SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 19, 1994

V.F. CORPORATION

(Exact name of registrant as specified in charter)

Pennsylvania	1-5256	23-1180120
(State or other jurisdiction of incorporation)	(Commission File Number	(IRS Employer I.D. No.)

1047 North Park Road, Wyomissing, PA 19610

(Address of principal executive offices)

Registrant's telephone number, including area code: (215) 378-1151

N/A

(Former name or former address, if changed since last report)

Item 1. Changes in Control of the Registrant.

Not Applicable

Item 2. Acquisition or Disposition of Assets.

On January 19, 1994, Spice Acquisition Co., a Florida corporation and a wholly owned subsidiary of Registrant ("Spice"), accepted the tender of 17,630,419 shares, constituting approximately 95% of the outstanding shares, of the Common Stock, par value $0.01 per share, of Nutmeg Industries, Inc., a Florida corporation ("Nutmeg"), pursuant to its Offer to Purchase dated December 17, 1993 (the "Offer").

The tender offer was for $17.50 per share, net to the seller in cash. The Offer was made pursuant to an Agreement and Plan of Merger, dated as of December 12, 1993, among the Registrant, Spice and Nutmeg (as amended, the "Merger Agreement"). On January 28, 1994, in accordance with the Merger Agreement and Florida law, a short-form merger was completed, pursuant to which each outstanding share of Nutmeg not owned by the Registrant, Spice or any other subsidiary of the Registrant was converted into and represents solely the right to receive $17.50 per share, net to the stockholder in cash.

The total amount of funds required to purchase Nutmeg's shares pursuant to the Offer, to retire outstanding debt of Nutmeg and to pay related fees and expenses was $352.0 million.

The Registrant committed to provide these funds to Spice as either equity contributions or loans. The Registrant obtained such funds from its existing revolving credit facility ($92 million) pursuant to that certain Credit Agreement dated as of October 21, 1993, among the Registrant, certain financial institutions listed therein (the "Lenders") and Morgan Guaranty Trust Company of New York, as Agent, proceeds of Short-Term Notes (as defined herein) ($114.5 million), borrowings from Wachovia Bank of North Carolina, N.A. ($131.1 million), and cash on hand ($14.6 million). The Lenders

are The Fuji Bank, Limited; P.N.C. Bank, National Association; Crestar Bank, and Societe Generale.

The Registrant also financed a portion of the purchase price from the proceeds of short-term notes issued in transactions exempt from registration under the Securities Act of 1933, as amended ("Short-Term Notes"). Short-Term Notes were issued pursuant to a December 15, 1993 agreement between the Registrant and Goldman Sachs Money Markets, L.P. Short-Term Notes have a maturity not in excess of 270 days from the date of issuance and have interest rates determined by market conditions at the time of issue.

Nutmeg's assets consist of cash, accounts receivable, inventories and property, plant and equipment. These assets are utilized in the design and production of high quality licensed adult sports apparel under licenses granted by the four major American professional sports leagues (Major League Baseball, the National Basketball Association, the National Football League, and the National Hockey League) and most major American colleges and universities. The Registrant intends to continue the business previously operated by Nutmeg.

The amount of consideration paid under the Offer was determined by negotiation between and among representatives of the Registrant and Nutmeg.

No material relationship existed between Nutmeg and the Registrant or any of its affiliates, any director or officer of the Registrant, or any associate of any such director or officer.

The acquisition of Nutmeg was preceded by an acquisition on January 4, 1994 of H.H. Cutler Company ("Cutler"). Pursuant to a Stock Purchase Agreement dated October 12, 1993 between the Registrant and the shareholders of H.H. Cutler Company, a Michigan corporation (the "Sellers"), the Registrant acquired all of the issued and outstanding shares of capital stock of Cutler, which consisted of one hundred ninety-six thousand eight hundred (196,800) shares of common stock, one dollar ($1.00) par value per share, ninety-eight thousand four hundred (98,400) shares of voting preferred stock, ten dollars ($10.00) par value per share, and four hundred ninety-two thousand (492,000) shares of non-voting preferred stock, ten dollars ($10.00), par value per share (collectively, the "Stock").

Cutler's assets consist of cash, accounts receivable, inventories and property, plant and equipment. These assets are utilized in the manufacturing and marketing of licensed brand name youthwear. Cutler is the largest youthwear apparel licensee of Walt Disney products and the exclusive licensee of Fisher-Price kidswear in the United States. Cutler's sports licenses include the National Football League, Major League Baseball, the National Basketball Association, the National Hockey League, the World Cup

and most major American colleges and universities. Registrant intends to continue the business previously operated by Cutler.

The aggregate consideration paid for the acquisition of the Stock was $158.3 million. This amount includes assumed debt in the amount of $5.2 million. The aggregate consideration paid was funded with cash on hand ($132.1 million) and proceeds of Short-Term Notes ($21 million).

The amount of consideration paid for the acquisition of the Stock was determined by negotiation between and among representatives of the Registrant and Sellers.

No material relationship existed between Cutler and the Registrant or any of its affiliates, any director or officer of the Registrant, or any associate of any such director or officer.

Item 3. Bankruptcy or Receivership.

Not Applicable

Item 4. Changes in Registrant's Certifying Accountant.

Not Applicable

Item 5. Other Events.

Not Applicable

Item 6. Resignations of Registrant's Directors.

Not Applicable

Item 7. Financial Statements and Exhibits.

(a) Financial statements of business acquired.

It is impracticable at the time of the filing of this Current Report to provide the required financial statements for Nutmeg Industries, Inc. Accordingly, the Registrant will file the required financial statements under cover of an Amendment to this Current Report on Form 8-K as soon as practicable, but in any event, not later than 60 days after the date on which this Current Report must be filed with the Commission.

It is impracticable at the time of the filing of this Current Report to provide the required financial statements for H.H. Cutler Company. Accordingly, the Registrant will file the required financial statements under cover of an Amendment to this Current Report on Form 8-K as soon as practicable, but in any event, not later than 60 days after the date on which this Current Report must be filed with the Commission.

(b) Pro forma financial information.

It is impracticable at the time of the filing of this Current Report for the Registrant to provide the pro forma financial information required by Regulation S-X. Accordingly, the Registrant will file the required pro forma financial information under cover of an Amendment to this Current Report on Form 8-K as soon as practicable, but in any event, not later than 60 days after this Current Report must be filed with the Commission.

(c) Exhibits.

2.1 Stock Purchase Agreement dated October 12, 1993, by and among V.F. Corporation and the Shareholders of H.H. Cutler Company.

2.2 Offer to Purchase, dated December 17, 1993, of all the outstanding shares of Common Stock of Nutmeg Industries, Inc. by Spice Acquisition Co., a wholly owned subsidiary of V.F. Corporation.

2.3 Agreement and Plan of Merger, dated December 12, 1993, among Nutmeg Industries, Inc., V.F. Corporation and Spice Acquisition Co.

2.4 Amendment No. 1, dated January 27, 1994, to Agreement and Plan of Merger among Nutmeg Industries, Inc., V.F. Corporation and Spice Acquisition Co.

Item 8. Change in Fiscal Year.

Not Applicable

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Form 8-K to be signed on its behalf by the undersigned, thereunto duly authorized.

V.F. CORPORATION

By: /s/ Gerard G. Johnson

Gerard G. Johnson
Vice President - Finance and
Chief Financial Officer

EXHIBIT 2.1

STOCK PURCHASE AGREEMENT

concerning the stock of

H. H. CUTLER COMPANY

by and among

V.F. CORPORATION

as Buyer

and

THE SHAREHOLDERS OF
H. H. CUTLER COMPANY

as Sellers

October 12, 1993

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made as of the 12th day of October, 1993, by and among V.F. CORPORATION, a Pennsylvania corporation ("Buyer"), and each of the shareholders of H. H. Cutler Company, a Michigan corporation, as identified on Exhibit A to this Agreement (collectively, "Sellers").

PREAMBLE

Sellers own collectively, beneficially and of record, all of the issued and outstanding shares of capital stock of H. H. Cutler Company, a Michigan corporation (the "Company"). Buyer desires to purchase from Sellers, and Sellers desire to sell to Buyer, all of the issued and outstanding shares of capital stock of the Company in accordance with the terms and subject to the conditions set forth in this Agreement.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1

SALE AND PURCHASE OF STOCK

Section 1.1. Agreement to Sell and Purchase Stock. On the terms and

subject to the conditions of this Agreement, Sellers agree to sell to Buyer and Buyer agrees to purchase from Sellers all of the outstanding shares of capital stock of the Company, which consist of one hundred ninety-six thousand eight hundred (196,800) shares of common stock, One Dollar ($1) par value per share, ninety-eight thousand four hundred (98,400) shares of voting preferred stock, Ten Dollars ($10) par value per share, and four hundred ninety-two thousand (492,000) shares of non-voting preferred stock, Ten Dollars ($10) par value per share (collectively, the "Stock").

Section 1.2. Purchase Price; Payment. The purchase price to be paid by Buyer to Sellers for the Stock shall be One Hundred and Three Million Four Hundred Fifty Thousand Dollars ($103,450,000), plus the Income (as defined in Section 1.3 below) (the "Purchase Price") and shall be paid at Closing by wire transfer of immediately available funds. The Purchase Price shall be allocated among Sellers as set forth on Exhibit A. In addition, Buyer will assume up to Thirty Million Dollars ($30,000,000) in interest-bearing indebtedness, plus any additional funded indebtedness incurred by the Company to enable it to discharge its obligations set forth in Sections 5.5 and 5.6 below, and Buyer shall contribute to the Company at the Closing additional paid-in capital or otherwise make resources available to the Company sufficient to enable the Company to discharge on the Closing Date such additional indebtedness and to enable the Company to discharge its obligations under Sections 5.5 and 5.6 below to the extent not discharged prior to the Closing Date.

Section 1.3. Bank Deposit. Upon the execution of this Agreement by Buyer, Buyer shall deposit into escrow with a bank selected by it the sum of Forty Million Dollars ($40,000,000), which amount shall be invested in bank certificates of deposit, short-term obligations of the United States Government or any other similar legal investment provided that it is promptly convertible into cash. All interest or income earned thereon ("Income") shall be paid to Sellers by Buyer on the Closing Date as part of the Purchase Price. Sellers shall only receive the Income upon the Closing of the transactions contemplated by this Agreement. If the transactions contemplated by this Agreement are not consummated, Buyer shall be entitled to terminate the referenced escrow account and receive the Income (without limiting any other rights which Sellers may have under this Agreement).

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers, jointly and severally, represent and warrant to Buyer as follows:

Section 2.1. Disclosure Schedule. Sellers have delivered or caused to be delivered to Buyer, prior to the execution of this Agreement, disclosure schedules and documents relating thereto, which include the numbered schedules specifically referred to in this Agreement and which are attached hereto (collectively, the "Disclosure Schedule"). The information contained in the Disclosure Schedule is complete and accurate in all material respects and all documents that are attached to the Disclosure Schedule are complete and accurate copies of the genuine original documents they purport to represent as in effect on the date hereof. Capitalized terms used in the Disclosure Schedule and not otherwise defined therein have the meanings ascribed such terms in this Agreement.

Section 2.2. Organization and Standing of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Michigan. The Company has all requisite corporate power and authority to own, lease and operate the properties now owned or leased by it and to carry on its business as presently conducted. The Company is duly qualified to do business as a foreign corporation in each of the jurisdictions identified on Schedule 1 of the Disclosure Schedule, and to the best of Sellers' knowledge the Company is not required to qualify to do business in any other jurisdiction, except where the failure to so qualify has not had and would not reasonably be expected to have an effect on the business of the Company or any of its Subsidiaries that is or is reasonably likely to be materially adverse to the business, operations, properties (including intangible properties), prospects, condition (financial or otherwise), assets or liabilities of the Company and its Subsidiaries taken as a whole (a "Material Adverse Effect"). A certified copy of the Company's Articles of Incorporation and Bylaws are attached to Schedule 1 of the Disclosure Schedule.

Section 2.3. Capitalization of the Company. The duly authorized capital stock of the Company consists of two hundred thousand (200,000) shares of common stock, One Dollar ($1) par value per share, one hundred thousand (100,000) shares of voting preferred stock, Ten Dollars ($10) par value per share, and five hundred thousand (500,000) shares of non-voting preferred stock, Ten Dollars ($10) par value per share, of which only the Stock is issued and outstanding.

There are no other classes or series of capital stock of the Company. The Stock is duly and validly authorized and issued, fully paid and nonassessable and has not been issued in violation of any Law or any charter or other provision regarding pre-emptive, anti-dilution or similar rights of shareholders. There are no outstanding subscriptions, options, rights, warrants, puts, calls or other agreements or commitments of any type (a) obligating any Seller or the Company to issue, sell or transfer any shares of capital stock of the Company, any securities convertible into shares of capital stock of the Company, or any other rights to acquire capital stock of the Company; (b) obligating any Seller or the Company to grant, offer or enter into any of the foregoing; or (c) except as disclosed on Schedule 1 of the Disclosure Schedule, relating to the voting or control of any shares of capital stock of the Company.

Section 2.4. Subsidiaries of the Company; Other Ventures. Each business entity in which the Company owns a fifty percent (50%) or greater equity interest (a "Subsidiary") is identified on Schedule 2 of the Disclosure Schedule. Except as disclosed on Schedule 2 of the Disclosure Schedule, the Company does not currently have any ownership interest in any other business entity and is not a member of any partnership or joint venture. Neither the Company, any Subsidiary nor any Seller has the ability, individually or collectively, to either (a) elect a majority of the Board of Directors of any entity in which the Company owns less than fifty percent (50%) equity interest (a "Non-Subsidiary") or (b) control, through ownership, contract or otherwise, the management of the business or operations of any Non-Subsidiary other than as disclosed on Schedule 2.

Section 2.5. Organization and Standing of the Subsidiaries. Each Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, as identified on Schedule 2 of the Disclosure Schedule. Each Subsidiary has all requisite corporate power and authority to own, lease and operate the properties now owned or leased by it and to carry on its business as presently conducted. Each Subsidiary is duly qualified to do business as a foreign corporation in each of the jurisdictions identified on Schedule 2 of the Disclosure Schedule, and except as disclosed on Schedule 2 of the Disclosure Schedule, the Subsidiaries are not required to qualify to do business in any other jurisdiction, except where the failure to so qualify has not had and would not reasonably be expected to have a Material Adverse Effect. A certified copy of each Subsidiaries' document of incorporation and Bylaws are attached to Schedule 2 of the Disclosure Schedule.

Section 2.6. Capitalization of the Subsidiaries. The duly authorized capital stock of each Subsidiary and the number of shares of capital stock issued and outstanding for each Subsidiary is set forth on Schedule 2 of the Disclosure Schedule (the "Subsidiaries' Stock"). There are no other classes or series of shares of capital stock of the Subsidiaries. The Subsidiaries' Stock is duly and validly authorized and issued, fully paid and nonassessable and has not been issued in violation of any Law or any charter or other provision regarding preemptive, anti-dilution or similar rights of shareholders. There are no outstanding subscriptions, options, rights, warrants, puts, calls, registration or other agreements or commitments of any type (a) obligating the Company or any Subsidiary to issue, sell or transfer any shares of capital stock of any Subsidiary, any securities convertible into shares of capital stock of any Subsidiary, or any other rights to acquire shares of

capital stock of any Subsidiary; (b) obligating the Company or any Subsidiary to grant, offer or enter into any of the foregoing; or (c) except as disclosed on Schedule 2 of the Disclosure Schedule, relating to the voting or control of any shares of capital stock of any Subsidiary owned by the Company.

Section 2.7. Ownership of the Stock and the Subsidiaries' Stock.

(a) Sellers own collectively, beneficially and of record, and have valid title to all of the Stock, free and clear of any and all transfer restrictions, Liens, rights of third parties or other adverse claims of any nature whatsoever (collectively, "Restrictions"). The number and class of shares of Stock owned by each Seller is set forth on Exhibit A to this Agreement.

(b) The Company owns, beneficially and of record, and has valid title to all of the Subsidiaries' Stock reflected as owned by it on Schedule 2 of the Disclosure Schedule, free and clear of all Restrictions.

Section 2.8. Authorization and Enforceability. Each Seller has the full and unrestricted legal right, power and authority to enter into this Agreement and the Related Documents to which he, she or it is a party, to carry out the transactions contemplated hereby and thereby, to perform the obligations hereunder and thereunder, and to sell, assign, transfer and deliver the Stock to Buyer free and clear of all Restrictions. All necessary and appropriate action

has been taken by Sellers with respect to the execution and delivery of this Agreement and each of the Related Documents and the performance of their respective obligations hereunder and thereunder. Except with respect to expiration of the Hart-Scott-Rodino waiting period, no authorization, consent or approval of, or filing with, any third party or Governmental Authority is necessary for the consummation by Sellers of the transactions contemplated by this Agreement or any Related Document. The execution and delivery of this Agreement and the Related Documents and the consummation of the contemplated transactions by Sellers will not (a) result in the breach of any of the terms or conditions of or constitute a default under the Articles of Incorporation or the By-Laws of the Company, (b) violate any Law or any order, writ, injunction or decree of any Governmental Authority, (c) except as disclosed on Schedule 3 of the Disclosure Schedule, conflict with or constitute a default under any agreement or commitment that is binding upon any Seller or the Company, which conflict or default would have a Material Adverse Effect, or (d) except as disclosed on Schedule 3 of the Disclosure Schedule, result in the acceleration of any indebtedness of the Company. This Agreement constitutes a valid and binding obligation of Sellers, enforceable against each of them in accordance with its terms.

Section 2.9. Financial Statements. Copies of the audited consolidated financial statements for the Company and its Subsidiaries as of and for the fiscal years ended December 31, 1992, 1991 and 1990 are attached to Schedule 4 of the Disclosure Schedule (collectively, the "Audited Financial Statements"). The Audited Financial Statements are accompanied by the opinion of Deloitte & Touche to the effect that such financial statements present fairly, in all material respects, the financial position of the Company and its Subsidiaries as of the dates indicated and the

results of their operations and cash flows for the periods then ended in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis (except as otherwise stated in the Audited Financial Statements, including the related notes). Also attached to Schedule 4 of the Disclosure Schedule are copies of the consolidated balance sheet and income statement of the Company and its Subsidiaries as of and for the 8-month period ended August 31, 1993, prepared internally by the Company (the "Interim Financial Statements"). The Interim Financial Statements have been prepared in accordance with the Company's standard accounting practices with respect to interim financial statements which conform to the practices employed in preparing the Audited Financial Statements except as described on Schedule 4 of the Disclosure Schedule. For purposes of this Agreement, the Audited Financial Statements and the Interim Financial Statements shall be deemed to include any notes and schedules thereto.

Section 2.10. Taxes. Except as disclosed on Schedule 5 of the Disclosure Schedule, all (a) federal, state, local or foreign tax returns (collectively, the "Returns") required to be filed with respect to the properties, assets, operations, income, net worth and franchises of the Company or any Subsidiary have been timely filed or appropriate extensions have been obtained and such Returns are true, correct and complete; (b) taxes and governmental charges, including, without limitation, any interest and penalties (collectively, "Taxes") due pursuant to such Returns have been paid or adequate provision therefor has been made on the Audited Financial Statements or Interim Financial Statements; and (c) federal, state, local and foreign withholdings required with respect to the business of the Company or any Subsidiary have been withheld and timely paid over to the appropriate Governmental Authority. The federal income tax returns of the Company and each Subsidiary of the Company (including any consolidated income tax returns of any affiliated group of which the Company or any such Subsidiary may have been a member) have been audited by the Internal Revenue Service (or closed by applicable statutes of limitation) and all liabilities in respect thereof have been finally determined for all taxable years prior to and including the taxable year ended December 31, 1990. Schedule 5 of the Disclosure Schedule sets forth for each subsequent taxable year the current status of any examination being conducted by the Internal Revenue Service or any other taxing authority relating to the Company or any such Subsidiary. Notwithstanding the foregoing, no representation or warranty is made with respect to the Company's entitlement to any claimed tax refund or the amount of any claimed tax refund which the Company may ultimately receive. Except as disclosed on Schedule 5 of the Disclosure Schedule, there are no outstanding agreements or waivers extending the statutory period of limitation concerning any tax liability of the Company or any Subsidiary, no examination of any Return of the Company or any Subsidiary is currently in progress and no Governmental Authority has, within the last three (3) years, notified the Company, any Subsidiary or Sellers of any tax claim, investigation or proceeding.

Section 2.11. Absence of Undisclosed Liabilities. Neither the Company nor any Subsidiary has any liabilities, whether currently due, accrued, contingent or otherwise (collectively, "Liabilities") of a nature required under GAAP to be booked on financial statements (other than as disclosed on Schedule 4

of the Disclosure Schedule with respect to the differences between the Interim Financial Statements and the Audited Financial Statements with regard to the recording of liabilities or in Schedule 6 of the Disclosure Schedule with respect to Heavy Hitters, Inc.) and except for the following:

(a) Liabilities fully and adequately reflected or reserved against in the Audited Financial Statements or Interim Financial Statements or relating to the transactions contemplated by this Agreement; or

(b) Liabilities incurred in the ordinary course of business since December 31, 1992 which individually or in the aggregate have not had and would not reasonably be expected to have a Material Adverse Effect.

Section 2.12. Absence of Certain Changes or Events. Except as disclosed on Schedule 6 of the Disclosure Schedule, since August 31, 1993:

(a) other than economic conditions affecting the Company, its Subsidiaries and their competitors generally, there has been no material adverse change or development in the business of the Company and its Subsidiaries taken as a whole;

(b) the Company and its Subsidiaries have each been operating in the ordinary course and there has been no material change in accounting methods, principles or practices used by the Company or any Subsidiary;

(c) neither the Company nor any Subsidiary has incurred any material indebtedness for borrowed money or been delinquent in the payment of any material indebtedness (excluding intercompany indebtedness), except to the extent the same was being contested in good faith;

(d) neither the Company nor any Subsidiary has sold, transferred or subjected to any Lien, any tangible or intangible asset material to the operation of its business, other than inventory in the ordinary and normal course and miscellaneous items of machinery, equipment and other assets no longer necessary to the operation of its business;

(e) there has been no substantial damage, destruction or loss to any material asset of the Company or any Subsidiary necessary to the operation of its business (whether or not covered by insurance);

(f) the Company has not (i) declared or made any payment or distribution of property or cash on or with respect to the Stock, or purchased or redeemed any shares of its capital stock, or (ii) made any loans to any of its officers, directors or shareholders, or any Affiliate thereof (excluding intercompany loans);

(g) the Company and its Subsidiaries have not increased the rate or terms of compensation payable or to become payable by the Company or its Subsidiaries to its directors, officers or key employees, except increases occurring in the ordinary course of business in accordance with their customary practices (which shall include normal periodic performance reviews and related compensation and benefit increases);

(h) there has been no revaluation by the Company or any of its Subsidiaries of any of their assets, including, without limitation, writing down the value of inventory or writing off notes or accounts receivables other than in the ordinary course of business; and

(i) there has been no authorization, approval, agreement or commitment to do any of the foregoing.

Section 2.13. Employees; Benefit Plans.

(a) The Company and its Subsidiaries (collectively) currently employ a total of approximately 3,400 full-time employees and 150 part-time employees. Schedule 7 of the Disclosure Schedule sets forth a list of the names, addresses and total compensation of all directors and officers of the Company and each Subsidiary, and each other employee of the Company or any Subsidiary who, as of December 31, 1992, received or accrued (or on an annualized basis would receive or accrue) total compensation of One Hundred Thousand Dollars ($100,000) or more in respect of the current fiscal year.

(b) Schedule 7 of the Disclosure Schedule identifies all "employee benefit plans" (as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and programs, including,

without limitation, any pension plans, health and welfare plans, life, disability, medical, dental or hospitalization insurance plans, sick-leave, vacation accrual or holiday plans, bonus, savings, profit-sharing or other similar benefit plans, deferred compensation, stock option, stock ownership and stock purchase plans covering employees or former employees of the Company or the Subsidiaries. Except as disclosed on Schedule 7 of the Disclosure Schedule, to the best of Sellers' knowledge each such plan or program has been operated substantially in accordance with its terms and, to the extent applicable, ERISA and the Internal Revenue Code of 1986, as amended (the "Code"). Neither the Company nor any Subsidiary sponsors or contributes to, nor have they ever sponsored or been required to contribute to, any "multiemployer plan" as such term is defined in Section 3(37) of ERISA.

(c) Except as disclosed on Schedule 7 of the Disclosure Schedule, neither the Company nor any Subsidiary has any written Contracts or, to the best of Sellers' knowledge, oral Contracts, including any employment, management, agency or consulting Contracts, with respect to any of its current or retired employees.

(d) Neither the Company nor, except as disclosed on Schedule 7 of the Disclosure Schedule, any Subsidiary is a party to any collective bargaining agreement and there are no union organizational activities or efforts to effect a representation election pending or, to the best of Sellers' knowledge, threatened.

(e) To the best of Sellers' knowledge, the Company and its Subsidiaries have complied in all material respects with all applicable Laws relating to the employment of labor, including the provisions thereof relating to benefits required to be provided under

Part 6 of Subtitle B of Title I of ERISA or Section 4980B(f) of the Code (collectively, "COBRA"), wages, hours, working conditions, employee benefit plans and the payment of withholding and social security taxes.

Section 2.14. Owned and Leased Real Property. Descriptions of all real property in which the Company or any Subsidiary holds any interest (including a leasehold interest) (the "Real Property") are included in Schedule 8 of the Disclosure Schedule. The Company or the applicable Subsidiary has good and marketable title to all Real Property reflected on Schedule 8 of the Disclosure Schedule as owned by it, owned free and clear of all Liens except for Liens of record. All leases, subleases and other agreements under which the Company or any Subsidiary is the lessee of any Real Property material to the operation of its business (a) are in full force and effect and (b) grant the leasehold estates they purport to grant, free and clear of all Liens except for Liens of record. Neither the Company nor any Subsidiary is in default under any of the foregoing leases and, to the best of Sellers' knowledge, no other party thereto is in default under any such lease, except in either instance for defaults which have not had and would not reasonably be expected to have a Material Adverse Effect.

Section 2.15. Owned and Leased Personal Property. Schedule 9 of the Disclosure Schedule identifies all material personal property (the "Personal Property") owned by the Company or its Subsidiaries having a current book value in excess of Two Hundred Fifty Thousand Dollars ($250,000), all of which is owned free and clear of all Liens except for Liens of record. Except as identified on Schedule 9 of the Disclosure Schedule, neither the Company nor any Subsidiary is a party to any personal property lease with lease payments during the remaining term of the lease in excess of One Hundred Thousand Dollars ($100,000). All leases, subleases and other agreements under which the Company or any Subsidiary is the lessee of any Personal Property material to the operation of its business are in full force and effect. Neither the Company nor any Subsidiary is in default under any of the foregoing leases and, to the best of Sellers' knowledge, no other party thereto is in default under any such lease, except in either instance for defaults which have not had and would not reasonably be expected to have a Material Adverse Effect. To the best of Sellers' knowledge, the Personal Property material to the operation of the business of the Company and its Subsidiaries is in reasonably good operating condition, reasonable wear and tear excepted.

Section 2.16. Intangible Property. Schedule 10 of the Disclosure Schedule sets forth a complete list or description of all patents, trademarks, trade names, service marks, service names, copyrights and applications therefor (collectively "Intangible Property") owned by or licensed to the Company or its Subsidiaries. Except as disclosed on Schedule 10 of the Disclosure Schedule, to the best of Sellers' knowledge neither the Company nor its Subsidiaries have infringed, misappropriated or misused any Intangible Property owned by another nor is any other person infringing, misappropriating, or misusing any Intangible Property owned by the Company or its Subsidiaries. Except as disclosed on Schedule 10 of the Disclosure Schedule, the Company has not granted, or

obligated itself to grant, any outstanding licenses or other rights in or to any of the Intangible Property owned by or licensed to the Company or its Subsidiaries.

Section 2.17. Litigation. Except as disclosed on Schedule 11 of the Disclosure Schedule, there is no claim, suit, investigation, action, inquiry, review or proceeding pending or, to the best of Sellers' knowledge, threatened against the Company or any Subsidiary which (a) affects the validity of this Agreement or any of the Related Documents or which could prevent or delay the transactions contemplated hereunder or (b) could reasonably be expected to have a Material Adverse Effect. Except as disclosed on Schedule 11 of the Disclosure Schedule, neither the Company nor any Subsidiary is subject to any judicial injunction or mandate or any administrative order.

Section 2.18. Contracts. Schedule 12 of the Disclosure Schedule sets forth all existing contracts, agreements, understandings, franchises, commitments, production or distribution agreements, agency or sales agreements, purchase or sales orders, leases, licenses, mortgages, notes, bonds, indentures, loans or other instruments which are material to the business with the Company and its Subsidiaries taken as a whole and which are not terminable by the Company or a Subsidiary (as applicable) without liability, premium or penalty on one hundred eighty (180) days' notice or less (collectively, the "Contracts"):

(a) calling for aggregate payments by the Company or its Subsidiaries of more than One Hundred Thousand Dollars ($100,000);

(b) providing for the future purchase by the Company or a Subsidiary of any materials, equipment, services or supplies continuing for a period of more than twelve (12) months from the date of such Contract (including any renewal period) at a price materially in excess of current market prices or normal operating requirements of the Company or its Subsidiaries;

(c) involving any of the following: (i) any borrowings of money or guarantees, (ii) Contracts entered into other than in the ordinary course of business and providing for indemnification or responsibility for the obligations or losses of any Person; or (iii) Contracts with any shareholder, director or other Affiliate of the Company or any Subsidiary (other than Contracts between the Company and a Subsidiary);

(d) containing covenants limiting the freedom of the Company or any Subsidiary to compete in any line of business or with any person or in any geographical area; or

(e) relating to the acquisition by the Company or any Subsidiary of the capital stock of any other person, firm or corporation or granting the Company or any Subsidiary an option to purchase of any asset, tangible or intangible, of any other person, firm or corporation.

To the best of Sellers' knowledge, all Contracts set forth on Schedule 12 of the Disclosure Schedule are in full force and effect and constitute legal, valid and binding obligations of the Company or a Subsidiary (as applicable). Except as specifically disclosed on Schedule 12 of the Disclosure Schedule, neither the Company, its Subsidiaries nor, to the best of Sellers' knowledge, any other

party is in default under any Contract listed on Schedule 12 of the Disclosure Schedule, except for technical or immaterial defaults which have not had and would not reasonably be expected to have a Material Adverse Effect.

Section 2.19. Insurance. Schedule 13 of the Disclosure Schedule contains a list of all policies of liability, environmental, crime, fidelity, life, fire, workers' compensation, health, director and officer liability and all other forms of insurance currently owned or held by the Company or a Subsidiary, and identifies for each such policy, to the extent such information is reasonably available to the Company, the underwriter, policy number, coverage type, premium, expiration date and deductible. All of the insurance policies listed on Schedule 13 of the Disclosure Schedule are outstanding and in full force and effect and all premiums with respect to such policies are currently paid.

Section 2.20. Bank Accounts. Schedule 14 of the Disclosure Schedule contains a list of all bank accounts maintained by, or for the benefit of, the Company or its Subsidiaries.

Section 2.21. Permits and Licenses: Compliance with Law and Other Regulations. All permits, licenses, operating certificates, orders and approvals of any Governmental Authority necessary for the operation of the

business of the Company or its Subsidiaries as presently conducted are in full force and effect, except where the failure to obtain such permits, licenses or approvals has not and would not reasonably be expected to have a Material Adverse Effect. Sellers make no representation with respect to, and shall not be responsible for, any failure of the Company or its Subsidiaries to have any required permits, licenses, operating certificates, orders or approvals for any period following the Closing Date, and Buyer shall be solely responsible therefor. Except as disclosed on Schedule 15 of the Disclosure Schedule, the Company and each of its Subsidiaries is (a) in compliance with all applicable Laws relating to its properties, assets and business, except where the failure to comply has not had and would not reasonably be expected to have a Material Adverse Effect and (b) not presently subject to, nor, to the best of Sellers' knowledge has it been threatened with, any material fine, penalty, liability or disability as the result of a failure to comply with any such Law.

Section 2.22. Customers and Suppliers. Set forth on Schedule 16 of the Disclosure Schedule is a list of the ten (10) largest customers and suppliers of the Company and its Subsidiaries (collectively) based on the dollar volume of sales or purchases for fiscal year 1992. No such customer or supplier has terminated or, to the best of Sellers' knowledge, is presently threatening to terminate its relationship with the Company or its Subsidiaries.

Section 2.23. Brokers' Fees. No broker, finder or other person or entity acting in a similar capacity has participated on behalf of Sellers or the Company in connection with the transactions contemplated by this Agreement, except for Kurt Salmon Associates, Inc. ("KSA"), whose fees, together with expenses of professionals advising Sellers, shall be paid as set forth in Section 11.9. Except for such obligations to KSA, neither Sellers, the Company nor its Subsidiaries have incurred any liability for brokers' fees, finders' fees, agents' commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated hereby.

Section 2.24. Environmental Compliance. To the best of Sellers' knowledge, except as set forth in Schedule 17 of the Disclosure Schedule, or in the Phase I Surveys (the "Phase I Surveys") prepared by the Company's environmental consultants and included as part of Schedule 17 of the Disclosure Schedule (herein collectively called the "Environmental Disclosures"), the Company and its Subsidiaries are currently and at all times in the past have operated in material compliance with all applicable federal, state, local and foreign laws, rules and regulations relating to environmental protection and conservation, and the Company and its Subsidiaries have not received any notification of any asserted present or past failure to so comply with such laws, rules or regulations which has not been resolved or complied with in all material respects. To the best of Sellers' knowledge, except as set forth in the Environmental Disclosures, the Company and its Subsidiaries have obtained and are in material compliance with all permits, licenses and other authorizations required under federal, state, local or foreign laws relating to pollution or protection of the environmental, including laws relating to the emissions, discharges, releases or threatened releases of pollutants, contaminants, or hazardous substances, materials or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, or handling of pollutants, contaminants or hazardous substances, materials or wastes (collectively, "Environmental Requirements"). There are no pending applications for any such permits, licenses or authorizations. No lien has attached to and, to the best of Sellers' knowledge, no basis exists for the attachment of a lien pursuant to Environmental Requirements to any revenues or any Real or Personal Property owned by the Company or its Subsidiaries. To the best of Sellers' knowledge, except as set forth in the Environmental Disclosures, the Company and its Subsidiaries have taken all actions required under applicable federal, state, local or foreign laws, rules or regulations to register, test, replace or remove any underground storage tanks. Except as set forth in the Environmental Disclosures, Sellers do not have knowledge of any circumstances which may interfere with or prevent continued compliance, or which may give rise to any liability, or otherwise form a basis of any claim under Environmental Requirements relating to the operation of the Company and its Subsidiaries. Except as set forth in the Environmental Disclosures, Sellers do not know of any material violations of any environmental laws in connection with the disposal of any pollutants, contaminant, or hazardous substances, material or waste. To the best of Sellers' knowledge, except as set forth in the Environmental Disclosures, the Company and its Subsidiaries currently are not producing, using, storing, handling, transporting or disposing of (nor has it done so in the past), in connection with the operation of the business of the Company or any Subsidiary at the Real Property, any hazardous substance, hazardous material or hazardous waste in violation of Environmental Requirements, nor to the best of Sellers' knowledge, have any such substances, materials or wastes been dumped, buried or otherwise disposed of or stored on the Real Property owned or leased by the Company or its Subsidiaries or on any other site owned by a third party if such substances, materials or wastes were generated by the Company or its Subsidiaries, in violation of Environmental

Requirements. Neither the Company nor its Subsidiaries have been identified as a "potentially responsible party" under CERCLA (as hereinafter defined) or any similar state law. To the best of Sellers' knowledge, except as set forth in the Environmental Disclosures, there is not present any hazardous waste, hazardous substance or hazardous material in, on or under any part of the soil at any of the Real Property of the Company or its Subsidiaries or in, on or under the adjacent properties as a result, in each case, of the business or operations of the Company or its Subsidiaries,

including without limitation, the soils, surface waters and groundwater in, on or under any part of such properties, which would require any response action to be taken pursuant to any federal or state law. To the best of Sellers' knowledge, except as set forth in the Environmental Disclosures, there are no underground tanks for the storage of oil, gasoline, the by-products thereof or any hazardous substance, materials or wastes on the Real Property of the Company or its Subsidiaries. For the purpose of this Section, "hazardous substances," "hazardous materials," and "hazardous wastes" refer to such terms as used in the Comprehensive Environmental Response Compensation and Liability Act, as amended ("CERCLA"), and regulations thereunder; the Resource Conservation and Recovery Act; and applicable state, foreign and local laws pertaining to environmental regulations.

Section 2.25. Financial Projections. The consolidated Operating Income of the Company and its Subsidiaries for the eleven (11) month period ending November 30, 1993 (determined on the same basis as the Interim Financial Statements) shall be no less than Seventeen Million Eight Hundred Eighty-Six Thousand Dollars ($17,886,000) (excluding any potential adjustments relating to LIFO and the Company's investment in Heavy Hitters, Inc. and excluding any expense paid or accruals made relating to payments provided for or contemplated by Sections 5.5 and 5.6 of this Agreement or incurred in connection with the transactions contemplated hereby), which represents 90% of forecasted Operating Income for such period as set forth on Schedule 18 of the Disclosure Schedule. Normal bonuses to be paid by the Company in accordance with past practice, including those payable to Hal C. Smith, Richard F. Cutler and William F. Cutler, and normal professional expenses which have been actually paid, excluding those relating to the transactions contemplated by this Agreement, shall be accrued for on the same basis as the Interim Financial Statements.

Section 2.26. Full Disclosure. To the best of Sellers' knowledge, no representation or warranty by any Seller in this Agreement and no statement contained in any Disclosure Schedule to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as follows:

Section 3.1. Organization and Standing of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

Section 3.2. Authorization and Enforceability. Buyer has all requisite corporate power and authority to enter into this Agreement and the Related Documents to which it is a party

and to carry out the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder. All necessary and appropriate action has been taken by Buyer with respect to the execution and delivery of this Agreement and each of the Related Documents and the performance of its obligations hereunder and thereunder. Except with respect to expiration of the Hart-Scott-Rodino waiting period, no authorization, consent or approval of, or filing with, any third party or Governmental Authority is necessary for the consummation by Buyer of the transactions contemplated by this Agreement or any Related Document. The execution and delivery of this Agreement and the Related Documents and the consummation of the contemplated transactions by Buyer will not (a) result in the breach of any of the terms or conditions of, or constitute a default under, the Articles of Incorporation or the By-Laws of Buyer or (b) violate any Law or any order, writ, injunction or decree of any Governmental Authority. This Agreement and any Related Documents to which Buyer is a party constitute valid and binding obligations of Buyer enforceable against Buyer in

accordance with their respective terms.

Section 3.3. Brokers' Fees. Buyer has not incurred any liability for brokers' fees, finders' fees, agents' commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated hereby, except for fees payable to Goldman, Sachs & Co. which shall be paid by Buyer.

Section 3.4. Investment Intent. Buyer is aware that the Stock is not registered under the Securities Act of 1933, as amended, or under any state securities Law. Buyer is acquiring the Stock for investment only, for its own account and not with a view to resale in connection with any distribution of such securities, except in compliance with the Securities Act of 1933, as amended, and all other applicable Laws.

Section 3.5. Full Disclosure. No representation or warranty by Buyer in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE 4

CLOSING

Section 4.1. Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place in the offices of Warner, Norcross & Judd, 900 Old Kent Building, 111 Lyon Street, N.W., Grand Rapids, Michigan, at 10 a.m. local time on January 3, 1994 (or January 4, 1994 if January 3, 1994 is a legal bank holiday), or at such other date, place or time as the parties may agree (the "Closing Date").

Section 4.2. Obligations of Sellers. At the Closing, Sellers shall deliver to Buyer:

(a) certificates representing all of the Stock duly endorsed in blank or accompanied by irrevocable stock powers duly endorsed in blank, in either case with

signatures guaranteed, and sufficient to transfer to Buyer good and marketable title to all of such Stock, free and clear of any Restrictions;

(b) all books of account, corporate seals, minute books, stock records and other records pertaining to the Company and its Subsidiaries; and

(c) such other documents as may be described in Article 6 of this Agreement.

Section 4.3. Obligations of Buyer. At the Closing, Buyer shall deliver to Sellers:

(a) the Purchase Price; and

(b) such other documents as may be described in Article 7 of this Agreement.

Section 4.4. Further Documents or Necessary Action. Buyer and Sellers each agree to take all such further actions on or after the Closing Date as may be necessary, desirable or appropriate in order to confirm or effectuate the transactions contemplated by this Agreement.

ARTICLE 5

COVENANTS AND AGREEMENTS

Sellers covenant to and agree with Buyer, and Buyer covenants to and agrees with Sellers, as follows:

Section 5.1. Conduct of Business Pending the Closing. During the period from the date of this Agreement to the Closing Date, Sellers shall use their respective best efforts to cause the Company and its Subsidiaries to conduct their respective business operations in the ordinary and usual course and to maintain their records and books of account in a manner consistent with prior periods. Sellers shall, without purporting to make any commitment on behalf of Buyer, exercise their respective reasonable efforts to preserve intact the present business organization and personnel of the Company and its Subsidiaries and the present goodwill of the Company and its Subsidiaries with persons having business dealings with them. Prior to the Closing, the Company will engage in negotiations on a new labor contract with respect to its Subsidiary, Jog Togs

Limited (the existing labor contract will expire by its terms prior to the Closing Date). Sellers shall cause the Company to advise and consult with Buyer in connection with these labor contract negotiations. Sellers further covenant and agree that, from the date of this Agreement to the Closing Date, they shall not, without the written consent of Buyer:

(a) enter into any negotiations, discussions or agreements contemplating or respecting the acquisition of the Company or any Subsidiary or any material asset thereof (other than in the ordinary course of business), whether through a sale of

Stock, a merger or consolidation, the sale of all or substantially all of the assets of the Company or any Subsidiary, any type of recapitalization or otherwise;

(b) take any action which would interfere with or prevent performance of this Agreement; or

(c) engage in any activity or enter into any transaction which would be inconsistent in any respect with any of the representations, warranties or covenants set forth in this Agreement, as if such representations, warranties and covenants were made at a time subsequent to such activity or transaction and all references to the date of this Agreement were deemed to be such later date.

Section 5.2. Access By Buyer; Confidentiality. During the period from the date of this Agreement to the Closing Date, Sellers shall cause Buyer and its agents and representatives to be given access to the buildings, offices, records and files of the Company and its Subsidiaries; provided that such access shall not unreasonably interfere with the normal operations and employee relationships of the Company or its Subsidiaries. In particular, and without limiting the foregoing, Buyer's environmental consultants (ERM-Southeast, Inc. or others) shall be given access to the Company's premises to conduct such additional tests or surveys as Buyer may reasonably request; provided, however, that Buyer shall not perform any soil or groundwater tests without the Company's written consent, which will not be withheld without reasonable basis. All information provided to or learned by Buyer as a result of such access or otherwise in connection with the transactions contemplated by this Agreement shall be held in confidence pursuant to the terms of that certain Confidentiality Agreement dated July 2, 1993, which shall remain in full force and effect and the terms of which shall be deemed incorporated herein.

Section 5.3. Notice of Breach or Failure of Condition. Sellers and Buyer agree to give prompt notice to the other of the occurrence of any event or the failure of any event to occur that might preclude or interfere with the timely satisfaction of any condition precedent to the obligations of Sellers or Buyer under this Agreement.

Section 5.4. Best Efforts. Sellers and Buyer shall use their respective best efforts to obtain all consents or approvals necessary to bring about the satisfaction of the conditions required to be performed, fulfilled or complied with by them pursuant to this Agreement and to take or cause to be taken all action, and to do or cause to be done all things, necessary, proper or advisable under applicable Laws to consummate and make effective the transactions contemplated by this Agreement as expeditiously as practicable. Without limiting the generality of the foregoing, Sellers and Buyer shall file the Premerger Notification and Report Form under Hart-Scott-Rodino within five (5) business days of the execution of this Agreement.

Section 5.5. Certain Compensation and Contract Buy-Outs.

(a) On or before the Closing, Hal C. Smith shall terminate his Restated Employment Agreement with the Company dated as of May 12, 1992, and shall execute a

release in form and substance reasonably satisfactory to Buyer releasing the Company from all further liability thereunder, except that the Company shall pay Mr. Smith the bonus to which he is entitled under such Employment Agreement with respect to the 1993 calendar year as provided in such Employment Agreement (payable in March, 1994). In consideration of Mr. Smith's release of future rights and benefits under such Employment Agreement, and in recognition of Mr. Smith's substantial contribution to, and extraordinary efforts on behalf of, the Company, the Company shall pay Mr. Smith in cash at or before the Closing the sum of Fourteen Million Seven Hundred Fifty Thousand Dollars ($14,750,000).

(b) On or before the Closing, each of Richard F. Cutler and William F. Cutler shall terminate their Restated Employment Agreements with the Company, each originally dated as of October 9, 1980, and shall execute releases in form and substance reasonably satisfactory to Buyer releasing the Company from all further liability thereunder, except that the Company shall pay each of Richard F. Cutler and William F. Cutler in cash at or before the Closing Date the bonuses to which they are entitled ($300,000 each) with respect to the 1993 calendar year. In consideration of their releases of future rights and benefits under their respective Restated Employment Agreements, and in recognition of their substantial contribution to, and extraordinary efforts on behalf of, the Company, the Company shall pay each of Richard F. Cutler and William F. Cutler in cash at or before Closing the sum of One Million Four Hundred Thousand Dollars ($1,400,000).

Section 5.6. Non-Competition Agreements. To induce Buyers to enter into this Agreement and to help protect and preserve the business and goodwill of the Company to be acquired by Buyer, on or before the Closing Date the Company shall enter into certain non-competition agreements in form and substance reasonably acceptable to Buyer, as follows:

(a) The Company shall enter into a non-competition agreement with Hal C. Smith pursuant to which Mr. Smith agrees not to compete with the Company, directly or indirectly, while Mr. Smith remains employed by the Company and for a period of five (5) years thereafter. In consideration of Hal C. Smith's non-competition agreement, he shall receive in cash at or before the Closing the sum of Five Million Dollars ($5,000,000).

(b) The Company shall also enter into a non-competition agreement with each of Richard F. Cutler and William F. Cutler pursuant to which each agrees not to compete with the Company, directly or indirectly, for a period of five (5) years following the Closing Date. In consideration of such non-competition agreements, each of Richard F. Cutler and William F. Cutler shall receive in cash at or before the Closing the sum of Two Million Dollars ($2,000,000).

Section 5.7. Life Insurance Policies; Automobiles. The Company currently holds life insurance policies on Richard F. Cutler and William F. Cutler. Each of such individuals have the option, exercisable for a period of sixty (60) days from the Closing Date, to purchase their life insurance policies from the Company for the cash surrender value thereof (net of related policy loans, interest accrued and premiums refundable), payable in cash. In addition, each of Richard F.

Cutler and William F. Cutler shall have the option, exercisable for a period of sixty (60) days from the Closing Date, to purchase the Company automobile currently used by them at the Company's book value at the time of purchase.

ARTICLE 6

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

All obligations of Buyer under this Agreement are subject to the satisfaction by Sellers at or before the Closing of all of the following conditions, except to the extent expressly waived in writing by Buyer:

Section 6.1. Representations and Warranties True at Closing. The representations and warranties of Sellers contained in this Agreement shall have been true and correct in all material respects when made and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were made again on the Closing Date.

Section 6.2. Performance. Sellers shall have performed and complied in all material respects, and shall have caused the Company and the Subsidiaries, as the case may be, to have performed and complied, in all material respects, with all agreements and conditions required by this Agreement to be performed or complied with by any of them prior to or at the Closing.

Section 6.3. No Adverse Changes. Except as contemplated by this Agreement, there shall have been no material adverse change in the condition, business or operations, financial or otherwise, of the Company and its Subsidiaries taken as a whole from the date of this Agreement to the Closing Date.

Section 6.4. Litigation. On the Closing Date, there shall not be any pending or threatened litigation in any court or any proceedings by or before any Governmental Authority with a view to seek, or in which it is sought, to restrain or prohibit the consummation of the transactions contemplated by this Agreement or in which it is sought to obtain divestiture, rescission or damages

in connection with the transactions contemplated by this Agreement and no investigation by any Governmental Authority shall be pending which might result in any such litigation or other proceeding.

Section 6.5. Necessary Consents. All statutory requirements for the valid consummation by Buyer of the transactions contemplated by this Agreement (including, without limitation, the expiration of any Hart-Scott-Rodino waiting period or any extensions thereof) shall have been fulfilled and all required authorizations, consents or approvals by any Governmental Authority which are required for the consummation of the transactions contemplated by this Agreement shall have been received and shall be in full force and effect.

Section 6.6. Certificate. Sellers shall have delivered to Buyer a certificate, dated as of the Closing Date, of the Sellers and the Company's President and Chief Executive Officer to the effect that the conditions set forth in Sections 6.1, 6.2, 6.3 and 6.4 have been satisfied.

Section 6.7. Opinion of Counsel. Sellers shall have delivered to Buyer an opinion of Warner, Norcross & Judd, counsel for Sellers, the Company and the Subsidiaries, in form and substance reasonably acceptable to Buyer.

Section 6.8. Removal of Title Objections. Within five (5) days after the date hereof, Buyer shall order at its expense a title binder or commitment from a title insurance company satisfactory to Buyer that regularly does business in the place where the subject property is located (the "Title Company"), and a survey from a surveyor selected by Buyer, for each parcel of the Real Property owned by the Company or its Subsidiaries. Each title binder shall consist of a current title report and a commitment (or a commitment that includes a title report) to issue an owner's title insurance policy to Buyer. In addition, Buyer shall at its expense obtain a UCC-1 search on the Personal Property owned or leased by the Company or its Subsidiaries. In the event a title report, survey or UCC-1 search shows the property covered thereby to be subject to any lien, easement, covenant, condition, restriction, encroachment, Restriction or other title objection as could, within reason, materially and adversely affecting the use and value of that property by Buyer as permitted by applicable zoning and building regulations as the case may be, Buyer shall provide Sellers with written notice specifying the unacceptable title matter(s) and enclosing a copy of the title binder, survey or search. If Buyer does not provide this notice by November 15, 1993, it will be conclusively presumed that Buyer has approved all of the matters shown on the title binder, survey or search. If by November 15, 1993, Sellers receive notice of unacceptable title objections and if by December 15, 1993 Sellers do not agree to cause such title objections to be removed or over insured by Closing at Sellers' expense, or to extend the aforesaid cut-off date to a later date, then Buyer shall have the right to terminate this Agreement.

Section 6.9. Consents. Sellers shall have provided written consents to the acquisition of the Stock by Buyer from each Licensor or Lessor (other than Warner Bros. and Atlanta Centennial Olympic Properties) identified on Schedule 3 of the Disclosure Schedule (to the extent so requested by Buyer) in form and substance reasonably acceptable to Buyer.

Section 6.10. Termination of Employment Contracts. Hal C. Smith, Richard F. Cutler and William F. Cutler shall have terminated their employment and/or retirement agreements with the Company (as provided in Section 5.5 above), and executed releases in form and substance reasonably satisfactory to Buyer.

Section 6.11. Employment/Non-Competition Agreements. The Company on or before the Closing Date shall have entered into an employment agreement and non-competition agreement with Hal C. Smith, an employment agreement with Bruce Krebs, Regina (Silverman) Gore and Fred Rozell, and any other employee of the Company or its Subsidiaries reasonably designated by Buyer, and a non-competition agreement with each of Richard F. Cutler and William F. Cutler, each of which is satisfactory in form and substance to Buyer in its reasonable

judgment. Sellers shall have approved all payments which would constitute "parachute payments" with respect to a "disqualified individual" as those terms are used in Section 280G of the Code, as amended, in accordance with the provisions of Section 280G(b)(5)(B) of the Code and the regulations thereunder.

Section 6.12. Closing Date Interest-Bearing Indebtedness. The aggregate interest-bearing indebtedness of the Company and its Subsidiaries as of the Closing Date shall not exceed the sum of (a) Thirty Million Dollars ($30,000,000) plus (b) such additional indebtedness as may be incurred by the

Company to enable it to discharge its obligations set forth in Sections 5.5 and 5.6 above. If for any reason this condition is not satisfied, Sellers shall have the option of paying off any interest-bearing indebtedness in excess of such permitted amount at the Closing Date to cure such failure.

ARTICLE 7

CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS

All obligations of Sellers under this Agreement are subject to the satisfaction by Buyer at or before the Closing of all of the following conditions, except to the extent expressly waived in writing by Sellers:

Section 7.1. Representations and Warranties True at Closing. The representations and warranties of Buyer contained in this Agreement shall have been true and correct in all material respects when made and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were made again on the Closing Date.

Section 7.2. Performance. Buyer shall have performed and complied, in all material respects, with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

Section 7.3. Necessary Consents. All statutory requirements for the valid consummation by Sellers of the transactions contemplated by this Agreement (including, without limitation, the expiration of any Hart-Scott-Rodino waiting period or any extensions thereof) shall have been fulfilled and all required authorizations, consents or approvals by any Governmental Authority which are required for the consummation of the transactions contemplated by this Agreement shall have been received and shall be in full force and effect.

Section 7.4. Certificate. Buyer shall have delivered to Sellers a certificate, dated as of the Closing Date, to the effect that the conditions set forth in Sections 7.1 and 7.2 have been satisfied.

Section 7.5. Opinion of Counsel. Buyer shall have delivered to Sellers an opinion of Clark, Ladner, Forenbaugh & Young, counsel for Buyers, in form and substance reasonably acceptable to Sellers.

Section 7.6. Employment Agreement. The Company on or before the Closing Date shall have entered into an employment agreement with Hal C. Smith which is satisfactory to him in his reasonable judgment.

Section 7.7. Receipt of Payments. Each of Hal C. Smith, Richard F. Cutler and William F. Cutler shall have received, on or before the Closing Date, the amounts payable to them as set forth in Sections 5.5 and 5.6 above.

ARTICLE 8

INDEMNIFICATION AND RELATED MATTERS

Section 8.1. Survival of Representations and Warranties. The representations and warranties contained in this Agreement, the Schedules and Exhibits hereto and any agreement, document, instrument or certificate delivered hereunder shall survive the Closing and shall continue in effect for a period of one (1) year from the Closing Date, at which time they shall expire. No claim for a breach of a representation or warranty may be made after termination of such survival period. This Article 8 constitutes the sole and exclusive remedy of Buyer and Sellers with respect to any subject matters addressed herein, and Buyer and each Seller hereby waive and release the other from any and all claims and other causes of action, including without limitation claims for contribution, relating to any such subject matter. The making of a claim for indemnification under this Article 8 (a "Claim") shall toll the running of the limitation period with respect to such claim. For purposes of the preceding sentence, a claim shall be deemed made upon the commencement of an independent judicial proceeding with respect to such matter or receipt by Seller of a written notice of claim for indemnification setting forth in detail the factual and contractual bases for the claim.

Section 8.2. Indemnification by Sellers.

(a) Obligation to Indemnify. Each Seller agrees to indemnify Buyer against and hold it harmless from:

(i) all Liability, loss, damage or deficiency resulting from or arising out of any inaccuracy in or breach of any representation or warranty by such Seller in this Agreement, in any Related Document to

which such Seller was a signatory or in any other agreement or document delivered by or on behalf of such Seller in connection with the transactions contemplated by this Agreement;

(ii) all Liability, loss, damage or deficiency resulting from or arising out of any breach or nonperformance of any covenant or obligation made or incurred by such Seller in this Agreement, in any Related Document to which such Seller was a signatory or in any other agreement or document delivered by or on behalf of such Seller in connection with the transactions contemplated by this Agreement; and

(iii) any and all reasonable costs and expenses (including reasonable legal and accounting fees) related to any of the foregoing. In the event that Buyer makes a Claim which is determined by a court of competent jurisdiction to be without reasonable basis in law or fact, Buyer shall bear all reasonable costs and expenses (including court costs and reasonable legal and accounting fees), incurred by Sellers in investigating and defending against such Claim.

(b) Limitations on Indemnification. The indemnification of Buyer provided under this Section 8.2 shall be limited in certain respects as follows:

(i) Sellers shall not be liable to Buyer for Claims until the aggregate amount of Claims exceed One Million Dollars ($1,000,000) (the "Threshold Amount"). Upon reaching such amount Sellers shall be liable to Buyer for all Claims in excess of the Threshold Amount up to an aggregate amount of Twenty Million Dollars ($20,000,000) (the "Maximum Amount"). Under no circumstances shall Sellers be liable to Buyer for any amount in excess of the Maximum Amount provided, however, that no Maximum Amount shall be applicable with respect to a breach of Section 2.7(a) above;

(ii) Sellers shall not be required to indemnify and hold Buyer harmless with respect to any Claim for a breach of Sellers' representations and warranties contained in Article 2 above if Sellers can prove that the basic underlying facts giving rise to such Claim were known by or disclosed to Buyer's officers or employees substantively involved in the transactions contemplated by this Agreement (primarily Messrs. Gerard G. Johnson, Frank Pickard, David Reklau and Robert K. Shearer) or were disclosed in writing to Buyer's representatives or advisors prior to or at the Closing;

(iii) To the extent that insurance or "pass-through" warranty coverage from a manufacturer or other recovery or reimbursement from a third party is available to Buyer or the Company or its Subsidiaries to cover any item for which indemnification may be sought hereunder, Buyer shall exhaust all available remedies or causes of action to recover the amount of its Claim as may be available from such other party and shall only seek indemnification against Sellers in the event that it fails to obtain such coverage or reimbursement or if such coverage or reimbursement is insufficient to satisfy the Claim (and in the latter instance shall only seek indemnity for the amount of such deficiency). To the extent Sellers indemnify Buyer on any Claim referred to in the previous sentence, Buyer shall assign to Sellers, to the

fullest extent allowable, its claim against such insurance, warranty coverage or third-party claim, or in the event assignment is not permissible, Sellers shall be allowed to pursue such claim in the name of Buyer, the Company or its Subsidiaries at Sellers' expense. Sellers shall be entitled to retain all recoveries made as a result of any such action. Buyer shall make the Company's books and records relating to such claim available to Sellers and make the Company's employees available for interviews and similar matters to assist Sellers in prosecuting such claim; and

(iv) In computing the amount of any indemnification to which Buyer may be entitled under this Article 8 by virtue of a breach of Section 2.9, if the amount of any liabilities has been understated or unrecorded, on the one hand, but on the other hand the amount of any other liabilities has been overstated or any assets understated, only the net effect (benefits or detriment as the same are determined in accordance with GAAP) of such errors shall be taken into account. Any amounts recoverable by Buyer from Sellers under this Article 8 shall be net of tax effects (benefits or detriments) incurred by Buyer. To the extent the benefit is incurred or detriment is suffered subsequent to any recovery pursuant to this

Article 8, there shall be a corresponding adjustment between the parties without regard to the time limitations imposed under this Article.

Section 8.3. Indemnification by Buyer. Buyer shall indemnify Sellers against and hold them harmless from:

(a) all Liability, loss, damage or deficiency resulting from or arising out of any inaccuracy in or breach of any representation or warranty by Buyer in this Agreement in any Related Document or in any other agreement or document delivered by or on behalf of Buyer in connection with the transactions contemplated by this Agreement;

(b) all Liability, loss, damage or deficiency resulting from or arising out of any breach or nonperformance of any covenant or obligation made or incurred by Buyer in this Agreement, in any Related Document, or in any other agreement or document delivered by or on behalf of Buyer in connection with the transactions contemplated by this Agreement;

(c) all Liability, loss, damage or deficiency arising out of or relating to the operation of the business from and after the Closing Date; and

(d) any and all reasonable costs and expenses (including reasonable legal and accounting fees) related to any of the foregoing. In the event that Sellers make a Claim which is determined by a court of competent jurisdiction to be without reasonable basis in law or fact, Sellers shall bear all reasonable costs and expenses (including court costs and reasonable legal and accounting fees), incurred by Buyer in investigating and defending against such Claim.

Section 8.4. Third Party Claims. If any action, suit, investigation or proceeding (including without limitation negotiations with federal, state, local or foreign tax authorities) shall be threatened or commenced by a third party in respect of which a party (an "Indemnified Party") may make a Claim hereunder, the Indemnified Party shall notify the party obligated to indemnify such party hereunder (the "Indemnifying Party") to that effect with reasonable promptness (so as to not prejudice such party's rights) after the commencement or threatened commencement of such action, suit, investigation or proceeding, and the Indemnifying Party shall have the opportunity to defend against such action, suit, investigation or proceeding (or, if the action, suit, investigation or proceeding involves to a significant extent matters beyond the scope of the indemnity agreement contained herein, those claims that are covered hereby) subject to the limitations set forth below. If the lndemnifying Party elects to defend against any action, suit, investigation or proceeding (or, as described in the preceding parenthetical, one or more claims relating thereto), the Indemnifying Party shall notify the Indemnified Party to that effect with reasonable promptness. In such case, the Indemnified Party shall have the right to employ its own counsel and participate in the defense of such matter, but the fees and expenses of counsel shall be at the expense of the Indemnified Party unless the employment of such counsel at the expense of the Indemnifying Party shall have been authorized in writing by the Indemnifying Party. Any party granted the right to direct the defense of a threatened or actual suit, investigation or proceeding hereunder shall: (i) keep the other fully informed of material developments in the action, suit, investigation or proceeding at all stages thereof; (ii) promptly submit to the other copies of all pleadings, responsive pleadings, motions and other similar legal documents and papers received in connection with the action, suit, investigation or proceeding; (iii) permit the other and its counsel, to the extent practicable, to confer on the conduct of the defense of the action, suit, investigation or proceeding; and (iv) to the extent practicable, permit the other and its counsel an opportunity to review all legal papers to be submitted prior to their submission. The parties shall make available to each other and each other's counsel and accountants all of its or their books and records relating to the action, suit, investigation or proceeding, and each party shall render to the other such assistance as may be reasonably required in order to insure the proper and adequate defense of the action, suit, investigation or proceeding. The parties shall use their respective good faith efforts to avoid the waiver of any privilege of either party. The assumption of the defense of any matter by an Indemnifying Party shall not constitute an admission of responsibility to indemnify or in any manner impair or restrict such party's rights to later seek to be reimbursed its costs and expenses if indemnification under this Agreement with respect to such matter was not required. An Indemnifying Party may elect to assume the defense of a matter at any time during the pendency of such matter, even if initially such party did not elect to assume such defense, so long as such assumption at such later time would not prejudice the rights of the Indemnified Party. No settlement of a matter by the Indemnified Party shall be binding on an Indemnifying Party for purposes of such party's indemnification obligations hereunder.

ARTICLE 9

TERMINATION

Section 9.1. Termination by Mutual Consent. At any time on or prior to the Closing Date, this Agreement may be terminated by the mutually written consent of Sellers and Buyer without liability on the part of Sellers or Buyer.

Section 9.2. Termination Upon Breach or Default. If Sellers or Buyer shall materially default in the observance or in the due and timely performance of any of the covenants contained in this Agreement, or if there shall have been a material breach by either party of any of the representations or warranties set forth in this Agreement, the other party may, upon written notice and a reasonably opportunity to cure, terminate this Agreement, without prejudice to its or their rights and remedies available under law, including the right to recover expenses, costs and other damages.

Section 9.3. Termination Based Upon Failure of Conditions. If any of the conditions of this Agreement to be complied with or performed by a party on or before the Closing Date shall not have been complied with or performed in all material respects by such date and such noncompliance or nonperformance shall not have been waived in writing by the other party, the party to whom the benefit of such condition runs may, upon written notice, terminate this Agreement, without prejudice to its or their rights and remedies available under law, including the right to recover expenses, costs and other damages.

Section 9.4. Final Expiration. This Agreement shall automatically expire if the Closing does not occur on or before January 31, 1994, or such later date as the Parties may mutually agree (the "Final Expiration Date").

ARTICLE 10

DEFINITIONS

When used in this Agreement, the following terms in all of their tenses and cases shall have the meanings assigned to them below or elsewhere in this Agreement as indicated below:

"Affiliate" of any Person means any person directly or indirectly controlling, controlled by, or under common control with, any such Person and any officer, director or controlling person of such Person.

"Agreement" is defined in the initial paragraph hereof.

"Audited Financial Statements" is defined in Section 2.9.

"Buyer" is defined in the initial paragraph hereof.

"COBRA" is defined in Section 2.13(e).

"Claim" is defined in Section 8.1.

"Closing" and "Closing Date" are defined in Section 4.1.

"Code" is defined in Section 2.13(b).

"Company" is defined in the Preamble of this Agreement.

"Contracts" is defined in Section 2.18.

"Disclosure Schedule" is defined in Section 2.1.

"ERISA" is defined in Section 2.13(b).

"Environmental Disclosures" is defined in Section 2.24.

"Environmental Requirements" is defined in Section 2.24.

"GAAP" is defined in Section 2.9.

"Governmental Authority" means any foreign, federal, state, regional or local authority, agency, body, court or instrumentality, regulatory or otherwise, which, in whole or in part, was formed by or operates under the

auspices of any foreign, federal, state, regional or local government.

"Hart-Scott-Rodino" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Income" is defined in Section 1.3.

"Intangible Property" is defined in Section 2.16.

"Interim Financial Statements" is defined in Section 2.9.

"Indemnified Party" is defined in Section 8.4.

"Indemnifying Party" is defined in Section 8.4.

"Law" means any common law and any federal, state, regional, local or foreign law, rule, statute, ordinance, rule, order or regulation.

"Liabilities" is defined in Section 2.11.

"Lien" means any lien, charge, covenant, condition, easement, adverse claim, demand, encumbrance, security interest, option, pledge, or any other title defect, easement or restriction of any kind.

"Material Adverse Effect" is defined in Section 2.2.

"Maximum Amount" is defined in Section 8.2(b)(i).

"Non-Subsidiary" is defined in Section 2.4.

"Person" means any individual, corporation, partnership, association or any other entity or organization.

"Personal Property" is defined in Section 2.15.

"Phase I Surveys" is defined in Section 2.24.

"Purchase Price" is defined in Section 1.2.

"Real Property" is defined in Section 2.14.

"Related Documents" means this Agreement, the Employment and Non-Competition Agreement, and each document or instrument executed in connection with the consummation of the transactions contemplated herein.

"Restrictions" is defined in Section 2.7.

"Returns" is defined in Section 2.10.

"Sellers" is defined in the initial paragraph of this Agreement.

"Stock" is defined in Section 1.1.

"Subsidiary" is defined in Section 2.4.

"Subsidiaries' Stock" is defined in Section 2.6.

"Taxes" is defined in Section 2.10.

"Threshold Amount" is defined in Section 8.2(b)(i).

"Title Company" is defined in Section 6.8.

"To the best of Sellers' knowledge" or other references to the knowledge of Sellers means the actual knowledge of any Seller.

ARTICLE 11

GENERAL

Section 11.1. Entire Agreement. This Agreement, and the exhibits and schedules hereto (including the Disclosure Schedule), and the agreements specifically referred to herein set forth the entire agreement and understanding of Sellers and Buyer in respect of the transactions contemplated hereby and

supersede all prior agreements, arrangements and understandings relating to the subject matter hereof. No representation, promise, inducement or statement of intention has been made by Sellers or Buyer that is not embodied in this Agreement or in the documents specifically referred to herein and neither Sellers nor Buyer shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not so set forth.

Section 11.2. Binding Effect; Benefits; Assignment. All of the terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by and against Sellers and their respective heirs and personal representatives, and Buyer and its successors and authorized assigns. Nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies under or by reason of this Agreement except as expressly indicated herein. Neither Sellers nor Buyer shall assign any of their respective rights or obligations under this Agreement to any other person, firm or corporation without the prior written consent of the other party, except that Buyer may assign its rights and obligations under this Agreement to a direct or indirect wholly-owned subsidiary of Buyer, although Buyer shall remain fully responsible for all of its obligations under this Agreement.

Section 11.3. Construction. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof. The language used in this Agreement shall be deemed to be the language chosen by the parties to this Agreement to express their mutual intent, and no rule of strict construction shall be applied against any party.

Section 11.4. Amendment and Waiver. This Agreement may be amended, modified, superseded or canceled and any of the terms, covenants, representations, warranties or conditions hereof may be waived only by a written instrument executed by Sellers and Buyer or, in the case of a waiver, by or on behalf of the party waiving compliance.

Section 11.5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania as applicable to contracts made and to be performed in Pennsylvania, without regard to conflict of laws principles.

Section 11.6. Public Disclosure. Except as required by Law, neither Buyer nor Sellers shall make any public disclosure of the existence or terms of this Agreement or the transactions contemplated hereby without the prior written consent of the other party, which consent shall not be unreasonably withheld. In the event that Sellers or Buyer determines that the disclosure of the existence or terms of this Agreement is required by Law, such party shall so notify the other party and shall provide to the other party a copy of any such public disclosure prior to releasing the same.

Section 11.7. Notices. All notices, requests, demands and other communications to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given if delivered or mailed first class, postage prepaid:

(a) If to Sellers:

To the addresses set forth in Exhibit A to this Agreement. with a copy to:

Warner, Norcross & Judd
900 Old Kent Building
III Lyon Street, N.W.
Grand Rapids, Michigan 49503-2489
Telephone: (616) 459-6121
Fax: (616) 459-2611

Attention: Tracy T. Larsen, Esq.

(b) If to Buyer:

V.F. Corporation
1047 North Park Road
Wyomissing, Pennsylvania 19610
Telephone: (215) 208-5242
Fax: (215) 275-9371

Attention: Mr. Frank C. Pickard

with a copy to:

Clark Ladner Fortenbaugh & Young
One Commerce Square, 22nd Floor
2005 Market Street
Philadelphia, Pennsylvania 19103
Telephone: (215) 241-1825
Fax: (215) 241-1857

Attention: Aloysius T. Lawn, IV, Esq.

Either party may change its address by prior written notice to the other party.

Section 11.8. Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and such counterparts shall together constitute one and the same instrument.

Section 11.9. Expenses. Each party shall pay their own respective expenses, costs and fees incurred in connection with the negotiation, preparation, execution and delivery of this Agreement and each of the Related Documents and the consummation of the transactions contemplated hereby; provided, however, since the transaction will result in benefits and improvements to the Company's business from associating with Buyer, the Company shall pay the fees of the Company's legal, accounting and other professional advisors, including without limitation the fees of Kurt Salmon Associates, Inc., up to an aggregate of Two Million Five Hundred Thousand Dollars ($2,500,000). The Sellers shall pay any amounts in excess of Two Million Five Hundred Thousand Dollars ($2,500,000).

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

V.F. CORPORATION

By /S/ LAWRENCE R. PUGH

Its Chairman

"Buyer"

WILLIAM F. CUTLER REVOCABLE TRUST

By /s/ WILLIAM F. CUTLER

William F. Cutler
Its Trustee

RICHARD F. CUTLER REVOCABLE TRUST

By /s/ RICHARD F. CUTLER

Richard F. Cutler
Its Trustee

HAL C. SMITH TRUST

By /s/ HAL C. SMITH

Hal C. Smith
Its Trustee

BEVERLY J. CUTLER REVOCABLE TRUST

By /s/ WILLIAM F. CUTLER

William F. Cutler
Its Co-Trustee

And By /s/ WILLIAM F. CUTLER, JR.

William F. Cutler, Jr.
Its Co-Trustee

MARIAN V. CUTLER REVOCABLE TRUST

By /s/ MARIAN V. CUTLER

Marian V. Cutler
Its Trustee

/s/ RICHARD C. CUTLER

Richard C. Cutler

/s/ CURTIS A. CUTLER

Curtis A. Cutler

/s/ CAROL A. WINDEMULLER

Carol A. Windemuller

/s/ BRIAN S. CUTLER

Brian S. Cutler

/s/ WILLIAM F. CUTLER, JR.

William F. Cutler, Jr.

/s/ BARRY F. CUTLER

Barry F. Cutler

/s/ BARBARA M. CUTLER LARSON

Barbara M. Cutler (Larson)

"Sellers"

EXHIBIT A

ALLOCATION OF PURCHASE PRICE

<TABLE>

<S>	<C>	<C>	<C>
Shareholders	Voting Preferred	Non-Voting Preferred	Common
William F. Cutler Revocable Trust 2735 Boston, S.E. Grand Rapids, MI 49506	$491,000	$167,500	None
Richard F. Cutler Revocable Trust 8340 Wallinwood Springs, Jenison, MI 49428	$491,000	$542,500	None
Hal C. Smith Trust 2793 Hickorywood Lane, S.E. Grand Rapids, MI 49546	$2,000	$385,000	12.678%
Beverly J. Cutler	None	$600,000	None

Revocable Trust 2735 Boston, S.E. Grand Rapids, MI 49506			
Marian V. Cutler Revocable Trust 8340 Wallinwood Springs, Jenison, MI 49428	None	$600,000	None
Richard C. Cutler 2324 Riverside Dr., N.E. Grand Rapids, MI 49505	None	$375,000	14.554%

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>
Curtis A. Cutler 2315 Oakwood, N.E. Grand Rapids, MI 49505	None	$375,000	14.554%
Carol A. Windermuller 2900 Rush Creek, S.W. Byron Center, MI 49315	None	$375,000	14.554%
Brian S. Cutler 2661 Elmwood, N.E. Grand Rapids, MI 49505	None	$375,000	10.915%
William F. Cutler, Jr. 9219 10 Mile Rd., N.E. Rockford, MI 49341	None	$375,000	10.915%
Barry F. Cutler 11737 Garnsey Grand Haven, MI 49417	None	$375,000	10.915%
Barbara M. Cutler Larson 0-12635 14th Avenue Grand Rapids, MI 49504	None	$375,000	10.915%

</TABLE>

EXHIBIT 2.2

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK

OF

NUTMEG INDUSTRIES, INC.
AT

$17.50 NET PER SHARE
BY
SPICE ACQUISITION CO.
A WHOLLY OWNED SUBSIDIARY OF

V.F. CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON TUESDAY, JANUARY 18, 1994, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THERE BEING VALIDLY TENDERED BY THE EXPIRATION DATE AND NOT WITHDRAWN PRIOR TO THE EXPIRATION DATE A NUMBER OF SHARES OF COMMON STOCK, PAR VALUE $0.01 PER SHARE (THE "SHARES") OF NUTMEG INDUSTRIES, INC. (THE "COMPANY") WHICH, TOGETHER WITH THE SHARES THEN OWNED BY SPICE ACQUISITION CO. (THE "PURCHASER"), WOULD REPRESENT AT LEAST A MAJORITY OF THE TOTAL NUMBER OF SHARES OUTSTANDING ON A FULLY DILUTED BASIS.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY DETERMINED THAT THE OFFER AND THE MERGER DESCRIBED HEREIN ARE FAIR TO AND IN THE BEST INTEREST OF THE COMPANY AND ITS STOCKHOLDERS, HAS APPROVED THE OFFER AND THE MERGER AND RECOMMENDS THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

Any stockholder desiring to tender Shares should either (1) complete and sign the Letter of Transmittal (or facsimile thereof) in accordance with the instructions in the Letter of Transmittal and deliver it with the certificate(s) representing tendered Shares and all other required documents to the Depositary or tender such Shares pursuant to the procedures for book-entry transfer set forth in Section 3 or (2) request his or her broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him or her. A stockholder having Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such person if he or she desires to tender such Shares.

Any stockholder who desires to tender Shares and whose certificates representing such Shares are not immediately available or who cannot comply with the procedures for book-entry transfer on a timely basis may tender such Shares pursuant to the guaranteed delivery procedure set forth in Section 3.

Questions and requests for assistance or additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

THE DEALER MANAGER FOR THE OFFER IS:

J.P. MORGAN SECURITIES INC.

December 17, 1993

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To the Holders of Common Stock of
NUTMEG INDUSTRIES, INC.:

Spice Acquisition Co., a Florida corporation (the "Purchaser") and a wholly owned subsidiary of V.F. Corporation, a Pennsylvania corporation ("Parent"), hereby offers to purchase all outstanding shares of Common Stock, par value $0.01 per share, of Nutmeg Industries, Inc., a Florida corporation (the "Company"), at $17.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together constitute the "Offer"). Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of Shares by the Purchaser pursuant to the Offer. The Purchaser will pay all charges and expenses of J.P. Morgan Securities Inc., which is acting as Dealer Manager of the Offer (in such capacity, the "Dealer Manager"), First Union National Bank (the "Depositary") and D.F. King & Co., Inc. (the "Information Agent") incurred in connection with the Offer. See Section 17.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THERE BEING VALIDLY TENDERED BY THE EXPIRATION DATE (AS DEFINED BELOW) AND NOT WITHDRAWN PRIOR TO THE EXPIRATION DATE A NUMBER OF SHARES WHICH, TOGETHER WITH THE SHARES THEN OWNED BY THE PURCHASER, WOULD REPRESENT AT LEAST A MAJORITY OF THE TOTAL NUMBER OF SHARES OUTSTANDING ON A FULLY DILUTED BASIS (THE "MINIMUM CONDITION"). SEE SECTION 15.

THE BOARD OF DIRECTORS OF THE COMPANY (THE "BOARD OF DIRECTORS") HAS UNANIMOUSLY DETERMINED THAT THE OFFER AND THE MERGER DESCRIBED HEREIN ARE FAIR TO AND IN THE BEST INTEREST OF THE COMPANY AND ITS STOCKHOLDERS, HAS APPROVED THE OFFER AND THE MERGER AND RECOMMENDS THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of December 12, 1993 (the "Merger Agreement"), among the Company, the Parent and the Purchaser. The Merger Agreement provides, among other things, that as soon as practicable after the consummation of the Offer, the Purchaser will be merged with and into the Company (the "Merger"), with the Company as the surviving corporation (the "Surviving Corporation"). Each outstanding Share not owned by Parent, Purchaser or any other subsidiary of Parent (collectively, the "Purchaser Companies") will be converted into and represent the right to receive $17.50 in cash or any higher price that may be paid per Share in the Offer, without interest. See Section 10.

In connection with the execution and delivery of the Merger Agreement, the Company and the Purchaser have entered into a Company Stock Option Agreement dated as of December 12, 1993 (the "Company Option Agreement"), between the Company and the Purchaser, pursuant to which the Company has granted the Purchaser the right to acquire up to 2,980,000 Shares under certain circumstances at a price per Share of $17.50. See Section 10. In addition, the Purchaser has entered into a Stockholder Option Agreement dated as of December 12, 1993 (the "Stockholder Option Agreement") with certain stockholders of the Company granting the Purchaser an option to acquire 3,509,652 Shares from such stockholders under certain circumstances at a price of $17.50 per Share. See Section 10.

According to the Company, as of October 30, 1993 there were 18,563,632 Shares outstanding and not more than 975,000 Shares subject to issuance pursuant to the Company's stock option and incentive plans. As a result, the Purchaser believes that the Minimum Condition would be satisfied if at least 9,769,317 Shares are validly tendered and not withdrawn prior to the Expiration Date.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ IN ITS ENTIRETY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. Terms of the Offer; Expiration Date. Upon the terms and subject to the conditions of the Offer, the Purchaser will accept for payment and pay for all Shares that have been validly tendered by the Expiration Date and not withdrawn as permitted by Section 4. The term "Expiration Date" means 12:00 Midnight, New York City time, on Tuesday, January 18, 1994, unless the Purchaser shall have extended, in its sole discretion, the period of time for which the Offer is open, in which event the term "Expiration Date" means the latest time and date

at which the Offer, as so extended by the Purchaser, shall expire.

The Offer is subject to certain conditions set forth in Section 15, including satisfaction of the Minimum Condition and expiration or termination of the waiting period applicable to the Purchaser's acquisition of Shares pursuant to the Offer under Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"). If any such condition is not satisfied, the Purchaser may (i) terminate the Offer and return all tendered Shares to tendering stockholders, (ii) extend the Offer and, subject to withdrawal rights as set forth in Section 4, retain all such Shares until the expiration of the Offer as so extended, (iii) waive such condition and, subject to any requirement to extend the period of time during which the Offer is open, purchase all Shares validly tendered by the Expiration Date and not withdrawn or (iv) delay acceptance for payment of or payment for Shares, subject to applicable law, until satisfaction or waiver of the conditions to the Offer. In the Merger Agreement, the Purchaser has agreed, subject to the conditions in Section 15 and its rights under the Offer, to accept for payment Shares as soon as practicable after the latest of (i) the date on which the waiting period under the HSR Act has expired or been terminated, (ii) the date on which the conditions in Section 15 are fulfilled and there is no right to terminate the Offer under Section 15 (subject to the Purchaser's rights to extend the Offer) and (iii) the earliest date on which the Offer can expire under Federal law. For a description of the Purchaser's right to extend the period of time during which the Offer is open, and to amend, delay or terminate the Offer, see Section 14.

The Company has provided the Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

2. Acceptance for Payment and Payment. Upon the terms and subject to the conditions of the Offer, the Purchaser will accept for payment and pay for all Shares validly tendered by the Expiration Date and not properly withdrawn as soon as practicable after the later of (i) the Expiration Date and (ii) the satisfaction or waiver of the conditions set forth in Section 15. For a description of the Purchaser's right to terminate the Offer and not accept for payment or pay for Shares or to delay acceptance for payment or payment for Shares, see Section 14.

For purposes of the Offer, the Purchaser shall be deemed to have accepted for payment tendered Shares when, as and if the Purchaser gives oral or written notice to the Depositary of its acceptance of the tenders of such Shares. Payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price with the Depositary, which will act as agent for the tendering stockholders for the purpose of receiving payments from the Purchaser and transmitting such payments to tendering stockholders. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of certificates for such Shares (or of a confirmation of a book-entry transfer of such Shares into the Depositary's account at one of the Book-Entry Transfer Facilities (as defined in Section 3)), a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other required documents. For a description of the procedure for tendering Shares pursuant to the Offer, see Section 3. Accordingly, payment may be made to tendering stockholders at different times if delivery of the Shares and other required documents occur at different times. Under no circumstances will interest be paid by the Purchaser on the consideration paid for Shares pursuant to the Offer, regardless of any delay in making such payment.

If the Purchaser increases the consideration to be paid for Shares pursuant to the Offer, the Purchaser will pay such increased consideration for all Shares purchased pursuant to the Offer.

The Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligations under the Offer or prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment.

If any tendered Shares are not purchased pursuant to the Offer for any reason, or if certificates are submitted for more Shares than are tendered, certificates for such unpurchased or untendered Shares will be returned (or, in the case of Shares tendered by book-entry transfer, such Shares will be credited to an account maintained at one of the Book-Entry Transfer Facilities), without expense to the tendering stockholder, as promptly as practicable following the expiration or termination of the Offer.

3. Procedure for Tendering Shares. To tender Shares pursuant to the Offer,

either (a) a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by the Letter of Transmittal must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and either (i) certificates for the Shares to be tendered must be received by the Depositary at one of such addresses or (ii) such Shares must be delivered pursuant to the procedures for book-entry transfer described below (and a confirmation of such delivery received by the Depositary including an Agent's Message if the tendering stockholder has not delivered a Letter of Transmittal), in each case prior to the Expiration Date, or (b) the guaranteed delivery procedure described below must be complied with. The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility (as hereinafter defined) to and received by the Depositary and forming a part of a book-entry confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgement from the participant in such Book-Entry Transfer Facility tendering the Shares which are the subject of such book-entry confirmation, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Company may enforce such agreement against such participant.

The Depositary will establish an account with respect to the Shares at The Depository Trust Company, Midwest Securities Trust Company and Philadelphia Depository Trust Company (collectively referred to as the "Book-Entry Transfer Facilities") for purposes of the Offer within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in the system of any Book-Entry Transfer Facility may make delivery of Shares by causing such Book-Entry Transfer Facility to transfer such Shares into the Depositary's account in accordance with the procedures of such Book-Entry Transfer Facility. However, although delivery of Shares may be effected through book-entry transfer, the Letter of Transmittal (or facsimile thereof) properly completed and duly executed together with any required signature guarantees or an Agent's Message and any other required documents must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the guaranteed delivery procedure described below must be complied with. Delivery of the Letter of Transmittal and any other required documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.

Except as otherwise provided below, all signatures on a Letter of Transmittal must be guaranteed by a firm which is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States (an "Eligible Institution"). Signatures on a Letter of Transmittal need not be guaranteed (a) if the Letter of Transmittal is signed by the registered holder of the Shares tendered therewith and such holder has not completed the box entitled "Special Payment Instructions" on the Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's Share certificates evidencing such Shares are not immediately available or such stockholder cannot deliver such Shares and all other required documents to the Depositary by the Expiration Date, or such stockholder cannot complete the procedure for delivery by book-entry transfer on a timely basis, such Shares may nevertheless be tendered if all of the following conditions are met:

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Purchaser is received by the Depositary (as provided below) by the Expiration Date; and

(iii) the certificates for such Shares (or a confirmation of a book-entry transfer of such Shares into the Depositary's account at one of the Book-Entry Transfer Facilities), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantee or an Agent's Message and any other documents required by the Letter of Transmittal, are received by the Depositary within five New York Stock Exchange, Inc. ("NYSE") trading days after the date of execution of the Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, telex, facsimile transmission or mail to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in such Notice.

The method of delivery of Share certificates and all other required documents, including through Book-Entry Transfer Facilities, is at the option and risk of the tendering stockholder and the delivery will be deemed made only when actually received by the Depositary. If certificates for Shares are sent by mail, registered mail with return receipt requested, properly insured, is recommended.

Under the federal income tax laws, the Depositary will be required to withhold 31% of the amount of any payments made to certain stockholders pursuant to the Offer. In order to avoid such backup withholding, each tendering stockholder must provide the Depositary with such stockholder's correct taxpayer identification number and certify that such stockholder is not subject to such backup withholding by completing the Substitute Form W-9 included in the Letter of Transmittal.

By executing a Letter of Transmittal, a tendering stockholder irrevocably appoints designees of the Purchaser as such stockholder's proxies in the manner set forth in the Letter of Transmittal to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by the Purchaser (and any and all other Shares or other securities issued or issuable in respect of such Shares on or after December 10, 1993). All such proxies shall be irrevocable and coupled with an interest in the tendered Shares. Such appointment is effective only upon the acceptance for payment of such Shares by the Purchaser. Upon such acceptance for payment, all prior proxies and consents granted by such stockholder with respect to such Shares and other securities will, without further action, be revoked, and no subsequent proxies may be given nor subsequent written consents executed by such stockholder (and, if given or executed, will not be deemed to be effective). Such designees of the Purchaser will be empowered to exercise all voting and other rights of such stockholder as they, in their sole discretion, may deem proper at any annual, special or adjourned meeting of the Company's stockholders, by written consent or otherwise. The Purchaser reserves the right to require that, in order for Shares to be validly tendered, immediately upon the Purchaser's acceptance for payment of such Shares, the Purchaser is able to exercise full voting rights with respect to such Shares and other securities (including voting at any meeting of stockholders then scheduled or acting by written consent without a meeting).

The tender of Shares pursuant to any one of the procedures described above will constitute an agreement between the tendering stockholder and the Purchaser upon the terms and subject to the conditions of the Offer.

All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the Purchaser, in its sole discretion, which determination shall be final and binding. The Purchaser reserves the absolute right to reject any or all tenders of Shares determined by it not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of the Purchaser's counsel, be unlawful. The Purchaser also reserves the absolute right to waive any defect or irregularity in any tender of Shares. None of the Purchaser, the Dealer Manager, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in tenders or incur any liability for failure to give any such notification.

4. Withdrawal Rights. Tenders of Shares made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after February 14, 1994 unless theretofore accepted for payment as provided in this Offer to Purchase. If the Purchaser extends the period of time during which the Offer is open, is delayed in accepting for payment or paying for Shares or is unable to accept for payment or pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer, the Depositary may, on behalf of the Purchaser, retain all Shares tendered, and such Shares may not be withdrawn except as otherwise provided in this Section 4.

To be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and must specify the name of the person who tendered the Shares to be withdrawn and the number of Shares to be withdrawn and the name of the registered holder of the Shares, if different from that of the person who tendered such Shares. If the Shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal with (except in the case of Shares tendered by an Eligible Institution) signatures guaranteed by an Eligible Institution must be submitted prior to the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by delivery of certificates, the name of the registered holder (if different from that of the tendering stockholder) and the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn or, in the case of Shares tendered by book-entry transfer, the name and number of the account at one of the Book-Entry Transfer Facilities to be credited with the withdrawn Shares. Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3 at any time prior to the Expiration Date.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Purchaser, in its sole discretion, which determination shall be final and binding. None of the Purchaser, the Dealer Manager, the Depositary, the Information Agent or any

other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

5. Certain Tax Consequences. Sales of Shares by stockholders of the Company pursuant to the Offer will be taxable transactions for federal income tax purposes and may also be taxable transactions under applicable state and local and other tax laws.

In general, a stockholder will recognize gain or loss equal to the difference between the tax basis of his Shares and the amount of cash received in exchange therefor. Such gain or loss will be a capital gain or loss if the Shares are capital assets in the hands of the stockholder and will be long-term gain or loss if the holding period for the Shares is more than one year as of the date of the sale of such Shares.

The foregoing discussion may not apply to stockholders who acquired their Shares pursuant to the exercise of stock options or other compensation arrangements with the Company or who are not citizens or residents of the United States or who are otherwise subject to special tax treatment under the Internal Revenue Code of 1986.

The federal income tax discussion set forth above is included for general information only. Due to the individual nature of tax consequences, stockholders are urged to consult their tax advisors as to the specific tax consequences to them of the Offer, including the effects of applicable state, local or other tax laws.

6. Price Range of Shares; Dividends. The Shares are listed and principally traded on the NYSE. Prior to August 1991, the Shares were traded principally on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"). The following table sets forth for the periods indicated the high and low sales prices per Share on the NYSE Composite Tape or the NASDAQ National Market System, as the case may be, as reported in the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1993 (the "Company 10-K") with respect to the fiscal years 1992 and 1993, and thereafter

as reported in published financial sources (which take into account the 3 for 2 stock splits with respect to Shares in January and June 1992):

<TABLE>
<CAPTION>

FISCAL YEAR		HIGH	LOW
<C>	<S>	<C>	<C>
1992:	First Quarter	$ 4.45	$ 1.83
	Second Quarter	4.67	3.22
	Third Quarter	7.67	4.33
	Fourth Quarter	12.89	7.05
1993:	First Quarter	$17.50	$12.33
	Second Quarter	15.75	7.50
	Third Quarter	12.88	7.63
	Fourth Quarter	12.25	8.75
1994:	First Quarter	$13.50	$ 9.25
	Second Quarter	15.00	11.75
	Third Quarter	15.37	11.75
	Fourth Quarter (through December 10, 1993)	15.37	12.75

</TABLE>

On December 10, 1993, the last full day of trading prior to the commencement of the Offer, the reported closing sales price per Share on the NYSE Composite Tape was $15.00.

The Company has not paid any cash dividends since its inception.

Stockholders are urged to obtain current market quotations for the Shares.

7. Certain Information Concerning the Company. The Company is a Florida corporation with its principal executive offices located at 4408 West Linebaugh Avenue, Tampa, Florida 33624.

According to the Company 10-K, the Company is one of the leading producers of spectator sportswear under licenses granted by the four major American professional sports leagues (Major League Baseball, the National Basketball Association, the National Football League, and the National Hockey League) and most major American colleges and universities. The Company designs, manufactures, and markets a wide variety of high-quality licensed sportswear, including T-shirts, sweatshirts, sweatpants, knitted sweaters, caps and jackets. The majority of the Company's products are sold under the "Nutmeg Mills" label to department stores, sporting good stores, and specialty retailers.

The Company was incorporated in 1985 under the laws of Florida. The

Company's subsidiaries are Nutmeg Mills, Inc. ("Mills"), which designs, manufactures, and markets the Company's principal product line; McBriar Sportswear, Inc., which through independent contractors, manufactures sweaters and other garments for Mills and others; McBriar Cap Company, Inc. (formerly Brand Images Corp.), which manufactures licensed caps for Mills and the specialty advertising market; and Home Team Advantage, Inc. (formerly Saturday's Hero, Inc.). On January 31, 1993, the Company acquired Tryrare, Ltd. a privately held British firm which manufactures apparel, the bulk of which is licensed from various parties, including certain European soccer clubs.

The following selected consolidated financial data relating to the Company and its subsidiaries has been taken or derived from the audited financial statements contained in the Company 10-K and the unaudited financial statements contained in the Company's quarterly reports on Form 10-Q for its fiscal quarters ended May 1, 1993, July 31, 1993 and October 30, 1993 (the "Company 10-Q's") respectively. More comprehensive financial information is included in such 10-K and 10-Q's and the other documents filed by the Company with the Commission, and the financial data set forth below is qualified in its entirety by reference to such reports and other documents including the financial statements contained therein. Such reports and other documents may be examined and copies may be obtained from the offices of the Commission in the manner set forth below.

NUTMEG INDUSTRIES, INC.

SELECTED CONSOLIDATED FINANCIAL DATA

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
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	FISCAL YEAR ENDED			NINE MONTHS ENDED (UNAUDITED)	
	JANUARY 26, 1991	JANUARY 25, 1992	JANUARY 30, 1993	OCTOBER 24, 1992	OCTOBER 30, 1993
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA:					
Net sales	$74,211	$ 122,373	$ 159,989	$ 118,945	$ 144,215
Income before income taxes	3,255	10,991	17,652	12,296	17,530
Net income	2,016	6,799	11,453	7,955	10,963
Net income per Share	.14	.47	.61	.42	.58
BALANCE SHEET DATA (END OF PERIOD):					
Working capital		$ 64,830	$ 60,498	$ 71,113	$ 96,828
Total assets		105,331	106,719	114,191	154,331
Long-term debt (not including current portion)		6,051	--	12,420	31,199
Stockholders' equity		71,878	84,916	80,294	96,243

</TABLE>

The information concerning the Company contained herein has been taken from or is based upon reports and other documents on file with the Commission or otherwise publicly available. Although the Purchaser does not have any knowledge that would indicate that any statements contained herein based upon such reports and documents are untrue, the Purchaser does not take any responsibility for the accuracy or completeness of the information contained in such reports and other documents or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of any such information but that are unknown to the Purchaser.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and in accordance therewith files periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. The Company is required to disclose in such proxy statements certain information, as of particular dates, concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company. Such reports, proxy statements and other information may be inspected at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and should also be available for inspection and copying at the regional offices of the Commission in New York (Jacob K. Javits Federal Building, 26 Federal Plaza, New York, New York 10278) and Chicago (Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois 60604). Copies of such material can also be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549, at prescribed rates. Such material should also be available for inspection at the library of the NYSE, 20 Broad Street, New York, New York 10005.

8. Certain Information Concerning the Purchaser and Parent. The Purchaser

is a Florida corporation incorporated on December 10, 1993 and to date has engaged in no activities other than those incident to its formation, the execution and delivery of the Merger Agreement, the Company Option Agreement and the Stockholder Option Agreement and the commencement of the Offer. The Purchaser is a wholly-owned subsidiary of Parent. The principal executive offices of the Purchaser and Parent are each located at 1047 North Park Road, Wyomissing, PA 19610.

Parent. Parent is a Pennsylvania corporation with its principal executive offices located at 1047 North Park Road, Wyomissing, PA 19610. Parent, through its operating subsidiaries and divisions, designs,

manufactures and markets apparel in five principal business groups: Jeanswear, Casual/Sportswear, Intimate Apparel, International and Other Apparel. Organized in 1899, Parent oversees the operations of its subsidiaries and provides them with financial and administrative resources. The management of each operating subsidiary is independent and is responsible for growth and development of its own business within the guidelines established by corporate management.

The name, citizenship, business address, present principal occupation or employment, and material positions held during the past five years of each of the directors and executive officers of the Purchaser and Parent are set forth in Schedule I of this Offer to Purchase.

Additional information concerning Parent is set forth in Parent's Annual Report on Form 10-K for the fiscal year ended January 2, 1993 and subsequent Quarterly Reports on Form 10-Q, which reports may be obtained from the Commission in the manner set forth with respect to information concerning the Company in Section 7. In connection with the filing of the Tender Offer Statement on Schedule 14D-1 relating to the Offer (the "Schedule 14D-1") with the Commission, the Purchaser has filed with the Commission the audited consolidated financial statements of Parent for the fiscal years ended January 4, 1992 and January 2, 1993.

V.F. CORPORATION

SELECTED CONSOLIDATED FINANCIAL DATA
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
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	FISCAL YEAR ENDED			NINE MONTHS ENDED	
	DECEMBER 29, 1990	JANUARY 4, 1992	JANUARY 2, 1993	OCTOBER 3, 1992	OCTOBER 2, 1993
				(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA:					
Net sales	$2,612,613	$2,952,433	$3,824,449	$2,795,430	$3,222,897
Income before income taxes	143,084	263,197	375,773	271,268	308,146
Net income	81,124	161,330	237,031	166,450	185,275
BALANCE SHEET DATA (END OF PERIOD):					
Working capital		$ 560,333	$ 681,571	$ 611,609	$ 894,616
Total assets		2,126,913	2,712,380	2,588,124	2,963,161
Long-term debt (not including current portion)		583,209	767,641	587,489	633,634
Stockholders' equity		938,078	1,153,971	1,090,439	1,502,145
Earnings Per Common Share					
Primary	$ 1.35	$ 2.75	$ 3.97	$ 2.79	$ 2.86
Fully Diluted	1.33	2.62	3.85	2.71	2.79
Cash Dividends Per Common Share	$ 1.00	$ 1.02	$ 1.11	$ 0.81	$ 0.90

</TABLE>

Parent is subject to the informational requirements of the Exchange Act and in accordance therewith files periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Parent is required to disclose in such proxy statements certain information, as of particular dates, concerning its directors and officers, their remuneration, stock options granted to them, the principal holders of its securities and any material interests of such persons in transactions with Parent. Such reports, proxy statements and other information should be available for inspection and copying at the offices of the Commission and the library of the NYSE in the same manner as set forth with respect to the Company in Section 7.

Except as described in this Offer to Purchase, (i) neither Parent nor the Purchaser nor, to the best knowledge of the Purchaser, any of the persons listed in Schedule I to this Offer to Purchase or any associate or majority-owned subsidiary of Parent or any of the persons so listed beneficially owns or has any right to acquire, directly or indirectly, any Shares and (ii) neither Parent

nor the Purchaser nor, to the best knowledge of the Purchaser, any of the persons or entities referred to above nor any director, executive officer or subsidiary of any of the foregoing has effected any transaction in the Shares during the past 60 days.

Except as provided in the Merger Agreement, the Company Option Agreement and the Stock Option Agreement and as otherwise described in this Offer to Purchase, neither Parent nor the Purchaser nor, to the best knowledge of the Purchaser, any of the persons listed in Schedule I to this Offer to Purchase, has any contract, arrangement, understanding or relationship with any other person with respect to any securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of such securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, guarantees of profits, division of profits or loss or the giving or withholding of proxies. Except as set forth in this Offer to Purchase, since October 1, 1990, neither Parent, the Purchaser nor, to the best knowledge of the Purchaser, any of the persons listed on Schedule I hereto, has had any business relationship or transaction with the Company or any of its executive officers, directors, or affiliates that is required to be reported under the rules and regulations of the Commission applicable to the Offer. Except as set forth in this Offer to Purchase, since October 1, 1990, there have been no contracts, negotiations or transactions between Parent, or any of its subsidiaries or, to the best knowledge of Parent and the Purchaser, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets.

9. Source and Amount of Funds. The total amount of funds required by the Purchaser to purchase Shares pursuant to the Offer and to pay related fees and expenses is estimated to be approximately $350 million.

Parent has committed to provide these funds to the Purchaser as either equity contributions or loans. Parent intends to obtain such funds from the Parent's existing revolving credit facility pursuant to that certain Credit Agreement dated as of October 21, 1993 (the "Credit Agreement"), among the Parent, certain financial institutions listed therein (the "Lenders") and Morgan Guaranty Trust Company of New York ("MGT"), as Agent (the "Agent"), proceeds of short-term notes issued in the money market, and cash on hand or any combination of the foregoing.

The following is a summary of the Credit Agreement, a copy of which is filed as an exhibit to the Schedule 14D-1. Such summary is qualified in its entirety by reference to the Credit Agreement. The Credit Agreement provides for a revolving credit facility of $500 million, which terminates on October 20, 1997. Loans made thereunder are unsecured and bear interest, at the Parent's option, at:

(a) for any day, the higher of (i) the rate which MGT announces from time to time as its prime lending rate, and (ii) a rate equal for each day to the sum of (A) the weighted average of rates on overnight Federal funds brokers, as published for such day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day, the average of the quotations for such day received by MGT, as determined by the Agent and (B) 1/2 of 1%;

(b) a Euromarket-based rate, plus an additional margin ranging from .245% to .5625%, depending on the rating (the "Debt Rating") given the Parent's outstanding senior unsecured, long-term debt by Standard & Poor's Corporation or Moody's Investors Service, Inc.;

(c) a certificate of deposit-based rate, plus an additional margin ranging from .37% to .6875%, depending on the Debt Rating; and

(d) rates offered from time to time by certain of the Lenders, at their discretion.

At December 16, 1993, no borrowings were outstanding under the Credit Agreement, and $500 million was available.

The Lenders are MGT; ABN AMRO Bank, N.V.; AmSouth Bank N.A.; Bank Brussels Lambert, New York Branch; CoreStates Bank, N.A.; Credit Lyonnais Cayman Island Branch; Credit Lyonnais New York Branch; Credit Suisse; Crestar Bank; Dresdner Bank A.G., New York and Grand Cayman Branches; The First National Bank of Chicago; First Union National Bank of North Carolina; The Fuji Bank, Limited; J.P. Morgan Delaware; Istituto Bancario San Paolo di Torino s.p.a.; Meridian Bank; NationsBank of North Carolina, N.A.; PNC Bank, National Association; Societe Generale; United Missouri Bank, N.A., and Wachovia Bank of Georgia, N.A.

In addition, the Credit Agreement requires that the Parent pay a fee to the Lenders equal to a percentage per annum, ranging from .125% to .3125%, depending upon the Debt Rating and upon the aggregate amount of the Lenders' unused

commitment. The Credit Agreement also requires, among other things, that the Parent maintain certain financial ratios and a certain net worth. The Credit Agreement also limits, among other things, the Parent's ability to incur debts or liens on any of its assets or those of its subsidiaries.

Parent may also finance a portion of the purchase price from the proceeds of short term notes issued in transactions exempt from registration under the Securities Act of 1933, as amended ("Short-Term Notes"). Short-Term Notes would be issued pursuant to a December 15, 1993 agreement between Parent and Goldman Sachs Money Markets, L.P. ("GSMM LP"). Short-Term Notes would have a maturity not in excess of 270 days and would have interest rates determined by market conditions at the time of issue.

It is anticipated that the borrowings described above will be refinanced or repaid from funds generated internally by Parent or Purchaser (including, after consummation of the Merger, available funds generated by the Company) or other sources, which may include the proceeds of the sale of debt securities or the sale of assets. No decision has been made concerning this matter, and decisions will be made based on Parent's

review from time to time of the advisability of selling particular securities or assets as well as on interest rates and other economic conditions.

10.Background of the Offer; Past Contacts, Transactions or Negotiations with the Company;
Merger Agreement.

On or about October 28, 1993, representatives of Parent were contacted by representatives of Goldman, Sachs & Co. ("Goldman"), acting at the direction of the Company, concerning Parent's potential interest in acquiring the Company.

On or about November 5, 1993 the Company and Parent entered into a confidentiality agreement (the "Confidentiality Agreement"). The Confidentiality Agreement also provided that, for an 18 month period, Parent would not, without consent of the Company, acquire, or offer to acquire, Shares or any other interest in the Company or take certain other actions (the "Standstill Provisions").

During the period that followed, representatives of Parent conducted its due diligence investigation regarding the business and properties of the Company. In addition, senior management of Parent met with senior management of the Company to discuss the Company and its business and on December 7, 1993, the Board of Directors of Parent met to consider a possible offer to acquire the Company. Following such December 7, 1993 meeting, representatives of J.P. Morgan Securities Inc., Parent's financial advisor, contacted representatives of Goldman with an initial proposal to acquire the Company. During the period between December 7, 1993 and December 12, 1993, representatives of Parent and the Company discussed the terms of a possible acquisition and negotiated the terms of the Merger Agreement and the Company Option Agreement. Following approval by the Board of Directors, the Merger Agreement and the Company Option Agreement were executed. Concurrently with the above negotiations, the terms of the Stockholder Option Agreement were negotiated and the Stockholders (as defined below) and the Purchaser executed the Stockholder Option Agreement.

THE MERGER AGREEMENT

The following is a summary of the Merger Agreement, a copy of which is filed as an Exhibit to the Schedule 14D-1. Such summary is qualified in its entirety by reference to the Merger Agreement.

The Offer. The Merger Agreement provides for the making of the Offer. The obligation of Purchaser to accept for payment Shares tendered pursuant to the Offer is subject to the satisfaction of the Minimum Condition and certain other conditions that are described in Section 15. The Purchaser has agreed that no change in the Offer may be made which changes the form of consideration to be paid or decreases the price per Share or the number of Shares sought in the Offer or which imposes conditions to the Offer in addition to the Minimum Condition and those conditions described in Section 15.

Recommendation. The Board of Directors has (i) unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, are fair to and in the best interest of the Company's stockholders, (ii) unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger and (iii) unanimously resolved to recommend acceptance of the Offer and approval and adoption of the Merger Agreement and the Merger by the Company's stockholders. This recommendation of the Board of Directors may be withdrawn or modified by the Board if advised by counsel in writing (which writing may be delivered promptly following such advice) that such withdrawal or modification is required by the Board's fiduciary duties. Any such withdrawal or modification will not constitute a breach of the Merger Agreement.

The Merger. The Merger Agreement provides that, upon the terms and subject

to the conditions thereof, at the time at which the Company and the Purchaser file articles of merger with the Secretary of State of the State of Florida and make all other filings or recordings required by the Florida Business Corporation Act ("Florida Law") in connection with the Merger, Purchaser shall be merged with and into the Company in accordance with Florida Law. The Merger shall become effective at such time as the Articles of Merger are duly filed with the Secretary of State of the State of Florida or at such later time as is specified in the Articles

of Merger (the "Effective Time"). As a result of the Merger, the separate corporate existence of the Purchaser will cease and the Company will be the Surviving Corporation.

At the Effective Time, (i) each issued and outstanding Share held in the treasury of the Company, or owned by the Purchaser Companies shall be cancelled, and no payment shall be made with respect thereto; (ii) each share of common stock of Purchaser then outstanding shall be converted into and become one share of common stock of the Surviving Corporation; and (iii) each Share outstanding immediately prior to the Effective Time shall, except as otherwise provided in (i) above, be converted into the right to receive $17.50 in cash or any higher price per Share that may be paid pursuant to the Offer, without interest.

The Merger Agreement provides that, at the Effective Time, the articles of incorporation of Purchaser will be the articles of incorporation of the Surviving Corporation, except that the name of the Surviving Corporation shall be changed to "Nutmeg Industries, Inc."

Agreements of Parent and the Company. The Merger Agreement provides that effective upon purchase and payment for any Shares by Purchaser, the Purchaser shall be entitled to designate the number of directors, rounded up to the next whole number, on the Company's Board of Directors that equals the product of (i) the total number of directors on the Board of Directors (giving effect to the election of any additional directors pursuant to this paragraph) and (ii) the percentage that the number of Shares owned by the Purchaser (including Shares accepted for payment) bears to the total number of Shares outstanding, and the Company shall take all action necessary to cause the Purchaser's designees to be elected or appointed to the Board of Directors, including, without limitation, increasing the number of directors, and seeking and accepting resignations of its incumbent directors.

Pursuant to the Merger Agreement, the Company shall cause a meeting of its stockholders (the "Company Stockholder Meeting") to be duly called and held as soon as reasonably practicable for the purpose of voting on the approval and adoption of the Merger Agreement and the Merger, unless a vote of stockholders by the Company is not required by Florida Law.

The Merger Agreement provides that the Company will promptly prepare and file with the Commission under the Exchange Act a proxy statement relating to the Company Stockholder Meeting (the "Proxy Statement"). The Company has agreed, subject to the fiduciary duties of its Board of Directors as advised in writing by counsel (which writing may be delivered promptly following such advice), to use its reasonable best efforts to obtain the necessary approvals by its stockholders of the Merger Agreement and the transactions contemplated thereby. Parent has agreed to vote and to cause each of its subsidiaries (including, without limitation, the Purchaser) to vote all Shares then owned by it in favor of adoption of the Merger Agreement.

The Company has agreed that, prior to the Effective Time, the Company will not adopt or propose any change in its articles of incorporation or bylaws; in addition, the Company has agreed that, prior to the Effective Time, the Company will not, and will not permit any of its subsidiaries (each, a "Subsidiary") to (a) merge or consolidate with any other Person (other than a Subsidiary) or except for acquisitions of inventory, machinery, supplies and similar assets in the ordinary course of business, acquire a material amount of assets of any other Person (other than a Subsidiary); (b) sell, lease, license or otherwise dispose of any material assets or property to any Person (other than a Subsidiary) except (i) pursuant to existing contracts or commitments, (ii) in the ordinary course consistent with past practice or (iii) new license arrangements for sportswear products consistent with past practices; (c) agree or commit to do any of the foregoing; (d) (i) take or agree or commit to take any action that would make any representation and warranty of the Company under the Merger Agreement inaccurate in any material respect at, or as of any time prior to, the Effective Time or (ii) omit or agree or commit to omit to take any action necessary to prevent any such representation or warranty from being inaccurate in any material respect at any such time; or (e) make or change any tax election, change any annual tax accounting period, adopt or change any method of tax accounting, file any amended tax return, enter into any closing agreement, settle any tax claim or assessment, surrender any right to claim a tax refund, consent to any extension or waiver of the limitation period applicable to any tax claim or assessment or take or omit to take any other action, if any such action or omission would have the effect of increasing the tax liability of the Company or any Subsidiary by an amount in excess of $250,000.

Pursuant to the Merger Agreement, the Company has agreed that from the date of the Merger Agreement until the termination thereof, the Company and the Subsidiaries will not, and will use their respective best efforts to insure that their respective officers, directors, employees or other agents will not, directly or indirectly, (i) take any action to solicit or initiate any Acquisition Proposal (as defined below) or (ii) subject to the fiduciary duties of the Board of Directors as advised in writing by counsel (which writing may be delivered promptly following such advice), (x) grant any waiver under or agree to any material amendment of any confidentiality agreement or standstill provision or agreement to which the Company or any Subsidiary is a party in effect on the date of the Merger Agreement or (y) engage in negotiations with, or disclose any non-public information relating to the Company or any Subsidiary or afford access to the properties, books or records of the Company or any Subsidiary to, any Person that may be considering making, or has made, an Acquisition Proposal. The Company has agreed to promptly notify Parent after receipt of any Acquisition Proposal or any request for non-public information relating to the Company or any Subsidiary or for access to the properties, books or records of the Company or any Subsidiary by any Person that may be considering making, or has made, an Acquisition Proposal and will keep Parent reasonably informed of the status and details of any such Acquisition Proposal or request.

"Acquisition Proposal" means any offer or proposal for, or any indication of interest in, a merger or other business combination involving the Company or any Subsidiary or the acquisition of any equity interest in, or a substantial portion of the assets of, the Company or any Subsidiary, other than the transactions contemplated by the Merger Agreement.

Parent, Purchaser and the Company have each agreed that for seven years after the Effective Time, Parent will cause the Surviving Corporation to indemnify and hold harmless the present and former officers and directors of the Company in respect of acts or omissions occurring prior to the Effective Time to the extent provided under the Company's articles of incorporation and bylaws in effect on the date of the Merger Agreement, subject to any limitation imposed from time to time under applicable law. In addition, Parent has agreed that for seven years after the Effective Time, Parent will provide, pursuant to a policy maintained by it, or will cause the Surviving Corporation to use its best efforts to provide, officers' and directors' liability insurance in respect of acts or omissions occurring prior to the Effective Time covering each such Person currently covered by the Company's officers' and directors' liability insurance policy on terms with respect to coverage and amount no less favorable than those of such policy in effect on the date of the Merger Agreement. Parent will not be obligated to cause the Surviving Corporation to pay premiums in excess of 200% of the amount per annum the Company paid in its last full fiscal year.

Representations and Warranties. The Merger Agreement contains customary representations and warranties of the parties thereto including representations by the Company as to the absence of certain changes or events concerning its respective business, compliance with law, litigation, employee benefit plans, taxes and other matters.

Conditions to Certain Obligations. The obligations of the Company, Parent and Purchaser to consummate the Merger are subject to the satisfaction of the following conditions: (i) if required by Florida Law, the adoption by the stockholders of the Company of the Merger Agreement in accordance with such law; (ii) any applicable waiting period under the HSR Act relating to the Merger shall have expired; (iii) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Merger; (iv) Purchaser shall have purchased Shares pursuant to the Offer (provided that this condition shall be deemed fulfilled if Purchaser shall have failed to purchase Shares in violation of the Offer) or under the Stockholder Option Agreement; and (v) all actions by or in respect of or filings with any governmental body, agency, official, or authority required to permit the consummation of the Merger shall have been obtained.

In addition, the obligations of Parent and Purchaser to consummate the Merger are subject to the satisfaction of the following conditions: (i) the Company shall have performed in all material respects all of its obligations under the Merger Agreement required to be performed by it at or prior to the Effective Time (provided, that this condition shall be deemed automatically waived and of no effect where the Purchaser shall have exercised its rights to designate directors to the Board of Directors as described above); (ii) no provision

of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit consummation of the Merger; and (iii) Parent shall have received all documents it may reasonably request relating to the existence of the Company and the Subsidiaries and the authority of the Company for this Agreement, all in form and substance satisfactory to Parent.

Termination. The Merger Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, notwithstanding any approval of the Merger Agreement by the stockholders of the Company, (i) by mutual written consent of the Company and Parent; (ii) by either the Company or Parent, if (A) Purchaser shall not have purchased Shares pursuant to the Offer by the date that is 60 days after commencement of the Offer, or (B) the Merger has not been consummated by June 30, 1994; (C) if Parent or Purchaser (in the case of termination by the Company), or the Company (in the case of termination by Parent or Purchaser) shall have breached in any material respect any of its obligations under the Merger Agreement or (in the case of termination by the Company) the Offer; (D) if there shall be any law or regulation that makes consummation of the Merger illegal or otherwise prohibited or if any judgment, injunction, order or decree enjoining Purchaser or the Company from consummating the Merger is entered and such judgment, injunction, order or decree shall become final and nonappealable; or (E) by the Company if the Board of Directors of the Company has withdrawn its recommendation as permitted by the Merger Agreement. If the Merger Agreement is terminated, the Merger Agreement will become void and of no effect with no liability on the part of the Company, Parent or the Purchaser other than obligations of Parent under certain provisions of the Merger Agreement with respect to the treatment of confidential non-public information concerning the Company and its Subsidiaries, and obligations of the Company under certain provisions of the Merger Agreement to pay certain fees to and expenses of Parent or Purchaser (as described below).

The Purchaser and Parent have agreed that if by the 31st business day after termination of the Merger Agreement, Purchaser has not purchased any Shares pursuant to the Offer or the options contemplated by the Company Option Agreement or the Stockholder Option Agreement, the Standstill Provisions described in Section 10 will be revived.

Fees and Expenses. The Company has agreed in the Merger Agreement that if a Third Party Acquisition (as defined below) shall occur at any time on or prior to one year after the termination of the Merger Agreement, the Company will pay to Parent, within one business day following such Third Party Acquisition, a fee equal to $8,500,000 in cash.

"Third Party Acquisition" means the occurrence of any of the following: (i) the Company is acquired by merger or otherwise by any "person" (as such term is defined in Section 13(d)(3) of the Exchange Act) other than Parent or Parent Subsidiary (a "Third Party"); (ii) a Third Party acquires more than 50% of the total assets of the Company and its Subsidiaries, taken as a whole; or (iii) a Third Party acquires more than 50% of the Shares; provided that no such transaction shall constitute a Third Party Acquisition unless the Company or the holders of Shares receive, pursuant to such transaction, consideration per Share having an indicated value (including the value of any stub equity or other merger consideration) in excess of $17.50.

In addition, the Company has agreed in the Merger Agreement that if Purchaser shall exercise its right not to purchase Shares or to terminate the Offer pursuant to the conditions to this Offer to Purchase, the Company shall, within one business day, reimburse Parent and Purchaser for all out-of-pocket fees and expenses incurred by Parent and Purchaser in connection with the execution and delivery of the Merger Agreement and the Company Stock Option Agreement (as defined below) and by transactions contemplated thereby, including fees and disbursements of financial advisors and counsel, provided that such reimbursement obligation shall not exceed $1,000,000. The Company is not required to make any such payment if Parent or Purchaser shall have breached in any material respect or failed to perform in any material respect any obligation or covenant contained in the Merger Agreement or this Offer to Purchase.

Except as described in the preceding paragraph, the Merger Agreement provides that the Company, Parent and Purchaser shall each bear all expenses incurred by it in connection with the Merger Agreement, the Company Stock Option Agreement and the Stockholder Option Agreement and the transactions contemplated thereby.

Amendments and Waivers. Any provision of the Merger Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, and (i) in the case of an amendment, by the Company, Parent and Purchaser or (ii) in the case of a waiver, by the party against whom the waiver is to be effective. After the adoption of the Merger Agreement by the stockholders of the Company, no such amendment or waiver shall alter or change (i) the amount or kind of consideration to be received in exchange for any shares of capital stock of the Company, (ii) any other terms and conditions of the Merger Agreement if such change would materially affect the Company or the holders of the shares of capital stock of the Company, or (iii) any term of the articles of incorporation of the Company without the further approval of such stockholders.

It is a condition to the Offer that Richard E. Jacobson and Martin G. Jacobson shall have entered into employment agreements or arrangements with the Purchaser on terms previously agreed upon. See Section 15. The Purchaser expects

that these agreements or arrangements will provide for compensation and incentive arrangements commensurate with current arrangements provided by the Company, with a non-compete clause that would not extend beyond three years following any termination of any such employment agreement or arrangement.

THE COMPANY STOCK OPTION AGREEMENT

The following is a summary of the Company Stock Option Agreement. A copy of the Company Stock Option Agreement is filed as an Exhibit to the Schedule 14D-1. Such summary is qualified in its entirety by reference to the Company Stock Option Agreement.

The Company Option. Pursuant to the Company Stock Option Agreement, the Company has granted to Purchaser the option (the "Company Option") to purchase up to 2,980,000 Shares (the "Company Option Shares") at an exercise price of $17.50 per share, consisting of approximately 13.8% of the Shares that would be outstanding if such Company Option were exercised in full.

Exercise of the Option. Purchaser may exercise the Company Option, in whole or in part, at any time and from time to time following the occurrence of any Trigger Event until the Termination Date (as defined below). To the knowledge of the Purchaser, no Trigger Event has occurred as of the date of this Offer to Purchase.

"Trigger Event" means (i) a tender or exchange offer for some or all of the shares of Common Stock shall have been publicly proposed to be made or shall have been made by another person; (ii) it shall have been publicly disclosed or Parent or Purchaser shall have otherwise learned that (a) any person or "group" (as defined in Section 13(d)(3) of the Exchange Act) (other than Parent or Purchaser) shall have acquired or proposed to acquire beneficial ownership of more than 30% of any class or series of capital stock of the Company (including the Shares), through the acquisition of stock, the formation of a group or otherwise, or shall have been granted any option, right or warrant, conditional or otherwise, to acquire beneficial ownership of more than 30% of any class or series of capital stock of the Company other than acquisitions for bona fide arbitrage purposes only and other than as disclosed in a Schedule 13D or 13G on file with the Commission on October 31, 1993, (b) any such person or group which, prior to October 31, 1993, had filed such a Schedule with the Commission shall have acquired or proposed to acquire beneficial ownership of additional shares of any class or series of capital stock of the Company, through the acquisition of stock, the formation of a group or otherwise, constituting 5% or more of any such class or series, or shall have been granted any option, right or warrant, conditional or otherwise, to acquire beneficial ownership of additional shares of any class or series of capital stock of the Company (including the Shares) constituting 5% or more of any such class or series, (c) any person (other than Parent or Purchaser) shall have filed a Notification and Report Form under the HSR Act or made a public announcement reflecting an intent to acquire the Company or any assets or securities of the Company; (d) any person or group (other than Parent and Purchaser) shall have entered into or offered to enter into a definitive agreement or an agreement in principle with respect to a merger, consolidation or other business combination with the Company; (iii) Purchaser shall have purchased Shares under the Offer; or (iv) the Board of Directors shall have withdrawn or materially modified its approval or recommendation of the Offer or the Merger.

"Termination Date" means the earlier to occur of (i) the Effective Time, and (ii) the 30th business day after the termination of the Merger Agreement in accordance with its terms.

Third Party Offer. The Company Stock Option Agreement provides that at any time or from time to time after (i) the making, other than by the Purchaser or its affiliates, of a tender or exchange offer for the outstanding Shares at a price per share in excess of the Offer Price or (ii) the announcement by any person other than the Purchaser or its affiliates of an agreement, including an agreement in principle, to consummate with the Company a merger, consolidation or other business combination or sale of assets of the Company, in each case resulting in payment to holders of Shares of an amount per share in excess of the Offer Price (a "Third Party Offer"), the Purchaser may, at its election, upon two days' notice to the Company, surrender all or a part of the Company Stock Option to the Company, in which event the Company shall pay to the Purchaser, on the day of each such surrender and in consideration thereof, against tender by the Purchaser of an instrument evidencing such surrender, an amount in cash per Share the rights to which are surrendered equal to the excess of (a) the price per Share to be paid in such Third Party Offer over (b) the Offer Price. If all or a portion of the price per Share to be paid in such Third Party Offer consists of non-cash consideration, the price per Share referred to in clause (a) above shall be the cash consideration per Share, if any, plus the fair market value of the non-cash consideration per Share as set forth in such Third Party Offer or, if not so set forth, as determined by the Purchaser's investment bankers. Upon exercise of its right to surrender the Company Stock Option or any portion thereof and the receipt by the Purchaser of cash pursuant to this Section, any and all rights of the Purchaser to purchase Shares with respect to the portion of the Company Stock Option surrendered pursuant to this

Section shall be terminated.

Expiration of the Company Option. The Company Option will expire upon the Termination Date.

THE STOCKHOLDER OPTION AGREEMENT

The following is a summary of the Stockholder Option Agreement. A copy of the Stockholder Option Agreement is filed as an Exhibit to the Schedule 14D-1. Such summary is qualified in its entirety by reference to the Stockholder Option Agreement.

The Stockholder Option. Pursuant to the Stockholder Option Agreement, Richard E. Jacobson, Martin G. Jacobson and Glenell Associates, a partnership of which Richard E. Jacobson and Martin G. Jacobson are partners, (each a "Stockholder") have granted to Purchaser the option (the "Stockholder Option") to purchase the Shares referred to in such agreement and any additional Shares acquired by each Stockholder (whether by purchase or otherwise) after the date of the Stockholder Option Agreement (the "Stockholder Shares") at a purchase price of $17.50 per Stockholder Share. The Shares subject to the Stockholder Option Agreement constitute approximately 18.9% of the outstanding Shares. If the Company Option and the Stockholder Option were each exercised in full, the Purchaser would own approximately 30.1% of the then outstanding Shares.

Exercise of the Stockholder Option. Purchaser may exercise the Stockholder Option, in whole, at any time following the occurrence of any Trigger Event until the Termination Date. To the knowledge of Purchaser, no Trigger Event has occurred as of the date of this Offer to Purchase. If the Purchaser purchases Shares under the Offer the Purchaser has agreed to exercise the Option (unless the Stockholder Shares have been tendered and not withdrawn pursuant to the Offer) within two business days following such purchase.

Expiration of the Stockholder Option. The Stockholder Option will expire upon the Termination Date.

Tender of Stockholder Shares. Under the Stockholder Option Agreement, each Stockholder has agreed to tender at the request of Buyer the Stockholder Shares pursuant to the Offer.

Grant of Proxy. Under the Stockholder Option Agreement, the Stockholder has granted an irrevocable proxy appointing Purchaser as the Stockholder's attorney-in-fact and proxy, with full power of substitution, for and in the Stockholder's name, to vote, express consent or dissent, or otherwise to utilize such voting power in such manner and upon such matters relating to the Merger and the Offer (and not to business operational matters) as Purchaser or its proxy or substitute shall, in Purchaser's sole discretion, deem proper with respect

to the Stockholder Shares. The Proxy will be revoked upon termination of the Stockholder Option Agreement in accordance with its terms.

Sale of Shares. If, prior to one year after the date on which the Purchaser exercises the Stockholder Option, the Purchaser (or any affiliate of the Purchaser to which Stockholder Shares have been transferred) sells or otherwise in any way disposes, in whole or in part, of the Stockholder Shares (other than to another affiliate of the Purchaser), in a sale or transaction in which the Purchaser (or such transferee) receives cash and/or securities having a value in excess (the "Excess") of the purchase price set forth in the Stockholder Option Agreement, the Purchaser has agreed, under the terms of the Stockholder Option Agreement, promptly after the completion of such sale or other transaction to deliver to the applicable stockholder an additional amount equal to (x) 50% of the amount of the Excess applicable to such Stockholder multiplied by (y) the number of Stockholder Shares so sold or disposed of. The Stockholder Option Agreement provides that in computing the amount of the Excess there shall be excluded the per share amount of the Excess subject to recovery by the Company pursuant to Section 16(b) of the Exchange Act. Any such amount shall be paid, to the extent the Purchaser (or such transferee) received cash, in cash, and to the extent that the Purchaser (or such transferee) received securities or other consideration, in such securities or other consideration.

11. Purpose of the Offer, Plans for the Company. The purpose of the Offer is to acquire control of, and an equity interest in, the Company. The purpose of the Merger is to acquire all outstanding Shares not tendered and purchased pursuant to the Offer. The Offer is being made pursuant to the Merger Agreement and the purchase of the Shares pursuant to the Offer will increase the likelihood that the Merger will be effected. If the Offer is successful, the Shares not acquired by the Purchaser pursuant to the Offer will be converted, subject to the terms of the Merger Agreement, into the right to receive cash in an amount equal to the price per share paid pursuant to the Offer.

The Board of Directors of the Company has unanimously approved the Merger and adopted the Merger Agreement in accordance with Section 607.1101 of the Florida Law. Depending upon the number of Shares purchased by the Purchaser

pursuant to the Offer, the Board may be required to submit the Merger Agreement to the Company's stockholders for approval at a stockholder's meeting convened for that purpose in accordance with the Florida Law. If stockholder approval is required, the Merger Agreement must generally be approved by a majority of all votes entitled to be cast at such meeting.

As a result, if the Minimum Condition is satisfied, the Purchaser will have sufficient voting power to approve the Merger Agreement at the stockholders' meeting without the affirmative vote of any other stockholder. However, because of the Stockholder Option Agreement and the Company Option Agreement, the Purchaser may, under some circumstances, (but is not in any event required to) waive the Minimum Condition and purchase a lesser number of Shares pursuant to the Offer and still be assured a sufficient number of votes to approve the Merger Agreement without the affirmative vote of any other stockholders.

If the Purchaser acquires 80% of the Shares, either solely pursuant to the Offer or in conjunction with the exercise of the Purchaser's rights under the Stockholder Option Agreement and the Company Option Agreement, the Merger may be consummated without a stockholders' meeting and without the approval of the Company's stockholders under Section 607.1104 of the Florida Law. That section provides that a corporation may merge with and into a subsidiary of such corporation without the approval of the stockholders of either entity so long as the articles of incorporation of the surviving entity do not differ (except in certain limited ways) from the articles of incorporation of the parent corporation in effect prior to the merger. The Merger Agreement provides that the Purchaser (the parent corporation) will be merged with and into the Company (the subsidiary corporation) following the Offer, and that the articles of incorporation of the Purchaser will be the articles of incorporation of the Surviving Corporation following the Merger. As a result, the Purchaser could then consummate the Merger without the approval of the Company's other stockholders.

Holders of Shares do not have dissenters' rights as a result of the Offer. If at the time of the Merger, the Shares are listed on the NYSE or another national securities exchange or there are no fewer than 2,000 stockholders, holders of Shares will not have dissenters' rights as a result of the Merger.

If these conditions were not met, holders of Shares might have certain rights under Section 607.1302 of the Florida Law to dissent and to demand appraisal of, and payment of the "fair value" of, their Shares by complying with the provisions of Section 607.1320 of the Florida Law. Such rights, if the statutory procedures were complied with, could lead to a judicial determination of the fair value (excluding any element of value arising from the Merger) of their Shares. The fair value so determined could be more or less than the purchase price per Share paid pursuant to the Offer and the Merger.

In addition, any such merger or other similar business combination proposed by the Purchaser would have to comply with other applicable procedural and substantive requirements of Florida Law, including any duties to other stockholders imposed upon a controlling or, if applicable, majority stockholder. Several decisions by Delaware courts, which the Purchaser believes may be followed by Florida courts, have held that, in certain circumstances, a controlling stockholder of a company involved in a merger has a fiduciary duty to other stockholders which requires that the merger be fair to such other stockholders. In determining whether a merger is fair to minority stockholders, Delaware courts have considered, among other things, the type and amount of consideration to be received by the stockholders and whether there was fair dealing among the parties. The Delaware Supreme Court has stated in several cases, that the remedy ordinarily available to minority stockholders in a cash-out merger is the right to appraisal, which is not expected to be available to holders of Shares. However, a damages remedy or injunctive relief may be available if a merger is found to be the product of procedural unfairness, including fraud, misrepresentation or other misconduct. Florida courts have followed such reasoning in recent court decisions. Under Florida Law, Section 607.1302, a stockholder entitled to appraisal rights with respect to a corporation's Shares may not challenge the corporate action creating the entitlement unless the corporate action is unlawful or fraudulent.

In the event Purchaser purchases Shares pursuant to the Offer and the Merger is consummated more than one year after the completion of the Offer or if an alternative merger transaction were to provide for the payment of consideration less than that paid pursuant to the Offer, compliance by Purchaser with Rule 13e-3 under the Exchange Act would be required, unless the Shares were to be deregistered under the Exchange Act prior to such transaction. Rule 13e-3 requires, among other things, that certain financial information concerning the Company and certain information relating to the fairness of the proposed merger transaction and the consideration offered to minority stockholders therein be filed with the Commission and disclosed to minority stockholders prior to consummation of the merger transaction.

Plans for the Company. In connection with their consideration of the Offer and the Merger, the Parent and Purchaser have made a preliminary review of various business strategies that may be considered upon completion of the Offer,

including measures that could optimize operating efficiencies of the Company's operations, together with those of Parent and its affiliates. In particular, Parent's Bassett-Walker subsidiary ("Bassett-Walker") is expected to provide a dedicated source for a major part of the Company's knitwear needs. It also is expected that the Company and Bassett-Walker will be able to realize significant synergies, including a more vertically integrated manufacturing structure for the Company and an enhanced graphic design capability for Parent.

Upon the completion of the Offer, Parent, Purchaser and their affiliates intend to conduct a detailed review of the Company and its assets, corporate structure, dividend policy, capitalization, operations, properties, policies, management and personnel to determine what changes, if any, would be desirable. Parent and the Purchaser reserve the right to make any changes that they deem necessary in light of such review or future developments. Parent expects that following the Effective Time (or at any earlier time permitted by the Merger Agreement) it will cause its designees to constitute a majority of the members of the Board of Directors. The Purchaser also expects that following the Effective Time it will utilize available cash flows of the Company or its subsidiaries or cause the Company to pay dividends.

Except as described above or elsewhere in this Offer to Purchase, the Purchaser has no present plans or proposals that would relate to or result in an extraordinary corporate transaction involving the Company or any of its subsidiaries (such as a merger, reorganization, liquidation, relocation of any operations or sale or other transfer of a material amount of assets), any change in the Board of Directors or management, any material

change in the Company's capitalization or dividend policy or any other material change in the Company's corporate structure or business.

12. Effect of the Offer on the Market for the Shares; Stock Exchange Listing; Registration under the Exchange Act. The purchase of Shares pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and may reduce the number of holders of Shares, which could adversely affect the liquidity and market value of the remaining Shares held by stockholders other than the Purchaser. The Purchaser cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for or marketability of the Shares or whether it would cause future market prices to be greater or less than the Offer price.

Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the requirements of the NYSE for continued listing and may, therefore, be delisted from such exchange. According to the NYSE's published guidelines, the NYSE would consider delisting the Shares if, among other things, the number of publicly-held Shares (excluding Shares held by officers, directors, their immediate families and other concentrated holdings of 10% or more) were less than 600,000, there were less than 1,200 holders of at least 100 shares or the aggregate market value of the publicly-held Shares were less than $5 million. According to the Company 10-K, there were approximately 12,000 beneficial holders of Shares as of April 13, 1993. If, as a result of the purchase of Shares pursuant to the Offer, the Shares no longer meet the requirements of the NYSE for continued listing and the listing of Shares is discontinued, the market for the Shares could be adversely affected.

If the NYSE were to delist the Shares, it is possible that the Shares would trade on another securities exchange or in the over-the-counter market and that price quotations for the Shares would be reported by such exchange or through NASDAQ or other sources. The extent of the public market for the Shares and availability of such quotations would, however, depend upon such factors as the number of holders and/or the aggregate market value of the publicly-held Shares at such time, the interest in maintaining a market in the Shares on the part of securities firms, the possible termination of registration of the Shares under the Exchange Act and other factors.

The Shares are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of such Shares. Depending upon factors similar to those described above regarding listing and market quotations, the Shares might no longer constitute "margin securities" for the purposes of the Federal Reserve Board's margin regulations and, therefore, could no longer be used as collateral for loans made by brokers.

The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application of the Company to the Commission if the Shares are not listed on a national securities exchange and there are less than 300 holders of record. Termination of the registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to holders of Shares and to the Commission and would make certain of the provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b), the requirement of furnishing a proxy or information statement in connection with stockholder action and the

related requirement of an annual report to stockholders and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to the Shares. Furthermore, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933 (the "Securities Act"). If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or eligible for listing or NASDAQ reporting.

13. Dividends and Distributions. If on or after December 10, 1993, the Company should (i) split, combine or otherwise change the Shares or its capitalization, (ii) acquire or otherwise cause a reduction in the number of outstanding Shares or (iii) issue or sell any additional Shares (other than Shares issued pursuant to and in accordance with the terms in effect on December 10, 1993 of employee stock options outstanding, or employee stock purchase plans in effect, prior to such date), shares of any other class or series of capital stock,

other voting securities or any securities convertible into, or options, rights, or warrants, conditional or otherwise, to acquire, any of the foregoing, then, without prejudice to the Purchaser's rights under Section 15, the Purchaser may, in its sole discretion, make such adjustments in the purchase price and other terms of the Offer as it deems appropriate including the number or type of securities to be purchased.

If, on or after December 10, 1993, the Company should declare or pay any dividend on the Shares or any distribution with respect to the Shares (including the issuance of additional Shares or other securities or rights to purchase of any securities) that is payable or distributable to stockholders of record on a date prior to the transfer to the name of the Purchaser or its nominee or transferee on the Company's stock transfer records of the Shares purchased pursuant to the Offer, then, without prejudice to the Purchaser's rights under Section 15, (i) the purchase price per Share payable by the Purchaser pursuant to the Offer will be reduced to the extent of any such cash dividend or distribution and (ii) the whole of any such non-cash dividend or distribution to be received by the tendering stockholders will (a) be received and held by the tendering stockholders for the account of the Purchaser and will be required to be promptly remitted and transferred by each tendering stockholder to the Depositary for the account of the Purchaser, accompanied by appropriate documentation of transfer, or (b) at the direction of the Purchaser, be exercised for the benefit of the Purchaser, in which case the proceeds of such exercise will promptly be remitted to the Purchaser. Pending such remittance and subject to applicable law, the Purchaser will be entitled to all rights and privileges as owner of any such non-cash dividend or distribution or proceeds thereof and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by the Purchaser in its sole discretion.

14. Extension of Tender Period; Termination; Amendment. The Purchaser reserves the right, at any time or from time to time, in its sole discretion and regardless of whether or not any of the conditions specified in Section 15 shall have been satisfied, (i) to extend the period of time during which the Offer is open by giving oral or written notice of such extension to the Depositary and by making a public announcement of such extension or (ii) to amend the Offer in any respect, subject to the Merger Agreement, by making a public announcement of such amendment. There can be no assurance that the Purchaser will exercise its right to extend or amend the Offer.

If the Purchaser decreases the percentage of Shares being sought or increases the consideration to be paid for Shares pursuant to the Offer and the Offer is scheduled to expire at any time before the expiration of a period of 10 business days from, and including, the date that notice of such increase is first published, sent or given in the manner specified below, the Offer will be extended until the expiration of such period of 10 business days. If the Purchaser makes a material change in the terms of the Offer (other than a change in price or percentage of securities sought) or in the information concerning the Offer, or waives a material condition of the Offer, the Purchaser will extend the Offer, if required by applicable law, for a period sufficient to allow stockholders to consider the amended terms of the Offer. In a published release, the Commission has stated that in its view an offer must remain open for a minimum period of time following a material change in the terms of such offer and that the waiver of a condition such as the Minimum Tender Condition is a material change in the terms of an offer. The release states that an offer should remain open for a minimum of five business days from the date the material change is first published, sent or given to securityholders, and that if material changes are made with respect to information that approaches the significance of price and share levels, a minimum of 10 business days may be required to allow adequate dissemination and investor response. The term "business day" shall mean any day other than Saturday, Sunday or a federal holiday and shall consist of the time period from 12:01 A.M. through 12:00 Midnight, New York City time.

The Purchaser also reserves the right, in its sole discretion, in the event

any of the conditions specified in Section 15 shall not have been satisfied and so long as Shares have not theretofore been accepted for payment, to delay (except as otherwise required by applicable law) acceptance for payment of or payment for Shares or to terminate the Offer and not accept for payment or pay for Shares.

If the Purchaser extends the period of time during which the Offer is open, is delayed in accepting for payment or paying for Shares or is unable to accept for payment or pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer, the Depositary may, on behalf of

the Purchaser, retain all Shares tendered, and such Shares may not be withdrawn except as otherwise provided in Section 4. The reservation by the Purchaser of the right to delay acceptance for payment of or payment for Shares is subject to applicable law, which requires that the Purchaser pay the consideration offered or return the Shares deposited by or on behalf of stockholders promptly after the termination or withdrawal of the Offer.

Any extension, termination or amendment of the Offer will be followed as promptly as practicable by a public announcement thereof. Without limiting the manner in which the Purchaser may choose to make any public announcement, the Purchaser will have no obligation (except as otherwise required by applicable law) to publish, advertise or otherwise communicate any such public announcement other than by making a release to the Dow Jones News Service. In the case of an extension of the Offer, the Purchaser will make a public announcement of such extension no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date.

15. Certain Conditions of the Offer. Notwithstanding any other provision of the Offer, Purchaser shall not be required to accept for payment or pay for any Shares, and may terminate the Offer, if (i) prior to the Expiration Date (a) less than that number of Shares which, together with the Shares then owned by Purchaser, represents at least a majority of the outstanding Shares on a fully diluted basis has been validly tendered pursuant to the Offer and not withdrawn, or (b) the applicable waiting period under the HSR Act shall not have expired or been terminated or (c) Purchaser shall not have entered into employment agreements or arrangements on terms previously agreed upon with Richard E. Jacobson and Martin G. Jacobson, or (ii) at any time on or after December 10, 1993 and prior to the acceptance for payment of or payment for Shares, any of the following conditions exist:

(a) there shall be instituted or pending any action or proceeding by any government or governmental authority or agency, domestic or foreign, before any court or governmental authority or agency, domestic or foreign, (i) challenging or seeking to make illegal, to delay or otherwise directly or indirectly to restrain or prohibit the making of the Offer, the acceptance for payment of or payment for some of or all the Shares by Purchaser or the consummation by Purchaser or Parent of the Merger, or seeking to obtain material damages relating to the transactions contemplated by the Offer or the Merger, (ii) seeking to restrain or prohibit Parent's or Purchaser's full rights of ownership or operation (or that of Parent's subsidiaries or affiliates) of a material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or of Parent and its subsidiaries, taken as a whole, or any of their respective affiliates or to compel Parent or any of its subsidiaries or affiliates to dispose of or hold separate a material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or of Parent and its subsidiaries, taken as a whole, or any of their respective affiliates, (iii) seeking to impose material limitations on the ability of Parent or any of its subsidiaries or affiliates effectively to exercise full rights of ownership of the Shares, including, without limitation, the right to vote any Shares acquired or owned by Parent or any of its subsidiaries or affiliates on all matters properly presented to the Company's stockholders, or (iv) seeking to require divestiture by Parent or any of its subsidiaries or affiliates of any Shares or (v) materially and adversely affecting the financing of the Offer; or

(b) there shall be any statute, rule, regulation, injunction, order or decree proposed, enacted, enforced, promulgated, issued or deemed legally applicable to the Offer, the acceptance for payment of or payment for any Shares or the Merger, by any court, government or governmental authority or agency, domestic or foreign, other than the application of the waiting period provisions of the HSR Act to the Offer, the acceptance for payment of or payment for any Shares or the Merger, that has, directly or indirectly, resulted, or will, directly or indirectly, result in any of the consequences referred to in clauses (i) through (v) of paragraph (a) above; or

(c) any change shall have occurred or been threatened (or any development shall have occurred or been threatened involving a prospective change) in the business, assets, liabilities, financial condition, capitalization, operations or results of operations of the Company or any

of its Subsidiaries or affiliates that is or is likely to be materially adverse to the Company and its Subsidiaries, taken as a whole, or Parent or Purchaser shall have become aware of any facts that have had or would have material adverse

significance with respect to either the value of the Company and its Subsidiaries, taken as a whole, or the value of the Shares to Parent and its subsidiaries, taken as a whole; or

(d) there shall have occurred (i) any general suspension of trading in, or limitation on prices for securities on any national securities exchange or in the over-the-counter market, (ii) any decline in either the Dow Jones Industrial Average or the Standard and Poor's Index of 400 Industrial Companies by an amount in excess of 20%, measured from December 10, 1993, or any change in the general political, market, economic or financial condition in the United States or abroad that could have a material adverse effect on the business, financial condition or results of operations or prospects of the Company and its Subsidiaries, taken as a whole, (iii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (iv) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States, or (v) any limitation by any governmental authority or agency that is likely to materially and adversely affect the financing of the Offer or the Merger; or

(e) it shall have been publicly disclosed or Parent or Purchaser shall have otherwise learned that (i) any person or "group" (as defined in Section 13(d)(3) of the Exchange Act) (other than Parent or Purchaser) shall have acquired beneficial ownership of more than 30% of any class or series of capital stock of the Company (including the Shares), through the acquisition of stock, the formation of a group or otherwise, or shall have been granted any option, right or warrant, conditional or otherwise, to acquire beneficial ownership of more than 30% of any class or series of capital stock of the Company (including the Shares) other than acquisitions for bona fide arbitrage purposes only and other than as disclosed in a Schedule 13D or 13G on file with the Commission on October 31, 1993, (ii) any such person or group which, prior to October 31, 1993, had filed such a Schedule with the Commission shall have acquired beneficial ownership of additional shares of any class or series of capital stock of the Company (including the Shares), through the acquisition of stock, the formation of a group or otherwise, constituting 5% or more of any such class or series, or shall have been granted any option, right or warrant, conditional or otherwise, to acquire beneficial ownership of additional shares of any class or series of capital stock of the Company (including the Shares) constituting 5% or more of any such class or series, or (iii) any person or group (other than Parent and Purchaser) shall have entered into a definitive agreement or an agreement in principle with respect to a merger, consolidation or other business combination with the Company; or

(f) the Company shall have breached or failed to perform in any material respect any of its covenants or agreements under the Merger Agreement in a manner or with an effect materially deleterious to Parent or Purchaser, or any of the representations and warranties of the Company set forth in the Merger Agreement shall not be true in any material respect when made or at any time prior to consummation of the Offer as if made at and as of such time; or

(g) the Merger Agreement shall have been terminated in accordance with its terms; or

(h) the Board of Directors of the Company shall have withdrawn or materially modified its approval or recommendation of the Offer or the Merger; or

(i) Parent and Purchaser shall not have received by January 4, 1994 reasonably satisfactory evidence that each domestic license agreement with any of NHL Enterprises, Inc., NBA Properties, Inc., National Football League Properties, Inc., Major League Baseball Properties, Inc., Major League Baseball Players Association and National Hockey League Players Association to which the Company or any Subsidiary is a party and previously identified to Parent by the Company (an "Identified License Agreement") shall, immediately after giving effect to the Offer and the Merger, afford the Company or such Subsidiary (and, immediately after the Merger, the Surviving Corporation or such subsidiary) the same rights and benefits as those enjoyed by the Company or such Subsidiary under such Identified License Agreement or in connection with the arrangements covered thereby or contemplated therein on and as of the date of the Merger Agreement, all on terms and conditions that are not materially less advantageous to the Company and its Subsidiaries taken as a whole (and, after the Merger, the Surviving

Corporation and its subsidiaries taken as a whole) than those terms and conditions in effect on and as of the date of the Merger Agreement;

which, in the reasonable judgment of Parent or Purchaser, in any such case, and regardless of the circumstances (including any action or omission by Parent or Purchaser) giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment or payment.

The foregoing conditions are for the sole benefit of Parent and Purchaser and may be asserted by Parent and Purchaser regardless of the circumstances (including any action or omission by Parent or Purchaser) giving rise to any such condition or may be waived by Parent and Purchaser in whole or in part at any time and from time to time in their sole discretion. The failure by Parent or Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right and may be asserted at any time and from time to time.

16. Certain Legal Matters; Regulatory Approvals.

(a) General. Based on its examination of publicly available information filed by the Company with the Commission and other publicly available information concerning the Company, the Purchaser is not aware of any governmental license or regulatory permit that appears to be material to the Company's business that might be adversely affected by the Purchaser's acquisition of Shares as contemplated herein or, except as set forth below, of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of Shares by the Purchaser as contemplated herein. Should any such approval or other action be required, the Purchaser currently contemplates that, except as described below under "State Takeover Statutes", such approval or other action will be sought. Except as described under "Antitrust" there is, however, no current intent to delay the purchase of Shares tendered pursuant to the Offer pending the outcome of any such matter. However, there can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that if such approvals were not obtained or such other actions were not taken adverse consequences might not result to the Company's business or certain parts of the Company's business might not have to be disposed of, any of which could cause the Purchaser to elect to terminate the Offer without the purchase of Shares thereunder. The Purchaser's obligation under the Offer to accept for payment and pay for Shares is subject to certain conditions. See Section 15.

(b) State Takeover Statutes. The Company is incorporated under the laws of the State of Florida. Section 607.0901 of the Florida Law (the "Affiliated Transactions Statute") prohibits certain "affiliated transactions" (defined to include mergers and consolidations) involving a Florida corporation and an "interested shareholder" (defined generally as person who is the beneficial owner of more than 10% of the outstanding voting shares of the subject corporation) unless the transaction has been approved by (i) a majority of "disinterested directors" of the board of directors of the subject corporation (defined generally as directors who were elected to the board prior to the time the shareholder became an interested shareholder), (ii) holders of two-thirds of the outstanding voting shares of the subject company, exclusive of those shares beneficially owned by the shareholder who, but for such approval, would be an "interested shareholder" or (iii) certain other statutory conditions have been met. At a special meeting held on December 12, 1993, the Board of Directors of the Company (the "Board of Directors") approved the Merger Agreement, the Company Stock Option Agreement, the entry by the stockholders into the Stockholder Option Agreement, the Merger and the other transactions contemplated thereby (collectively, the "Merger Transactions") and determined that each of the Offer and Merger are fair to, and in the best interest of, the Company's stockholders. Accordingly, the Affiliated Transaction Statute has been satisfied with respect to the Parent and the Purchaser in connection with the Merger Transactions.

Section 607.0902 of the Florida Law, (the "Control-Share Acquisitions Statute"), prohibits, in certain circumstances, the acquisition of "control-shares" (defined generally as those shares of an issuing public corporation which, when added to the number of shares of the corporation already owned or controlled by a person, entitle that person, immediately after the acquisition of the shares, to exercise, directly or indirectly, alone or as part of a group, at least one-fifth of the voting power of the corporation in the election of directors) unless (i) the acquisition of the control-shares has been approved by a shareholder vote conducted according

to the provisions of the statute or (ii) the corporation's articles of incorporation or bylaws provide that the statute does not apply. The bylaws of the Company, as amended by the Board of Directors at a special meeting held on December 12, 1993, expressly provide that the Control Share Acquisition Statute shall not apply to control-share acquisitions of the Shares. Accordingly the Control Share Acquisition Statute is inapplicable to the Parent or the Purchaser in connection with the Offer and the Merger.

A number of states have adopted laws which purport, to varying degrees, to apply to attempts to acquire corporations that are incorporated in, or which have substantial assets, stockholders, principal executive offices or principal places of business or whose business operations otherwise have substantial economic effects in, such states. The Company, directly or through subsidiaries, conducts business in a number of states throughout the United States, some of which have enacted such laws. Except as described herein, the Purchaser does not know whether any of these laws will, by their terms, apply to the Offer or the Merger and the Company and has not complied with any such laws. To the extent that certain provisions of these laws purport to apply to the Offer or any such merger or other business combination, the Purchaser believes that there are reasonable bases for contesting such laws.

In 1982, in Edgar v. MITE Corp., the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Statute which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in 1987 in CTS Corp. v. Dynamics Corp. of America, the Supreme Court held that the State of Indiana could, as a matter of corporate law, constitutionally disqualify a potential acquiror from voting shares of a target corporation without the prior approval of the remaining stockholders where, among other things, the corporation is incorporated in, and has a substantial number of stockholders in, the state.

If any government official or third party should seek to apply any state takeover law to the Offer or the Merger, the Purchaser will take such action as then appears desirable, which action may include challenging the applicability or validity of such statute in appropriate court proceedings. In the event it is asserted that one or more state takeover statutes is applicable to the Offer or the Merger and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or the Merger, the Purchaser might be required to file certain information with, or to receive approvals from, the relevant state authorities or holders of Shares, and the Purchaser might be unable to accept for payment or pay for Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer, the Merger or any other business combination. In such case, the Purchaser may not be obligated to accept for payment or pay for any tendered Shares. See Section 15.

(c) Antitrust. Under the HSR Act and the rules that have been promulgated thereunder by the Federal Trade Commission (the "FTC"), certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the FTC and certain waiting period requirements have been satisfied. The purchase of Shares pursuant to the Offer is subject to such requirements.

Pursuant to the requirements of the HSR Act, the Purchaser filed a Notification and Report Form with respect to the Offer with the Antitrust Division and the FTC on December 17, 1993. As a result, the waiting period applicable to the purchase of Shares pursuant to the Offer is scheduled to expire at 11:59 P.M., New York City time, on Tuesday, January 4, 1994. However, prior to such time, the Antitrust Division or the FTC may extend the waiting period by requesting additional information or documentary material relevant to the Offer from the Purchaser. If such a request is made, the waiting period will be extended until 11:59 P.M., New York City time, on the tenth day after substantial compliance by the Purchaser with such request. Thereafter, such waiting period can be extended only by court order.

A request is being made pursuant to the HSR Act for early termination of the waiting period applicable to the Offer. There can be no assurance, however, that the 15-day HSR Act waiting period will be terminated early. Shares will not be accepted for payment or paid for pursuant to the Offer until the expiration or earlier termination of the applicable waiting period under the HSR Act. See Section 15. Subject to Section 4, any extension of the waiting period will not give rise to any withdrawal rights not otherwise provided for by applicable law. If the Purchaser's acquisition of Shares is delayed pursuant to a request by the Antitrust

Division or the FTC for additional information or documentary material pursuant to the HSR Act, the Offer may, but need not, be extended.

The Antitrust Division and the FTC frequently scrutinize the legality under the antitrust laws of transactions such as the acquisition of Shares by the Purchaser pursuant to the Offer and the Merger. At any time before or after the consummation of any such transactions, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or seeking divestiture of the Shares so acquired or divestiture of substantial assets of the Purchaser or the Company. Private parties may also bring legal actions under the antitrust laws. The Purchaser does not believe that the consummation of the Offer will result in a violation of any applicable antitrust laws. However, there can be no assurance that a challenge to the Offer on antitrust grounds will not be made, or if such a challenge is made, what the result will be. See Section 15 for certain conditions to the Offer, including

conditions with respect to litigation and certain governmental actions.

(d) Other. Based upon the Purchaser's examination of publicly available information concerning the Company, it appears that the Company and its subsidiaries own property and conduct business in the United Kingdom. In connection with the acquisition of Shares pursuant to the Offer, the laws of the United Kingdom may require the filing of information with, or the obtaining of the approval of, governmental authorities therein. After commencement of the Offer, the Purchaser will seek further information regarding the applicability of any such laws and currently intends to take such action as they may require, but no assurance can be given that such approvals will be obtained. If any action is taken prior to completion of the Offer by any such government or governmental authority, the Purchaser may not be obligated to accept for payment or pay for any tendered Shares. See Section 15.

17. Fees and Expenses. J.P. Morgan Securities Inc. ("J.P. Morgan") is acting as financial advisor to the Purchaser and is acting as Dealer Manager in connection with the Offer. The Purchaser has agreed, upon the closing of any acquisition of the Company, to pay J.P. Morgan as compensation for its services as financial advisor and as Dealer Manager in connection with the Offer a fee of $2.25 million. The Purchaser has also agreed to reimburse J.P. Morgan for certain out-of-pocket expenses incurred in connection with the Offer (including the fees and disbursements of outside counsel) and to indemnify J.P. Morgan against certain liabilities, including certain liabilities under the federal securities laws.

The Purchaser has retained D.F. King & Co., Inc. to act as the Information Agent and First Union National Bank to act as the Depositary in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telegraph and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to the Offer to beneficial owners. The Information Agent and the Depositary each will receive reasonable and customary compensation for their respective services, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities in connection therewith, including certain liabilities under the federal securities laws.

The Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Dealer Manager, the Information Agent and the Depositary) for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Purchaser for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

18. Miscellaneous. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to holders of Shares in such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ON BEHALF OF THE PURCHASER OR PARENT NOT CONTAINED IN THIS OFFER TO PURCHASE OR IN THE LETTER OF TRANSMITTAL AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

The Purchaser has filed with the Commission a Tender Offer Statement on Schedule 14D-1, together with exhibits, pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, furnishing certain additional information with respect to the Offer. The Schedule 14D-1 and any amendments thereto, including exhibits, may be examined and copies may be obtained from the offices of the Commission in the manner set forth in Section 7 of this Offer to Purchase (except that such information will not be available at the regional offices of the Commission).

SPICE ACQUISITION CO.

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS
OF
SPICE ACQUISITION CO.

The name, business address, present principal occupation or employment and five-year employment history of each director and executive officer of the Purchaser and certain other information are set forth below. Unless otherwise indicated below, the address of each director and officer is c/o V.F. Corporation, 1047 North Park Road, Wyomissing, PA 19610. Where no date is shown, the individual has occupied the position indicated for the past five years. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with the Purchaser. All directors and officers listed

below are citizens of the United States. Directors are identified by an asterisk.

<TABLE>
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NAME AND BUSINESS ADDRESS	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
<S>	<C>
* Lawrence R. Pugh	Chairman and Chief Executive Officer of Parent. Mr. Pugh was also President of the Parent from October, 1990 through September, 1993. Mr. Pugh is a director of The Black & Decker Corporation, Meridian Bancorp, Inc. and UNUM Corporation.
* Mackey J. McDonald	President and Chief Operating Officer of Parent since September 1993. Prior thereto, Mr. McDonald was a Group Vice President of Parent (February 1991 to September 1993) and President of Parent's Wrangler Division.
* Paul R. Charron	Executive Vice President of Parent since September 1993. Prior thereto, Mr. Charron was a Group Vice President of Parent.
Gerard G. Johnson	Vice President -- Finance and Chief Financial Officer.
Frank C. Pickard, III	Treasurer of Parent.
Lori M. Tarnoski	Vice President and Secretary of Parent.

</TABLE>

DIRECTORS AND EXECUTIVE OFFICERS
OF
V.F. CORPORATION

The name, business address, present principal occupation or employment and five-year employment history of each director and executive officer of Parent and certain other information are set forth below. Unless otherwise indicated below, the address of each director and officer is c/o V.F. Corporation, 1047 North Park Road, Wyomissing, PA 19610. Where no date is shown, the individual has occupied the position indicated for the past five years. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Parent. All directors and officers listed below are citizens of the United States. Directors are identified by an asterisk.

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NAME AND BUSINESS ADDRESS	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
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* Lawrence R. Pugh	Chairman and Chief Executive Officer of Parent. Mr. Pugh was also President of the Parent from October, 1990 through September, 1993. Mr. Pugh is a director The Black & Decker Corporation, Meridian Bancorp, Inc. and UNUM Corporation.
* Mackey J. McDonald	President and Chief Operating Officer of Parent since September 1993. Prior thereto, Mr. McDonald was a Group Vice President of Parent (February 1991 to September 1993) and President of Parent's Wrangler Division.
Paul R. Charron	Executive Vice President of Parent since September 1993. Prior thereto, Mr. Charron was a Group Vice President of Parent.
Gerard G. Johnson	Vice President -- Finance and Chief Financial Officer of Parent.
Harold D. McKemy	Vice President -- Treasury and Financial Services of Parent.
H. Lynn Hazlett	Vice President -- Business Systems of Parent since October 1989. Prior thereto, Mr. Hazlett was President and Chief Executive Officer of Information and Communication Systems, Inc., a subsidiary of Carson Pirie Scott & Co.
Harold E. Addis	Vice President -- Human Resources and Administration of Parent.
Lori M. Tarnoski	Vice President and Secretary of Parent.
Frank C. Pickard III	Treasurer of Parent.
Robert K. Shearer	Controller of Parent since November 1989. Prior thereto, Mr. Shearer was Assistant Controller of Parent.
* Barbara S. Feigin	Executive Vice President and a member of the Advertising Policy Council of Grey Advertising, Inc. Mrs. Feigin is a director of PHH Corporation.
* Robert F. Longbine	Retired since 1987. Prior thereto, Mr. Longbine was President and Chief Operating Officer, Champion International Corporation.

</TABLE>

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NAME AND BUSINESS ADDRESS	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
* Robert D. Buzzell	Distinguished Professor, George Mason University School of Business Administration since September 1993. Prior thereto, Dr. Buzzell was Professor of Business Administration, Harvard University Graduate School of Business Administration.
* Edward E. Crutchfield, Jr.	Chairman and Chief Executive Officer, First Union Corporation.
* Leon C. Holt, Jr.	Retired since 1990. Prior thereto, Mr. Holt was Vice Chairman and Chief Administrative Officer, Air Products and Chemicals, Inc.
* J. Berkley Ingram, Jr.	Retired since 1983. Prior thereto, Mr. Ingram was Vice Chairman, Massachusetts Mutual Life Insurance Company.
* Roger S. Hillas	Retired since 1991. Prior thereto, Mr. Hillas was Chairman, Meritor Savings Bank.
* William E. Pike	Retired since 1989. Prior thereto, Mr. Pike was an Executive Vice President of J.P. Morgan & Co. Mr. Pike is a director of American States Insurance Company.
* M. Rust Sharp	Partner in the law firm of Clark, Ladner, Fortenbaugh & Young. Mr. Sharp is a director of Pennock Company, a national wholesale florist.
* L. Dudley Walker	Chairman of the Board of Bassett-Walker, Inc., a subsidiary of Parent. Mr. Walker is a director of Crestar Financial Corporation.

</TABLE>

Facsimile copies of the Letter of Transmittal, properly completed and duly executed will be accepted. The Letter of Transmittal and certificates for Shares and any other required documents should be sent to the Depositary at one of the addresses set forth below:

THE DEPOSITARY:

FIRST UNION NATIONAL BANK

(FOR INFORMATION CALL (800) 829-8432)

<TABLE>

BY MAIL:	FACSIMILE TRANSMISSION TELEPHONE NUMBERS:	BY HAND:
First Union National Bank Shareholder Services 230 South Tryon Street Charlotte, North Carolina 28288-1153 For overnight items use zip code 28288	First Union National Bank (704) 374-6987	First Union National Bank c/o IBJ Schroeder Bank & Trust Co. Stock Transfer, Department SCI One State Street New York, New York 10004

</TABLE>

Questions or requests for assistance or additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth below. Stockholders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

THE INFORMATION AGENT IS:

D.F. KING & CO., INC.
77 Water Street
New York, New York 10005
(800) 669-5500 (Toll-Free)

THE DEALER MANAGER FOR THE OFFER IS:

J.P. MORGAN SECURITIES INC.
60 Wall Street
New York, New York 10260-0060
(800) 996-6886 (Toll-Free)

AGREEMENT AND PLAN OF MERGER

dated as of

December 12, 1993

among

Nutmeg Industries, Inc.,

V.F. Corporation

and

Spice Acquisition Co.

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated as of December 12, 1993 among Nutmeg Industries, Inc., a Florida corporation (the "Company"), V.F. Corporation, a Pennsylvania corporation ("Parent"), and Spice Acquisition Co., a Florida corporation and a wholly owned subsidiary of Parent ("Buyer").

The parties hereto agree as follows:

ARTICLE I

THE OFFER

SECTION 1.01. The Offer. (a) Provided that nothing shall have occurred which, had the Offer referred to below been commenced, would give rise to a right to terminate the Offer under any of the conditions set forth in Annex I hereto, Buyer shall, as promptly as practicable after the date hereof, but in no event later than five business days following the public announcement of the terms of this Agreement, commence an offer (the "Offer") to purchase all of the outstanding shares of common stock, $0.01 par value (the "Shares"), of the Company at a price of $17.50 per Share, net to the seller in cash, pursuant to Rule 14d-2 of the rules promulgated under the Exchange Act (as defined in Section 4.03). The Offer shall be subject to the condition that there shall be validly tendered in accordance with the terms of the Offer prior to the expiration date of the Offer and not withdrawn a number of Shares which, together with the Shares then owned by Buyer, represents at least a majority of the Shares outstanding on a fully diluted basis (the "Minimum Condition") and to the other conditions set forth in Annex I hereto. Buyer expressly reserves the right to waive the Minimum Condition or any of the other conditions to the Offer and to make any change in the terms or conditions of the Offer; provided that no change may be made which changes the form of consideration to be paid or decreases the price per Share or the number of Shares sought in the Offer or

which imposes conditions to the Offer in addition to those set forth in Annex I. The Buyer agrees, subject to the conditions in and its rights under Annex I and the Offer, promptly to purchase Shares under the Offer as soon as practicable after the latest of (i) the date on which the waiting period under the HSR Act (as defined in Section 4.03) has expired or has been terminated, (ii) the date on which the conditions in Annex I are fulfilled and there is no right to terminate the Offer under Annex I (subject to the Buyer's right to extend the
Offer) and (iii) the earliest date on which the Offer can expire under Federal law.

(b) As soon as practicable on the date of commencement of the Offer, Buyer shall file with the SEC (as defined in Section 4.07) a Tender Offer Statement on Schedule 14D-1 with respect to the Offer which will contain the offer to purchase and form of the related letter of transmittal (together with any supplements or amendments thereto, the "Offer Documents"). Buyer and the Company each agrees promptly to correct any information provided by it for use in the Offer Documents if and to the extent that it shall have become false or misleading in any material respect. Buyer agrees to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given an opportunity to review and comment on the Schedule 14D-1 prior to its being filed with the SEC.

SECTION 1.02. Company Action. (a) The Company hereby consents to the Offer and represents that its Board of Directors, at a meeting duly called and held, has (i) unanimously determined that this Agreement and the transactions contemplated hereby, including the Offer and the Merger (as defined in Section 2.01), are fair to and in the best interest of the Company's stockholders, (ii) unanimously approved this Agreement and the transactions contemplated hereby, including the Offer and the Merger, which approval satisfies in full the requirements of the Business Corporation Act of the State of Florida (the "Florida Law"), and (iii) unanimously resolved to recommend acceptance of the Offer and approval and adoption of this Agreement and the Merger by its stockholders. The foregoing recommendation may be withdrawn or modified by the Board of Directors of the Company if advised by counsel in writing (without a waiver of any attorney-client privilege) (which writing may be delivered promptly following such advice) that such withdrawal or modification is required by the Board's fiduciary duties; such withdrawal or modification shall not constitute a breach of this Agreement. The Company further represents that Goldman, Sachs & Co. has delivered to the Company's Board of Directors its oral opinion that the consideration to be received pursuant to the Offer and the Merger is fair to such holders of Shares. The Company has been advised that all of its directors and senior executive officers intend either to tender their Shares pursuant to the Offer or to vote in favor of the Merger. The Company will promptly furnish Buyer with a list of its stockholders, mailing labels and any available listing or computer file containing the names and addresses of all record holders of Shares and lists of securities

positions of Shares held in stock depositories, in each case true and correct as of the most recent practicable date, and will provide to Buyer such additional information (including, without limitation, updated lists of stockholders, mailing labels and lists of securities positions) and such other assistance as Buyer may reasonably request in connection with the Offer.

(b) As soon as practicable on the day that the Offer is commenced the Company will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") which shall reflect the recommendations of the Company's Board of Directors referred to above. The Company and Buyer each agrees promptly to correct any information provided by it for use in the Schedule 14D-9 if and to the extent that it shall have become false or misleading in any material respect. The Company agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. Buyer and its counsel shall be given an opportunity to review and comment on the Schedule 14D-9 prior to its being filed with the SEC.

SECTION 1.03. Directors. (a) Effective upon purchase and payment for any Shares by Buyer, Buyer shall be entitled to designate the number of directors, rounded up to the next whole number, on the Company's Board of Directors that equals the product of (i) the total number of directors on the Company's Board of Directors (giving effect to the election of any additional directors pursuant to this Section) and (ii) the percentage that the number of Shares owned by Buyer (including Shares accepted for payment) bears to the total number of Shares outstanding, and the Company shall take all action necessary to cause Buyer's designees to be elected or appointed to the Company's Board of Directors, including, without limitation, increasing the

number of directors, and seeking and accepting resignations of incumbent directors. At such times, the Company will use its best efforts to cause individuals designated by Buyer to constitute the same percentage as such individuals represent on the Company's Board of Directors of (x) each committee of the Board (other than any committee of the Board established to take action under this Agreement), (y) each board of directors of each Subsidiary (as defined in Section 4.06) and (z) each committee of each such board. Notwithstanding the foregoing, until such time as Buyer acquires a majority of the outstanding Shares on a fully-diluted basis, the Company shall use its best efforts to ensure that all of the members of the Board of Directors and such boards and committees as of the date hereof who are not employees of the Company shall remain members of the Board of Directors

and such boards and committees until the Effective Time (as defined in Section 2.01).

(b) The Company's obligations to appoint designees to the Board of Directors shall be subject to Section 14(f) of the Exchange Act (as defined in Section 4.03) and Rule 14f-1 promulgated thereunder. The Company shall promptly take all actions required pursuant to Section 14(f) and Rule 14f-1 in order to fulfill its obligations under this Section and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under Section 14(f) and Rule 14f-1 to fulfill its obligations under this Section 1.03. Buyer will supply to the Company in writing and be solely responsible for any information with respect to itself and its nominees, officers, directors and affiliates required by Section 14(f) and Rule 14f-1.

ARTICLE II

THE MERGER

SECTION 2.01. The Merger. (a) At the Effective Time (as defined in Section 2.01(b)), Buyer shall be merged (the "Merger") with and into the Company in accordance with the Florida Law, whereupon the separate existence of Buyer shall cease, and the Company shall be the surviving corporation (the "Surviving Corporation").

(b) As soon as practicable after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Merger, the Company and Buyer will file articles of merger substantially in the form of Annex II (the "Articles of Merger") with the Secretary of State of the State of Florida and make all other filings or recordings required by Florida Law in connection with the Merger. The Merger shall become effective at such time as the Articles of Merger are duly filed with the Secretary of State of the State of Florida or at such later time as is specified in the Articles of Merger (the "Effective Time").

(c) From and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers and franchises and be subject to all of the restrictions, disabilities and duties of the Company and Buyer, all as provided under Florida Law.

SECTION 2.02. Conversion of Shares. At the Effective Time:

(a) each Share held by the Company as treasury stock or owned by Parent, Buyer or any other subsidiary

of Parent immediately prior to the Effective Time shall be canceled, and no payment shall be made with respect thereto;

(b) each share of common stock of Buyer outstanding immediately prior to the Effective Time shall be converted into and become one share of common stock of the Surviving Corporation with the same rights, powers and privileges as the shares so converted and shall constitute the only outstanding shares of capital stock of the Surviving Corporation; and

(c) each Share outstanding immediately prior to the Effective Time shall, except as otherwise provided in Section 2.02(a), be converted into the right to receive $17.50 in cash or any higher price paid for each Share in the Offer, without interest (the "Merger Consideration").

SECTION 2.03. Surrender and Payment. (a) Prior to the Effective Time, Buyer shall appoint an agent (the "Exchange Agent") for the purpose of

exchanging certificates representing Shares for the Merger Consideration. Buyer will make available to the Exchange Agent, as needed, the Merger Consideration to be paid in respect of the Shares. Promptly after the Effective Time, Buyer will send, or will cause the Exchange Agent to send, to each holder of Shares at the Effective Time a letter of transmittal for use in such exchange (which shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the certificates representing Shares to the Exchange Agent).

(b) Each holder of Shares that have been converted into a right to receive the Merger Consideration, upon surrender to the Exchange Agent of a certificate or certificates representing such Shares, together with a properly completed letter of transmittal covering such Shares, will be entitled to receive the Merger Consideration payable in respect of such Shares. Until so surrendered, each such certificate shall, after the Effective Time, represent for all purposes only the right to receive such Merger Consideration.

(c) If any portion of the Merger Consideration is to be paid to a Person other than the registered holder of the Shares represented by the certificate or certificates surrendered in exchange therefor, it shall be a condition to such payment that the certificate or certificates so surrendered shall be properly endorsed or otherwise be in proper form for transfer and that the Person requesting such payment shall pay to the Exchange Agent any transfer or

other taxes required as a result of such payment to a Person other than the registered holder of such Shares or establish to the satisfaction of the Exchange Agent that such tax has been paid or is not payable. For purposes of this Agreement, "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

(d) After the Effective Time, there shall be no further registration of transfers of Shares. If, after the Effective Time, certificates representing Shares are presented to the Surviving Corporation, they shall be canceled and exchanged for the consideration provided for, and in accordance with the procedures set forth, in this Article II.

(e) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to Section 2.03(a) that remains unclaimed by the holders of Shares six months after the Effective Time shall be returned to Buyer, upon demand, and any such holder who has not exchanged his Shares for the Merger Consideration in accordance with this Section prior to that time shall thereafter look only to Buyer for payment of the Merger Consideration in respect of his Shares. Notwithstanding the foregoing, Buyer shall not be liable to any holder of Shares for any amount paid to a government or public official pursuant to applicable abandoned property laws. Any amounts remaining unclaimed by holders of Shares two years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any governmental entity) shall, to the extent permitted by applicable law, become the property of Buyer free and clear of any claims or interest of any Person previously entitled thereto.

SECTION 2.04. Stock Options. (a) Immediately prior to the Effective Time, the Company will use its reasonable best efforts to cause each outstanding employee stock option or director stock option to purchase Shares granted under any employee or director stock option or compensation plan or arrangement of the Company to be canceled, in which case each holder of any such option, whether or not then vested or exercisable, shall be paid by the Company promptly after the Effective Time for each such option an amount determined by multiplying (i) the excess, if any of $17.50 per Share over the applicable exercise price of such option by (ii) the number of Shares such holder could have purchased (assuming full vesting of all options) had such holder exercised such option in full immediately prior to the Effective Time.

(b) Prior to the Effective Time, the Company shall (i) use its reasonable best efforts to obtain any consents from holders of options to purchase Shares granted under the Company's stock option or compensation plans or arrangements and (ii) make any amendments to the terms of such stock option or compensation plans or arrangements that, in the case of either clauses (i) and (ii), are necessary to give effect to the transactions contemplated by Sections 2.04(a). Notwithstanding any other provision of this Section, payment may be withheld in respect of any employee stock option or director stock option until necessary consents are obtained.

ARTICLE III

THE SURVIVING CORPORATION

SECTION 3.01. Certificate of Incorporation. The articles of incorporation of Buyer in effect at the Effective Time shall be the articles of incorporation of the Surviving Corporation until amended in accordance with applicable law, except that the name of the Surviving Corporation shall be changed to "Nutmeg Industries, Inc.".

SECTION 3.02. Bylaws. The bylaws of Buyer in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

SECTION 3.03. Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with applicable law, (i) the directors of Buyer at the Effective Time shall be the directors of the Surviving Corporation, and (ii) the officers of the Company at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES
OF THE COMPANY

The Company represents and warrants to Parent and Buyer that:

SECTION 4.01. Corporate Existence and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Florida, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. The Company is duly

qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except for those jurisdictions where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), business, assets, results of operations of the Company and the Subsidiaries taken as a whole. The Company has heretofore delivered to Buyer true and complete copies of the Company's certificate of incorporation and bylaws as currently in effect.

SECTION 4.02. Corporate Authorization. The execution, delivery and performance by the Company of this Agreement and the Merger are within the Company's corporate powers and, except for any required approval by the Company's stockholders in connection with the consummation of the Merger, have been duly authorized by all necessary corporate action. This Agreement constitutes a valid and binding agreement of the Company.

SECTION 4.03. Governmental Authorization. The execution, delivery and performance by the Company of this Agreement and the consummation of the Merger by the Company require no action by or in respect of, or filing with, any governmental body, agency, official or authority other than (i) the filing of the Articles of Merger in accordance with Florida Law; (ii) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"); and (iii) compliance with any applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (the "Exchange Act").

SECTION 4.04. Non-Contravention. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby do not and will not (i) contravene or conflict with the certificate of incorporation or bylaws of the Company, (ii) assuming compliance with the matters referred to in Section 4.03, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to the Company or any Subsidiary, (iii) except as set forth in Schedule 4.04, constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of the Company or any Subsidiary or to a loss of any benefit to which the Company or any Subsidiary is entitled under any provision of any agreement, contract or other instrument binding upon the Company or any Subsidiary or any license, sublicense, franchise, permit or other similar authorization held by the

Company or any Subsidiary, or (iv) result in the creation or imposition of any Lien on any asset of the Company or any Subsidiary except, in the case of clauses (ii), (iii) and (iv), to the extent that any such violation, failure to obtain any such consent or other action, default, right, loss or Lien would not, individually or in the aggregate, have a Material Adverse Effect. For purposes of this Agreement, (i) "Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset and (ii) "Material Adverse Effect" means, with respect to any Person, on any date, an effect on the net worth, income or assets, as the case may be, of such Person and/or its subsidiaries (measured during the 12-month period immediately preceding or immediately following such date) that, taken together with all other such effects (if any) on or prior to such date that would otherwise be excluded from being a "Material Adverse Effect" pursuant to this Agreement, have an amount, cost or value of at least $20,000,000 (taking into account any insurance proceeds paid or payable to the Company on such date and any applicable tax effect).

SECTION 4.05. Capitalization. The authorized capital stock of the Company consists of (i) 50,000,000 shares of common stock ("Common Stock"), par value $0.01 per share, of which as of October 30, 1993, there were outstanding 18,563,632 shares of Common Stock and employee and director stock options to purchase an aggregate of not more than 975,000 shares of Common Stock (of which options to purchase an aggregate of at least 690,000 shares of Common Stock were exercisable) and (ii) 5,000,000 shares of preferred stock, of which as of October 30, 1993 none were issued and outstanding. All outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable. Except as set forth in this Section and except for changes since October 30, 1993 resulting from the exercise of employee stock options outstanding on such date, there are outstanding (x) no shares of capital stock or other voting securities of the Company, (y) no securities of the Company or any Subsidiary convertible into or exchangeable for shares of capital stock or voting securities of the Company, and (z) except as set forth in Schedule 4.05, no options or other rights to acquire from the Company or any Subsidiary, and no obligation of the Company or any Subsidiary to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of the Company (the items in clauses (x), (y) and (z) being referred to collectively as the "Company Securities"). There are no outstanding obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any Company Securities.

SECTION 4.06. Subsidiaries. (a) Each Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except for those jurisdictions where failure to be so qualified would not, individually or in the aggregate, have a Material Adverse Effect. For purposes of this Agreement, "Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by the Company. With the exception of Nutmeg Mills-FSC, Inc., all Subsidiaries and their respective jurisdictions of incorporation are identified in the Company's annual report on Form 10-K for the fiscal year ended January 30, 1993 (the "Company 10-K").

(b) All of the outstanding capital stock of, or other ownership interests in, each Subsidiary, is owned by the Company, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other ownership interests) except for the matters disclosed in Schedule 4.04. Except for the matters disclosed in Schedule 4.05 there are no outstanding (i) securities of the Company or any Subsidiary convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in any Subsidiary, and (ii) options or other rights to acquire from the Company or any Subsidiary, and no other obligation of the Company or any Subsidiary to issue, any capital stock, voting securities or other ownership interests in, or any securities convertible into or exchangeable for any capital stock, voting securities or ownership interests in, any Subsidiary (the items in clauses (i) and (ii) being referred to collectively as the "Subsidiary Securities"). There are no outstanding obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any outstanding Subsidiary Securities.

SECTION 4.07. SEC Filings. (a) The Company has delivered to Buyer (i) the annual reports on Form 10-K for its fiscal years ended January 27, 1990, January 26, 1991, January 25, 1992 and January 30, 1993, respectively, (ii) its quarterly reports on Form 10-Q for its fiscal quarters

ended May 1, 1993 and July 31, 1993 (the "Form 10-Qs") respectively, (iii) its proxy or information statements relating to meetings of, or actions taken without a meeting by, the stockholders of the Company held since January 26, 1992, and (iv) all of its other reports, statements, schedules and registration statements filed with the Securities and Exchange Commission (the "SEC") since January 26, 1992.

(b) As of its filing date, each such report or statement filed pursuant to the Exchange Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(c) Each such registration statement, as amended or supplemented, if applicable, filed pursuant to the Securities Act of 1933, as amended as of the date such statement or amendment became effective did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

SECTION 4.08. Financial Statements. The audited consolidated financial statements and unaudited consolidated interim financial statements of the Company included in its annual reports on Form 10-K and the quarterly reports on Form 10-Q referred to in Section 4.07 (a) fairly present, in conformity with generally accepted accounting principles applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and their consolidated results of operations and changes in financial position for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim financial statements). For purposes of this Agreement, "Balance Sheet" means the consolidated balance sheets of the Company as of January 30, 1993 set forth in the Company 10-K and "Balance Sheet Date" means January 30, 1993.

SECTION 4.09. Disclosure Documents. (a) Each document required to be filed by the Company with the SEC in connection with the transactions contemplated by this Agreement (collectively, the "Company Disclosure Documents"), including, without limitation, the Schedule 14D-9, the proxy or information statement of the Company (the "Company Proxy Statement"), if any, to be filed with the SEC in connection with the Merger, and any amendments or supplements thereto will, when filed, comply as to form in all material respects with the applicable requirements of the Exchange Act.

(b) At the time the Company Proxy Statement or any amendment or supplement thereto is first mailed to stockholders of the Company, at the time such stockholders vote on adoption of this Agreement and at the Effective Time, the Company Proxy Statement, as supplemented or amended, if applicable, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the filing of any Company Disclosure Document (other than the Company Proxy Statement and at the time of any distribution thereof), such Company Disclosure Document will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties contained in this Section 4.09(b) will not apply to statements or omissions included in the Company Disclosure Documents based upon information furnished to the Company in writing by Parent or Buyer specifically for use therein.

(c) The information with respect to the Company or any Subsidiary that the Company furnishes to Buyer in writing specifically for use in the Offer Documents will not, at the time of the filing thereof, at the time of any distribution thereof and at the time of the consummation of the Offer, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

SECTION 4.10. Absence of Certain Changes. Since the Balance

Sheet Date or except as disclosed in the Form 10-Q's, the Company and Subsidiaries have conducted their business in the ordinary course consistent with past practice and there has not been:

(a) except for (i) adverse conditions in the economy in general or (ii) industry wide conditions affecting the licensed sports apparel industry in particular, any event, occurrence or development of a state of circumstances or facts which has had or would have a Material Adverse Effect;

(b) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares of capital stock of the Company, or any repurchase, redemption or other acquisition (except for the shares of Tryrare Ltd. ("Tryrare")) by the Company or any Subsidiary of any outstanding shares of capital

stock or other securities of, or other ownership interests in, the Company or any Subsidiary;

(c) any amendment of any material term of any outstanding security of the Company or any Subsidiary;

(d) any incurrence, assumption or guarantee by the Company or any Subsidiary of any indebtedness for borrowed money other than in the ordinary course of business and in amounts and on terms consistent with past practices;

(e) any creation or assumption by the Company or any Subsidiary of any Lien on any material asset other than in the ordinary course of business consistent with past practices;

(f) any making of any loan, advance or capital contributions to or investment in any Person other than loans, advances or capital contributions to or investments in wholly-owned Subsidiaries or made in the ordinary course of business consistent with past practices;

(g) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of the Company or any Subsidiary which, individually or in the aggregate, has had or would have a Material Adverse Effect;

(h) any transaction or commitment made, or any contract or agreement entered into, by the Company or any Subsidiary relating to its assets or business (including the acquisition or disposition of any assets) or any relinquishment by the Company or any Subsidiary of any contract or other right, in either case, material to the Company and the Subsidiaries taken as a whole, other than transactions and commitments in the ordinary course of business consistent with past practice and those contemplated by this Agreement;

(i) any material change in any method of accounting or accounting practice by the Company or any Subsidiary, except for any such change required by reason of a concurrent change in generally accepted accounting principles;

(j) any (i) grant of any material severance or termination pay to any director, officer or employee of the Company or any Subsidiary, (ii) entering into of any employment, deferred compensation or other similar agreement (or any amendment to any such existing

agreement) with any director, officer or employee of the Company or any Subsidiary, (iii) increase in benefits payable under any existing severance or termination pay policies or employment agreements or (iv) increase in compensation, bonus or other benefits payable to directors, officers or employees of the Company or any Subsidiary, other than (A) in accordance with contracts as were in existence on the Balance Sheet Date, or (B) in the ordinary course of business consistent with past practice;

(k) except for unionization efforts by Amalgamated Clothing and Textile Workers' Union and matters related thereto, to the knowledge of the Company, any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any employees of the Company or any Subsidiary, which employees were not subject to a collective bargaining agreement at the Balance Sheet Date, or any lockouts, strikes, work stoppages or threats thereof by or

with respect to a meaningful group of such employees; or

(l) except with respect to licensing arrangements with Tryrare, (i) any cancellations of any license or sublicense agreements to which the Company or any Subsidiary is a party or (ii) any notification to the Company, any Subsidiary, Buyer or Parent, that any party to any such agreement intends to cancel or not renew such agreement beyond its expiration date as in effect on the date hereof, which cancellations or notifications, singly or in the aggregate, have had or reasonably could be expected to have a Material Adverse Effect.

SECTION 4.11. No Undisclosed Material Liabilities. To the knowledge of the Company, there are no liabilities of the Company or any Subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances which would result in such a liability, other than:

(i) liabilities disclosed or provided for in the Balance Sheet;

(ii) liabilities incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date;

(iii) liabilities under this Agreement; and

(iv) liabilities that individually or in the aggregate would not have a Material Adverse Effect.

SECTION 4.12. Litigation. Except as set forth in Schedule 4.12 or the Company 10-K, there is no action, suit, investigation or proceeding (or, to the knowledge of the Company, any basis therefor) pending against, or to the knowledge of the Company threatened against or affecting, the Company or any Subsidiary or any of their respective properties before any court or arbitrator or any governmental body, agency or official which, if determined or resolved adversely to the Company or any Subsidiary in accordance with the plaintiff's demands, would have a Material Adverse Effect or which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Offer or the Merger or any of the other transactions contemplated hereby.

SECTION 4.13. Taxes. Except where failure to do so or be so, as the case may be, does not and would not have a Material Adverse Effect:

(a) except with respect to the January 1993 Taxes (as defined below) payable to the government of the United Kingdom on the income of Tryrare ("Tyrare Taxes"), the Company and its Subsidiaries have filed, or will file, in a timely manner all tax returns, statements, reports and forms required to be filed with any taxing authority (the "Returns") when due and in accordance with all applicable laws;

(b) as of the time of any filings, the Returns correctly reflected (and, as to any Returns not filed as of the date hereof, will correctly reflect) the facts regarding the income, business, assets, operations, activities, status and tax liabilities of the Company and its Subsidiaries and any other information required to be shown therein;

(c) all Taxes shown (and that will be shown) as due and payable on the Returns have been (and will be) timely paid or withheld and remitted to the appropriate taxing authority, and the charges, accruals and reserves for Taxes with respect to the Company and its Subsidiaries reflected on the books of the Company and its Subsidiaries are adequate to cover such Taxes. For purposes of this Agreement, "Taxes" means all income, gross receipts, sales, use, employment, franchise, profits, property and other taxes, fees, stamp taxes and duties, assessments, or charges of any kind whatsoever (whether payable directly or by withholding), together with any interest thereon and any penalties, additions to tax or additional amounts imposed by any taxing authority with respect thereto; and "Tax" means any of them;

(d) all Returns with respect to federal income Taxes filed with respect to tax years of the Company and its Subsidiaries through the tax year ended January 30, 1992 have been examined and closed or are Returns with respect to which the applicable period for assessment under applicable law, after giving effect to extensions or waivers, has expired;

(e) except with respect to routine sales or use tax audits, there is no claim, audit, action, suit, proceeding, or investigation now pending or

threatened against or with respect to the Company or its Subsidiaries in respect of any Tax; and

(f) except for Liens for Tyrare Taxes, there are no Liens for Taxes upon the assets of the Company or its Subsidiaries except Liens for current Taxes not yet due.

SECTION 4.14. ERISA. (a) For purposes of this Agreement: "ERISA Affiliate" of any Person means any other Person which, together with such Person, would be treated as a single employer under Section 414 of the Code and "Employee Plan" means each employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), and each employment, severance or other similar contract, arrangement or policy and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation or other forms of incentive compensation or post-retirement insurance, compensation or benefits which is as of the date hereof, or has been within the preceding five years, maintained, administered or contributed to by the Company or any Subsidiary and covers any employee or former employee of the Company or any Subsidiary or under which the Company or any Subsidiary has any liability.

(b) No Employee Plan (i) constitutes a "multiemployer plan", as defined in Section 3(37) of ERISA, (ii) is maintained in connection with any trust described in Section 501(c)(9) of the Code or (iii) is subject to Title IV of ERISA. To the knowledge of the Company, nothing done or omitted to be done and no transaction or holding of any asset under or in connection with any Employee Plan has or will make the Company or any Subsidiary, any officer or director of the Company or any Subsidiary subject to any liability under Title I of ERISA or liable for any tax pursuant to Section 4975 of the Code that could have a Material Adverse Effect.

(c) To the knowledge of the Company, each Employee Plan which is intended to be qualified under Section 401(a) of the Code is so qualified and has been so qualified during the period from its adoption to date, and each trust forming a part thereof is exempt from tax pursuant to Section 501(a) of the Code. To the knowledge of the Company, each Employee Plan has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such Plan.

(d) To the knowledge of the Company, there is no contract, agreement, plan or arrangement covering any employee or former employee of the Company or any affiliate that, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to Section 280G of the Code other than as described on Schedule 4.14. No employee or former employee of the Company or any Subsidiary will become entitled to any bonus, retirement, severance, job security or similar benefit or enhanced such benefit solely as a result of the transactions contemplated by this Agreement.

(e) Except as disclosed in writing to Parent prior to the date hereof, neither the Company nor any Subsidiary has any current or projected liability in respect of post-employment or post-retirement health or medical or life insurance benefits for retired or former employees of the Company or any Subsidiary that could have a Material Adverse Effect.

(f) Except as disclosed in writing to Parent prior to the date hereof, there has been no amendment to, written interpretation or announcement (whether or not written) by the Company or any of its affiliates relating to, or change in employee participation or coverage under, any Employee Plan which would increase materially the expense of maintaining such Employee Plan above the level of the expense incurred in respect thereof for the fiscal year ended on the Balance Sheet Date.

(g) Except as disclosed in writing to Parent prior to the date hereof, neither the Company nor any Subsidiary is a party to or subject to any union or collective bargaining contract or any employment contract or arrangement providing for annual future total aggregate compensation (exclusive of sales commissions and any options granted pursuant to any of the plans referred to in Section 2.04(a)) of $200,000 or more with any officer, consultant, director or employee (other than salespeople).

SECTION 4.15. Compliance with Laws. (a) To the knowledge of the

Company, neither the Company nor any Subsidiary is in violation of, nor has it since January 1, 1993 violated, any applicable law, rule, regulation, judgment, injunction, order or decree except for violations that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) To the knowledge of the Company, neither the Company nor any Subsidiary is in default under, and no condition exists (except with respect to license arrangements) that with notice or lapse of time or both would constitute a default under, any agreement or other instrument binding upon the Company or any Subsidiary or any license, sublicense, franchise, permit or similar authorization held by the Company or any Subsidiary, which defaults or potential defaults, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

SECTION 4.16. Finders' Fees. Except for Goldman, Sachs & Co., a copy of whose engagement agreement has been provided to Parent, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Company or any Subsidiary who might be entitled to any fee or commission from the Company or any Subsidiary or any of its affiliates upon consummation of the transactions contemplated by this Agreement.

SECTION 4.17. Other Information. To the knowledge of the Company, the documents and information delivered to Parent in connection with the transactions contemplated by this Agreement do not, taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading.

SECTION 4.18. Transactions with Affiliates. Except as disclosed in the filings with the SEC referred to in Section 4.07, neither the Company nor any Subsidiary is a party to any transaction or agreement with, and no property material to the business of the Company or any Subsidiary is owned by, any of its affiliates that is required to be so disclosed in such filings. For purposes of this Section, "affiliates" has the meaning given such term in Rule 12b-2 promulgated with the Exchange Act.

SECTION 4.19. Inapplicability of Sections 607.0901 and 607.0902 of Florida Law. (a) The Board of Directors of the Company has, prior to the date hereof, approved the execution and delivery by the Company of this

Agreement and the Company Stock Option Agreement (the "Company Option Agreement"), dated the date hereof, between the Company and Buyer, the entry by certain stockholders of the Company into the Stockholder Option Agreement (the "Stockholder Option Agreement"), dated the date hereof with Buyer, and the consummation of the Merger and the other transactions contemplated by this Agreement, the Company Option Agreement and the Stockholder Option Agreement and such approval is sufficient to render inapplicable to this Agreement, the Merger, the Company Option Agreement and the Stockholder Option Agreement and the other transactions contemplated hereby and thereby (collectively, the "Merger Transactions") the provisions of Section 607.0901 of the Florida Law.

(b) The by-laws of the Company as in effect on the date hereof provide that Section 607.0902 of the Florida Law is inapplicable to any "control-share acquisition" (as therein defined) and such provision is sufficient to render inapplicable to the Merger Transactions the provisions of such Section 607.0902.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PARENT

Parent represents and warrants to the Company that:

SECTION 5.01. Corporate Existence and Power. Each of Parent and Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Since the date of its incorporation, Buyer has not engaged in any activities other than in connection with or as contemplated by this Agreement or in connection with arranging any financing required to consummate the transactions contemplated hereby.

SECTION 5.02. Corporate Authorization. The execution, delivery and performance by Parent and Buyer of this Agreement and the consummation by Parent and Buyer of the transactions contemplated hereby are within the

corporate powers of Parent and Buyer and have been duly authorized by all necessary corporate action. This Agreement constitutes a valid and binding agreement of Parent and Buyer.

SECTION 5.03. Governmental Authorization. The execution, delivery and performance by Parent and Buyer of this Agreement and the consummation by Parent and Buyer of the transactions contemplated by this Agreement require no action by or in respect of, or filing with, any governmental body, agency, official or authority other than (i) the filing of Articles of Merger in accordance with Florida Law, (ii) compliance with any applicable requirements of the HSR Act; and (iii) compliance with any applicable requirements of the Exchange Act.

SECTION 5.04. Non-Contravention. The execution, delivery and performance by Parent and Buyer of this Agreement and the consummation by Parent and Buyer of the transactions contemplated hereby do not and will not (i) contravene or conflict with the articles of incorporation or certificate of incorporation (as the case may be) or bylaws of Parent and Buyer, (ii) assuming compliance with the matters referred to in Section 5.03, contravene or conflict with any provision of law, regulation, judgment, order or decree binding upon Parent and Buyer or (iii) constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation of Parent or Buyer or to a loss of any benefit to which Parent or Buyer is entitled under any agreement, contract or other instrument binding upon Parent or Buyer except, in the case of clauses (ii) and (iii), to the extent that any such violation, failure to obtain any such consent or other action, default, right or loss would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 5.05. Disclosure Documents. (a) The information with respect to Parent and its subsidiaries that Parent or Buyer furnishes to the Company in writing specifically for use in any Company Disclosure Document will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (i) in the case of the Company Proxy Statement, at the time the Company Proxy Statement or any amendment or supplement thereto is first mailed to stockholders of the Company, at the time the stockholders vote on adoption of this Agreement and at the Effective Time, and (ii) in the case of any Company Disclosure Document (other than the Company Proxy Statement), at the time of the filing thereof and at the time of any distribution thereof.

(b) The Offer Documents, when filed, will comply as to form in all material respects with the applicable requirements of the Exchange Act and will not at the time of the filing thereof, at the time of any distribution thereof or at the time of consummation of the Offer, contain any

untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties in this Section 5.05(b) will not apply to statements or omissions included in the Offer Documents based upon information furnished to Parent or Buyer in writing by the Company specifically for use therein.

SECTION 5.06. Finders' Fees. Except for J.P. Morgan Securities Inc., whose fees will be paid by Parent, there is no investment banker, broker, finder or other intermediary who might be entitled to any fee or commission from Parent or any of its affiliates upon consummation of the transactions contemplated by this Agreement.

SECTION 5.07 Financing. Buyer has or will have, prior to the expiration of the Offer, sufficient funds available to purchase all of the Shares outstanding and to pay all related fees and expenses on a fully diluted basis pursuant to the Offer (collectively, "Total Funding Needs"). Without prejudice to Parent's right to use other sources of financing in connection with the Offer, Parent has in effect on the date hereof bank loan agreements, copies of which have been delivered to the Company, sufficient to satisfy Total Funding Needs.

ARTICLE VI

COVENANTS OF THE COMPANY

The Company agrees that:

SECTION 6.01. Conduct of the Company. From the date hereof until the Effective Time, the Company and the Subsidiaries shall conduct their business in the ordinary course consistent with past practice and shall use their best efforts to preserve intact their business organizations and relationships with third parties and to keep available the services of their present officers and employees. Without limiting the generality of the foregoing, from the date hereof until the Effective Time:

(a) the Company will not adopt or propose any change in its certificate of incorporation or bylaws;

(b) the Company will not, and will not permit any Subsidiary to, merge or consolidate with any other Person (other than a Subsidiary) or, except for acquisitions of inventory, machinery, supplies and similar assets in the ordinary course of business,

acquire a material amount of assets of any other Person (other than a Subsidiary);

(c) the Company will not, and will not permit any Subsidiary to, sell, lease, license or otherwise dispose of any material assets or property to any Person (other than a Subsidiary) except (i) pursuant to existing contracts or commitments, (ii) in the ordinary course consistent with past practice or (iii) new license arrangements for sportswear products consistent with past practices;

(d) the Company will not, and will not permit any Subsidiary to, agree or commit to do any of the foregoing;

(e) the Company will not, and will not permit any Subsidiary to (i) take or agree or commit to take any action that would make any representation and warranty of the Company hereunder inaccurate in any respect at, or as of any time prior to, the Effective Time or (ii) omit or agree or commit to omit to take any action necessary to prevent any such representation or warranty from being inaccurate in any material respect at any such time; or

(f) the Company will not, and will not permit any Subsidiary to make or change any tax election, change any annual tax accounting period, adopt or change any method of tax accounting, file any amended Return, enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a Tax refund, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment or take or omit to take any other action, if any such action or omission would have the effect of increasing the Tax liability of the Company or any Subsidiary by an amount in excess of $250,000.

SECTION 6.02. Stockholder Meeting; Proxy Material. The Company shall cause a meeting of its stockholders (the "Company Stockholder Meeting") to be duly called and held as soon as reasonably practicable for the purpose of voting on the approval and adoption of this Agreement and the Merger unless a vote of stockholders of the Company is not required by Florida Law. The Directors of the Company shall, subject to their fiduciary duties as advised in writing (without waiver of any attorney-client privilege) by counsel, recommend approval and adoption of this Agreement and the Merger by the Company's stockholders. In connection with such meeting, the Company (i) will promptly prepare and file with the SEC, will use its reasonable best efforts to have cleared by the SEC and will

thereafter mail to its stockholders as promptly as practicable the Company Proxy Statement and all other proxy materials for such meeting, (ii) subject to the fiduciary duties of the Board of Directors of the Company as advised in writing by counsel (without a waiver of any attorney- client privilege) (which writing may be delivered promptly following such advice), will use its reasonable best efforts to obtain the necessary approvals by its stockholders of this Agreement and the transactions contemplated hereby and (iii) will otherwise comply with all legal requirements applicable to such meeting.

SECTION 6.03. Access to Information. From the date hereof until the Effective Time, the Company will give Parent, its counsel, financial advisors, auditors and other authorized representatives reasonable access to the offices, properties, books and records of the Company and the Subsidiaries, will furnish to Parent, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other

information as such Persons may reasonably request and will instruct the Company's employees, counsel and financial advisors to cooperate with Parent in its investigation of the business of the Company and the Subsidiaries; provided that no investigation pursuant to this Section shall affect any representation or warranty given by the Company to Parent and Buyer hereunder.

SECTION 6.04. Other Offers. (a) From the date hereof until the termination hereof, the Company and the Subsidiaries will not, and will use their respective best efforts to insure that their respective officers, directors, employees or other agents will not, directly or indirectly, (i) take any action to solicit or initiate any Acquisition Proposal or (ii) subject to the fiduciary duties of the Board of Directors under applicable law as advised in writing by counsel (without a waiver of any attorney-client privilege) (which writing may be delivered promptly following such advice), (x) grant any waiver under or agree to any material amendment of any confidentiality agreement or standstill provision or agreement to which the Company or any Subsidiary is a party in effect on the date hereof or (y) engage in negotiations with, or disclose any nonpublic information relating to the Company or any Subsidiary or afford access to the properties, books or records of the Company or any Subsidiary to, any Person that may be considering making, or has made, an Acquisition Proposal. The Company will promptly notify Parent after receipt of any Acquisition Proposal or any request for nonpublic information relating to the Company or any Subsidiary or for access to the properties, books or records of the Company or any Subsidiary by any Person that may be considering making, or has made, an Acquisition Proposal and will keep Parent

reasonably informed of the status and details of any such Acquisition Proposal or request. For purposes of this Agreement, "Acquisition Proposal" means any offer or proposal for, or any indication of interest in, a merger or other business combination involving the Company or any Subsidiary or the acquisition of any equity interest in, or a substantial portion of the assets of, the Company or any Subsidiary, other than the transactions contemplated by this Agreement.

SECTION 6.05. Notices of Certain Events. The Company shall promptly notify Parent of:

(i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(ii) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and

(iii) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting the Company or any Subsidiary which, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.12 or which relate to the consummation of the transactions contemplated by this Agreement.

ARTICLE VII

COVENANTS OF PARENT

Parent agrees that:

SECTION 7.01. Confidentiality. Prior to the Effective Time and after any termination of this Agreement Parent will hold, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning the Company and the Subsidiaries furnished to Parent in connection with the transactions contemplated by this Agreement, including, without limitation, the stockholder lists furnished by the Company pursuant to Section 1.02, except to the extent that such information can be shown to have been (i) previously known on a nonconfidential basis by Parent, (ii) in the

public domain through no fault of Parent or (iii) later lawfully acquired by Parent from sources other than the Company; provided that Parent may disclose such information to its officers, directors, employees, accountants, counsel,

consultants, advisors and agents in connection with the transactions contemplated by this Agreement and to its lenders in connection with obtaining the financing for the transactions contemplated by this Agreement so long as such Persons are informed by Parent of the confidential nature of such information and are directed by Parent to treat such information confidentially. Parent's obligation to hold any such information in confidence shall be satisfied if it exercises the same care with respect to such information as it would take to preserve the confidentiality of its own similar information. If this Agreement is terminated, Parent will, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to, destroy or deliver to the Company, upon request, all documents and other materials, and all copies thereof, obtained by Parent or on its behalf from the Company in connection with this Agreement that are subject to such confidence.

SECTION 7.02. Obligations of Buyer. Parent will take all action necessary to cause Buyer to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement.

SECTION 7.03. Voting of Shares. Parent agrees to vote all Shares beneficially owned by it, Buyer or any other subsidiary in favor of adoption of this Agreement at the Company Stockholder Meeting.

SECTION 7.04. Director and Officer Liability. For seven years after the Effective Time, Parent will cause the Surviving Corporation to indemnify and hold harmless the present and former officers and directors of the Company in respect of acts or omissions occurring prior to the Effective Time to the extent provided under the Company's articles of incorporation and bylaws in effect on the date hereof; provided that such indemnification shall be subject to any limitation imposed from time to time under applicable law. For seven years after the Effective Time, Parent will provide, pursuant to a policy maintained by Parent or will cause the Surviving Corporation to use its best efforts to provide officers' and directors' liability insurance in respect of acts or omissions occurring prior to the Effective Time covering each such Person currently covered by the Company's officers' and directors' liability insurance policy on terms with respect to coverage and amount no less favorable than those of such policy in effect on the date hereof; provided that in satisfying its

obligation under this Section, Parent shall not be obligated to cause the Surviving Corporation to pay premiums in excess of 200% of the amount per annum the Company paid in its last full fiscal year, which amount has been disclosed to Parent.

ARTICLE VIII

COVENANTS OF PARENT AND THE COMPANY

The parties hereto agree that:

SECTION 8.01. Best Efforts. Subject to the terms and conditions of this Agreement, each party will use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement.

SECTION 8.02. Certain Filings. The Company and Parent shall cooperate with one another (a) in connection with the preparation of the Company Disclosure Documents and the Offer Documents, (b) in determining whether any action by or in respect of, or filing with, any governmental body, agency or official, or authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement and (c) in seeking any such actions, consents, approvals or waivers or making any such filings, furnishing information required in connection therewith or with the Company Disclosure Documents or the Offer Documents and seeking timely to obtain any such actions, consents, approvals or waivers.

SECTION 8.03. Public Announcements. Parent and the Company will consult with each other before issuing any press release or making any public statement with respect to this Agreement and the transactions among the parties to this Agreement contemplated hereby and, except for any press release or public statement as may be required by applicable law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement prior to such consultation.

SECTION 8.04. Further Assurances. At and after the Effective

Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of the Company or Buyer, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Buyer, any other actions and things to vest, perfect or

confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

ARTICLE IX

CONDITIONS TO CERTAIN OBLIGATIONS

SECTION 9.01. Conditions to Certain Obligations. The obligations of the Company, Parent and Buyer to consummate the Merger are subject to the satisfaction of the following conditions:

(i) if required by Florida Law, this Agreement shall have been adopted by the stockholders of the Company in accordance with such law;

(ii) any applicable waiting period under the HSR Act relating to the Merger shall have expired;

(iii) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Merger;

(iv) Buyer shall have purchased Shares pursuant to the Offer (provided that this condition shall be deemed fulfilled if Buyer shall have failed to purchase Shares in violation of the Offer) or under the Stockholder Option Agreement; and

(v) all actions by or in respect of or filings with any governmental body, agency, official, or authority required to permit the consummation of the Merger shall have been obtained.

SECTION 9.02. Conditions to the Obligations of Parent and Buyer. The obligations of Parent and Buyer to consummate the Merger are subject to the satisfaction of the following further conditions:

(i) the Company shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time; provided, that this condition shall be deemed automatically waived and of no effect where the Buyer shall have exercised its rights under Section 1.03;

(ii) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit consummation of the Merger; and

(iii) Parent shall have received all documents it may reasonably request relating to the existence of the Company and the Subsidiaries and the authority of the Company for this Agreement, all in form and substance satisfactory to Parent.

ARTICLE X

TERMINATION

SECTION 10.01. Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of the Company):

(i) by mutual written consent of the Company and Parent;

(ii) by either the Company or Parent, if (A) Buyer shall not have purchased Shares pursuant to the Offer by the date that is 60 days after commencement of the Offer, or (B) the Merger has not been consummated by June 30, 1994;

(iii) by either the Company or Parent, if Parent or the Buyer (in the case of termination by the Company), or the Company (in the case of termination by Parent) shall have breached in any material respect any of its obligations under this Agreement or (in the case of termination by the Company) the Offer; or

(iv) by either the Company or Parent, if there shall be any law or regulation that makes consummation of the Merger illegal or otherwise prohibited or if any judgment, injunction, order or decree enjoining Buyer or the Company from consummating the Merger is entered and such judgment, injunction, order or decree shall become final and nonappealable; or

(v) by the Company, if the Board of Directors of the Company has withdrawn its recommendation as permitted by Section 1.02.

SECTION 10.02. Effect of Termination. If this Agreement is terminated pursuant to Section 10.01, this Agreement shall become void and of no effect with no liability on the part of any party hereto; provided that the agreements and obligations contained in Sections 7.01 and

11.04 shall survive the termination hereof; and provided further that termination of this Agreement shall be without prejudice to any rights any party hereto may have hereunder, at law or in equity against any other party for breach of this Agreement.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including telecopy, telex or similar writing) and shall be given,

if to Parent or Buyer, to:

V.F. Corporation
1047 North Park Road
Wyomissing, PA 19610
Attention: Secretary
Telephone: (215) 378-1151
Telecopy: (215) 375-9371

with a copy to: M. Rust Sharp
and
Aloysius T. Lawn, IV
Clark, Ladner, Fortenbaugh & Young
One Commerce Square
2005 Market Street
Philadelphia, PA 19103
Telephone: (215) 241-1825
Telecopy: (215) 241-1857

and: George R. Bason, Jr.
Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Telephone: (212) 450-4340
Telecopy: (212) 450-4800

if to the Company, to:

Nutmeg Industries, Inc.
4408 W. Linebaugh Avenue
Tampa, Florida 33624
Attention: George N. Derhofer,
Senior Vice President and
Chief Financial Officer
Telephone: (813) 963-6153
Telecopy: (813) 968-6321

with a copy to: Thomas K. Riden, Esq.
Senior Vice President and
General Counsel
Nutmeg Industries, Inc.
4408 W. Linebaugh Avenue
Tampa, Florida 33624
Telephone:
Telecopy: (813) 968-6321

and: Michael L. Jamieson, Esq.
Holland & Knight
400 North Ashley Drive, Suite 2300
Tampa, Florida 33602
Telephone:
Telecopy: (813) 229-0134

or such other address or telecopy number as such party may hereafter specify for the purpose by notice to the other parties hereto. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section and the appropriate answerback is received or (ii) if given by any other means, when delivered at the address specified in this Section.

SECTION 11.02. Survival of Representations and Warranties. The representations and warranties and agreements contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time or the termination of this Agreement except for the representations, warranties and agreements set forth in Sections 7.01 and 11.04 and the second proviso of Section 10.02.

SECTION 11.03. Amendments; No Waivers. (a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company, Parent and Buyer or in the case of a waiver, by the party against whom the waiver is to be

effective; provided that after the adoption of this Agreement by the stockholders of the Company, no such amendment or waiver shall, without the further approval of such stockholders, alter or change (i) the amount or kind of consideration to be received in exchange for any shares of capital stock of the Company, (ii) any other terms and conditions of this Agreement if such change would materially affect the Company or the holders of the shares of capital stock of the Company, or (iii) any term of the articles of incorporation of the Company.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 11.04. Fees and Expenses. (a) If a Third Party Acquisition shall occur at any time on or prior to one year after the termination of this Agreement, the Company shall pay to Parent, within one business day following such Third Party Acquisition, a fee equal to $8,500,000 in cash. For purposes of this Agreement, "Third Party Acquisition" means the occurrence of any of the following: (i) the Company is acquired by merger or otherwise by any "person" (as such term is defined in Section 13(d)(3) of the Exchange Act) other than Parent, the Buyer or any other subsidiary of Parent (a "Third Party"); (ii) a Third Party acquires more than 50% of the total assets of the Company and its Subsidiaries, taken as a whole; or (iii) a Third Party acquires more than 50% of the Shares; provided that no such transaction shall constitute a Third Party Acquisition unless the Company or the holders of Shares receive, pursuant to such transaction, consideration per Share having an indicated value (including the value of any stub equity or other merger consideration) in excess of $17.50.

(b) If, the Offer having been commenced, Buyer shall exercise its right not to purchase Shares or to terminate the Offer pursuant to the conditions to the Offer set forth in Annex I, the Company shall, within one business day, reimburse Parent and Buyer for all out-of- pocket fees and expenses incurred by Parent and Buyer in connection with the execution and delivery of this Agreement and the Company Option Agreement and by transactions contemplated hereby and thereby, including fees and disbursements of financial advisors and counsel; provided, that no payment shall be made by the Company pursuant to this Section 11.04(b) if Parent or Buyer shall have breached in any material respect or failed to perform in any material respect any obligation

or covenant contained in this Agreement or the Offer; provided further, that the Company's obligation under this Section 11.04(b) shall not exceed $1,000,000.

(c) Except as specifically provided in Section 11.04(a) and 11.04(b), each party shall bear all expenses incurred by it in connection with this Agreement, the Company Option Agreement and the Stockholder Option Agreement and the transactions contemplated hereby and thereby.

SECTION 11.05. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and the persons referred to in Section 7.04; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto except that Parent may transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to purchase shares pursuant to the Offer, but any such transfer or assignment will not relieve Parent of its obligations under the Offer or prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

SECTION 11.06. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of Florida.

SECTION 11.07. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

SECTION 11.08. Integration. This Agreement and the Company Option Agreement constitute the entire agreement and understanding among the parties hereto relating to the subject matter hereof and supersede any and all prior agreements and understandings, oral or written, relating to the subject matter hereof, including the letter agreement dated November 3, 1993, between the Company and Parent except the first, second, seventh, ninth and eleventh paragraphs thereof. However, the fifth and sixth paragraphs of said letter agreement shall revive if, by the 31st business day after termination of the Merger Agreement, Buyer has not purchased any Shares pursuant to the Offer or the options contemplated by the Company Stock Option Agreement or the Stockholder Option Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NUTMEG INDUSTRIES, INC.

By /S/ RICHARD JACOBSON

Title: Chairman

V.F. CORPORATION

By /S/ FRANK C. PICKARD III

Title: Treasurer

SPICE ACQUISITION CO.

By /S/ FRANK C. PICKARD III

Title: Treasurer-Assistant Secretary

ANNEX I

Notwithstanding any other provision of the Offer, Buyer shall not be required to accept for payment or pay for any Shares, and may terminate the Offer, if (i) prior to the expiration date of the Offer (A) less than that number of Shares which, together with the Shares then owned by Buyer, represents at least a majority of the outstanding Shares on a fully diluted basis has been tendered pursuant to the Offer and not withdrawn, or (B) the applicable waiting period under the HSR Act shall not have expired or been terminated or (C) Buyer shall not have entered into employment agreements or arrangements on terms previously agreed upon with Richard E. Jacobson and Martin G. Jacobson, or (ii) at any time on or after December 10, 1993 and prior to the acceptance for payment of or payment for Shares, any of the following conditions exist:

(a) there shall be instituted or pending any action or proceeding by any government or governmental authority or agency, domestic or foreign, before any court or governmental authority or agency, domestic or foreign, (i) challenging or seeking to make illegal, to delay or otherwise directly or indirectly to restrain or prohibit the making of the Offer, the acceptance for payment of or payment for some of or all the Shares by Buyer or the consummation by Buyer or Parent of the Merger, or seeking to obtain material damages relating to the transactions contemplated by the Offer or the Merger, (ii) seeking to restrain or prohibit Parent's or Buyer's full rights of ownership or operation (or that of Parent's subsidiaries or affiliates) of a material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or of Parent and its subsidiaries, taken as a whole, or any of their respective affiliates or to compel Parent or any of its subsidiaries or affiliates to dispose of or hold separate a material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or of Parent and its subsidiaries, taken as a whole, or any of their respective affiliates, (iii) seeking to impose material limitations on the ability of Parent or any of its subsidiaries or affiliates effectively to exercise full rights of ownership of the Shares, including, without limitation, the right to vote any Shares acquired or owned by Parent or any of its subsidiaries or affiliates on all matters properly presented to the Company's stockholders, or (iv) seeking to require divestiture by Parent or any of its subsidiaries or affiliates of any Shares or (v)
materially and adversely affecting the financing of the Offer; or

(b) there shall be any statute, rule, regulation, injunction, order or decree proposed, enacted, enforced, promulgated, issued or deemed legally applicable to the Offer, the acceptance for payment of or payment for any Shares or the Merger, by any court, government or governmental authority or agency, domestic or foreign, other than the application of the waiting period provisions of the HSR Act to the Offer, the acceptance for payment of or payment for any Shares or the Merger, that has, directly or indirectly, resulted, or will, directly or indirectly, result in any of the consequences referred to in clauses (i) through (v) of paragraph (a) above; or

(c) any change shall have occurred or been threatened (or any development shall have occurred or been threatened involving a prospective change) in the business, assets, liabilities, financial condition, capitalization, operations or results of operations of the Company or any of its Subsidiaries or affiliates that is or is likely to be materially adverse to the Company and its Subsidiaries, taken as a whole, or Parent or Buyer shall have become aware of any facts that have had or would have material adverse significance with respect to either the value of the Company and its Subsidiaries, taken as a whole, or the value of the Shares to Parent and its subsidiaries, taken as a whole; or

(d) there shall have occurred (i) any general suspension of trading in, or limitation on prices for securities on any national securities exchange or in the over-the-counter market, (ii) any decline in either the Dow Jones Industrial Average or the Standard and Poor's Index of 400 Industrial Companies by an amount in excess of 20%, measured from December 10, 1993 or any change in the general political, market, economic or financial condition in the United States or abroad that could have a material adverse effect on the business, financial condition or results of operations or prospects of the Company and its Subsidiaries, taken as a

whole, (iii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (iv) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States, or (v) any limitation by any governmental authority or agency that is likely to materially and adversely affect the financing of the Offer or the Merger; or

(e) it shall have been publicly disclosed or Parent or Buyer shall have otherwise learned that (i) any person or "group" (as defined in Section 13(d)(3) of the Exchange Act) (other than Parent or Buyer) shall have acquired beneficial ownership of more than 30% of any class or series of capital stock of the Company (including the Shares), through the acquisition of stock, the formation of a group or otherwise, or shall have been granted any option, right or warrant, conditional or otherwise, to acquire beneficial ownership of more than 30% of any class or series of capital stock of the Company (including the Shares) other than acquisitions for bona fide arbitrage purposes only and other than as disclosed in a Schedule 13D or 13G on file with the Commission on October 31, 1993, (ii) any such person or group which, prior to October 31, 1993, had filed such a Schedule with the Commission shall have acquired beneficial ownership of additional shares of any class or series of capital stock of the Company (including the Shares), through the acquisition of stock, the formation of a group or otherwise, constituting 5% or more of any such class or series, or shall have been granted any option, right or warrant, conditional or otherwise, to acquire beneficial ownership of additional shares of any class or series of capital stock of the Company (including the Shares) constituting 5% or more of any such class or series, or (iii) any person or group (other than Parent and Buyer) shall have entered into a definitive agreement or an agreement in principle with respect to a merger, consolidation or other business combination with the Company; or

(f) the Company shall have breached or failed to perform in any material respect any of its covenants or agreements under the Merger Agreement in a manner or with an effect materially deleterious to Parent or Buyer, or any of the representations and warranties of the Company set forth in the Merger Agreement shall not be true in any material respect when made or at any time prior to consummation of the Offer as if made at and as of such time; or

(g) the Merger Agreement shall have been terminated in accordance with its terms; or

(h) the Board of Directors of the Company shall have withdrawn or materially modified its approval or recommendation of the Offer or the Merger; or

(i) Parent and Buyer shall not have received by [the date 10 business days after commencement of the Offer] reasonably satisfactory evidence that each

domestic license agreement with any of NHL Enterprises, Inc., NBA Properties, Inc., National Football League Properties, Inc., Major League Baseball Properties, Inc., Major League Baseball Players Association and National Hockey League Players Association to which the Company or any Subsidiary is a party and previously identified to Parent by the Company (an "Identified License Agreement") shall, immediately after giving effect to the Offer and the Merger, afford the Company or such Subsidiary (and, immediately after the Merger, the Surviving Corporation or such Subsidiary) the same rights and benefits as those enjoyed by the Company or such Subsidiary under such Identified License Agreement or in connection with the arrangements covered thereby or contemplated therein on and as of the date of the Merger Agreement, all on terms and conditions that are not materially less advantageous to the Company and its Subsidiaries taken as a whole (and, after the Merger, the Surviving Corporation and its subsidiaries taken as a whole) than those terms and conditions in effect on and as of the date of the Merger Agreement;

which, in the reasonable judgment of Parent or Buyer or in any such case, and regardless of the circumstances (including any action or omission by Parent or Buyer) giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment or payment.

ANNEX II

ARTICLES OF MERGER
OF
SPICE ACQUISITION CO.
INTO
NUTMEG INDUSTRIES, INC.

Pursuant to the provisions of Section [Sections 607.1104 and]* 607.1105 of the Florida Business Corporation Act (the "Act"), Nutmeg Industries, Inc., a Florida corporation, and Spice Acquisition Co., a Florida corporation, do hereby adopt the following Articles of Merger:

FIRST: The names of the corporations which are parties to the merger contemplated by these Articles of Merger (the "Articles") are Nutmeg Industries, Inc. ("Nutmeg") and Spice Acquisition Co. ("Spice Acquisition"). Nutmeg is the surviving corporation in the Merger.

SECOND: A copy of the Plan of Merger is attached hereto and made a part hereof by reference as if fully set forth herein (the "Plan of Merger").

[THIRD: The Plan of Merger was adopted by the shareholders of Nutmeg on the ---- day of January, 1994, by a vote of its shareholders.]**

FOURTH: The sole shareholder of Spice Acquisition, by written consent, has adopted the Plan of Merger on the ------ day of --------------, 199-.

FIFTH: The Merger shall become effective upon the filing of these Articles by the Department of State of the State of Florida, in accordance with the provisions of Section [Sections 607.1104 and]* 607.1106 of the Act.

- ----------

*If short-form merger

**If not a short-form merger

IN WITNESS WHEREOF, the parties have caused these Articles to be executed this ------ day of --------, 1994.

Nutmeg Industries, Inc.

By: ----------

Title: ----------

Spice Acquisition Co.

By: ----------

Title: ----------

Schedule 4.04

Amended and Restated Credit Agreement Among Nutmeg, Nutmeg Mills, Inc., McBriar Sportswear, Inc., McBriar Cap Company, Inc., Home Team Advantage, Inc., Tryrare Limited and Nationsbank of Florida, N.A. dated as of September 7, 1993.

Amended and Restated Credit Agreement Among Nutmeg Industries, Inc.; Nutmeg Mills, Inc., McBriar Sportswear, Inc.; McBriar Cap Company, Inc.; Home Team Advantage, Inc.; Tryrare Limited and First Union National Bank of Florida dated

as of September 7, 1993.

The Company's license arrangements under which the Company applies certain intellectual property of others to its products.

Schedule 4.05

1. The Option granted by Nutmeg to Bennett Oltman to purchase all of the issued and outstanding shares of McBriar Sportswear, Inc.

2. The Option granted by the Company to the selling shareholders of Tryrare under the terms of the share purchase agreement and the documents referred to therein, copies of which have been delivered to Parent.

Schedule 4.14

George Derhofer
Thomas Riden
Bennett Oltman
Edward Doran
Richard Jacobson
Martin Jacobson

Schedule 4.12

1. Acid Wash: Nutmeg Mills has been advised by the firm that it may have infringed the "acid wash" patent of Greater Texas Finishing Corporation.

2. Amplicon, Inc.: There is a pending dispute with Amplicon, Inc., concerning a lease of certain computer hardware and software back to 1988.

EXHIBIT 2.4

AMENDMENT NO. 1 TO
AGREEMENT AND PLAN OF MERGER

January 27, 1994

Nutmeg Industries, Inc.
4408 W. Linebaugh Avenue
Tampa, Florida 33624

Ladies and Gentlemen:

1. Reference is hereby made to the Agreement and Plan of Merger, dated as of December 12, 1993 (the "Merger Agreement"), among Spice Acquisition Co. (the "Buyer"), a Florida corporation, V.F. Corporation ("V.F."), and Nutmeg Industries, Inc. ("Nutmeg"), a Florida corporation. Terms used herein and not otherwise defined have the meanings assigned such terms in the Merger Agreement. Each reference to (i) "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Merger Agreement" and each other similar reference contained in the Merger Agreement and (ii) each reference to "the Merger Agreement" contained in the Company Option Agreement (as defined in the Merger Agreement) and the Stockholder Option Agreement (as defined in the Merger Agreement) shall, in each case, from and after the Effective Date (as defined in paragraph 5 below), refer to the Merger Agreement as amended hereby.

2. The parties hereto hereby agree that Section 3.01 of the Merger Agreement is hereby amended, on and as of the Effective Date, to read in its entirety as follows:

"SECTION 3.01. Certificate of Incorporation. The articles of incorporation of Buyer in effect at the Effective Time shall be the articles of incorporation of the Surviving Corporation until amended in accordance with applicable law."

3. Other than as amended hereby, the Merger Agreement shall remain in full force and effect.

4. This Amendment No. 1 shall be construed in accordance with and governed by the law of the State of Florida, without giving effect to the principles of conflicts of laws thereof.

5. This Amendment No. 1 may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment No. 1 shall become effective on the date (the "Effective Date") on which each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

Very truly yours,

SPICE ACQUISITION CO.

By: /s/Frank C. Pickard III

Name: Frank C. Pickard III
Title: Treasurer-Assistant Secretary

V.F. CORPORATION

By: /s/Frank C. Pickard III

Name: Frank C. Pickard III
Title: Treasurer

Agreed to by:

NUTMEG INDUSTRIES, INC.

By: /s/Richard E. Jacobson

Name: Richard E. Jacobson
Title: Chief Executive Officer and Chairman