

10-16-2001



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*10-16-01*

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID#
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment  
Effective Date  
Year
- Merger 9/21/2001
- Change of Name
- Other

*10-16-01*

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name  Execution Date  
Month Day Year

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of conveying parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment)

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

01/17/2001 GT0N11 00000023 74083442

01 FC:481 40.00 DP

02 FC:482 1150.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB nation Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**RETURN TO:  
FEDERAL RESEARCH CORP  
400 SEVENTH STREET NW  
SUITE 101  
WASHINGTON DC 20004**

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s) see attached sheet

see

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**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment:

Enclosed  Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes  No

**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. Charges to deposit account are authorized, as indicated herein.

Ellen M. Allen

TRADEMARK

Trademark Status as of 9/20/01

Trademark	Serial No.	Filed	Reg. No.	Reg. Date	Status
ACTIVE ZONE	74/083,442	7/31/90	1,695,386	6/12/92	DECLARATION OF USE 6-16-02
BACKPACKER	73/433,830	7/11/83	1,328,631	4/2/85	RENEWAL 4-2-2005
BENTON ROW	73/483,264	6/4/84	1,328,704	4/2/85	RENEWAL 4-2-2005
BROWSER & CO.	75/478,908	5/4/98	2,341,873	4/11/00	DECLARATION OF USE 4-11-06
BOSTON COMMON	73/491,768	7/26/84	1,338,043	5/28/85	RENEWAL 5-28-20010
BUILDING BLOCKS	73/555,587	8/16/85	1,390,899	4/22/86	RENEWAL 4-22-2006
CAPE ALLEGRO SPORTSWEAR	76/191,400	1/9/01			TMO REC'D REGISTRATION APPLICATION 1/9/01 - Registration Pending disclaimer response sent 7/24/01
CAPITAL MERCURY	73/433,832	7/11/83	1,294,566	9/11/84	RENEWAL 9-11-2004
CAPITAL/PLUS	74/496,196	8/23/84	1,404,113	8/5/86	RENEWAL 8-5-2006
C.M. & COMPANY	74/023,041	1/26/90	1,626,200	2/26/91	RENEWAL 2-26-20011
COTTER BRIDGE	73/441,967	9/1/83	1,302,746	10/30/84	RENEWAL 10-20-2004
DAVID MARTIN	73/492,858	8/1/84	1,350,749	7/23/85	RENEWAL 7-23-2005
DESIGN ENVIRONMENT	75/509,503	6/24/98			STATEMENT OF USE ACCEPTED 7/20/2001
FLIPBOX	75/397,775	12/1/97	2,224,085	2/16/99	ACQUIRED FROM HAMPTON INDUSTRIES
GREENWICH POINT	73/491,959	7/27/84	1,334,451	5/7/85	RENEWAL 5-7-2005
HARBOUR GATE	73/493,466	8/6/84	1,334,461	5/7/85	RENEWAL 5-7-2005
HEATHROW	73/785,789	3/10/89	1,566,087	11/14/89	RENEWAL 11-14-2009

TRADEMARK

Trademark Status as of 9/20/01

Trademark	Serial No.	Filed	Reg. No.	Reg. Date	Status
INTERNATIONAL VIEW	74/023,040	1/26/90	1,743,236	12/29/92	DECLARATION OF USE 12-29-2002
ISLAND GREEN	76/247,033	4/26/01			REGISTRATION APPROVED TO PUBLISHED 9/18/01
JANE BROOKS	73/492,862	8/1/84	1,340,960	6/11/85	RENEWAL 6-11-2005
JIB COLLECTABLE	73/491,953	7/27/84	1,367,746	10/29/85	RENEWAL 10-29-2005
JIB SPORT	73/491,954	10/29/85	1,367,747	10/29/85	RENEWAL 10-29-2005
LADY JANE	73/492,863	8/1/84	1,334,457	5/7/85	RENEWAL 5-7-2005
MICHIGAN AVENUE	7,372,961	3/30/84	1,344,659	6/25/85	RENEWAL 6-25-2005
NEWGATE	73/493,465	8/6/84	1,334,460	5/7/85	RENEWAL 5-7-2005
NEWTON	73/493,464	8/6/84	1,334,459	5/7/85	RENEWAL 5-7-2005
NO FADE	73/774,736	1/17/89	1,584,771	2/27/90	RENEWAL 2-27-2010
PARIS DEPOT	73/555,584	8/26/85	1,390,897	4/22/86	RENEWAL 4-22-2006
PERFORMER	73/617,634	9/2/86	1,462,895	10/27/87	RENEWAL 10-27-2007
PLATINUM BY CAPITAL MERCURY	75/673,267				SUSPENDED BY PTO
PORTOBELLO	73/491,957	7/27/84	1,334,449	5/7/85	RENEWAL 5-7-2005
PORTSMOUTH	73/492,857	8/1/84	1,369,116	11/5/85	RENEWAL 11-5-2005
RARE VINTAGE	73/555,585	8/26/85	1,390,898	4/22/86	RENEWAL 4-22-2006
RICHARD LAWRENCE	73/491,955	8/13/84	1,354,258	8/13/85	RENEWAL 8-13-2005
ROBERT SERAFINI	73/445,604	9/28/83	1,298,904	10/2/84	RENEWAL 10-2-2004

(Pending disposition of Prior applications containing the word "Platinum")

TRADEMARK

Trademark Status as of 9/20/01

Trademark	Serial No.	Filed	Reg. No.	Reg. Date	Status
SAN MATEO ISLAND SPORTSWEAR	76/049,504	5/16/00			DISCLAIMER TO BE ENTERED SENT RESPONSE TO TMO 1/8/01 - RESPONSE FILED 5/31/01 - PENDING
SEA CLIFF	73/491,769	7/26/84	1,340,956	6/11/85	RENEWAL 6-11-2005
SHIRT #ONE & DESIGN	168,581	5/10/63	770,780	6/2/74	RENEWAL 6-2-2004
SHIRTALES	76/196,252	1/19/01			APPLICATION FILED 1/19/01 Amending application REGISTRATION PENDING
SUMMER WINDS COLLECTION	73/487,779	6/29/84	1,346,359	7/2/85	RENEWAL 7-2-2005
SWEET LADY JANE	73/496,197	8/23/84	1,340,968	6/11/82	RENEWAL 4-2-2005
SWINGTIME	75/343,018	8/18/97	2,272,915	8/24/99	DECLARATION OF USE 8-24-2005
1372 COLLECTION	73/778,588	2/3/89	1,558,155	9/24/89	RENEWAL 9-24-2009
TWIN BLUFF	74/472,701	12/23/94	1,981,429	6/18/96	DECLARATION OF USE 6-18-2002 RENEWAL 6-18-2006
VERSALITY PLUS	73/555,582	8/26/85	1,390,895	4/22/86	RENEWAL 4-22-2006
WORKING CLASS	75/509,508	6/24/98	2,373,662	8/1/00	DECLARATION OF USE 8-1-2010
ZEBEDIA	73/496,195	8/23/84	1,360,687	9/17/85	RENEWAL 9-17-2005

TRADEMARK

**TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

This Trademark Collateral Assignment and Security Agreement ("Agreement") dated as of September 21, 2001, by CAPITAL MERCURY APPAREL, LTD., a New York corporation ("Debtor"), with its chief executive office at 1372 Broadway, New York, New York 10018 and GMAC COMMERCIAL CREDIT LLC, a New York limited liability company, having an office at 1290 Avenue of the Americas, New York, New York 10104, as agent (the "Agent") for the lenders (collectively, the "Lenders"), parties from time to time to the Credit Agreement referred to below.

**WITNESSETH:**

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A hereto and made a part hereof; and

WHEREAS, Agent (herein, the "Secured Party") and Lenders have entered or are about to enter into certain financing arrangements with Debtor pursuant to that certain Revolving Credit and Security Agreement, dated as of the date hereof (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Credit Agreement") pursuant to which Lenders may, through Secured Party, make loans and advances and provide other financial accommodations to Debtor, and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Credit Agreement, and the "Other Documents" as defined in the Credit Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party and Lenders to enter into the Credit Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Debtor pursuant thereto, Debtor has agreed to grant to Secured Party, for itself and the ratable benefit of Lenders, certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

**1. GRANT OF SECURITY INTEREST**

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party, for itself and the ratable benefit of Lenders, a continuing security interest in and a general lien upon, and

hereby collaterally assigns to Secured Party, for itself and the ratable benefit of Lenders: (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: all of Debtor's trademarks, trade names, tradestyles and service marks; all prints and labels on which said trademarks, trade names, tradestyles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other countries, and all reissues, extensions and renewals thereof including those trademarks, service marks, terms, designs and applications described in Schedule A hereto (the "Trademarks"); (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and (c) any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Trademarks or any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

## **2. OBLIGATIONS SECURED**

The security interest, lien and other interests granted to Secured Party, for itself and the ratable benefit of Lenders, pursuant to this Agreement shall secure the prompt performance, observance and indefeasible payment in full of any and all loans, indebtedness, liabilities, obligations, covenants and duties of Debtor to Lenders and/or Secured Party, of every kind, nature and description arising under or relating to this Agreement, the Credit Agreement, the other Financing Agreements, or transactions hereunder or any of the foregoing, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under this Agreement, the Credit Agreement, the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal Term (as defined in the Credit Agreement) of the Credit Agreement or after the commencement of any case with respect to Debtor or any guarantor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, original, renewed or extended and whether arising directly or acquired from others, and including, without limitation, each Lender's and Secured Party's charges, commissions, interest, expenses, costs and attorneys' fees chargeable to Debtor or any guarantor under this Agreement, the Credit Agreement, or the other Financing Agreements(all hereinafter referred to as "Obligations").

## **3. REPRESENTATIONS, WARRANTIES AND COVENANTS**

Debtor hereby represents, warrants and covenants with and to Secured Party the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Debtor will pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full, and clear title thereto, and the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting and registered service marks or registered trademarks, as the case may be, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests, or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder, and (ii) the licenses permitted under Section 3(e) below.

(c) Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating thereto, except as permitted herein, in the other Financing Agreements, or otherwise dispose of any of the Collateral, without the prior written consent of Secured Party. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder.

(d) Debtor will, at Debtor's expense, perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Secured Party or as otherwise determined by Secured Party. Debtor further authorizes Secured Party to have this or any other similar security agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(e) As of the date hereof, Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Schedule A annexed hereto and has not granted any licenses with respect thereto other than as set forth in Schedule B hereto.

(f) Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Power of Attorney in the form of Exhibit I annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder.

(g) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as reasonably requested by Secured Party to preserve, defend, protect, maintain, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder including but not limited to all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for



any such payment, which payment shall be deemed an advance by Secured Party to Debtor, shall be payable on demand together with interest at the highest then applicable rate set forth in the Credit Agreement and shall be part of the Obligations secured hereby.

(h) Debtor shall not file any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States, any state therein, or any other country, unless Debtor has by thirty (30) days prior written notice informed Secured Party of such action. Upon request of Secured Party, Debtor shall execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party, for itself and the ratable benefit of Lenders, in such Trademark.

(i) Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided or avoidable unless Debtor determines that it is Debtor's best interest to do so and it will not have an adverse affect on the Collateral or Debtor's business. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Debtor will render any assistance necessary to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings except where Debtor has determined it is in best interest to lapse and it will not have an adverse affect on the Collateral or Debtor's business.

(k) Debtor will promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design likely to cause confusion with any Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in its discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.

(l) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Secured Party and each Lender harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labelling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof).

(m) Debtor will promptly pay Secured Party for any and all costs and reasonable expenditures incurred by Secured Party, pursuant to the provisions of this Agreement or for the

defense, protection, or enforcement of the Obligations, the Collateral, or the security interests granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and reasonable legal expenses. Such costs and reasonable expenditures shall be payable on demand, together with interest at the then highest applicable rate set forth in the Credit Agreement and shall be part of the Obligations secured hereby.

#### 4. EVENTS OF DEFAULT

All Obligations shall become immediately due and payable, without notice or demand, at the option of Secured Party, upon the occurrence of any one or more defaults or events of default under this Agreement, the Credit Agreement, or any other Financing Agreement to which Debtor is a party (each an "Event of Default" hereunder).

#### 5. RIGHTS AND REMEDIES

Immediately, upon the occurrence of any such Event of Default, and during the continuance thereof, in addition to all other rights and remedies of Secured Party, whether provided under law, this Agreement, the Credit Agreement, the other Financing Agreements, or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor, except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Secured Party may make use of any Trademarks on a royalty-free basis for the sale of goods, completion of work in process or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary of Debtor.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special, or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of ten (10) business days notice in the manner set forth in Section 6(b) hereof shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party and/or any Lender shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to Section 5(c) hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, legal expenses and reasonable attorneys' fees and legal expenses.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale, or other disposition of Collateral to the costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its discretion determine. Debtor shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds, and Debtor will pay Secured Party on demand any such unpaid amount, together with interest at a rate equal to the highest rate then payable on the Obligations.

(f) Debtor shall supply to Secured Party or its designee, Debtor's knowledge and expertise relating to the manufacture and sale of the products and rendition of services bearing or sold under the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, this Agreement, the Credit Agreement, the other Financing Agreements, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

## **6. MISCELLANEOUS**

(a) Any failure or delay by Secured Party to require strict performance by Debtor of any of the provisions, warranties, terms, and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party or Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtor, specifying such waiver.

(b) Any notice or other communication required or permitted pursuant to this Agreement shall be deemed given (i) when personally delivered to any officer of the party to whom

it is addressed, (ii) on the earlier of actual receipt thereof or five (5) days following posting thereof by certified or registered mail, postage prepaid, return receipt requested, or (iii) upon actual receipt thereof when sent by a recognized overnight delivery service or (iv) upon actual receipt thereof when sent by telecopier to the number set forth below with telephone communication confirming receipt and subsequently confirmed by registered or certified mail, return receipt requested, or by recognized overnight delivery service to the address set forth below, in each case addressed to each party at its address set forth below or at such other address as has been furnished in writing by a party to the other by like notice:

(A) If to Secured Party at: GMAC Commercial Credit LLC, as Agent  
1290 Avenue of the Americas  
New York, New York 10104  
Attention: Loan Administration  
Department  
Mr. Frank Imperato,  
Senior Vice President  
Telephone: (212) 884-7026  
Telecopier: (212) 884-7162

(B) If to Debtor at: Capital Mercury Apparel, Ltd.  
1372 Broadway  
New York, New York 10018  
Attention: President  
Telephone: (212) 704-4800  
Telecopier: (212) 704-4996

(c) In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

(d) All references to Debtor, Lenders, and Secured Party herein shall include their respective successors and assigns permitted under the Credit Agreement. All references to the term "person" or "Person" herein shall mean any individual, sole proprietorship, limited partnership, general partnership, corporation (including a business trust), limited liability company, limited liability partnership, unincorporated association, joint stock corporation, trust, joint venture, association, organization or other entity or government or any agency or instrumentality or political subdivision thereof.

(e) This Agreement shall be binding upon Debtor and its successors and assigns, and shall be to the benefit of the Secured Party and Lenders and their respective successors and assigns permitted under the Credit Agreement. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

(f) This Agreement shall be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York. Any judicial proceeding brought by or against Debtor with respect to any of the Obligations, this Agreement or any related agreement may be brought in any court of competent jurisdiction in the State of New York, United States of America, and, by execution and delivery of this Agreement, Debtor accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Debtor at its address set forth in Section 6(b), and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Secured Party or any Lender to bring proceedings against Debtor in the courts of any other jurisdiction. Debtor waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Any judicial proceeding by Debtor against Secured Party or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the City of New York, State of New York.

(g) This Agreement and the documents executed concurrently herewith contain the entire understanding between Debtor and Secured Party and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing, signed by Debtor's and Secured Party's respective officers. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. Debtor acknowledges that it has been advised by counsel in connection with the execution of this Agreement and the other Financing Agreements and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(h) EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE, AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF

ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

**IN WITNESS WHEREOF**, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

**CAPITAL MERCURY APPAREL, LTD.**

By:           *JL C. Holt*          

Title:           *TREASURER*          


**GMAC COMMERCIAL CREDIT LLC,  
as Agent**

By:           *Frank Imperato*          

Title:           *SVP*

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

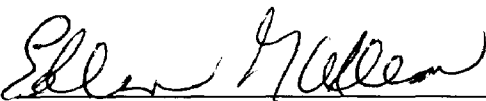
As of this <sup>st</sup> 21 day of September, 2001, before me personally came JOHN C. HIGDON, to me known, who being duly sworn, did depose and say, that he is a Treasurer/CFO of CAPITAL MERCURY APPAREL, LTD., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

  
Notary Public

ELLEN M. ALLEN  
Notary Public, State of New York  
No. 01AL5057123  
Qualified in Suffolk County  
Commission Expires March 18, 2002

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

As of this <sup>st</sup> 21 day of September, 2001, before me personally came FRANK IMPERATO, to me known, who, being duly sworn, did depose and say, that he is a SVP of GMAC COMMERCIAL CREDIT LLC, the limited liability company described in and which executed the foregoing instrument; and that he signed his name thereto with the consent of the members thereof.

  
Notary Public

ELLEN M. ALLEN  
Notary Public, State of New York  
No. 01AL5057123  
Qualified in Suffolk County  
Commission Expires March 18, 2002

**SCHEDULE A**

**LIST OF TRADEMARKS AND APPLICATIONS**

Trademark

Registration  
Number

Registration Date

[To Be Completed By Debtor]



Trademark Status as of 9/20/01

Trademark	Serial No.	Filed	Reg. No.	Reg. Date	Status
ACTIVE ZONE	74/083,442	7/31/90	1,695,386	6/12/92	DECLARATION OF USE 6-16-02
BACKPACKER	73/433,830	7/11/83	1,328,631	4/2/85	RENEWAL 4-2-2005
BENTON ROW	73/483,264	6/4/84	1,328,704	4/2/85	RENEWAL 4-2-2005
BROWSER & CO.	75/478,908	5/4/98	2,341,873	4/11/00	DECLARATION OF USE 4-11-06
BOSTON COMMON	73/491,768	7/26/84	1,338,043	5/28/85	RENEWAL 5-28-20010
BUILDING BLOCKS	73/555,587	8/16/85	1,390,899	4/22/86	RENEWAL 4-22-2006
CAPE ALLEGRO SPORTSWEAR	76/191,400	1/9/01			TMO REC'D REGISTRATION APPLICATION 1/9/01 - Registration Pending disclaimer response sent 7/24/01
CAPITAL MERCURY	73/433,832	7/11/83	1,294,566	9/11/84	RENEWAL 9-11-2004
CAPITAL/PLUS	74/496,196	8/23/84	1,404,113	8/5/86	RENEWAL 8-5-2006
C.M. & COMPANY	74/023,041	1/26/90	1,626,200	2/26/91	RENEWAL 2-26-20011
COTTER BRIDGE	73/441,967	9/1/83	1,302,746	10/30/84	RENEWAL 10-20-2004
DAVID MARTIN	73/492,858	8/1/84	1,350,749	7/23/85	RENEWAL 7-23-2005
DESIGN ENVIRONMENT	75/509,503	6/24/98			STATEMENT OF USE ACCEPTED 7/20/2001
FLIPBOX	75/397,775	12/1/97	2,224,085	2/16/99	ACQUIRED FROM HAMPTON INDUSTRIES
GREENWICH POINT	73/491,959	7/27/84	1,334,451	5/7/85	RENEWAL 5-7-2005
HARBOUR GATE	73/493,466	8/6/84	1,334,461	5/7/85	RENEWAL 5-7-2005
HEATHROW	73/785,789	3/10/89	1,566,087	11/14/89	RENEWAL 11-14-2009

TRADEMARK

Trademark Status as of 9/20/01

Trademark	Serial No.	Filed	Reg. No.	Reg. Date	Status
INTERNATIONAL VIEW	74/023,040	1/26/90	1,743,236	12/29/92	DECLARATION OF USE 12-29-2002
ISLAND GREEN	76/247,033	4/26/01			REGISTRATION APPROVED TO PUBLISHED 9/18/01
JANE BROOKS	73/492,862	8/1/84	1,340,960	6/11/85	RENEWAL 6-11-2005
JB COLLECTABLE	73/491,953	7/27/84	1,367,746	10/29/85	RENEWAL 10-29-2005
JB SPORT	73/491,954	10/29/85	1,367,747	10/29/85	RENEWAL 10-29-2005
LADY JANE	73/492,863	8/1/84	1,334,457	5/7/85	RENEWAL 5-7-2005
MICHIGAN AVENUE	73,372,961	3/30/84	1,344,659	6/25/85	RENEWAL 6-25-2005
NEWGATE	73/493,465	8/6/84	1,334,460	5/7/85	RENEWAL 5-7-2005
NEWTON	73/493,464	8/6/84	1,334,459	5/7/85	RENEWAL 5-7-2005
NO FADE	73/774,736	1/17/89	1,584,771	2/27/90	RENEWAL 2-27-2010
PARTS DEPOT	73/555,584	8/26/85	1,390,897	4/22/86	RENEWAL 4-22-2006
PERFORMER	73/617,634	9/2/86	1,462,895	10/27/87	RENEWAL 10-27-2007
PLATINUM BY CAPITAL MERCURY	75/673,267				SUSPENDED BY PTO <small>(Pending disposition of Prior applications containing the word "Platinum")</small>
PORTOBELLO	73/491,957	7/27/84	1,334,449	5/7/85	RENEWAL 5-7-2005
PORTSMOUTH	73/492,857	8/1/84	1,369,116	11/5/85	RENEWAL 11-5-2005
RARE VINTAGE	73/555,585	8/26/85	1,390,898	4/22/86	RENEWAL 4-22-2006
RICHARD LAWRENCE	73/491,955	8/13/84	1,354,258	8/13/85	RENEWAL 8-13-2005
ROBERT SERAFINI	73/445,604	9/28/83	1,298,904	10/2/84	RENEWAL 10-2-2004

TRADEMARK

Trademark Status as of 9/20/01

Trademark	Serial No.	Filed	Reg. No.	Reg. Date	Status
SAN MATEO ISLAND SPORTSWEAR	76/049,504	5/16/00			DISCLAIMER TO BE ENTERED SENT RESPONSE TO TMO 1/8/01 - RESPONSE FILED 5/31/01 - PENDING
SEA CLIFF	73/491,769	7/26/84	1,340,956	6/11/85	RENEWAL 6-11-2005
SHIRT #ONE & DESIGN	168,581	5/10/63	770,780	6/2/74	RENEWAL 6-2-2004
SHIRTALES	76/196,252	1/19/01			APPLICATION FILED 1/19/01 Amending application REGISTRATION PENDING
SUMMER WINDS COLLECTION	73/487,779	6/29/84	1,346,359	7/2/85	RENEWAL 7-2-2005
SWEET LADY JANE	73/496,197	8/23/84	1,340,968	6/11/82	RENEWAL 4-2-2005
SWINGTIME	75/343,018	8/18/97	2,272,915	8/24/99	DECLARATION OF USE 8-24-2005
1372 COLLECTION	73/778,588	2/3/89	1,558,155	9/24/89	RENEWAL 9-24-2009
TWIN BLUFF	74/472,701	12/23/94	1,981,429	6/18/96	DECLARATION OF USE 6-18-2002 RENEWAL 6-18-2006
VERSALITY PLUS	73/555,582	8/26/85	1,390,895	4/22/86	RENEWAL 4-22-2006
WORKING CLASS	75/509,508	6/24/98	2,373,662	8/1/00	DECLARATION OF USE 8-1-2010
ZEBEDIA	73/496,195	8/23/84	1,360,687	9/17/85	RENEWAL 9-17-2005

TRADEMARK

**SCHEDULE B**

**PERMITTED LIENS AND LICENSES**

[To Be Completed By Debtor]



STATE OF NEW YORK    )  
  ) ss.:  
COUNTY OF NEW YORK )

As of this \_\_\_\_ day of September, 2001, before me personally came \_\_\_\_\_, to me known, who being duly sworn, did depose and say, that he is a \_\_\_\_\_ of CAPITAL MERCURY APPAREL, LTD., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

\_\_\_\_\_  
Notary Public