

9-17-99

09-17-1999

P. 02

FORM PTO-1594 (Rev. 6-93)

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U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)

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Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

BJIP, INC.

meo
9-17-99

- Individual(s)
- General Partnership
- Corporation-State -Delaware
- 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: September 10, 1999

2. Name and address of receiving party(ies)

Name: Fleet Capital Corporation

Internal Address: Suite 400

Street Address: 15260 Ventura Blvd.

City: Sherman Oaks State: CA ZIP: 91403

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Rhode Island
- 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 patent number(s):

A. Trademark Application No.(s)

See schedule "A" attached

B. Trademark Registration No.(s)

See schedule "A" attached

Additional numbers attached? Yes No

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

Name: Brobeck Phleger & Harrison

Internal Address: Suite 2100

Street Address: 550 South Hope Street

Atten: Kai Williamson

City: Los Angeles State: CA ZIP: 90071

6. Total number of applications and registrations involved: 21

7. Total fee (37 CFR 3.41).....\$ 540.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

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

09/20/1999 NTHA11 00000006 73528312

DO NOT USE THIS SPACE

01 FC:481 40.00 OP
02 FC:482 500.00 OP

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.

Kai Williamson
Name of Person Signing

Kai Williamson
Signature

09/14/99
Date

Total number of pages including cover sheet, attachments, and document: 7

Mail documents to be recorded with required cover sheet information to: TRADEMARK
Commissioner of Patents & Trademarks, Box Assignments

REEL: 001958 FRAME: 0881

SCHEDULE A
to the Trademark Security Agreement

Trademarks of Debtor

MARK	Reference	Mark Type Class	SERIAL NO.	FILED	Owner/Registrant
			REG. NO.	ISSUED	
A stylized	UNITED STATES	TM I 11	353019	03/04/1982	BJIP, Inc. '
			1223320	01/11/1983	
AERO	UNITED STATES	TM 20	75/528312	07/30/1998 ITU	BJIP, Inc. '
AMERICAN EAGLE	UNITED STATES	TM I11	264516	06/02/1980	Brown Jordan Company
AMERICAN LANTERN	UNITED STATES	TM I 11	297851	02/19/1981	BJIP, Inc. '
			1186596	01/19/1982	
BROWN JORDAN	AUSTRIA	TM 20	AM6049/98 179456	09/29/1998 12/11/1998	BJIP, Inc.
BROWN JORDAN	AUSTRALIA	TM 20	360773 B360773	05/28/1981 02/07/1985	Brown Jordan Company
BROWN JORDAN	BENELUX	TM 20	40427 353011	05/09/1978 01/22/1979	BJIP, Inc.
BROWN JORDAN	BENELUX	TM 20			Brown Jordan Company
BROWN JORDAN	CANADA	TM	756467 458888	06/07/1994 06/07/1996	Brown Jordan Company
BROWN JORDAN	COLOMBIA	TM I 20	106039	08/28/1984 08/28/1984	Brown Jordan Company
BROWN JORDAN	FRANCE	TM 20	958709 1492073	10/04/1988 10/04/1988	Brown Jordan Company
BROWN JORDAN	GERMANY	TM 20	B58385/20Wz 969296	05/24/1977 03/23/1978	Brown Jordan Company
BROWN JORDAN	GREECE	TM 20	139916	02/21/1999	BJIP, Inc.
BROWN JORDAN	16390-ITA (A) ITALY	TM 20	T098C002758	09/22/1998	BJIP, Inc.
BROWN JORDAN	MEXICO	TM 20	223748 493006	02/07/1995 05/26/1995	Brown Jordan Company
BROWN JORDAN	PHILIPPINES	TM 20	4-1999-4008	06/08/1999	BJIP, Inc.
BROWN JORDAN	SWITZERLAND	TM 20	09399/1998 459786	11/13/1998 03/23/1999	BJIP, Inc.
BROWN JORDAN	TAIWAN	TM (N) 65	040866 471615	01/01/1990	Brown Jordan Company
BROWN JORDAN	UNITED STATES	TM 20	376374 940486	11/17/1970 08/08/1972	BJIP, Inc. /

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SCHEDULE A
to the Trademark Security Agreement

Trademarks of Debtor

MARK	Reference	Mark Type Class	SERIAL NO.	FILED	Owner/Registrant
			REG. NO.	ISSUED	
BROWN JORDAN	VENEZUELA	TM (N) 32	8733/80 109238F	11/18/1980 07/18/1984	Brown Jordan Company
CORINTHIAN	UNITED STATES	TM 1 20	738710 1526955	07/06/1988 02/28/1989	Brown Jordan Company
DESIGN (Roma chair)	UNITED STATES	TM 20	75/578874	10/29/1998	Brown Jordan Company
FLORENTINE	UNITED STATES	TM 20	738810 1571949	07/06/1988 12/19/1989	BJIP, Inc.
HAVANA	UNITED STATES	TM 20	75/529080	07/30/1998	Brown Jordan Company
IN HOME	UNITED STATES	TM 20	74/526015 2010577	05/13/1994 10/22/1996	BJIP, Inc.
LEGEND	18080-USA UNITED STATES	TM	771600	12/17/1988	Brown Jordan Company
MERIDIAN	32808-USA UNITED STATES	TM 20	75/529086	07/30/1998 ITU	Brown Jordan Company
MESA	UNITED STATES	TM 20	74/660255 2063830	04/07/1995 05/20/1997	BJIP, Inc.
MISCELLANEOUS DESIGN (Chair Logo)	AUSTRALIA	TM 20	393210 A393210	06/24/1983 06/24/1983	Brown Jordan Company
MISCELLANEOUS DESIGN (Chair Logo)	CANADA	TM	756466 475926	06/07/1994 05/08/1997	BJIP, Inc.
MISCELLANEOUS DESIGN (Chair Logo) (+ Brown Jordan)	UNITED KINGDOM	TM 20	2179433 2179433	10/13/1998 06/11/1999	BJIP, Inc.
MISCELLANEOUS DESIGN (Chair Logo)	ITALY	TM 20	23359C88 536219	08/08/1988 11/13/1990	Brown Jordan Company
MISCELLANEOUS DESIGN (Chair Logo)	MEXICO	TM 20	223749 493668	02/07/1995 06/05/1995	Brown Jordan Company
MISCELLANEOUS DESIGN (Chair Logo)	PHILIPPINES	TM 20	64234 47267	03/21/1988 01/23/1990	Brown Jordan Company
MISCELLANEOUS DESIGN (Chair Logo)	16391-PHI (1A) PHILIPPINES	TM 20	4-1999-4009	06/08/1999	BJIP, Inc.
MISCELLANEOUS DESIGN (Chair Logo)	SINGAPORE	TM 20	2429 B2429/81	06/05/1981 06/05/1981	Brown Jordan Company
MISCELLANEOUS DESIGN (Chair Logo)	SPAIN	TM 20	1270176 1270176	08/19/1988 11/20/1989	Brown Jordan Company
MISCELLANEOUS DESIGN (Chair Logo)	TAIWAN	TM (N) 65	7740867 471616	09/03/1988 12/31/1989	Brown Jordan Company

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SCHEDULE A
to the Trademark Security Agreement

Trademarks of Debtor

MARK	Reference	Mark Type Class	SERIAL NO. REG. NO.	FILED ISSUED	Owner/Registrant	
MISCELLANEOUS DESIGN (Chair Logo)	UNITED STATES	TM 20	129276 1083550	06/06/1977 01/24/1978	BJIP, Inc.	14
OCEAN	UNITED STATES	TM 20	75/529083	07/30/1998 ITU	Brown Jordan Company	15
OLYMPUS	AUSTRALIA	TM 20	397154 A397154	09/19/1983 09/19/1983	Brown Jordan Company	
OLYMPUS	SWITZERLAND	TM 20	6025 329988	10/20/1983 06/07/1984	Brown Jordan Company	
OLYMPUS	UNITED STATES	TM 20 (SEE REMARKS RE: 8&15 DUE)	551157 1408527	08/01/1985 09/09/1986	BJIP, Inc.	16
PALLADIAN	UNITED STATES	TM	738711 1543570	07/06/1988 06/13/1989	Brown Jordan Company	17
QUANTUM	SWITZERLAND	TM 20	6026 329989	10/20/1983 06/07/1984	Brown Jordan Company	
QUANTUM	UNITED STATES	TM 20	736117 1535326	06/20/1988 04/18/1989	BJIP, Inc.	18
RENAISSANCE COLLECTION	UNITED STATES	TM I 20	738713 1618815	07/06/1988 10/23/1990	BJIP, Inc.	19
RESINWEAVE	UNITED STATES	TM 20	74/380825 1866390	04/16/1993 12/06/1994	BJIP, Inc.	20
STREAMLINE						
TREILLAGE	UNITED STATES	TM	254406	03/17/1980	BJIP, Inc.	21

TRADEMARK SECURITY AGREEMENT
(BJIP, INC.)

This TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of September 10, 1999, is made by **BJIP, INC.**, a Delaware corporation ("Debtor"), in favor of **FLEET CAPITAL CORPORATION**, a Rhode Island corporation ("Secured Party").

RECITALS

A. Brown Jordan Company, a Delaware corporation ("BJC"), Casual Living Worldwide, Inc., a California corporation ("CLW"; together with BJC, individually and collectively, and jointly and severally, "Borrower") and Secured Party have entered into that certain Loan and Security Agreement, dated as of the date hereof (as amended, restated, modified, renewed or extended from time to time, the "Loan Agreement"), pursuant to which Secured Party has agreed to make certain financial accommodations to Borrower, and Borrower has granted to Secured Party a security interest in (among other things) all of their respective general intangibles.

B. Debtor, BJ Mexico IV, Inc., a Delaware corporation ("BJ Mexico IV"), and BJ Mexico V, Inc., a Delaware corporation ("BJ Mexico V"; together with Debtor and BJ Mexico IV, individually and collectively, the "Subsidiary Guarantors"), have executed in favor of Secured Party that certain General Continuing Guaranty, dated as of the date hereof (the "Guaranty"), in favor of Secured Party, respecting certain obligations of Borrower owing to Secured Party under the Loan Agreement.

C. The Subsidiary Guarantors and Secured Party are contemporaneously herewith entering into that certain Security Agreement, dated as of the date hereof (the "Security Agreement"), pursuant to, among other things, Debtor has granted to Secured Party a security interest in (among other things) all general intangibles of Debtor.

D. Pursuant to the Loan Agreement and as one of the conditions precedent to the obligations of Secured Party under the Loan Agreement, Debtor has agreed to execute and deliver this Agreement to Secured Party for filing with the United States Patent and Trademark Office and with any other relevant recording systems in any domestic or foreign jurisdiction, and as further evidence of and to effectuate Secured Party's existing security interests in the trademarks and other general intangibles described herein.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees in favor of Secured Party as follows:

1. **Definitions; Interpretation.**

(a) **Certain Defined Terms.** As used in this Agreement, the following terms shall have the following meanings:

“Event of Default” shall have the meaning ascribed thereto in the Loan Agreement.

“Lien” means any pledge, security interest, assignment, charge or encumbrance, lien (statutory or other), or other preferential arrangement (including any agreement to give any security interest).

“Proceeds” means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Trademark Collateral, including “proceeds” as defined at UCC Section 9306, all insurance proceeds and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of Debtor, from time to time in respect of any of the Trademark Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Debtor from time to time with respect to any of the Trademark Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Trademark Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Trademark Collateral or for or on account of any damage or injury to or conversion of any Trademark Collateral by any Person.

“PTO” means the United States Patent and Trademark Office and any successor thereto.

“Secured Obligations” means all liabilities, obligations, or undertakings owing by Debtor to Secured Party of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, the other Loan Documents, or this Agreement, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest (including interest that accrues after the filing of a case under the Bankruptcy Code) and any and all costs, fees (including attorneys fees), and expenses which Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

“Trademark Collateral” has the meaning set forth in Section 2.

“Trademarks” has the meaning set forth in Section 2.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of California.

“United States” and “U.S.” each mean the United States of America.

(b) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(c) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the Section or subsection in which the reference appears.

(ii) The words “hereof,” “herein,” “hereto,” “hereunder” and the like mean and refer to this Agreement as a whole and not merely to the specific Section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation.”

(v) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto.

(vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) Capitalized words not otherwise defined herein shall have the respective meanings assigned to them in the Loan Agreement.

(ix) In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreement, it is the intention of the parties hereto that both such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of Debtor and supplemental rights and remedies in favor of Secured Party (whether under California law or applicable federal law), in each case in respect of the Trademark Collateral, shall not be deemed a conflict in the Loan Agreement.

2. Security Interest.

(a) Grant of Security Interest. To secure the Secured Obligations, Debtor hereby grants to Secured Party a continuing security interest in all of Debtor's right, title and interest in and to the following property, whether now existing or hereafter acquired or arising and whether registered or unregistered (collectively, the "Trademark Collateral") (it being understood that, to the extent that Debtor's right, title, or interest in any of the following property is restricted under applicable law to particular goods or services, the Trademark Collateral shall be likewise so restricted):

(i) all state (including common law), federal and foreign trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired (collectively, the "Marks"), together with and including all licenses therefor held by Debtor (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of the termination or permitting the termination of the license for breach and where the licensor has elected such termination remedy), and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the PTO, any State of the United States (but excluding each application to register any trademark, service mark, or other mark prior to the filing under applicable law of a verified statement of use (or equivalent) for such trademark or service mark) or any other country or any political subdivision thereof, and all extensions or renewals thereof, including without limitation any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register any Mark under any state or federal trademark law or regulation or any trademark law or regulation of any foreign country and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(ii) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles related to or arising out of any of the Trademarks and all the goodwill of Debtor's business symbolized by the Trademarks or associated therewith; and

(iv) all products and Proceeds of any and all of the foregoing.

(b) Continuing Security Interest. Debtor agrees that this Agreement shall create a continuing security interest in the Trademark Collateral which shall remain in effect until terminated in accordance with Section 18.

(c) Incorporation into Security Agreement. This Agreement shall be fully incorporated into the Security Agreement and all understandings, agreements and provisions contained in the Security Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Trademark Collateral described in this Agreement shall constitute part of the Collateral in the Security Agreement.

3. Further Assurances; Appointment of Secured Party as Attorney-in-Fact.

Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Secured Party any and all documents and instruments, in form and substance satisfactory to Secured Party, and take any and all action, which Secured Party may reasonably request from time to time, (a) to perfect and continue perfected, maintain the priority of or provide notice of Secured Party's security interest in the Trademark Collateral, (b) to maintain, preserve, and protect the Trademark Collateral, and (c) to accomplish the purposes of this Agreement. Secured Party shall have the right, in the name of Debtor, or in the name of Secured Party or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Secured Party (and any of Secured Party's officers or employees or agents designated by Secured Party) as Debtor's true and lawful attorney-in-fact with full power and authority during the term of this Agreement to (i) sign the name of Debtor on all or any of such documents or instruments and perform all other acts that Secured Party may reasonably request in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Secured Party's security interest in, the Trademark Collateral, and (ii) execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Secured Party may reasonably request to maintain, preserve and protect the Trademark Collateral and to accomplish the purposes of this Agreement, including (A) after the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Trademark Collateral, (B) after the occurrence and during the continuance of an Event of Default to assert or retain any rights under any license agreement for any of the Trademark Collateral, and (C) after the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Secured Party to use the Trademark Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Trademark Collateral (it being understood that so long as no Event of Default has occurred and is continuing, Debtor may grant or issue non-exclusive licenses in the ordinary course of business and consistent with past practice with respect to the Trademark Collateral, provided, that such licenses are subject to the security interest (if any) of Lender therein), and to assign, convey or otherwise transfer title in or dispose of the Trademark Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 18. Secured Party shall endeavor in good faith to provide notice to Debtor of any actions taken by Secured Party pursuant to this section prior to Secured Party taking such action;

provided, however, that Secured Party shall have no liability to Debtor for failing to give such notice to Debtor.

4. Representations and Warranties. Debtor represents and warrants to Secured Party, in each case to the best of its knowledge, information, and belief, as follows:

(a) No Other Trademarks. Schedule A sets forth, as of the Closing Date, a true and correct list of all of the subsisting and valid Trademarks that are registered, or for which any application for registration has been filed with the PTO or any corresponding or similar trademark office of any other U.S. or foreign jurisdiction, and that are owned (in whole or in part) or licensed by Debtor.

(b) Trademarks Subsisting. Each of the Trademarks listed in Schedule A is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and each of the Trademarks is valid and enforceable.

(c) Ownership of Trademark Collateral; No Violation. (i) Debtor has rights in and good and defensible title to the existing Trademark Collateral, (ii) with respect to the Trademark Collateral shown on Schedule A hereto as owned by it, Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than the security interest created hereunder and non-exclusive licenses granted by Debtor in the ordinary course of business and consistent with past practice, provided, that such licenses are subject to the security interest (if any) of Lender therein), including licenses, registered user agreements and covenants by Debtor not to sue third persons, and (iii) with respect to any Trademarks for which Debtor is either a licensor or a licensee pursuant to a license or licensee agreement regarding such Trademark, each such license or licensing agreement is in full force and effect, Debtor is not in default of any of its obligations thereunder and, other than the parties to such licenses or licensing agreements, no other Person has any rights in or to any of the Trademark Collateral. The past, present and contemplated future use of the Trademark Collateral by Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person.

(d) No Infringement. Except as set forth on Exhibit A, no material infringement or unauthorized use presently is being made of any of the Trademark Collateral by any Person.

(e) Powers. Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party a security interest in all of the Trademark Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. So long as any of the Secured Obligations remain unsatisfied, Debtor agrees that it will comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement and the other Loan Documents, and promptly give Secured Party written notice upon Debtor becoming aware thereof of the occurrence of any event that

could have a material adverse effect on any of the Trademarks or the Trademark Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Trademarks for which Debtor is a licensee

6. Future Rights. For so long as any of the Secured Obligations shall remain outstanding, or, if earlier, until Secured Party shall have released or terminated, in whole but not in part, its interest in the Trademark Collateral, if and when Debtor shall obtain rights to any new Trademarks, or any renewal or extension of any Trademarks, the provisions of Section 2 shall automatically apply thereto, and Debtor shall give to Secured Party prompt notice of any new Trademarks. Debtor shall do all things that Secured Party may reasonably request to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party in such future acquired Trademark Collateral. Debtor hereby authorizes Secured Party to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on Debtor's behalf and as its attorney-in-fact to include any future Trademarks which are or become Trademark Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO.

7. Secured Party's Duties. Notwithstanding any provision contained in this Agreement, Secured Party shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to Debtor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Secured Party hereunder or in connection herewith, Secured Party shall have no duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Trademark Collateral.

8. Events of Default. The occurrence of any "Event of Default" under the Loan Agreement or any other Loan Document shall constitute an Event of Default hereunder.

9. Remedies. From and after the occurrence and during the continuation of an Event of Default, Secured Party shall have all rights and remedies available to it under the Loan Agreement and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Trademark Collateral or any other Collateral. Debtor agrees that such rights and remedies include the right of Secured Party as a secured party to sell or otherwise dispose of its collateral after default, pursuant to UCC Section 9504. Debtor agrees that Secured Party shall at all times have such royalty-free licenses, to the extent permitted by law, for any Trademark Collateral that is reasonably necessary to permit the exercise of any of Secured Party's rights or remedies upon or after the occurrence of (and during the continuance of) an Event of Default with respect to (among other things) any tangible asset of Debtor in which Secured Party has a security interest, including Secured Party's rights to sell inventory, tooling or packaging which is acquired by Debtor (or its successor, assignee or trustee in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right but shall in no way be obligated to bring suit, or to take such other action as Secured Party deems necessary or advisable, in the name of Debtor or Secured Party, to enforce or protect any of the Trademark Collateral, in which event Debtor shall, at

the request of Secured Party, do any and all lawful acts and execute any and all documents required by Secured Party in aid of such enforcement. To the extent that Secured Party shall elect not to bring suit to enforce such Trademark Collateral pursuant to the immediately preceding sentence, Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violation thereof by others and for that purpose agrees diligently to maintain any such action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation. The foregoing to the contrary notwithstanding, if Debtor, in its reasonable business judgment, determines to abandon any such action, suit, or proceeding, then Debtor shall be permitted to abandon such action, suit, or proceeding, provided, that Debtor shall have first given Secured Party written notice of such abandonment in sufficient time prior to such abandonment so as to allow Secured Party to determine whether it will continue such action, suit, or proceeding.

10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor and Secured Party and their respective successors and assigns.

11. Notices. Unless otherwise specifically provided in this Agreement, any notice or other communication relating to this Agreement shall be made in accordance with the Guaranty.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, except to the extent that the validity or perfection of the assignment and security interests hereunder in respect of any Trademark Collateral are governed by federal law, in which case such choice of California law shall not be deemed to deprive Secured Party of such rights and remedies as may be available under federal law.

13. Entire Agreement; Amendment. This Agreement, together with the Schedules hereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties as provided in the Loan Agreement. Notwithstanding the foregoing, Secured Party may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

14. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

15. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so

executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

16. Loan Agreement. Debtor acknowledges that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Loan Agreement and all such rights and remedies are cumulative.

17. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms. To the extent of any conflict between the provisions of this Agreement and the Loan Agreement, however, the provisions of the Loan Agreement shall govern.

18. Termination. Upon the indefeasible payment in full of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all Secured Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall automatically terminate, and Secured Party shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtor, at Debtor's expense, as shall be necessary to evidence termination of the security interest granted by Debtor to Secured Party hereunder, including written cancellation of this Agreement and the release of Secured Party's security interest.

19. Agreements Relative to the License of Trademark Collateral. Debtor shall ensure that the goods or services produced by any Borrower under any license or license agreement of the Trademark Collateral are produced in accordance with the minimum quality control requirements under such license or license agreement. Debtor hereby makes a continuing representation and warranty to Secured Party that, unless Debtor shall advise Secured Party in writing to the contrary, all goods or services produced by the Borrowers under such license or license agreement are produced in accordance with the minimum quality control requirements under such license or license agreement.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

BJIP, INC.,
a Delaware corporation

By: 
Name: Kenton S. Van Harten
Title: Chief Financial Officer

FLEET CAPITAL CORPORATION,
a Rhode Island corporation

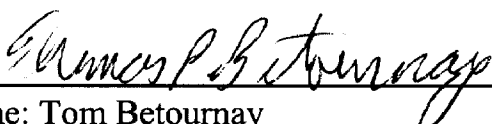
By: 
Name: Tom Betournay
Title: Vice President

EXHIBIT "A"

SEE ATTACHED

Intentionally Omitted for recording purposes

**Brown Jordan Company
BJIP, Inc.
c/o Hancock Park Associates
1925 Century Park East, Suite 810
Los Angeles, California 90067**

September __, 1999

Fleet Capital Corporation
15260 Ventura Boulevard, Suite 400
Sherman Oaks, California 91403
Attention: _____

Re: Loan and Security Agreement by and among Brown Jordan Company, a Delaware corporation ("Brown Jordan"), and Casual Living Worldwide, a California corporation ("Casual Living"), as borrowers (collectively, the "Borrowers"), and Fleet Capital Corporation, a Rhode Island corporation ("Fleet"), as the Lender (the "Loan Agreement").

Ladies and Gentlemen:

Reference is made to the above-mentioned Loan Agreement. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement.

As you know, as a condition to the execution of the Loan Agreement, Fleet is requiring that BJIP, Inc., a Delaware corporation and wholly-owned subsidiary of Brown Jordan ("BJIP"), execute certain trademark and patent security agreements wherein BJIP will grant to Fleet a security interest in its intellectual property as security for the Loans made under the Loan Agreement.

In connection with BJIP's execution of said agreements, the undersigned hereby advises you that Brown Jordan and BJIP have filed a complaint (Case No. CV-99-08818WDK (CWx)) in the United States District Court for the Central District of California against The Pennington Group, Inc., an Arkansas corporation ("Pennington"), pursuant to which Brown Jordan and BJIP are seeking, among other things, injunctive relief and an award of punitive and compensatory damages. The complaint alleges that Pennington is infringing upon certain intellectual property of BJIP by producing and

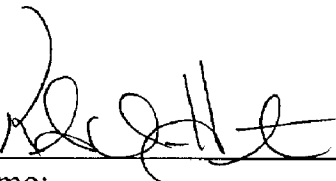
selling two chair designs (known as "Tuscany" and "Orleans") that are copies of certain Brown Jordan chair designs.

As of the date hereof, the undersigned do not believe that an adverse decision rendered against the undersigned in the above-referenced action would be reasonably likely to result in a Material Adverse Change.

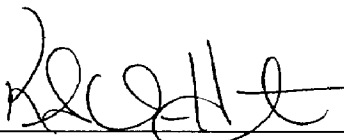
If you have any questions regarding the above, please do not hesitate to call our legal counsel, Bradley E. Wolf, of Paul, Hastings, Janofsky & Walker LLP. Mr. Wolf can be reached at (213) 683-6284.

Very truly yours,

BROWN JORDAN COMPANY

By:  _____
Name:
Title:

BJIP, INC.

By:  _____
Name:
Title: