



101058132

Tab settings

To the Honorable Commissioner of Patent

and original documents or copy thereof.

1. Name of conveying party(ies):

Buster Brown Apparel, Inc.
Buster Brown Retail, Inc.
BB&T Management Corp.
BBA Honduras, S.A.

MRD 2-22-99

- Individual(s)
- General Partnership
- Corporation-State
- 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: February 9, 1999

2. Name and address of receiving party(ies)

Name: The Chase Manhattan Bank,
as Collateral Agent

Internal Address:

Street Address: 270 Park Avenue

City: New York State: NY ZIP: 10017

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other New York Banking Corporation

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 patent number(s):

A. Trademark Application No.(s)

See attached schedule

B. Trademark Registration No.(s)

See attached schedule

Additional numbers attached? Yes No

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

Name: Morgan, Lewis & Bockius LLP

Internal Address: Attn: Leana B. Nussbaum

Street Address: 101 Park Avenue

City: New York State: NY ZIP: 10178

6. Total number of applications and registrations involved: 17

7. Total fee (37 CFR 3.41).....\$ 440.00

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.

Leana B. Nussbaum
Name of Person Signing

Leana Nussbaum
Signature

2/17/99
Date

Total number of pages including cover sheet, attachments, and document: 1

SCHEDULE

Trademark

Registration Number

BUSTER BROWN	51,981
BUSTER BROWN	221,202
BUSTER BROWN	505,224
BUSTER BROWN & DESIGN	505,225
BUSTER BROWN	732,513
BUSTER BROWN & DESIGN	800,744
BUSTER BROWN & DESIGN	948,548
KABOOM! & DESIGN	1,508,223
KABOOM!	1,815,993
BUSTER BROWN & DESIGN (Layette)	1,858,651
BUSTER BROWN'S	129,233
SLUMBER BUNNIES	686,368
CRAYON CROWD	1,241,251
TIGE'S PALS	1,329,707
BETSY AND BOBBY & DESIGN	1,411,428
DARN-LESS	128,885
DOUBLE B	1,099,641

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT (the "Agreement"), dated as of February 9, 1999, made by BUSTER BROWN APPAREL, INC. ("Apparel"), a Delaware corporation, BB&T MANAGEMENT CORP. ("BB&T"), a Delaware corporation, BUSTER BROWN RETAIL, INC. ("Retail"), a Delaware corporation, BBA HONDURAS, S.A., a corporation organized under the laws of Honduras (each, a "Grantor" and collectively, the "Grantors"), to THE CHASE MANHATTAN BANK, with an office at 270 Park Avenue, New York, New York 10017, as collateral agent (the "Agent") for the benefit of the Lenders (as defined below).

WHEREAS, contemporaneously with the execution and delivery of this Agreement, Apparel is executing certain demand notes in the aggregate principal amount of \$1,500,000 (as amended, amended and restated, modified or supplemented from time to time, collectively, the "Notes") in favor of The Chase Manhattan Bank, Cerberus Partners L.P., Merrill Lynch, Pierce Fenner and Smith Incorporated and Stephen R. Clark (collectively, the "Lenders").

WHEREAS, unless otherwise defined herein, terms defined in the Notes are used herein as therein defined; and

WHEREAS, as a condition precedent to the extension of credit by the Lenders to Apparel evidenced by the Notes (the "Loan") the Grantors shall have executed and delivered this Agreement;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Grantors and the Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

SECTION 2. Grant of Security. Each Grantor hereby assigns and pledges to the Agent for its benefit and for the ratable benefit of the Lenders, and hereby grants to the Agent for its benefit and for the ratable benefit of the Lenders, a lien on and security interest, junior only to the valid and duly perfected liens in favor of Foothill Capital Corporation (“Foothill”) in respect of that certain Loan and Security Agreement dated as of August 5, 1998 by and between Apparel, BB&T, Retail and Foothill (as heretofore amended, the “Foothill Credit Agreement”) (except to the extent such assignment, pledge or grant would violate the terms of any license agreement with any other Person in connection with any of the Trademarks, as defined below, whether such Grantor is a licensee or licensor under any such license agreement), in the entire right, title and interest of such Grantor in and to the following, whether now owned or hereafter acquired (the “Trademark Collateral”):

(a) All owned trademarks, service marks, trade names and trade dress and all trademark and service mark registrations and applications for trademark or service mark registration in the United States, any State thereof and any foreign country and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), (iii) the right to sue or otherwise recover for all past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (but only such rights as now exist or may come to exist under applicable local law), together, in each case, with the goodwill of the business connected with the use of, and symbolized by each such trademark, service mark, trade name and trade dress (all of the foregoing and other rights being, collectively, the “Trademarks”);

(b) All license agreements with any other Person in connection with any of the Trademarks or such other Person's names or marks, whether such Grantor is a licensor or licensee under any such license agreement (subject, in each case, to the terms of such license agreements), and the right to prepare for sale, sell and advertise for sale, all inventory (as defined in the Uniform Commercial Code in effect in the State of New York (the “NYUCC”), to the extent now or hereafter owned by such Grantor and now or hereafter covered by such licenses (the “Licenses”).

SECTION 3. Security for Obligations. The assignment and pledge of and grant of a security interest in the Trademark Collateral by each Grantor pursuant to this Agreement (collectively, the “Security Interests”) secures the payment and performance of all obligations of each of the Grantors to the Lenders, now or hereafter existing, under the Notes and the other Documents, as the same may be amended, amended and restated, modified or supplemented from time to time, whether for principal, interest, fees, expenses or otherwise (all such obligations of each of the Grantors being the “Secured Obligations”).

The Security Interests granted by this Agreement are granted in conjunction with the security interests granted to the Agent in other assets of the Grantors, as set forth in the Notes and the other Documents.

SECTION 4. Representations and Warranties. Each Grantor represents and warrants on the date hereof as follows:

(a) Such Grantor is the sole, legal and beneficial owner of the entire right, title and interest in and to the federal registrations and applications for registration of the Trademarks of such Grantor listed on Schedule I hereto, the foreign registrations and applications for registration of the Trademarks of such Grantor listed on Schedule II hereto and the Licenses free and clear of any lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for the Security Interests created or permitted by this Agreement, the Security Agreement or the Foothill Credit Agreement, and except for any such encumbrances which do not have a material adverse impact on the economic value of any of the federal registrations and applications for registration of the Trademarks listed on Schedule I hereto, or the foreign registrations and applications for registration of the Trademarks listed on Schedule II hereto, and except as permitted by Section 6 of this Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the registrations and applications for registration of the Trademarks listed on Schedule I, Schedule II hereto or the Licenses purported to be granted by such Grantor hereunder is on file in any recording office, including, without limitation, the United States Patent and Trademark Office, except such as may have been filed in favor of the Agent relating to this Agreement or Foothill relating to the Foothill Credit Agreement.

(b) Set forth on Schedule I is a complete and accurate list of all of the federal registrations and applications for federal registration of the Trademarks owned by such Grantor. Set forth on Schedule II is a complete and accurate list of all the foreign registrations and applications for registration of the Trademarks owned by such Grantor. Set forth on Schedule III is a complete and accurate list of all license agreements covering Licenses of such Grantor.

(c) Each trademark and service mark registration and application for registration of such Grantor identified on Schedule I and Schedule II is subsisting and, to the best of such Grantor's knowledge, has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to the best of such Grantor's knowledge, valid, registrable and enforceable. Each License of such Grantor identified on Schedule III, to the best of such Grantor's knowledge, is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and is, to the best of such Grantor's knowledge, valid and enforceable. Such Grantor has notified the Agent in writing of all prior uses of any registrations and applications for registration of the Trademarks of such Grantor listed on Schedule I and Schedule II hereto of which such Grantor is aware, which would lead, in the

reasonable judgment of such Grantor, to such Trademarks becoming invalid or unenforceable, including prior unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such item.

(d) Except as set forth on Schedule III hereto, such Grantor has not granted any license, release, covenant not to sue, or non-assertion assurance to any third person with respect to any part of the registrations and applications for registration of the Trademarks listed on Schedule I or Schedule II hereto with respect to such Grantor which would materially interfere with its business as currently carried on under any such registrations or applications for registrations.

(e) Such Grantor has used reasonable and proper statutory notice in connection with its use of each registered trademark and service mark of such Grantor listed on Schedule I and Schedule II, except inadvertent omissions thereof.

(f) Such Grantor has the unqualified right to enter into this Agreement and to perform its terms.

(g) Except for (i) the appropriate filings with the United States Patent and Trademark Office with respect to United States Trademarks and with the applicable foreign registration offices ("Foreign Office") with respect to Foreign Trademarks, and (ii) the appropriate filings under Article 9 of the Uniform Commercial Code, no consent of any other Person (other than licensors of any License as to which such Grantor is a licensee), no authorization, consent, approval or other action by, and no notice to or filing or recording with, any governmental, administrative or judicial authority or regulatory body is required in the United States or other foreign country either (x) for the granting by such Grantor of the Security Interests granted hereby or for the execution, delivery or performance of this Agreement by such Grantor, or (y) for the perfection of or the exercise by the Agent of its rights and remedies hereunder.

(h) The consummation of actions contemplated under or in connection with the Documents to be performed by such Grantor, will not impair the legal right of such Grantor to use any of the registrations and applications for registration of the Trademarks listed on Schedule I and Schedule II hereto.

(i) Such Grantor has no knowledge of the existence of any trademark, service mark, trade name or trade dress, or license agreement held or claimed by any other Person that, if upheld, would preclude such Grantor from distributing, marketing, selling or providing any product or service currently distributed, marketed, sold or provided by it, as the case may be, under or in connection with any of the registrations and applications for registration of the Trademarks of such Grantor listed on Schedule I or Schedule II hereto (except, in each case, to the extent that such Grantor has granted an exclusive license to another person), or that would materially interfere with the ability of such Grantor to carry

on its business as currently carried on, and, such Grantor has no knowledge of any claim that is likely to be made that if upheld would preclude or materially interfere with its business as currently carried on under any of the registrations and applications for registration of the Trademarks of such Grantor listed on Schedule I or Schedule II hereto.

(j) No material claim in any court, in the United States Patent and Trademark Office or any Foreign Office has been made (and, as to any trademark, service mark, trade name, or trade dress with respect to which such Grantor is a licensee, to the best knowledge of such Grantor, no material claim has been made against the third party licensor), and such Grantor has no knowledge of any material claim that has been made or is likely to be made, that the use by such Grantor of any Trademark Collateral does or may violate the rights of any Person.

(k) Such Grantor, to the best of its knowledge, has used consistent standards of quality in manufacturing, distribution and marketing of each product sold and provision of each service provided under or in connection with any Trademark Collateral, and has taken whatever steps necessary to ensure that all licensed users of any Trademark Collateral use such consistent standards of quality.

SECTION 5. Further Assurances.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, such Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Agent may reasonably request, in order to (i) continue, perfect and protect any Security Interest granted or purported to be granted hereby, or (ii) enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any part of the Trademark Collateral. Without limiting the generality of the foregoing, each Grantor will execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Agent may reasonably request, in order to perfect and preserve the Security Interests granted or purported to be granted hereby.

(b) Each Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Trademark Collateral without the signature of such Grantor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Trademark Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) Each Grantor will furnish to the Agent from time to time statements and schedules further identifying and describing the Trademark Collateral and such other reports in connection with the Trademark Collateral as the Agent may reasonably request, all in reasonable detail.

(d) Each Grantor agrees that, if, before the Secured Obligations have been satisfied in full, it (i) obtains an ownership interest in any new trademark, service mark, trade name and trade dress, or trademark or service mark registration or application for trademark or service mark registration which is not now identified on Schedule I or Schedule II, (ii) enters into any new license agreement which is not identified in Schedule III, subject, in each case, to the terms of the license agreements, or (iii) becomes entitled to the benefit of any trademark, service mark, trade name and trade dress (which is materially important to the business of such Grantor), trademark or service mark registration, application for trademark or service mark registration, license agreement or license agreement renewal, (x) the provisions of Section 1 of this Agreement shall automatically apply thereto, and (y) any such trademark, mark, registration, application, or license agreement, together with the goodwill of the business connected with the use of the mark or symbolized by it, shall automatically become part of the Trademark Collateral. Each Grantor shall give prompt written notice to the Agent of each new trademark or service mark registration or application for registration obtained by such Grantor and of each new license agreement entered into by such Grantor. Each Grantor authorizes the Agent to modify this Agreement by amending Schedule I, Schedule II, or Schedule III, as appropriate, to include any such new trademark or service mark registration, or application for trademark or service mark registration or license which becomes part of the Trademark Collateral under this Section, or which, in the reasonable business judgment of such Grantor, is a material trademark or service mark registration or application for trademark or service mark registration. Each Grantor shall, where consistent with prudent business practices, use best efforts to negotiate new license agreements subject to the grant of the security interest created by this Agreement.

(e) Each Grantor agrees (i) to prosecute diligently any trademark or service mark application of such Grantor that is part of Schedule I or Schedule II, (ii) to file applications for registration of any trademark or service mark which is or becomes material to its business, (iii) to take all necessary steps in any proceeding before the United States Patent and Trademark Office, any Foreign Office, in any court or any other governmental office, to maintain and protect each material trademark, service mark, trade name, trade dress and trademark or service mark registration, and each license agreement, and (iv) to participate in opposition, cancellation and infringement proceedings in each case, such actions under clauses (i) through (iv) above, to be taken as and to the extent Grantor, in the exercise of its reasonable commercial judgment, deems necessary or desirable. Any expenses incurred in connection with such activities shall be borne by such Grantor. If such Grantor fails to comply with any of the foregoing duties, the Agent shall have the right, but not the obligation, to effect compliance in the name of such Grantor to the extent permitted by law, at the Grantor's expense.

(f) Except as may be permitted by the Foothill Credit Agreement, no Grantor shall (i) abandon any trademark or service mark registration or application for trademark or service mark registration, or any trademark, service mark or trade name, without the prior written consent of the Agent, which consent shall not be unreasonably withheld, except

where such abandonment would not be reasonably likely to have a material adverse effect on the financial condition, operations, business, properties or assets of such Grantor taken as a whole, or (ii) take any action, or permit any action to be taken by any other Persons to the extent such Persons are subject to its control, or fail to take any action, which would materially and adversely affect the validity, perfection, priority or enforcement of the rights transferred herein to the Agent under this Agreement, and any such action or agreement if it shall be entered into or taken, shall be null and void and of no effect whatsoever. Each Grantor agrees to notify the Agent immediately and in writing if such Grantor learns (i) that any material item of the Trademark Collateral may become abandoned, or (ii) of any adverse determination or any development (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office, any Foreign Office, any court or any other governmental office) regarding any material part of the Trademark Collateral.

(g) In the event that any material item of the Trademark Collateral is infringed or misappropriated by a third party, the Grantor having any right, title or interest in such Trademark Collateral shall promptly notify the Agent and shall, unless such Grantor shall reasonably determine that such Trademark Collateral is of immaterial economic value to such Grantor, take all reasonable steps and actions to defend against and enjoin the infringement or misappropriation, and shall take such other actions as such Grantor shall reasonably deem appropriate under the circumstances to protect and enforce such Trademark Collateral. Any expense incurred in connection with such activities shall be borne by such Grantor.

(h) Each Grantor shall continue to use reasonable and proper statutory notice in connection with its use of each registered trademark or service mark.

(i) Each Grantor agrees (i) to maintain the quality of any and all products or services of such Grantor used or provided in connection with the Trademark Collateral, consistent with the quality of said products and services as of the date hereof and (ii) to take all reasonable steps to ensure that all licensees of any Trademark Collateral maintain consistent standards of quality, consistent with the standards in effect on the date hereof.

SECTION 6. Transfers and Other Liens. Each Grantor shall not, except as otherwise permitted under the Foothill Credit Agreement:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of, or grant any option with respect to, the Trademark Collateral of such Grantor, except that such Grantor may license the Trademark Collateral (i) in the ordinary course of the Grantor's business, provided that such Grantor, in the exercise of its reasonable commercial judgment, determines that such license is necessary or desirable in the conduct of such Grantor's business, or (ii) in connection with a sale or transfer of assets as permitted in the Loan Agreement, **provided** that (x) any such license shall be on terms reasonably expected to maximize the gain to such Grantor resulting from the granting of such license and (y) such

Grantor shall provide the Agent with notice of any new license of the Trademark Collateral within ten (10) days of granting such new license,

(b) create or suffer to exist any Lien upon or with respect to any of the Trademark Collateral except for the Security Interests created by this Agreement, the Security Agreement, or permitted by the Foothill Credit Agreement or the Subordination Agreement, or

(c) take any other action in connection with any of the Trademark Collateral that would impair the value of the interest or rights thereunder of such Grantor or that would impair the interest or rights of the Agent or the Lenders.

SECTION 7. Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Agent such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Agent's discretion, upon the failure by Apparel or any other Grantor to pay the Notes in full on the date on which demand for payment of the Notes is made by the Agent (the "Default Date"), to take any action and to execute any instrument that the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Trademark Collateral of such Grantor,

(b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above, and

(c) to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any payments relating to the Trademark Collateral of such Grantor or otherwise to enforce the rights of the Agent with respect to any of the Trademark Collateral of such Grantor.

SECTION 8. Agent May Perform.

(a) If any Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by such Grantor under Section 11(b) of this Agreement.

(b) The Agent or its designated representatives shall have the right, at any reasonable time during normal business hours and from time to time, upon reasonable notice, and without undue interruption to the business of the Grantors, to inspect the premises of the Grantors and to examine the books, records and operations of the Grantors (including,

without limitation, each Grantor's quality control processes) relating to the Trademark Collateral.

SECTION 9. The Agent's Duties. The powers conferred on the Agent hereunder are solely to protect its interest in the Trademark Collateral and shall not impose any duty upon it to exercise any such powers.

SECTION 10. Remedies. From and after the Default Date:

(a) The Agent may exercise in respect of the Trademark Collateral, in addition to other rights and remedies provided for herein or otherwise available to the Agent, all the rights and remedies of a Lender in default under the NYUCC (whether or not the NYUCC applies to the affected Trademark Collateral) and also may (i) exercise any and all rights and remedies of each Grantor under or otherwise in respect of the Trademark Collateral, (ii) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Agent forthwith, assemble all or any part of the documents embodying the Trademark Collateral as directed by the Agent and make such documents available to the Agent at a place to be designated by the Agent which is reasonably convenient to both the Agent and such Grantor, (iii) occupy, for a reasonable period and without obligation to any Grantor in respect of such occupation, any premises owned or leased by such Grantor where documents embodying the Trademark Collateral or any part thereof are assembled in order to effectuate the Agent's rights and remedies hereunder or under law, and (iv) without notice except as specified below, sell the Trademark Collateral or any part thereof in one or more parcels at public or private sale, at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent, with the direction of the Lenders, may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral by any Grantor, the goodwill of the business connected with and symbolized by any Trademark Collateral subject to such disposition shall be included, and such Grantor shall supply to the Agent or its designee such Grantor's know-how and expertise relating to the manufacture and sale of products or the provision of services relating to any Trademark Collateral subject to such disposition, and its customer lists and other records relating to such Trademark Collateral and to the distribution of such products and services. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Trademark Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All payments received by any Grantor under or in connection with any of the Trademark Collateral shall be received in trust for the benefit of the Agent (for the benefit of the Lenders), shall be segregated from other funds of such Grantor and shall be

forthwith paid over to the Agent in the same form as so received (with any necessary endorsement).

(c) All payments made under or in connection with or otherwise in respect of the Trademark Collateral and all cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Trademark Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Agent pursuant to Section 11 of this Agreement) in whole or in part by the Agent for the ratable benefit of the Lenders against, all or any part of the Secured Obligations, pro rata in accordance with each Lender's percentage of the outstanding principal amount of the Notes. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Secured Obligations shall be paid over to the respective Grantor or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 11. Indemnity and Expenses.

(a) Each Grantor agrees to indemnify the Agent from and against any and all claims, losses and liabilities arising out of, or in connection with or resulting from this Agreement or the transactions contemplated hereby (including, without limitation, enforcement of this Agreement), except to the extent such claims, losses or liabilities result from the Agent's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) Each Grantor will upon demand pay to the Agent the amount of any and all reasonable expenses, including, without limitation, the reasonable fees and costs of its counsel and of any experts and agents, that the Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Trademark Collateral, (iii) the exercise or enforcement of any of the rights of the Agent or the Lenders hereunder or (iv) the failure by such Grantor to perform or observe any of the provisions hereof.

SECTION 12. Security Interest Absolute. All rights of the Agent and Security Interests granted hereunder, and each Grantor's obligations, shall, to the extent permitted by law, be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of the Notes or any other Document, or any agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to departure from, the Documents (other than this Agreement), including, without limitation, any increase in the Secured

Obligations resulting from the extension of additional credit to the Borrower or otherwise;

- (iii) any taking and holding of Trademark Collateral or guarantees for all or any of the Secured Obligations; or any amendment, alteration, exchange, substitution, transfer, enforcement, waiver, subordination, termination or release of any Trademark Collateral or such guarantees, or any nonperfection of any Trademark Collateral, or any consent to departure from any such guaranty;
- (iv) any manner of application of Trademark Collateral, or proceeds thereof, to all or any of the Secured Obligations, or the manner of sale or other disposition of any Trademark Collateral;
- (v) any consent by any Lender or the Agent to the change, restructuring or termination of the corporate structure or existence of any Grantor and any corresponding restructure of the Secured Obligations, or any other restructure or refinancing of the Secured Obligations or any portion thereof;
- (vi) any modification, compromise, settlement or release by the Agent or any Lender, by operation of law or otherwise (except any of the foregoing with respect to this Agreement), collection or other liquidation of the Secured Obligations or the liability of any Grantor, or of the Trademark Collateral, in whole or in part, and any refusal of payment by the Agent or any Lender, in whole or in part, from any obligor, or of any Grantor in connection with any of the Secured Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, any Grantor; or
- (vii) any other circumstance (including, but not limited to, any statute of limitations) that might otherwise constitute a defense available to, or a discharge of, any Grantor.

The granting of a Security Interest in the Trademark Collateral shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must be otherwise returned by the Agent or any Lender upon the insolvency, bankruptcy or reorganization of any Grantor or otherwise, all as though such payment had not been made.

SECTION 13. Waiver. Each Grantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Secured Obligations (as that term is defined in this Agreement) and this Agreement and any requirement that the Agent or any Lender

protect, secure, perfect or insure any Security Interest or any property subject thereto or exhaust any right or take any action against any Grantor or any other Person or any collateral.

SECTION 14. Amendments, Etc.

(a) Except as provided in subsection (b) to this Section 14, no amendment or waiver of any provision of this Agreement, and no consent to any departure by any Grantor herefrom, shall be in any event effective unless the same shall be in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure to exercise nor any delay in exercising, on the part of the Agent or any of the Lenders, any right, power or privilege under this Agreement shall operate as a waiver thereof; further, no single or partial exercise of any right, power or privilege under this Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) Any trademark security agreement supplement hereto shall be in substantially the form of Exhibit A hereto (each a "Trademark Security Agreement Supplement"), and upon the execution and delivery thereof by any Grantor the supplements attached to each Trademark Security Agreement Supplement shall be incorporated into and become a part of and supplement Schedule I or Schedule II hereto, as appropriate, and the Agent may attach such supplements to such Schedules as supplemented pursuant hereto.

SECTION 15. Addresses for Notices. All notices and other communications to any party provided for hereunder shall be in writing (including telegraphic, telecopy, telex or cable communication) and mailed, telegraphed, telecopied, telexed, cabled or delivered, addressed to such party, in the case of each Grantor, as follows: (a) if to the Grantors, to each of them at 2001 Wheeler Ave., Chattanooga, TN 37406; Attention of President; (b) if to the Collateral Agent, to The Chase Manhattan Bank, Loan and Agency Services Group, One Chase Manhattan Plaza, 8th Floor, New York, New York 10018, Attention of May Fong (Telecopy No. 212-552-5658), with a copy to The Chase Manhattan Bank, 380 Madison Avenue, New York, New York 10017, Attention of Douglas Jenks (Telecopy No. 212-622-4834) and (c) if to the Lenders, to (i) The Chase Manhattan Bank, at the addresses and to the attention of the persons specified in subsection (b) above, (ii) Cerberus Partners L.P., at 450 Park Avenue - 28th Floor, New York, New York 10022, Attention of Seth Plattus (Telecopy No. 212-891-1541), (iii) Merrill Lynch, Pierce Fenner and Smith Incorporated, at World Financial Center, North Tower, New York, New York 10281, Attention of Brett Wyard (Telecopy No. 212-449-4965) and (iv) Stephen R. Clark, at 2001 Wheeler Avenue, Chattanooga, Tennessee 37406 (Telecopy No. 423-493-2550), or as to any party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall be effective (a) when received, if mailed or delivered, or (b) when delivered to the telegraph company, transmitted by telecopier, confirmed by telex answerback or delivered to the cable company, respectively, addressed as aforesaid.

SECTION 16. Continuing Security Interest; Release and Reassignment of Collateral.

(a) This Agreement shall create a continuing Security Interest in the Trademark Collateral and shall (i) remain in full force and effect until the cash payment in full of the Secured Obligations, (ii) be binding upon each Grantor, its successors and assigns, and (iii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, the Lenders and their respective successors, transferees and assigns, including, but not limited to, those provided in the Loan Agreement. Without limiting the generality of the foregoing clause (iii), any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Notes and the other Documents (subject to the terms of the Note) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise.

(b) In the case of any Trademark Collateral pledged or assigned, or in which a security interest is granted hereunder by any Grantor, upon any sale, lease, transfer or other disposition of any item of Trademark Collateral in accordance with the terms of the Foothill Credit Agreement, the Agent will, at such Grantor's expense, execute and deliver to such Grantor, any such documents as such Grantor shall reasonably request to evidence the release of such item of Trademark Collateral from the assignment and security interest granted hereby; provided, however, that (x) at the time of such request the Default Date shall not have occurred and, and (y) such Grantor shall have delivered to the Agent, at least 10 Business Days prior to the date of the proposed release, or such shorter period acceptable to the Agent under this Agreement, a written request for release describing the item of Trademark Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Agent (which shall be satisfactory in form and substance to the Agent) and a certification by such Grantor to the effect that the transaction is in compliance with the Loan Agreement and as to such other matters as the Agent may request.

(c) Upon the cash payment in full of the Secured Obligations, the Security Interests granted hereby shall terminate and all rights to the Trademark Collateral shall revert and be reassigned to the respective Grantor. Upon any such termination, the Agent will, at such Grantor's expense, execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination and reassignment.

SECTION 17. Transactions Permitted Under the Foothill Credit Agreement. Nothing contained in this Agreement shall in any manner prohibit or restrict any Grantor from consummating any transaction, entering into any agreement or otherwise taking any action expressly permitted under the Foothill Agreement. Anything to the contrary notwithstanding, this Agreement shall be subject to the terms and provisions of the Subordination Agreement between the Lenders and Foothill.

SECTION 18. Severability. If any term or provision of this Agreement is or shall become illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of this Agreement shall remain legal, valid and enforceable in such jurisdiction and such illegal, invalid or unenforceable provision shall be legal, valid and enforceable in any other jurisdiction.

SECTION 19. Execution in Counterparts. This Agreement may be executed in any number of counterparts each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

SECTION 20. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR TRADEMARK COLLATERAL ARE GOVERNED BY THE LAWS OF THE UNITED STATES OR ANY OTHER JURISDICTION OTHER THAN THE STATE OF NEW YORK. UNLESS OTHERWISE DEFINED HEREIN OR IN THE LOAN AGREEMENT, TERMS USED IN ARTICLE 8 OR 9 OF THE UNIFORM COMMERCIAL CODE ARE USED HEREIN AS THEREIN DEFINED.

SECTION 21. WAIVER OF TRIAL BY JURY. EACH GRANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES TO THE EXTENT PERMITTED BY LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

GRANTORS:

BUSTER BROWN APPAREL, INC.

By: Steph R. Clark
Title: *President + CEO*

BB&T MANAGEMENT CORP.

By: Steph R. Clark
Title: *President + CEO*

BUSTER BROWN RETAIL, INC.

By: Steph R. Clark
Title: *Sr. Vice President*

BBA HONDURAS, S.A.

By: Steph R. Clark
Title: *Sr. Vice President*

AGENT:

THE CHASE MANHATTAN BANK

By: Douglas A. Jenks
Title: **DOUGLAS A. JENKS
VICE PRESIDENT**

Schedule I
to Trademark Security Agreement

BUSTER BROWN TRADEMARKS

BUSTER BROWN	51,981	Hosiery	Renewal due 5/01/06
BUSTER BROWN	221,202	Hosiery	Renewal due 11/23/06
BUSTER BROWN	505,224	Men's, women's, children's and infant's hosiery, blouses sunsuits, overalls, creepers, utility outerwear, shirts made of knitted fabric with round crew neck having no opening up the front or back, cardigans, night gowns, shirts and berets.	Renewal due 12/28/08
BUSTER BROWN & Design	505,225	Hosiery for men, women and children	Renewal due 12/28/08
BUSTER BROWN	732,513	Sleepwear, namely infant's and children's pajamas	Renewal due 6/05/02
BUSTER BROWN & Design	800,744	Infants', boys' and girls' hosiery, socks and anklets, creepers, overalls, sunsuits, pullovers, sweaters, toddler pants, boxer shorts, romper sets consisting of shirt and romper pants, slacks, children's caps and berets, girls' skirts, blouses and vests	Renewal due 12/21/05
BUSTER BROWN & Design	948,548	Watches and watch bracelets or bands sold as a unit	Renewal due 12/12/02

KABOOM! & Design	1,508,223	Clothing for children, namely shirts, pants, shorts, jackets, tops and tank tops	Renewal due 10/11/08
KABOOM!	1,815,993	Clothing for children, namely shirts, pants, shorts, skirts, dresses, jackets, tops and tank tops	Affidavit of Use due by 1/11/99
BUSTER BROWN & Design (Layette)	1,858,651	Towels, blankets, washcloths and sheets; Children's clothing, namely tee shirts, shirts, pants, jumpers, sleepers, tops, gowns and body suits, hats and bibs	Affidavit of Use due by 10/18/99

1/1/95 Revised 8/3/95
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Trademarks Note Current in Use

<u>Trademark</u>	<u>Registration No.</u>
Buster Brown's	129,233
Slumber Bunnies	686,368
Crayon Crowd	1,241,251
Tige's Pals	1,329,707
Betsy and Bobby & Design	1,411,428
Darn-less	128,885
Double B	1,099,641

*International trademark registrations for Buster Brown and Kaboom
may or may not be currently used.*

Trademark Applications

<u>Trademark</u>	<u>Application No.</u>
None	

Schedule II
to Trademark Security Agreement

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registraton and Applications**

<u>Country</u>	<u>Trademark</u>	<u>Registration#</u>	<u>Appln.#</u>	<u>File Date</u>	<u>Reg. Date</u>	<u>Exp Date</u>	<u>Term</u>	<u>Amended Design</u>	<u>Class(Goods Covered)</u>
Argentina	Buster Brown	1,574,950	1950460	12/06/94	09/12/95	08/12/05	10 Yrs.	Yes	C1. 25 - Clothing and hosiery for children, excluding boots, shoes, sandals and slippers
Aruba	Buster Brown	14,308		05/17/88	02/14/80	12/31/05	10 Yrs.	Yes	C1. 25 - All goods covered under this class
Australia	Buster Brown	A500,067		11/22/88	12/08/81	11/22/09	14 Yrs.	Yes	C1. 25 - Clothing and hosiery, except shoes, boots and slippers
Australia	Buster Brown	A415,717		09/26/84	03/24/89	08/26/05	14 Yrs.	Yes	C1. 25 - Clothing, excluding footwear
Bahamas	Buster Brown	4676		01/26/66	02/17/66	02/17/08	14 Yrs.	Yes	C1. 36 - Clothing for infants; boys and girls hosiery, anklets; dreepers, overalls, sun suits, pants, etc.
Bahrain	Buster Brown	12,318		03/09/89	03/09/89	03/09/04	10 Yrs.	Yes	C1. 25 - Clothing and hosiery, except boots shoes and slippers
Barbados	Buster Brown		Application pending	08/15/95				Yes	C1. 25 - Children's clothing and hosiery except boots, shoes slippers and sandals
Belarus	Buster Brown	Pending	951764	12/28/95	12/16/87	12/28/05	7 Yrs.	Yes	C1. 25 - Children's clothing and hosiery with exception of shoes, boots, slippers and sandals
Benelux	Buster Brown	404,984		11/16/84	11/16/84	11/16/04	10 Yrs.	Yes	C1. 25 - Clothing, hosiery, underwear and pajamas
Benelux	Kaboom!	Pending	865056	02/12/96				Word mark	C1. 25 - Clothing for children, shirts, shorts, pants, skirts, dresses, etc.
Bermuda	Buster Brown	10,695		02/26/86	07/22/87	02/26/07	14 Yrs.		C1. 25 - Articles of clothing except shoes, boots, slippers and sandals
Brazil	Buster Brown (Word mark)	814,468,702		09/16/88	08/27/86	08/27/06	10 Yrs.	Yes	C1. 25 - Clothes and clothing accessories of common use; for sports and for profession use

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registrations and Applications**

Country	Trademark	Registration#	Appl. #	File Date	Reg. Date	Exp. Date	Term	Amended	
								Design	Class/Goods Covered
Brazil	Buster Brown & Device	814,466,710		09/16/88	01/09/96	01/09/06	10 Yrs.	Yes	C1. 25 - Clothes and clothing accessories of common use; for sports and for profession use
Canada	Buster Brown Layelle	462,127	729,372	05/05/93	08/30/96	08/30/11	15 Yrs.		Children's booties, soft baby socks, bibs, towels, clothes, etc.
Canada	Buster Brown "C&S for Kids"	331,060	547,443	08/12/85	08/14/87	08/14/02	15 Yrs.	Yes	Clothing, socks and hosiery, anklets, pullover, creepers and cardigans
Canada	Double B By Buster Brown (Crayon Crowd)	295,204	481,770	02/02/82	08/21/84	08/21/99	15 Yrs.		Infants', children's, teenagers' clothing, blouses, tops, shorts, slacks, dresses, etc.
Canada	Buster Brown (Boy & Dog)	321,603	547,444	08/12/85	12/12/86	12/12/01	15 Yrs.	Yes	Clothing, socks and hosiery, anklets, pullovers, creepers, cardigans
Canada	Buster Brown (Crayon Crowd)	321,087	536,636	02/18/85	11/28/86	11/28/01	15 Yrs.		Anklets, pullovers, creepers and cardigans
Canada	Beach Busters	314,873	536,638	02/18/85	05/30/86	05/30/01	15 Yrs.		Swimwear for boys and girls
Canada	Busters	316,275	536,639	02/18/85	07/11/86	07/11/01	15 Yrs.		Pants and shirts for boys and girls
Chile	Buster Brown	472,523	326,831	11/23/85	10/01/86	11/20/08	10 Yrs.	Yes	C1. 25 - Clothing and hosiery with exception of shoes, boots, slippers and sandals
China	Buster Brown	997,436	950126629	10/10/95	05/07/97	05/06/07	10 Yrs.	Yes	C1. 25 - Clothing and hosiery except shoes, boots, slippers and sandals
Colombia	Buster Brown	127,772	189,874	03/07/80	12/20/89	12/20/04	10 Yrs.	No	C1. 25 - Children's clothing and wearing apparel in general with exception of shoes, boots and slippers

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registration and Applications**

Country	Trademark	Registration#	Appln.#	File Date	Reg. Date	Exp. Date	Term	Amended Design	Class/Goods Covered
*Community Trademark (Europe)	Buster Brown		20552	04/01/96		Application approved if no opposition. registration will be granted	10 Yrs.	Yes	C1. 25 - Clothing and hosiery, excluding boots, shoes, slippers and sandals
*Community Trademark (Europe)	Kaboom!		37424	04/01/96	Application approved awaiting registration				Word mark C1. 25 - Clothing and hosiery
Costa Rica	Buster Brown	58,826			06/10/81		10 Yrs.	No	C1. 25 - Clothing, excluding shoes, boots and slippers
Costa Rica	Kaboom!	79,139		11/01/91	04/09/92		10 Yrs.	No	C1. 25 - Clothing for children, shirts, pants, shorts, jackets, tops and tank tops
Cuba	Buster Brown	112,197			10/22/81		15 Yrs.	No	C1. 29 -
Denmark	Buster Brown	3272/1991	5812/1985	10/16/85	05/31/91		10 Yrs.	Yes	C1. 25 - Goods in Class 25 restricted to U.S. Reg. 800,744
Dominican Republic	Buster Brown	75,416	35792	09/19/94	12/15/94		20 Yrs.	Yes	C1. 44 - Ready made articles; fashion clothes in general
Ecuador	Buster Brown	3953-97	Application	03/29/96	11/11/97		10 Yrs.	Yes	C1. 25
Ecuador	Kaboom!	1464-92	27597	08/12/91			10 Yrs.	No	C1. 25
El Salvador	Buster Brown		5098/95	11/27/95	10/01/97	Application approved if no opposition. registration will be granted		Yes	C1. 25 - Infants' boys' and girls' hosiery, socks and anklets, creepers, coveralls, sun suits, etc., excluding boots, shoes, sandals and slippers
Estonia	Buster Brown	24422	96/00066	01/10/96	09/19/97		10 Yrs.	Yes	C1. 25 - Children's clothing and hosiery
Finland	Buster Brown	47,075			05/05/80		10 Yrs.	No	C1. 24 - Hosiery, underwear, outerwear and pajamas

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registraton and Applications**

<u>Country</u>	<u>Trademark</u>	<u>Registration#</u>	<u>Appln.#</u>	<u>File Date</u>	<u>Reg. Date</u>	<u>Exp. Date</u>	<u>Term</u>	<u>Amended Design</u>	<u>Class/Goods Covered</u>
France	Buster Brown	1,583,672			05/06/55	04/04/00	10 Yrs.	No	C1. 25 - Hosiery, outer garments and undergarments
Germany	Buster Brown	807,367		12/08/64	07/23/65	12/08/04	10 Yrs.	No	C1. 24/25 - Hosiery, woven and knitted garments, underwear, table and bed linen, corsets, ties, suspenders, gloves
Greece	Buster Brown	35,078		03/02/68	12/17/66	03/02/06	10 Yrs.	No	C1. 25 - Infants', boys' and girls' hosiery, socks and anklets, creepers, coveralls, sun suits, etc.
Great Britain	Buster Brown	889,881			01/27/66	01/27/01	14 Yrs.	No	Class 25 - Articles of underclothing, stockings and socks, anklets, overalls, swimsuits, etc.
Great Britain	Buster Brown	741,898			05/02/55	05/02/04	14 Yrs.	No	Class 25 - Stockings and socks
Guatemala	Buster Brown	17,446		04/22/66	10/04/66	10/03/06	10 Yrs.	No	C1. 25 - All goods in class 25; same as U.S. reg. 800,744
Haiti	Buster Brown	240,74		03/19/85	08/11/85	09/11/05	10 Yrs.	Yes	C1. 25 - Children's wearing apparel, except shoes, boots and slippers
Honduras	Buster Brown	13,432		02/28/66	07/04/66	07/04/06	10 Yrs.	No	C1. 25 - Infants', boys; and girls' hosiery, socks and anklets, creepers, coveralls, sun suits, etc.
Iceland	Buster Brown	4771988		06/09/55	10/31/88	10/31/98	10 Yrs.	Yes	C1. 25 - All goods in clothing class
India	Buster Brown		635,747	08/03/94				Yes	C1. 25 - Clothing and hosiery for children, excluding boots, shoes, sandals and slippers
Indonesia	Buster Brown	368266		06/16/95		12/20/04	8 Yrs.	Yes	Class 25 as above
Hong Kong	Buster Brown	83458			09/30/58	04/23/07	14 Yrs.	Pending	Class 25 as above

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registrations and Applications**

<u>Country</u>	<u>Trademark</u>	<u>Registration#</u>	<u>Appln.#</u>	<u>File Date</u>	<u>Reg. Date</u>	<u>Exp Date</u>	<u>Term</u>	<u>Amended Design</u>	<u>Class/Goods Covered</u>
Ireland	Buster Brown	71,192			01/27/66	01/27/01	14 Yrs.	Yes	C1. 25 - Clothing, except boots, shoes and slippers or goods of the same description
Israel	Buster Brown	23,907			12/08/84	12/08/99	14 Yrs.	Yes	C1. 25 - Clothing for children
Italy	Buster Brown	689,499			03/01/87	12/18/04	10 Yrs.	No	C1. 25 - Hosiery, outer garments, undergarments and pajamas
Jamaica	Buster Brown	11,337			02/09/88	02/08/01	14 Yrs.	Yes	C1. 25 - Infants', boys' and girls' hosiery, socks & anklets, creepers, overalls, etc
Japan	Buster Brown (Word mark)	2,369,075	50,127	04/28/89	01/31/92	01/31/02	10 Yrs.	Yes	C1. 17 - Clothing
Japan	Buster Brown (Word mark w/katakana)	2,369,076	50,128	04/28/89	01/31/92	01/31/02	10 Yrs.	Yes	C1. 17 - Clothing, fabric apparel accessories and bedding
Japan	Buster & Tige (Design only)	2,452,008	50,129	04/28/89	08/30/92	09/30/02	10 Yrs.	Yes	C1. 17 - Clothing
Japan	Kaboom!	2,452,014	80,181	07/13/89	08/30/92	09/30/02	10 Yrs.	No	C1. 17 - Clothing and all goods in this class
Jordan	Buster Brown	27,613	27,613	01/08/90	01/06/80	01/08/11	14 Yrs.	Yes	C1. 25 -
Kazakhstan	Buster Brown		8123	01/10/86				Yes	C1. 25 - Children's clothing and hosiery
Korea	Buster Brown								
Korea	Kaboom!	199,177	15,259	08/16/89	08/29/90	08/28/11	10 Yrs.	No	C1. 45 - Clothing and hosiery for infants, young children and teens

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registrations and Applications**

Country	Trademark	Registration#	Appln.#	File Date	Reg. Date	Exp. Date	Term	Amended		Class/Goods Covered
								Design	Yes/No	
Latvia	Buster Brown	M38660	M-95-2061	12/29/95	10/20/97	12/29/05	10 Yrs.	Yes		C1. 25 - Clothing, namely children's clothing and hosiery
Lebanon	Buster Brown	41,187	294/A/146,891	09/29/81	09/29/81	9/29/1986	15 Yrs.	No		C1. 25 - All clothing in this class including footwear
Libya	Buster Brown		4545/7747	02/28/78				No		C1. 25 - Children's clothing and wearing apparel with exception of shoes, boots and slippers
				(Sales from U.S. are prohibited.)						
Lithuania	Buster Brown		96-0008	01/03/96				Yes		C1. 25 - Children's clothing and hosiery
Malaya	Buster Brown	30284 (old 42304)			08/13/71	08/13/89	14 Yrs.	Yes		C1. 25 - Stockings and socks for wear
Malaysia	Buster Brown		MA/3832/80	10/31/91	Renewal pending.			Yes		C1. 25 - Children's clothing and hosiery - excluding boots & shoes
Mali	Buster Brown	723	03/08/66	03/11/66	03/08/98	03/08/08	10 Yrs.	No		C1. 25 - Infants, boys' and girls' hosiery, socks and anklets; creepers, overalls, boxer shorts, romper sets, etc.
Mali	Buster Brown	8558			02/16/66	02/16/08	14 Yrs.	No		C1.
Mexico	Buster Brown	373,583		10/20/88	03/08/90	10/20/03	10 Yrs.	Yes		C1. 25 - Clothing
Mexico	Buster Brown	509914 Class	170359	08/14/93	11/22/85	08/14/03	10 Yrs.			
	Layette	24								
Mexico	Buster Brown	463569 Class	170358	08/14/93	08/16/94	08/14/03	10 Yrs.			
	Layette	25								
Monaco	Buster Brown	818,466	3143	02/15/66	03/21/66	02/15/06	10 Yrs.	No		C1. 25 - Infants, boys' and girls' hosiery, socks and anklets; creepers, overalls, boxer shorts, romper sets, etc.

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registraton and Applications**

<u>Country</u>	<u>Trademark</u>	<u>Registration#</u>	<u>Appln.#</u>	<u>File Date</u>	<u>Reg. Date</u>	<u>Exp Date</u>	<u>Term</u>	<u>Amended Design</u>	<u>Class/Goods Covered</u>
Morocco	Buster Brown	37,087		01/30/65	02/08/66	02/08/06	20 Yrs.	No	C1. 25 - Infants', boys' and girls' hosiery, socks and anklets; creepers, overalls, boxer shorts, romper sets, etc.
Netherlands	Buster Brown	5806		01/30/65	02/24/65	01/30/15	10 Yrs.	No	C1. 25 - Hosiery, outer garments, undergarments and pajamas
New Zealand	Buster Brown	72,194			11/28/62	11/28/97	14 Yrs.	Yes	C1. 25 - For clothing, except shoes, boots and slippers
Nicaragua	Buster Brown	22,375	2336	05/12/69	11/17/92	11/17/02	10 Yrs.	Yes	C1. 25 -
Nigeria	Buster Brown	17,422		02/09/66	05/18/66	02/09/94 (IP)	14 Yrs.	In Process	C1. 38 - Infants', boys' and girls' hosiery, socks and anklets; creepers, coveralls, boxer shorts, romper sets, etc.
Norway	Buster Brown	69,945			10/03/66	09/09/06	10 Yrs.	No	C1. 25 - Hosiery, outer garments under garments and pajamas
Pakistan	Buster Brown	44,715			02/05/66	02/05/03	15 Yrs.	No	C1. 25 - Infants', boys' and girls' hosiery, socks and anklets; creepers, overalls, boxer shorts, romper sets, etc.
Panama	Buster Brown	73899	#073899	12/27/94	09/03/96	09/03/06	10 Yrs.	Yes	C1. 25 - Infants', boys' and girls' hosiery, socks and anklets; creepers, overalls, boxer shorts, romper sets, etc.
Panama	Buster Brown	8246			07/13/64	07/13/04	10 Yrs.	Yes	C1. 25 - Men's ladies and children's hosiery
Paraguay	Buster Brown		9617311	08/21/95		11/18/07	10 Yrs.	Yes	C1. 25 - All articles in this class

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registraton and Applications**

Country	Trademark	Registration#	Appn.#	File Date	Reg. Date	Exp. Date	Term	Amended Design	Class/Goods Covered
Philippines	Buster Brown	47,191	65,258	07/09/88	12/18/89	12/18/89	29 Yrs.	No (IP)	C1. 40 - Infants', boys' and girls' hosiery, socks and anklets; creepers, overalls, boxer shorts, romper sets, etc.
Puerto Rico	Buster Brown	10,806		05/19/58	12/30/58	12/30/88	10 Yrs.	No	C1. 39 - Hosiery, underwear, outerwear
Russian Fed.	Buster Brown		96700830	01/26/86				Yes	C1. - Clothing
Sabah	Buster Brown	302/84 (Old 9861)			08/12/64	08/12/89	14 Yrs.	No	C1. 25 - Clothing and hosiery
Sarawak	Buster Brown	302/84 (Old 5280)	9186		08/14/64	08/14/89	14 Yrs.	No	C1. 25 - Clothing, excluding boots, shoes and slippers
Saudi Arabia	Buster Brown	208/34		06/12/89	06/12/89	02/23/89	10 Yrs.	Yes	C1. 25 - Clothing
South Africa	Buster Brown	127/158		04/22/58	04/22/58	04/22/02	10 Yrs.	Yes	C1. 25 - Hosiery, outer garments, under garments
Singapore	Buster Brown	4513/90	88,1217	06/21/90	08/01/95	06/21/07	7 Yrs.	Yes	Class 25 - Clothing, excluding boots shoes & slippers
Sweden	Buster Brown	218,197	4957	02/11/88	08/03/90	08/03/00	10 Yrs.	No	C1. 25 - Hosiery, outdoor clothes, underwear and pajamas
Switzerland	Buster Brown	354,819	96003537	07/13/88	12/08/88	07/13/08	10 Yrs.	Yes	C1. 25 - Clothing, footwear headgear
Tadikistan	Buster Brown			02/17/86				Yes	C1. 25 - Clothing
Taiwan	Buster Brown	434,753	77-30610	07/02/88	03/16/89	03/15/98	10 Yrs.	Yes	C1. 40 - Various kinds of outerwear, underwear and pajamas
Taiwan	Buster Brown	426,875	77-30611	07/02/88	01/16/89	01/15/99	10 Yrs.	Yes	C1. 39 - Various kinds of socks
Thailand	Buster Brown (Device mark)	140,282	179,826	08/18/88	08/18/88	08/17/98	10 Yrs.	Yes	C1. 38 - Clothing
Ukraine	Buster Brown		95123461/T	12/26/85				Yes	C1. 25 - Clothing
United Arab Emirates	Buster Brown		5132	02/19/94				Yes	C1. 25 -
Uzbekistan	Buster Brown		MBGU9600833	01/17/96				Yes	C1. - Clothing

**BUSTER BROWN APPAREL
TRADEMARK SUMMARY
Registraton and Applications**

<u>Country</u>	<u>Trademark</u>	<u>Registrations#</u>	<u>Appln.#</u>	<u>File Date</u>	<u>Reg. Date</u>	<u>Exp Date</u>	<u>Term</u>	<u>Amended Design</u>	<u>Class/Goods Covered</u>
Venezuela	Buster Brown	32,597	8739/88	08/10/88	09/10/87 (Pending)	15 Yrs.	No	No	C1. 38 - Knitted goods, hosiery for men, women and children, underwear, pajamas and other articles of wearing apparel
Venezuela	Buster Brown		8739/88	05/24/88			Yes	Yes	C1. 39 - Clothing
Venezuela	Crayon Crowd		5758/84	07/08/84					C1. 25 - Clothing
Virgin Islands	Buster Brown	1187			10/24/88	08/10/04	14 Yrs.	Yes	C1. - Clothing and hosiery

1. Trademark License Agreement between Buster Brown Apparel, Inc. and Gateway Hosiery Mills, Inc. (infants and childrens hosiery) dated April 17, 1998.
2. License Agreement between Buster Brown Apparel, Inc. and Robin International, Inc. (Buster Brown garments in Canada) dated July 18, 1997.

SRC-BRSCHEDULE.DOC

02/08/99

TOTAL P. 16

TRADEMARK
REEL: 001907 FRAME: 0862

STATE OF TENNESSEE

ss.:
COUNTY OF Hamilton

On February 10, 1999, before me personally came Stephen R. Clark, to me known, who, being by me duly sworn, did depose and say that he resides at 533 Fern Trail, Sig Mtn. TN, that he is the President + CEO of Buster Brown Apparel, Inc., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the Board of Directors of said corporation.

Carol A. Jyn
NOTARY PUBLIC
My Commission Expires: 7/20/99

STATE OF TENNESSEE

ss.:
COUNTY OF Hamilton

On February 10, 1999, before me personally came Stephen R. Clark, to me known, who, being by me duly sworn, did depose and say that he resides at 533 Fern Trail, Sig Mtn, TN, that he is the SR President of Buster Brown Retail, Inc., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the Board of Directors of said corporation.

Carol A. Jyn
NOTARY PUBLIC
My Commission Expires: 7/20/99

STATE OF TENNESSEE

ss.:
COUNTY OF Hamilton

On February 10, 1999, before me personally came STEPHEN R. CLARK, to me known, who, being by me duly sworn, did depose and say that he resides at 533 FERN TRAIL, SIG. MTN., TN, that he is the President + CEO of BB&T Management Corp., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the Board of Directors of said corporation.

Carol A. Jyn
NOTARY PUBLIC
My Commission Expires: 7/20/99

STATE OF TENNESSEE

ss.:

COUNTY OF Hamilton

On February 10, 1999, before me personally came STEPHEN R. CLARK, to me known, who, being by me duly sworn, did depose and say that he resides at 533 Fern Trail, Sig. Mtn., TN, that he is the Sr V. Pres. of BBA Honduras, S.A., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the Board of Directors of said corporation.

Carol A. Lynn
NOTARY PUBLIC
My Commission Expires: 7/29/99

STATE OF NEW YORK

ss.:

COUNTY OF New York

On February 16, 1999, before me personally came Douglas Jacks, to me known, who, being by me duly sworn, did depose and say that he resides at 6 McKeown Tr. Hopewell Ny 12533, that he is the Vice President of The Chase Manhattan Bank, the corporation described in and which executed the foregoing instrument; that he signed his name thereto by authority of the Board of Directors of said corporation.

Jill E. Kurtzman
NOTARY PUBLIC

JILL E. KURTZMAN
NOTARY PUBLIC, State of New York
No. 485474
Qualified in Westchester County
Commission Expires March 10, 192000

101 Park Avenue
New York, NY 10178-0060
212-309-6000
Fax: 212-309-6273

**Morgan, Lewis
& Bockius LLP**
C O U N S E L O R S A T L A W

Leana B. Nussbaum
212-309-6283

February 17, 1999

VIA FEDERAL EXPRESS

United States Patent and Trademark Office
Office of Public Records
Crystal Gates 4, Room 335
Washington, DC 20231

Re: Buster Brown Apparel

Dear Sir/Madam:

Enclosed for filing and recordation is a copy of a Trademark Security Agreement, dated as of February 9, 1999 by The Chase Manhattan Bank ("Chase"), as collateral agent for itself and the Lenders.

By this enclosed document, Chase, as agent, records its interest in and to the U.S. trademark registrations and applications identified on the enclosed Recordation Form Cover Sheet and attached schedule.

Kindly record this security agreement against the U.S. trademarks identified on the enclosed Recordation Form Cover Sheet and attached schedule.

Enclosed is a Morgan, Lewis & Bockius LLP check in the amount of \$440.00 representing payment of the fees incurred in connection with such filing and recordation.

Kindly address any inquiries concerning this matter to the attention of the undersigned at the above address.

Respectfully submitted

Leana Nussbaum
Leana B. Nussbaum

LBN/le
Enclosure

Philadelphia Washington New York Los Angeles Miami Harrisburg Pittsburgh Princeton
London Brussels Frankfurt Tokyo Singapore Jakarta

RECORDED: 02/22/1999

TRADEMARK
REEL: 001907 FRAME: 0865