and web sites, covenant not to compete, consulting, trade secrets, trade names, telephone numbers, supplies, work in progress and inventory. It shall not include accounts receivable, accounts payable, bank accounts, deposits, cash, and does not include Leasehold assets which are defined as anything that would be deemed "Real Property" and excludes any Furniture, Fixtures or Equipment (FF&E) that is required to operate this business on a day to day basis. All FF&E will be listed in an inventory for Buyers approval prior to Buyer approving Due Diligence. With regard to financial records, Buyer shall store the records at Spirit for 120 days and have a right to make copies prior to Seller removing financial records).

4. PURCHASE PRICE: The purchase price shall be the sum of [REDACTED] and shall be payable as follows:

a. [REDACTED] deposited by Buyer upon signing this agreement as part of the down payment. Broker is authorized to:

hold deposit check uncashed until escrow is opened

b. [REDACTED] balance of down payment to be deposited in escrow the day before closing (Estimated closing costs will also be deposited)

c. [REDACTED] total down payment

d. [REDACTED] NOTE to the Seller in the form of a non-negotiable note in customary form with right of offset, payable to Seller 4 months after close of escrow, plus 7% per annum interest, and secured by a CD or Government/Municipal Bonds or Notes or A rated Corporate Bonds.

e. [REDACTED] NOTE to the Seller, which shall be adjusted up or down according to the value of the physical inventory at close of escrow, in the form of a non-negotiable note in customary form with right of offset, payable to Seller in equal monthly installments, including 7.25% per annum interest, computed from COP, so as to fully amortize over 36 months, but fully payable at the end of the 18th month. Payments to begin one month from COP, secured by a security agreement on the assets of the business as described by the Seller, with the right to prepay without penalty. Seller agrees to subordinate this note, to Buyer's Bank or Factor financing. If Buyer is a corporation or other entity, the owners shall personally guarantee the obligations to the Seller under this agreement.

Buyer

Buyer

Seller

Seller

5. INVENTORY:

The purchase price shall include good, sellable or usable Inventory of [REDACTED]. Inventory shall include Fabrics, Trims, and Raw Materials. Finished Garments and Work In Process, and Consumable Supplies. Cost shall mean the actual price paid per invoices, plus only direct labor costs, and contractor costs associated with the manufacture of the garments. If the actual inventory varies from that figure, [REDACTED] the purchase price and any note to the Seller will be adjusted accordingly. Any unusable or unsellable inventory defined as inventory that cannot be used or cannot be sold up to 12 months after Close of Escrow at the cost price paid by Buyer will allow Buyer to offset the difference between the price paid and the price goods are sold for against the Notes (Item 4d & 4e above).
 Notwithstanding the above, the inventory shall not exceed [REDACTED] and the Buyer can reject any part of the inventory over that amount.

The inventory count shall be made within 2 days prior to COE:

by Buyer and Seller. Seller shall provide and pay for his staff to physically count the inventory and calculate the value. Buyer shall provide at Buyers cost his own representatives to check the physical count and valuation. Seller and Buyer will agree prior to opening escrow on the manner and format of the Inventory count and Valuation. Inventory List & Valuation to be provided to Escrow prior to COE.

6. PURCHASE PRICE ALLOCATION: Buyer and Seller shall allocate the purchase price among the assets to be purchased before COE, as follows: Assets [REDACTED]. Goodwill [REDACTED]. Non-Compete [REDACTED]. Inventory [REDACTED] (or final actual number).

7. CONDITIONS: This agreement is subject to the following conditions:

- a. Buyer's inspection of and reasonable satisfaction with the assets, financial and other records, contracts, leases of the business as more fully described below under Diligence Items, and Seller's Disclosure Statement (see paragraph 17 & Addendum Item#1) which shall promptly be made available for Buyer's inspection.
- b. Seller's reasonable satisfaction with the Buyer's qualifications to purchase and operate business successfully, written verification of Buyer's funds to cover the down payment, Buyer's creditworthiness and Buyer's Disclosure Statement (see paragraph 17). Adequate information shall promptly be made available to Seller.

For conditions 7a and 7b above, Buyer's and Seller's satisfaction shall be upon the signing of a Statement of Conditions Removal. Conditions removal shall take place within ten (10) business days from the time Seller provides Buyer the diligence items requested by Buyer (see Addendum), unless contrary written notice is given to the other party's Broker or this Agreement automatically becomes null and void. Upon execution of both the Buyer's and Seller's Statement of Conditions Removal, Broker will open escrow.

c. Buyer requires a new Lease from the new Landlord at 644-648 S. Mateo St., L.A., CA 90021, subject to Close of Escrow, for purchase of SPIRIT ACTIVEWEAR, within three (3) business days of signing this Agreement with Seller for a period of 18 months with rent of no more than [REDACTED] Gross per month with one Option for an additional 18 month period at Market.

8. ESCROW: The purchase price and closing adjustments shall be paid through an escrow to be established with CELEBRITY ESCROW, the escrow holder. Separate escrow instructions may be signed to define the duties of the parties and the escrow holder. All parties shall cooperate with the escrow holder in performing any acts and completing any papers necessary to complete this transaction. The Brokers are a party to the escrow as to the payment of any sales commissions and an irrevocable assignee of the sale proceeds to the extent of such commissions.


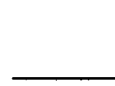

9. REPRESENTATIONS & WARRANTIES: Seller and its owners acknowledge and represent as follows, except as otherwise set forth herein:

- a. Seller is operating the business in compliance with all applicable laws and contracts. This compliance will not be violated by this sale and the business will pass all applicable inspections upon COP.
- b. There are no claims or investigations pending which would affect the business or assets being sold.
- c. All leases and contracts relevant to the ownership and operation of the business are complete and in effect, and there are no undisclosed amendments.
- d. All the financial information and statements furnished to Buyer are complete, accurate, prepared in a manner consistent with prior statements, and fairly present the financial condition of the business as of the dates stated on them. THE ATTACHED FINANCIAL STATEMENTS FOR 2006 THAT SHOW NET SALES OF [REDACTED], AND SELLERS DISCRETIONARY (unadjusted) CASH FLOW OF [REDACTED] ARE EXPRESSELEY WARRANTED AS ACCURATE AND SELLER ACKNOWLEDGES THAT BUYER HAS RELIED ON THESE NUMBERS TO MAKE HIS OFFER TO PURCHASE. SELLER WILL PROVIDE FINACIAL STATEMENT FOR 1ST QUARTER 2007 WITHIN 3 DAYS OF SIGNING THIS AGREEMENT.
- e. Since the date of the last financial statements furnished, there have been no material adverse changes in the aggregate in the assets, liabilities, EMPLOYEES, revenues, expenses, or any other items shown on such statements.
- f. All assets currently used in the business are owned by Seller free from liens and encumbrances, will be paid off at COE or will be assumed by Buyer, and they are in good and operable condition. ANY ASSETS THAT HAVE BEEN USED IN THE BUSINESS IN THE LAST 18 MONTHS, THAT ARE EXCLUDED FROM THE SALE, ARE LISTED IN THE ADDENDUM.
- g. SELLER REPRESENTS AND WARRANTS THAT ANY CHANGES, TO ALL ITEMS LISTED ABOVE, AND ANY CHANGES OF WHATEVER NATURE, NOT LISTED ABOVE, KNOWN OR SUSPECTED, THAT ARE OR MAY BE NEGATIVE TO THE BUSINESS, OR THE BUYERS PURCHASE OF THE BUSINESS, FOR PRIOR TO 2007, FOR 2007, AND DURING BUYERS DILIGENCE AND ESCROW PERIOD, SHALL BE DISCLOSED TO THE BUYER IMMEDIATLEY.





Seller warrants that these representations are true, shall be true as of COE, and shall survive COE for a period of 12 months with the exception of Fraud which shall be unlimited. Seller shall indemnify and hold Buyer and Broker harmless from any damage resultting from their falsity, except to the extent such damage results from any action or inaction of Buyer. Seller's liability for such indemnification shall be capped at 100% of the purchase price set forth in Section 4 above with the exception of Fraud which remains uncapped. Buyer shall indemnify and hold Seller harmless from any damage resulting from the operation of the business following COP, except to the extent such damage results from any action or inaction of Seller.

10. CONTINUITY: Pending COE, the Seller shall continue to operate the business in the usual way, protect its assets and goodwill, allow the Buyer to make, FREQUENT AND ANY inspections, and maintain good relations with suppliers, customers, and employees.

11. TAXES and EXPENSES:

 _____ Buyer
 _____ Buyer
 _____ Seller
_____ Seller

- a. Utilities, personal property taxes, other taxes, insurance, rent, payroll, vacation pay, and other expenses of the business not otherwise provided for in this agreement shall be prorated to COP. Buyer shall reimburse Seller at COE for facility lease deposits and other miscellaneous deposits transferred to Buyer.
- b. Except as otherwise noted in this agreement, each party shall pay when due all operating costs incurred while that party is in possession and hold the other party harmless therefrom.
- c. Any license or franchise annual fees shall not be prorated and Buyer shall pay any franchise training costs, transfer or issue fees for permits and licenses required.
- d. The Buyer and Seller shall pay equally all transfer costs and escrow fees. Each party shall pay its own accountants, attorneys, and other advisors.
- e. The Buyer shall pay at COE any sales tax assessed on the sale of the business assets.
- f. Seller shall hold Buyer harmless from any liability to the California Employment Development Department, the California Franchise Tax Board or the California Board of Equalization arising from the operation of the business prior to COP. Prior to the receipt by the escrow holder of releases of transferee liability from these agencies, the Buyer shall be protected from the possible imposition of transferee liability by a reserve to be approved by Buyer and retained in escrow until such releases are obtained.
12. MISCELLANEOUS LEASES, ETC.: The Seller shall transfer to Buyer the following contracts used in the operation of the business, and the Buyer shall assume obligation for them.
- | | |
|--|---|
| <input type="checkbox"/> Alarm system lease or maintenance agreement | <input type="checkbox"/> Other equipment lease(s) or purchase contract(s) |
| <input type="checkbox"/> Telephone system lease or purchase contract | <input type="checkbox"/> Equipment or software maintenance agreement(s) |
| <input type="checkbox"/> Vehicle lease(s) or purchase contract(s) | <input type="checkbox"/> Music service contract |
| <input type="checkbox"/> Vending machine contract(s) | <input type="checkbox"/> Advertising contract(s), including Yellow Pages |
| <input type="checkbox"/> Other: | |
13. CLOSING DATE: The estimated date for COE is June 1st, 2007 Buyer and Seller shall make their best efforts to complete COE on or before that date.
14. BROKER: Buyer acknowledges that Broker has furnished to Buyer financial and other information obtained from Seller and other sources, the accuracy and completeness of which have not been verified by Broker. By signing this agreement, Buyer is acknowledging that he is relying solely on his own inspection of the business, its assets, financial statements, business records, contracts, any assumed liabilities, operational history, future profitability and the representations by the Seller, and not by the Broker. Seller acknowledges that Broker has made no representations concerning the Buyer's creditworthiness or ability to complete this transaction or to successfully operate the business by signing this agreement, Seller is acknowledging that he is relying solely on his own investigation of the creditworthiness and business qualifications of Buyer and not on Broker. Should any representations of Seller or Buyer be untrue, Buyer and Seller agree to look solely to each other for relief and shall release, hold harmless, indemnify, and defend the Broker from any claims. For purposes of this paragraph and this Agreement, the term BROKER shall include both Buyer's Broker and Seller's Broker, and all its agents, representatives, and/or employees.
15. TRAINING: Seller shall train Buyer in the operation of the business for a period of 12 consecutive weeks from COE, for AS NECESSARY, BUT NOT TO EXCEED 15 hours per week, without additional cost to Buyer. SELLER SHALL CONSULT WITH BUYER ON DESIGN AND BUSINESS MATTERS FOR A FURTHER 3 MONTHS, BY PHONE, EMAILS, OR FAXES, AT NO MORE THAN FIVE HOURS PER MONTH and THEREAFTER SHALL BE PAID \$100 PER HOUR. After this period Seller will be available on an as needed basis for no more than an additional 6 months.
16. COVENANT NOT TO COMPETE: Seller shall not directly or indirectly carry on a similar business within THE USA OR CANADA, attempt to hire any existing employees of the business, solicit any customers of the business nor assist anyone else except the Buyer to do so within these limits; nor have any interest, directly or indirectly, in such business, except as an employee of the Buyer, for a period of 5 YEARS consecutive years from COP. This covenant shall become an asset of the business and may be transferred as part of any future sale of the business.
17. SELLER'S AND BUYER'S DISCLOSURE STATEMENTS:
- a. Seller's Disclosure Statement
- Buyer has received and read the completed Seller's Disclosure Statement OR
- Seller shall provide to Buyer the completed Seller's Disclosure Statement within three days after acceptance.
- b. Buyer's Disclosure Statement:
- Seller has received and read the completed Buyer's Disclosure Statement OR
- Buyer shall provide to Seller the completed Buyer's Disclosure Statement within three days after acceptance.
18. MEDIATION OF DISPUTES: Buyer, Seller and all Brokers and agents involved in this transaction agree to and shall mediate any dispute or claim between them arising out of this contract or any resulting transaction. The mediation shall be held prior to any court action or arbitration. The mediation shall be confidential and in accordance with the California Evidence Code §1152.5. In the event the parties are not able to agree on a mediator within thirty days of the first party seeking mediation, the presiding judge of the Superior Court of the county in which the business is located shall have jurisdiction to appoint a mediator. In the event the mediator determines that a second mediation session is necessary, it shall be conducted in accordance with this paragraph. Should the prevailing party attempt an arbitration or a court action before attempting mediation, the prevailing party shall not be entitled to attorney fees that might otherwise be available to it in a court action or arbitration, and in addition thereto, the party who is determined by the arbitrator to have resisted mediation may be sanctioned by the arbitrator or judge. Mediation fees, if any, shall be divided equally among the parties to the disputes. The following matters are excluded from mediation hereunder: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a security agreement or deed of trust, (b) an unlawful detainer action, (c) injunctive relief to enforce paragraph 16, (d) any matter which is within the jurisdiction of a probate or small claims court, or (e) an action for bodily injury or wrongful death, or for latent or patent defect to which Code of Civil Procedure §337.1 or §337.15 applies. Participation by Broker(s) or agent(s) in mediation shall not make them a party to this agreement.

Buyer Buyer Seller Seller

**AMENDMENT / ADDENDUM TO
OFFER TO PURCHASE**



The following amendments and addenda are hereby made to the attached Offer To Purchase,

Dated 4/13/07 on the business known as: **SPIRIT ACTIVEWEAR:**

FROM : Jake Plasznik, BUYER TO: Larry Dasalla, SELLER

SUBJECT TO THE FOLLOWING:

1. DILIGENCE:
 - a. SELLER WILL PROVIDE BUYER WITH THE FOLLOWING ITEMS WITHIN 3 DAYS OF SIGNING THIS AGREEMENT:
 - a1) 5 YEARS Tax returns & Financial Statements.
 - a2) 3 YEARS plus YTD Monthly Financial Statements, Bank Statements, Quarterly Payroll Reports and other items to be determined.
 - b. Seller will allow Buyer to conduct his due diligence at Spirit Activewear and will enable access to the following:
 - b1) All Reports, Systems and Files at Spirit.
 - b2) 2007 Daily, Weekly and Monthly reports (to be determined) and receive updates until close of escrow.
 - b3) Any legal matters, insurance claims or adjustments or any other agreements.
 - b4) "Interview" Sales Reps. Customers and Employees.
2. An agreement to handle customer payments, check exchange, returns, chargeback's, and markdowns for Sales prior to close of escrow received after COE.
3. Seller agrees to pay all vendors, creditors and sales reps, within the sooner of 30 days of Close Of Escrow or when normally due, if not paid prior to close of escrow.
4. Seller will change it's corporate name and allow Buyer to use Spirit Activewear Inc.
5. A list of all assets included to be attached.
6. A list of all assets specifically excluded that had been used or are being used in the business within the last 18 months.
7. 3 YEARS TAX RETURNS AND FINACIAL STATEMENTS (BALANCE SHEETS AND INCOME STATEMENTS) AND A CPA COMPILED BALANCE SHEET AND INCOME STATEMENT FOR YEAR END 2006 (WHICH SHALL BE CONSISTENT WITH 2006 TAX RETURNS TO FORM PART OF THIS AGREEMENT) And FINACIAL STATEMENTS REFERED TO IN 9(d).
8. Notwithstanding anything to the contrary contained in this Amendment/Addendum to offer to purchase or elsewhere in this purchase agreement, Buyer shall allow the following current employees, namely, Jeannie Dasalla and Ray Regalado, to devote sufficient time to settle any and all outstanding Accounts Receivables and Accounts Payable issues relating to Seller's ownership and operations of the business. Seller anticipates these matters to be completed within 60 to 90 days after COE. Seller shall reimburse Buyers total payroll costs for Jeannie and Ray's time spent on Sellers affairs after the first 30 days (first 30 days is at Buyers expense).
9. Regarding licensing agreement with Canadian Licensee (Stephen Bell of "4387287 Canada Inc") for 6.5% royalty on Gross Sales, Buyer is aware that Seller has a verbal, non-binding, agreement with Maria Razopoulos, Spirit Designer, and Ray Regalado, Administrative Liason with Canada, for 2% compensation out of this 6.5% royalty. Seller has agreed to compensate these two employees out of his own funds for the balance of the year 2007.
10. Current Oak Street software used in the business operations has no maintenance plan.
11. Buyer and Seller agree that upon opening of Escrow for this transaction that Buyer will be located on-site at SPIRIT full time.

Receipt of copy of this agreement is acknowledged.

Date: 4.13.07

[Signature]
Purchaser
JAKE PLASZNIK

[Signature] 04/13/2007
Purchaser Date
Broker's Agent

Date: 4.13.07

[Signature]
Seller

[Signature]
Seller
Date

Form 10 Maiman Keller & Lock
Rev. 02/23/2006

[Signature]
Buyer Buyer Seller Seller