

05-14-1998

COVER SHEET
ONLY

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Tab settings

To the Honorable Commission

100711396

Record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Sunglass Hut Corporation
255 Alhambra Circle
Coral Gables, FL 33134

- Individual(s)
- General Partnership
- Corporation-State FL
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: April 28, 1998

2. Name and address of receiving party(ies):

Name: BankBoston Retail Finance Inc

Internal Address:

Street Address: 40 Board Street

City: Boston State: MA ZIP: 02109

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State DE
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

see attached Exhibit A

B. Trademark registration No.(s)

See Attached Exhibit A

Additional numbers attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: C. Kondracki

Internal Address:

Street Address: 2001 Jefferson Davis Hwy
Suite 505

City: Arlington State: VA ZIP: 22202

6. Total number of applications and registrations involved:

32

7. Total fee (37 CFR 3.41):..... \$ 815.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Christopher E. Kondracki

Name of Person Signing

Signature

May 6, 1998

Date

REEL Total number of pages comprising cover sheet:

10

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EXHIBIT A

Guarantor's now owned or existing or hereafter acquired or arising registered service marks and Federal service mark applications, registered trademarks, and Federal trade mark applications:

Trademark/Service Mark Registrations

<u>TRADEMARK</u>	<u>REGISTRATION NUMBER</u>	<u>REGISTRATION DATE</u>
CARENZA	1486797	03-May-88
EYE X	2141419	03-Mar-98
EYE X COMPANY & Design	2049786	01-Apr-97
RIGORNO	2115971	25-Nov-97
SOLSTAR	1870170	27-Dec-94
SOLSTAR	1866100	06-Dec-94
STRICTLY SUNGLASSES & Design	1870105	27-Dec-94
SUN Design	1803959	09-Nov-93
SUN SHADE OPTIQUE	1617143	09-Oct-90
SUNGEAR	1926233	10-Oct-95
SUNGEAR	1515956	06-Dec-88
SUNGEAR	1706427	11-Aug-92
SUNGEAR	2010364	22-Oct-96
SUNGEAR	2045160	11-Mar-97
SUNGLASS HUT	1475511	02-Feb-88
SUNGLASS HUT & Design	1703977	28-Jul-92
SUNGLASS HUT INTERNATIONAL	1800295	19-Oct-93
SUNGLASS HUT INTERNATIONAL & Design	2006695	08-Oct-96
SUNGLASS HUT INTERNATIONAL... THE WORLD'S LEADER	1834976	03-May-94
SUNGLASS HUT SPORT	2143223	10-Mar-98
SUNGLASS WORLD	1783020	20-Jul-93
SUNSCRIPTIONS	2072508	17-Jun-97
SUNSPOT	1827894	22-Mar-94
WATCH STATION	2141375	03-Mar-98

Trademark Applications

<u>MARK</u>	<u>APPLICATION NUMBER</u>	<u>FILING DATE</u>
AZUR	75/393232	20-Nov-97
CODE	75/354778	11-Sep-97
RX Logo (R with Sunglasses)	75/368853	06-Oct-97
SPORTITUDE	74/706725	27-Jul-95
SUMMIT	75/448050	11-Mar-98
SUNGEAR	75/065102	29-Feb-96
SUNGEAR	74/802455	22-Feb-93
TORQUE	75/337044	07-Aug-97

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TRADEMARK AND TRADEMARK

APPLICATIONS SECURITY AGREEMENT

BankBoston Retail Finance Inc.

AGENT

April 28, 1998

THIS AGREEMENT is made between

BankBoston Retail Finance Inc. (in such capacity, the "**Agent**"), a Delaware corporation with offices at 40 Broad Street, Boston, Massachusetts 02109, as Agent for a syndicate of Lenders (the "**Lenders**")

and

Sunglass Hut Corporation (hereinafter, the "**Guarantor**"), a Florida corporation with its principal executive offices at 255 Alhambra Circle, Coral Gables, Florida 33134

in consideration of the mutual covenants contained herein and benefits to be derived herefrom,

1. **Background.**

(a) The Agent, the Lenders and Sunglass Hut Trading Corporation, Watch Station, Inc., and Sunglass Hut of Canada Ltd. (collectively, the "**Borrowers**") have entered in a certain Loan and Security Agreement of even date (as such agreement may be modified, supplemented, amended or restated from time to time, hereinafter, the "**Loan Agreement**") pursuant to which a credit facility has been established in favor of the Borrowers. (Terms used herein which are defined in the Loan Agreement are used as so defined).

(b) The Guarantor has guaranteed the Liabilities of each of the Borrowers pursuant to a certain Guaranty of even date herewith.

(c) The liabilities and obligations of the Guarantor pursuant to the Guaranty and each of the Borrower's **Liabilities** are to be secured as provided in the Loan Agreement, including, without limitation, as provided in this Agreement (the "**TM Security Agreement**").

2. **Grant of Security Interest.** To secure the Liabilities and the liabilities and obligations pursuant to the Guaranty, the Guarantor hereby creates a security interest in favor of the Agent (for the ratable benefit of the Agent and the Lenders), with power of sale (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default) in and to the following and all proceeds thereof:

(a) All of the Guarantor's now owned or existing or hereafter acquired or arising trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, and service mark applications.

(b) All renewals of any of the foregoing.

(c) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

(d) The right to sue for past, present and future infringements and dilutions of any of the foregoing.

(e) All of Guarantor's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 2(a), together with the items respectively described in Subsections 2(b) through and including 2(e) are hereinafter individually and/or collectively referred to as the "**Marks**".

3. **Protection of Marks.** The Guarantor shall undertake the following with respect to each Mark:

(a) Pay all renewal fees and other fees and costs associated with maintaining the Marks and with the processing of the Marks.

(b) At the Guarantor's sole cost, expense, and risk, pursue the

prompt, diligent, processing of each Application for Registration which is the subject of the security interest created herein and not unreasonably abandon or delay any such efforts.

(c) At the Guarantor's sole cost, expense, and risk, take any and all action which Guarantor deems desirable to protect the Marks, including, without limitation, but subject to Guarantor's discretion, the prosecution and defense of infringement actions.

4. Agent's Actions To Protect Marks. In the event of

(a) the Guarantor's failure, within Five (5) days of written notice from the Agent, to cure any failure by the Guarantor to perform any of the Guarantor's obligations set forth in Section 3; and/or

(b) the occurrence and during the continuance of any Event of Default,

the Agent, acting in its own name or in that of the Guarantor, may (but shall not be required to) act in the Guarantor's place and stead and/or in the Agents' own right in connection therewith.

5. Guarantor's Representations and Warranties. The Guarantor represents and warrants that:

(a) **EXHIBIT A** includes all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by the Guarantor.

(b) No liens, claims or security interests have been granted in any Mark by the Guarantor to any Person other than to the Agent.

6. New Marks.

(a) The Guarantor shall give the Agent written notice (with reasonable detail) within Ten (10) days following the occurrence of any of the following:

(i) The Guarantor's obtaining rights to, and filing applications for registration of, any new trademarks, or service marks, or otherwise acquires ownership of any newly registered trademarks, registered service marks, trademark applications, or

service mark applications, (other than the Guarantor's right to sell products containing the trademarks of others in the ordinary course of Guarantor's business).

(ii) The Guarantor's becoming entitled to the benefit of any registered trademarks, trademark applications, trademark licenses, trademark license renewals, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor (other than Guarantor's right to sell products containing the trademarks of others in the ordinary course of Guarantor's business).

(iii) The Guarantor's entering into any new trademark license agreement or service mark license agreement.

(b) **Agreement Applies to Future Marks.**

(i) The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in Section 6(a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.

(ii) The Guarantor hereby authorizes the Agent to modify this TM Security Agreement by amending EXHIBIT A to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided, however*, the modification of said EXHIBIT shall not be a condition to the creation or perfection of the security interest created hereby.

7. **Rights Upon Default.** Upon the occurrence and during the continuance of any Event of Default, the Agent may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in Massachusetts (Massachusetts General Laws, Chapter 106), with respect to the Marks, in addition to which the Agent may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Agent that an Event of Default has occurred and that the Agent is authorized to exercise such rights

and remedies.

8. **Agent As Attorney In Fact.** The Guarantor hereby irrevocably constitutes and designates the Agent as and for the Guarantor's attorney in fact, effective following the occurrence and during the continuance of any Event of Default:

(a) To exercise any of the rights and powers referenced in Section 7.

(b) To execute all such instruments, documents, and papers as the Agent determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Marks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the within TM Security Agreement is terminated by a duly authorized officer of the Agent, but shall be exercisable only following the occurrence and during the continuance of an Event of Default.

9. **Agent's Rights.**

(a) Any use by the Agent of the Marks, as authorized hereunder in connection with the exercise of the Lenders' rights and remedies under this TM Security Agreement and under the Loan Agreement shall be coextensive with the Guarantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

(b) Neither this TM Security Agreement nor the Loan Agreement, nor any act, omission, or circumstance may be construed as directly or indirectly conveying to the Agent any rights in and to the Marks, which rights are effective except following the occurrence and during the continuance of any Event of Default.

10. **Guarantor's Rights To Protect Marks.** The Agent acknowledges that the Guarantor shall continue to have the exclusive right, prior to notice from the Agent following the occurrence and during the continuance of an Event of Default, to sue for past, present and future infringement of the Marks

including the right to seek injunctions and/or money damages, in an effort by Guarantor to protect the Marks against encroachment by third parties; provided, however, that the Guarantor first provides the Agent with written notice of the Guarantor's intention to sue for enforcement of any Mark, and provided further, any money damages awarded or received by the Guarantor on account of such suit (or the threat of such suit) shall constitute Collateral.

11. **Notice Addresses.** All notices, demands, and other communications made in respect of this TM Security Agreement shall be made to the following addresses, each of which may be changed upon seven (7) days written notice to all others given by certified mail, return receipt requested:

If to the Agent:

BankBoston Retail Finance Inc.
40 Broad Street
Boston, Massachusetts 02109
Attention : Joseph V. Balsamo
Vice President
Fax : 617 434-4339

With a copy to:

Riemer & Braunstein
Three Center Plaza
Boston, Massachusetts 02108
Attention : David S. Berman, Esquire
Fax : 617 723-6831

If to the Guarantor:

Sunglass Hut Corporation
255 Alhambra Circle
Coral Gables, Florida 33134
Attention : Mr. Larry G. Petersen, Chief Financial
Officer
Fax : (305) 461-6389

With a copy to:

Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel
1221 Brickell Avenue, 21st Floor
Miami, Florida 33131
Attention : Bruce Macdonough, Esquire
Fax: : (305) 579-0717

Except as otherwise specifically provided herein, notices shall be deemed made and correspondence received, as follows (all times being local to

the place of delivery or receipt):

(A) By mail: the sooner of when actually received or Three (3) days following deposit in the United States mail, postage prepaid.

(B) By recognized overnight express delivery: the Business Day following the day when sent.

(C) By Hand: If delivered on a Business Day after 9:00 AM and no later than Three (3) hours prior to the close of customary business hours of the recipient, when delivered. Otherwise, at the opening of the then next Business Day.

(D) By Facsimile transmission (which must include a header on which the party sending such transmission is indicated): If sent on a Business Day after 9:00 AM and no later than Three (3) hours prior to the close of customary business hours of the recipient, one (1) hour after being sent. Otherwise, at the opening of the then next Business Day.

Rejection or refusal to accept delivery and inability to deliver because of a changed address or Facsimile Number for which no due notice was given shall each be deemed receipt of the notice sent.

12. **Intent.** This TM Security Agreement supplements is intended to supplement the Loan Agreement. All provisions of the Loan Agreement shall apply to the Marks. The Agent shall have the same rights, remedies, powers, privileges and discretions, with respect to the security interests created in the Marks as in all other Collateral. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Marks and the Loan Agreement with respect to all other Collateral. This TM Security Agreement and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of The Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Guarantor and the Agent respectively have caused this TM Security Agreement to be executed by their respective duly authorized officers as of the date first above written.

SUNGLASS HUT CORPORATION

BANKBOSTON RETAIL FINANCE INC.

(The "Guarantor")

(The " Agent")

By *Larry Peterson*
Title: Treasurer

By *Joseph V. Balsamo*
Title: Vice President

State of Massachusetts
COUNTY OF Suffolk, SS

Then personally appeared before me Larry Peterson
who acknowledged that such person is the duly authorized
Treasurer of Sunglass Hut Corporation and that such
person had executed the foregoing instrument on its behalf.

Witness my hand and seal this 28th day of April, 1998

Kenn M. Murdock
Kenn M. Murdock, Notary Public
My Commission Expires: 5/20/99

THE State OF Massachusetts
COUNTY OF Suffolk

Then personally appeared before me Joseph V. Balsamo, who
acknowledged that such person is the duly authorized
Vice President of BankBoston Retail Finance Inc.; and
that such person executed the foregoing instrument on its behalf.

Witness my hand and seal this 28th day of April, 1998

Kenn M. Murdock
Kenn M. Murdock, Notary Public
My Commission Expires: 5/20/99