

05-06-2002

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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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): ESPRIT DE CORP. 4.17.02 [checkboxes for Individual(s), Association, General Partnership, Limited Partnership, Corporation-State - California, Other] Additional name(s) of conveying party(ies) attached? [checkbox] Yes [checkbox] No

2. Name and address of receiving party(ies) Name: Oaktree Capital Management LLC, As Collateral Agent Internal Address: Street Address: 333 South Grand Avenue City: Los Angeles State: CA Zip: 90017 [checkboxes for citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other Delaware Limited Liability Company] If assignee is not domiciled in the United States, a domestic representative designation is attached: [checkbox] Yes [checkbox] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [checkbox] Yes [checkbox] No

3. Nature of conveyance: [checkbox] Assignment [checkbox] Merger [checkbox] Security Agreement [checkbox] Change of Name [checkbox] Execution Date: March 12, 2002

4. Application number(s) or registration number(s): A. Trademark Application No.(s) See attached schedule B. Trademark Registration No.(s) See attached schedule Additional number(s) attached [checkbox] Yes [checkbox] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Paul A. Juergensen Internal Address: Schulte Roth & Zabel Street Address: 919 Third Avenue City: New York State: N.Y. Zip: 10022

6. Total number of applications and registrations involved: 37 7. Total fee (37 CFR 3.41) \$ 940.00 [checkbox] Enclosed [checkbox] Authorized to be charged to deposit account 8. Deposit account number: 500675 - Schulte Roth & Zabel (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. Paul A. Juergensen April 17, 2002 Name of Person Signing Signature Date Total number of pages including cover sheet, attachments, and document 32

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

9216121.1 05/06/2002 GT0N11 00000086 500675 1453688 01 FC:481 40.00 CH 02 FC:482 900.00 CH

TRADEMARK REEL: 002498 FRAME: 0584

SCHEDULE A-1  
to the Trademark Security Agreement

Registered Trademark Collateral

1. CAFFE ESPRIT <sup>±</sup>	42 Restaurant services, in Class 42	United States	1,453,688 08/18/87
2. CAFFE ESPRIT (Stylized) <sup>±</sup>	42 Restaurant services, in Class 42	United States	1,526,188 02/21/89
3. E (Stylized)	25 Women's wearing apparel, namely, pants, dresses, skirts and shirts, in Class 25	United States	1,190,078 02/16/82
4. ESPRIT <sup>*</sup>	3 Perfume and toilet water, in Class 3	United States	817,950 11/01/66
5. ESPRIT <sup>*</sup>	3 Cologne and toilet soap, in Class 3	United States	1,341,934 06/18/85
6. ESPRIT <sup>*</sup>	9 Sunglasses, in Class 9	United States	1,342,393 06/18/85

<sup>±</sup>Each Debtor makes no representation or warranty regarding such Debtor's sole or exclusive ownership of, or regarding such Debtor's sole or exclusive right to use, the mark contained in this registration.

<sup>\*</sup> The products on which the mark contained in this registration appears are products made by or on behalf of Esprit International. Consequently, each Debtor makes no representation or warranty regarding such Debtor's sole or exclusive ownership of, or such Debtor's sole or exclusive right to use, the mark contained in this registration.

7. ESPRIT <sup>±</sup>	11, 12, 20 Electric lighting fixtures, in Class 11; shopping carts, in Class 12; mannequins, desks, picture frames, stools, tables, chairs, shelving units and racks, in Class 20	United States	1,525,487 02/21/89
8. ESPRIT <sup>*</sup>	14 Watches, in Class 14	United States	1,056,960 01/25/77
9. ESPRIT <sup>*</sup>	14 Jewelry, in Class 14	United States	1,340,608 06/11/85
10. ESPRIT	18 Purses and handbags, in Class 18	United States	1,559,014 10/03/89
11. ESPRIT <sup>±</sup>	21 Beverageware, namely, plastic travel tumblers with screw-on covers and insulation for keeping liquids hot distributed through applicant's stores and applicant's promotional campaigns, in class 21	United States	1,791,665 09/07/93
12. ESPRIT	25 Belts, scarves, hats, socks, tights, leggings, sweatshirts, sweatpants, vests and coats, in Class 25	United States	1,480,858 03/15/88
13. ESPRIT	25 Women's shoes, in Class 25	United States	765,974 03/03/64

14. ESPRIT	42 Retail store services for clothing, clothing accessories, bedding, eyewear, jewelry, watches, books, stationery items, bags, shoes and socks, in Class 42	United States	1,709,010 08/18/92
15. ESPRIT (Stylized)*	3 Cologne and toilet soap, in Class 3	United States	1,341,933 06/18/85
16. ESPRIT (Stylized)*	9 Sunglasses, in Class 9	United States	1,287,788 07/31/84
17. ESPRIT (Stylized)	11, 12, 20 Electric lighting fixtures, in Class 11; shopping carts, in Class 12; mannequins, desks, picture frames, stools, tables, chairs, shelving units and racks, in Class 20	United States	1,524,372 02/14/89
18. ESPRIT (Stylized)*	14 Watches, in Class 14	United States	1,898,850 06/13/95
19. ESPRIT (Stylized)	18 Purses, handbags, tote bags, backpacks, wallets, messenger bags, key cases, hip packs, bookbags, cosmetic cases sold empty, and carry-on bags, in Class 18	United States	1,673,462 01/28/92

20. ESPRIT (Stylized)	25 Women's wearing apparel, namely, blouses, knit tops, halters, t-shirts, smock tops, sweaters, jackets, pants and skirts, and men's wearing apparel, namely, t-shirts, in Class 25	United States	1,401,275 07/15/86
21. ESPRIT (Stylized)	25 Belts, scarves, hats, socks, tights, leggings, sweatshirts, sweatpants, vests and coats, in Class 25	United States	1,481,649 03/22/88
22. ESPRIT (Stylized)	25 Shoes, slippers, boots, sneakers, athletic shoes, hosiery, socks, tights, leggings, leotards, gloves, hats, scarves, belts, vests, dresses, coats, mufflers, stockings, pajamas, panties, underwear, headbands, shorts, jogging suits, sweatshirts, sweat pants, ski jackets, ski pants, raincoats, robes, nightgowns and swimwear, in Class 25	United States	1,485,327 04/19/88
23. ESPRIT (Stylized)	42 Outlet services in the field of clothing, in Class 42	United States	1,408,003 09/02/86

24. ESPRIT BASIX and Design	25 Women's and children's clothing, namely, sweaters, sweater vests, cardigans, shirts, t-shirts, tank tops, sweatshirts, polo shirts, pants, shorts, dresses and skirts, in Class 25	United States	1,670,308 12/31/91
25. ESPRIT DE CORP. (Stylized)	25 Shoes, in Class 25	United States	1,419,245 12/02/86
26. ESPRIT DE CORP.	25 Women's wearing apparel, namely, blouses, knit tops, halter, t-shirts, smock tops, sweaters, jackets, pants and skirts, in Class 25	United States	1,163,810 08/04/81
27. ESPRIT/KIDS	25 Pants, overalls, skirts, shorts, jackets, sweaters, blouses, vests, sweat pants, shirts, leotards, hats, dresses, in Class 25	United States	1,440,613 05/26/87
28. ESPRIT/KIDS (Stylized)	25 Pants, overalls, skirts, shorts, jackets, sweaters, blouses, vests, sweat pants, shirts, leotards, hats, dresses, in Class 25	United States	1,445,156 06/30/87
29. ESPRIT SAN FRANCISCO CALIFORNIA USA SINCE 1969 and Design <sup>±</sup>	18, 25 Handbags, in Class 18; t-shirts, in Class 25	United States	1,769,033 05/04/93

30. ESPRIT WORLDWIDE <sup>±</sup>	9, 18 Cases for LP records, in Class 9; purses, handbags, tote bags, backpacks, cosmetic cases sold empty, key cases, wallets and coin purses, in Class 18	United States	2,415,422 12/26/00
31. WWW.ESPRIT.CO M	25 Clothing, namely, t-shirts, in Class 25	United States	2,334,789 03/28/00
32. WWW.ESPRIT.CO M	35 Online retail store services and online ordering services featuring clothing and clothing accessories, in Class 35	United States	2,470,108 07/17/001
33. ESPRIT (Stylized)*	9 (US 26) Sunglasses and spectacles, and frames and cases therefor, in Class 9	Puerto Rico	27335-A 08/18/86

34. ESPRIT DE CORP. (Stylized)	25 (US 39) Women's and girls' wearing apparel, namely, blouses, knit tops, halters, t-shirts, smock tops, sweaters, jackets, pants, skirts, shorts, belts, play suits, pedal pushers, jeans, swat shirts, sweat pants, caps, hats, overalls, sweater dresses, jumpsuits, camisole tops, swimming suits, leotards, and men's and boys' wearing apparel, namely, sweater pants, sweat shirts and t-shirts, in Class 25	Puerto Rico	7397 02/27/89
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SCHEDULE A-2  
to the Trademark Security Agreement

Unregistered Trademark Collateral

1. Pending Applications to Register Trademarks and Service Marks.

a. "Use" Applications.

MARK	CLASS GOODS/SERVICES	JURISDICTION	APP. NO. APP. DATE
ESPRIT BEACH	25 Swimwear—namely, bathing suits and bathing-suit cover-ups, in Class 25	United States	76/265,408 06/01/01

b. "Intent to Use" Applications.

MARK	CLASS GOODS/SERVICES	JURISDICTION	APP. NO. APP. DATE
E <sup>2</sup> and Design	18, 25 Bags, handbags, small leather articles, namely, key cases, coin purses, wallets, tri-folds, clutches, checkbook covers, photo wallets, credit card cases, bags for cosmetics sold empty; accessories, namely, purses, shoulder bags, satchels, totes, backpacks, hip packs, book bags, carry-on bags and slings, in Class 18; footwear, socks, clothing belts, accessories, namely, tights, leggings, gloves, mufflers, scarves and hats, in Class 25	United States	75/435,730 02/17/98 ITU
ESPRIT (Stylized)	3, 4 Perfume, cologne, hand and body lotions, body powder, skin and toilet soaps, bath gels, hair shampoo, home fragrances, namely, room sprays used to scent a home, in Class 3; scented candles, in Class 4	United States	75/302,661 06/03/97 ITU

MARK	CLASS GOODS/SERVICES	JURISDICTION	APP. NO. APP. DATE
ESPRIT WORLDWIDE and Design (center globe)	16  Personal organizers, in Class 16	United States	75/772,318  08/10/99  ITU
LIFEWARE	18, 24  Tote bags, in Class 18; bath towel sets, fabric bath mats, table cloths not of paper, table linens, textile napkins and bed blankets, in Class 24	United States	75/427,130  02/02/98  (Parent app)  ITU

2. Other Common Law Marks.

ESPRIT

ESPRIT DE CORP. (Stylized)

ESPRIT DE CORP. SINCE 1969 EDC GROUP SAN FRANCISCO

ESPRIT (stylized—claim of color red)

ESPRIT DE CORP. (stylized—claim of color red)

## TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of March 12, 2002, is made by **ESPRIT DE CORP.**, a California corporation (the "Debtor"), in favor of **OAKTREE CAPITAL MANAGEMENT LLC**, as collateral agent for the Holders defined herein (in such capacity, together with its successors and assigns in such capacity, "Collateral Agent").

### RECITALS

A. Debtor has executed and delivered to the Holders the Senior Notes.

B. Concurrently herewith, Debtor and Collateral Agent are entering into that certain Security Agreement (the "Security Agreement").

D. In consideration of the Holders' agreement to loan to Debtor the Additional Principal Amount (as such term is defined in that certain Amendment Number Seven to Senior Notes dated as of the date hereof) and to maintain and/or extend various other financial accommodations to Debtor, Debtor has agreed to execute and deliver this Agreement to Collateral Agent for filing with the Patent and Trademark Office and with any other relevant recording systems in any domestic jurisdiction, and as further evidence of and to effectuate Collateral Agent's security interests in the trademarks and other general intangibles described herein.

### ASSIGNMENT

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

1. Definitions; Interpretation.

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

"Collateral Agency Agreement" means that certain Collateral Agency Agreement, dated as of the date hereof, by and among Collateral Agent and the Holders, and acknowledged by the Obligors.

"Collateral Agent" shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

"Debtor" shall have the meaning ascribed to such terms in the introductory paragraph of this Agreement.

"Deeds of Trust" means (i) the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof, made by the Debtor in favor of the trustee named therein, for the benefit of the Collateral Agent, as Collateral Agent for the Holders, with respect to the Esprit Headquarters, and (ii) the Deed of Trust, Assignment of

Rents, Security Agreement and Fixture Filing dated as of the date hereof, made by the Debtor in favor of the trustee named therein, for the benefit of the Collateral Agent, as Collateral Agent for the Holders, with respect to the Mission Bay Property.

“Event of Default” shall have the meaning ascribed to such term in Section 8.

“Guaranties” shall mean those certain General Continuing Guaranties, each dated as of the date hereof, executed by Moonstone and Holdings in favor of the Collateral Agent for the benefit of Holders.

“Holders” shall mean the holders or payees named in the Senior Notes, which on the date hereof are (i) certain funds and accounts managed by Oaktree Capital Management, LLC, (ii) certain funds and accounts managed by TCW Special Credits, (iii) Pequod Investments, L.P., (iv) Cerberus Partners, L.P., (v) Cerberus International Ltd., as successor by merger to Ultra Cerberus, Ltd., and (vi) Cerberus International Ltd.

“Holdings” shall mean Esprit Holdings, Inc., a Delaware corporation.

“Indebtedness” shall have the meaning specified for such term in the Security Agreement.

“Intercreditor Agreement” means that certain Intercreditor and Subordination Agreement, dated as of the date hereof, by and among Wells Fargo Retail Finance, LLC, Collateral Agent, the Holders and the Obligors.

“License Agreements” has the meaning set forth in Section 4(c).

“Moonstone” means Moonstone Mountain Equipment, Inc., a California corporation.

“Obligations” shall mean the “Secured Obligations”, as such term is defined in the Security Agreement.

“Obligors” shall mean the Debtor, Holdings and Moonstone.

“Permitted Liens” has the meaning specified for such term in the Senior Loan Agreement as in effect on the date hereof.

“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 in UCC Section 9102(a)(64), 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.

“Registered Trademark Collateral” has the meaning set forth in Section 4(a).

“Security Agreement” shall have the meaning ascribed to such term in the Recitals to this Agreement.

“Security Documents” shall mean each of (i) this Agreement, (ii) the Security Agreement, (iii) the other Security Agreements dated as of the date hereof, executed by Moonstone and Holdings in favor of Collateral Agent for the benefit of Holders, (iv) the Stock Pledge Agreement dated as of the date hereof, executed by Holdings in favor of Collateral Agent for the benefit of Holders, (v) the Deeds of Trust and (vi) the letter dated the date hereof, signed by Obligors and addressed to Collateral Agent, authorizing Collateral Agent to file UCC-1 financing statements against Obligors.

“Senior Loan Agreement” has the meaning specified for such term in the Intercreditor Agreement.

“Senior Notes” means those several Senior Promissory Notes issued by the Company in favor of the Holders, dated March 12, 1999, in each case, as amended by (i) that certain Amendment Number One to Senior Promissory Notes, dated as of June 30, 1999, (ii) that certain Amendment Number Two to Senior Promissory Notes, dated as of January 28, 2000, (iii) that certain Amendment Number Three to Senior Promissory Notes, dated as of May 18, 2000, (iv) that certain Amendment Number Four to Senior Promissory Notes, dated as of October 12, 2000, (v) that certain Amendment Number Five to Senior Promissory Notes, dated as of January 30, 2001, (vi) that certain Amendment Number Six to Senior Promissory Notes, dated as of June 21, 2001, and (vii) that certain Amendment Number Seven to Senior Promissory Notes, dated as of the date hereof.

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

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

“Transaction Documents” shall mean the Senior Notes, the Guaranties, the Security Documents, the Intercreditor Agreement, the Collateral Agency Agreement and any other agreement, instrument, and other document executed and delivered pursuant thereto or otherwise evidencing or securing any of the Secured Obligations or any other Indebtedness or other obligations owing by any Obligor to Holders or Collateral Agent.

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

“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, restatements, supplements, refinancings, renewals, extensions, and other modifications thereto and thereof; (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; and (viii) capitalized words not otherwise defined herein shall have the respective meanings assigned to them in the Security Agreement.

(d) Conflict. In the event of a direct conflict between the terms and provisions of this Agreement and the Security 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 this 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 Collateral Agent, for the benefit of the Holders (whether under New York law or applicable federal law), in each case in respect of the Trademark Collateral, shall not be deemed a conflict with the Security Agreement.

## 2. Security Interest.

(a) Assignment and Grant of Security in respect of the Obligations. Debtor, as security for the payment and performance of the Obligations and the performance by the Debtor of each of its covenants and duties under the Transaction Documents, hereby grants, assigns, transfers and conveys to Collateral Agent, for the benefit of the Holders, 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”):

(i) all state (including common law) and federal trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, Internet domain names, other

source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, together with and including all licenses therefor held by Debtor, 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 and all extensions or renewals thereof, including without limitation any of the foregoing identified on Schedule A hereto and any and all variations thereof (as such schedule may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in the name of Debtor or in the name of Collateral Agent or in the name of Collateral Agent, for the benefit of the Holders, 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 (as defined in the UCC) 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 hereby 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.

(d) Permitted Licensing. Anything in the Security Agreement or this Agreement to the contrary notwithstanding, Debtor may grant (i) non-exclusive licenses of the Trademark Collateral (subject to the security interests of Collateral Agent therein) in the ordinary course of business consistent with past practice, and (ii) exclusive licenses of the Trademark Collateral (subject to the security interests of Collateral Agent therein) to the extent permitted by the Security Agreement.

3. Further Assurances; Appointment of Collateral Agent as Attorney-in-Fact. Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Collateral Agent, for the benefit of the Holders, any and all documents and instruments, in form and substance reasonably satisfactory to Collateral Agent, and take any and all action, which Collateral Agent may reasonably request from time to time, to perfect and continue the perfection or to maintain the priority of, or provide notice of the security interest in the

Trademark Collateral held by Collateral Agent, for the benefit of the Holders, and to accomplish the purposes of this Agreement. If Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Collateral Agent in accordance with the foregoing, Collateral Agent shall have the right, in the name of Debtor, or in the name of Collateral Agent or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Collateral Agent (and any of Collateral Agent's officers or employees or agents designated by Collateral Agent) as Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Debtor on all or any of such documents or instruments and perform all other acts that Collateral Agent, in the exercise of its reasonable discretion, deems necessary or advisable in order to perfect or continue the perfection of, maintain the priority or enforceability of or provide notice of the security interest in the Trademark Collateral held by Collateral Agent, for the benefit of the Holders, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Collateral Agent, in the exercise of its reasonable discretion, may deem necessary or advisable to maintain, preserve and protect the Trademark Collateral, the security interest in the Trademark Collateral held by the Collateral Agent and to accomplish the purposes of this Agreement. 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.

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

(a) No Other Trademarks. Schedule A-1 sets forth, as of the date hereof, a true and correct list of all of the existing Trademarks that are registered and that are owned or held and used by Debtor (the "Registered Trademark Collateral"). Except with respect to any rights and interests Debtor may have pursuant to the license agreement by and between Debtor and Dr. Seuss Enterprises, L.P., dated as of December 15, 1993, as amended (and any sublicense(s) entered into by Debtor in connection therewith), Schedule A-2 sets forth, as of the Eighth Amendment Effective Date, a true and correct list of all pending applications to register trademarks and other common law marks (the "Unregistered Trademark Collateral").

(b) Trademarks Subsisting. With respect to the Registered Trademark Collateral, each of the Trademarks listed in Schedule A-1 is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of Debtor's knowledge, each of the Trademarks is valid and enforceable.

(c) Title. (i) Debtor has rights in the existing Trademark Collateral and good and defensible title to the existing Registered Trademark Collateral, (ii) subject to the License Agreements described below, with respect to the Registered Trademark Collateral shown on Schedule A-1 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 Liens in favor of Collateral Agent and Permitted Liens), and (iii) with respect to any Trademarks for which Debtor is the licensor pursuant to the licensee agreements set forth on Schedule A-3 (the "License Agreements"), each such license agreement is in full force and effect and subject to Debtor's knowledge, Debtor is not in default of any of its material obligations thereunder.



(d) No Infringement. Except as set forth on Schedule A-3 with respect to the License Agreements and Schedule A-4 with respect to threatened disputes and agreements with third parties pertaining to the Trademark Collateral, to the best of Debtor's knowledge, none of the Registered Trademark Collateral is subject to any contract or agreement that would impair or limit the use of the Registered Trademark Collateral by Debtor.

(e) Powers. Debtor has the unqualified right, power and authority to pledge and to grant to Collateral Agent security interests in all of the Registered 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. [Intentionally Omitted]

6. Future Rights. For so long as any of the Obligations shall remain outstanding, or, if earlier, until Collateral Agent 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 reissue, renewal or extension of any Trademarks, the provisions of Section 2 shall automatically apply thereto and Debtor shall give to Collateral Agent prompt notice thereof. Debtor shall do all things reasonably deemed necessary or advisable by Collateral Agent to ensure the validity, perfection, priority and enforceability of the security interests of Collateral Agent in such future acquired Trademark Collateral. If Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Collateral Agent in connection herewith, Debtor hereby authorizes Collateral Agent 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. Duties of Collateral Agent and the Holders. Notwithstanding any provision contained in this Agreement, neither Collateral Agent nor any Holder shall have any 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 Collateral Agent or any Holder hereunder or in connection herewith, neither Collateral Agent nor any Holder shall have any 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 any Transaction Document shall constitute an Event of Default hereunder (an "Event of Default").

9. Remedies. From and after the occurrence and during the continuation of an Event of Default, Collateral Agent shall have all rights and remedies available to it under the Senior Notes, the Security Agreement, the other Transaction Documents, 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 hereby agrees that such rights and remedies include the right of Collateral Agent as a secured party to sell or otherwise dispose of its Collateral after default, pursuant to UCC Section 9610. Debtor hereby agrees that Collateral

Agent 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 Collateral Agent'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 Collateral Agent has a security interest, including Collateral Agent'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, Collateral Agent shall have the right but shall in no way be obligated to bring suit, or to take such other action as Collateral Agent deems necessary or advisable, in the name of Debtor or Collateral Agent, to enforce or protect any of the Trademark Collateral, in which event Debtor shall, at the request of Collateral Agent, do any and all lawful acts and execute any and all documents required by Collateral Agent in aid of such enforcement. To the extent that Collateral Agent shall elect not to bring suit to enforce such Trademark Collateral, upon, during, or after the occurrence of an Event of Default, Debtor agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violations thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by each of Debtor and Collateral Agent, for the benefit of the Holders, and their respective successors and assigns.

11. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Security Agreement.

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

13. Entire Agreement; Amendment. This Agreement, together with the Schedules hereto, contain the entire agreement of the parties with respect to the subject matter hereof and supersede 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 Security Agreement. Notwithstanding the foregoing, Collateral Agent 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. Security Agreement. Debtor acknowledges that the rights and remedies of Collateral Agent, for the benefit of the Holders, with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, and all such rights and remedies are cumulative.

17. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other Transaction 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 Security Agreement, however, the provisions of this Agreement shall govern.

18. Termination. Upon the payment in full of the Obligations, and the full and final termination of any commitment to extend any financial accommodations under the Senior Notes (if any), this Agreement shall terminate, and Collateral Agent 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 interests granted by Debtor to Collateral Agent, for the benefit of the Holders, hereunder.

19. Intercreditor Agreement. The parties hereto acknowledge and agree that Collateral Agent's rights and remedies hereunder are subject to the provisions of the Intercreditor Agreement. In the event of a direct conflict between the terms and provisions of this Agreement and the Intercreditor 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 Intercreditor Agreement shall control and govern.

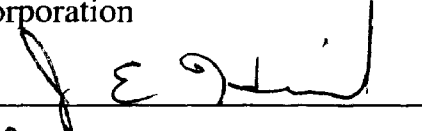
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement,  
as of the date first above written.

“Debtor”

ESPRIT DE CORP.,  
a California corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

  
President

“Collateral Agent”

OAKTREE CAPITAL MANAGEMENT, LLC,  
as Collateral Agent

By: \_\_\_\_\_

Title: \_\_\_\_\_

SCHEDULE A-1  
to the Trademark Security Agreement

Registered Trademark Collateral

1. CAFFE ESPRIT <sup>±</sup>	42 Restaurant services, in Class 42	United States	1,453,688 08/18/87
2. CAFFE ESPRIT (Stylized) <sup>±</sup>	42 Restaurant services, in Class 42	United States	1,526,188 02/21/89
3. E (Stylized)	25 Women's wearing apparel, namely, pants, dresses, skirts and shirts, in Class 25	United States	1,190,078 02/16/82
4. ESPRIT <sup>*</sup>	3 Perfume and toilet water, in Class 3	United States	817,950 11/01/66
5. ESPRIT <sup>*</sup>	3 Cologne and toilet soap, in Class 3	United States	1,341,934 06/18/85
6. ESPRIT <sup>*</sup>	9 Sunglasses, in Class 9	United States	1,342,393 06/18/85

<sup>±</sup>Each Debtor makes no representation or warranty regarding such Debtor's sole or exclusive ownership of, or regarding such Debtor's sole or exclusive right to use, the mark contained in this registration.

<sup>\*</sup> The products on which the mark contained in this registration appears are products made by or on behalf of Esprit International. Consequently, each Debtor makes no representation or warranty regarding such Debtor's sole or exclusive ownership of, or such Debtor's sole or exclusive right to use, the mark contained in this registration.

7. ESPRIT <sup>±</sup>	11, 12, 20 Electric lighting fixtures, in Class 11; shopping carts, in Class 12; mannequins, desks, picture frames, stools, tables, chairs, shelving units and racks, in Class 20	United States	1,525,487 02/21/89
8. ESPRIT <sup>*</sup>	14 Watches, in Class 14	United States	1,056,960 01/25/77
9. ESPRIT <sup>*</sup>	14 Jewelry, in Class 14	United States	1,340,608 06/11/85
10. ESPRIT	18 Purses and handbags, in Class 18	United States	1,559,014 10/03/89
11. ESPRIT <sup>±</sup>	21 Beverageware, namely, plastic travel tumblers with screw-on covers and insulation for keeping liquids hot distributed through applicant's stores and applicant's promotional campaigns, in class 21	United States	1,791,665 09/07/93
12. ESPRIT	25 Belts, scarves, hats, socks, tights, leggings, sweatshirts, sweatpants, vests and coats, in Class 25	United States	1,480,858 03/15/88
13. ESPRIT	25 Women's shoes, in Class 25	United States	765,974 03/03/64

14. ESPRIT	42 Retail store services for clothing, clothing accessories, bedding, eyewear, jewelry, watches, books, stationery items, bags, shoes and socks, in Class 42	United States	1,709,010 08/18/92
15. ESPRIT (Stylized)*	3 Cologne and toilet soap, in Class 3	United States	1,341,933 06/18/85
16. ESPRIT (Stylized)*	9 Sunglasses, in Class 9	United States	1,287,788 07/31/84
17. ESPRIT (Stylized)	11, 12, 20 Electric lighting fixtures, in Class 11; shopping carts, in Class 12; mannequins, desks, picture frames, stools, tables, chairs, shelving units and racks, in Class 20	United States	1,524,372 02/14/89
18. ESPRIT (Stylized)*	14 Watches, in Class 14	United States	1,898,850 06/13/95
19. ESPRIT (Stylized)	18 Purses, handbags, tote bags, backpacks, wallets, messenger bags, key cases, hip packs, bookbags, cosmetic cases sold empty, and carry-on bags, in Class 18	United States	1,673,462 01/28/92

20. ESPRIT (Stylized)	25 Women's wearing apparel, namely, blouses, knit tops, halter, t-shirts, smock tops, sweaters, jackets, pants and skirts, and men's wearing apparel, namely, t-shirts, in Class 25	United States	1,401,275 07/15/86
21. ESPRIT (Stylized)	25 Belts, scarves, hats, socks, tights, leggings, sweatshirts, sweatpants, vests and coats, in Class 25	United States	1,481,649 03/22/88
22. ESPRIT (Stylized)	25 Shoes, slippers, boots, sneakers, athletic shoes, hosiery, socks, tights, leggings, leotards, gloves, hats, scarves, belts, vests, dresses, coats, mufflers, stockings, pajamas, panties, underwear, headbands, shorts, jogging suits, sweatshirts, sweat pants, ski jackets, ski pants, raincoats, robes, nightgowns and swimwear, in Class 25	United States	1,485,327 04/19/88
23. ESPRIT (Stylized)	42 Outlet services in the field of clothing, in Class 42	United States	1,408,003 09/02/86



24. ESPRIT BASIX and Design	25 Women's and children's clothing, namely, sweaters, sweater vests, cardigans, shirts, t-shirts, tank tops, sweatshirts, polo shirts, pants, shorts, dresses and skirts, in Class 25	United States	1,670,308 12/31/91
25. ESPRIT DE CORP. (Stylized)	25 Shoes, in Class 25	United States	1,419,245 12/02/86
26. ESPRIT DE CORP.	25 Women's wearing apparel, namely, blouses, knit tops, halter, t-shirts, smock tops, sweaters, jackets, pants and skirts, in Class 25	United States	1,163,810 08/04/81
27. ESPRIT/KIDS	25 Pants, overalls, skirts, shorts, jackets, sweaters, blouses, vests, sweat pants, shirts, leotards, hats, dresses, in Class 25	United States	1,440,613 05/26/87
28. ESPRIT/KIDS (Stylized)	25 Pants, overalls, skirts, shorts, jackets, sweaters, blouses, vests, sweat pants, shirts, leotards, hats, dresses, in Class 25	United States	1,445,156 06/30/87
29. ESPRIT SAN FRANCISCO CALIFORNIA USA SINCE 1969 and Design <sup>±</sup>	18, 25 Handbags, in Class 18; t-shirts, in Class 25	United States	1,769,033 05/04/93

30. ESPRIT WORLDWIDE <sup>±</sup>	9, 18 Cases for LP records, in Class 9; purses, handbags, tote bags, backpacks, cosmetic cases sold empty, key cases, wallets and coin purses, in Class 18	United States	2,415,422 12/26/00
31. WWW.ESPRIT.CO M	25 Clothing, namely, t-shirts, in Class 25	United States	2,334,789 03/28/00
32. WWW.ESPRIT.CO M	35 Online retail store services and online ordering services featuring clothing and clothing accessories, in Class 35	United States	2,470,108 07/17/001
33. ESPRIT (Stylized)*	9 (US 26) Sunglasses and spectacles, and frames and cases therefor, in Class 9	Puerto Rico	27335-A 08/18/86

34. ESPRIT DE CORP. (Stylized)	25 (US 39) Women's and girls' wearing apparel, namely, blouses, knit tops, halters, t-shirts, smock tops, sweaters, jackets, pants, skirts, shorts, belts, play suits, pedal pushers, jeans, swat shirts, sweat pants, caps, hats, overalls, sweater dresses, jumpsuits, camisole tops, swimming suits, leotards, and men's and boys' wearing apparel, namely, sweater pants, sweat shirts and t-shirts, in Class 25	Puerto Rico	7397 02/27/89
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SCHEDULE A-2  
to the Trademark Security Agreement

Unregistered Trademark Collateral

1. Pending Applications to Register Trademarks and Service Marks.

a. "Use" Applications.

MARK	CLASS GOODS/SERVICES	JURISDICTION	APP. NO. APP. DATE
ESPRIT BEACH	25 Swimwear—namely, bathing suits and bathing-suit cover-ups, in Class 25	United States	76/265,408 06/01/01

b. "Intent to Use" Applications.

MARK	CLASS GOODS/SERVICES	JURISDICTION	APP. NO. APP. DATE
E <sup>2</sup> and Design	18, 25 Bags, handbags, small leather articles, namely, key cases, coin purses, wallets, tri-folds, clutches, checkbook covers, photo wallets, credit card cases, bags for cosmetics sold empty; accessories, namely, purses, shoulder bags, satchels, totes, backpacks, hip packs, book bags, carry-on bags and slings, in Class 18; footwear, socks, clothing belts, accessories, namely, tights, leggings, gloves, mufflers, scarves and hats, in Class 25	United States	75/435,730 02/17/98 ITU
ESPRIT (Stylized)	3, 4 Perfume, cologne, hand and body lotions, body powder, skin and toilet soaps, bath gels, hair shampoo, home fragrances, namely, room sprays used to scent a home, in Class 3; scented candles, in Class 4	United States	75/302,661 06/03/97 ITU

MARK	CLASS GOODS/SERVICES	JURISDICTION	APP. NO. APP. DATE
ESPRIT WORLDWIDE and Design (center globe)	16 Personal organizers, in Class 16	United States	75/772,318 08/10/99 ITU
LIFEWARE	18, 24 Tote bags, in Class 18; bath towel sets, fabric bath mats, table cloths not of paper, table linens, textile napkins and bed blankets, in Class 24	United States	75/427,130 02/02/98 (Parent app) ITU

2. Other Common Law Marks.

ESPRIT

ESPRIT DE CORP. (Stylized)

ESPRIT DE CORP. SINCE 1969 EDC GROUP SAN FRANCISCO

ESPRIT (stylized—claim of color red)

ESPRIT DE CORP. (stylized—claim of color red)

SCHEDULE A-3  
to the Trademark Security Agreement

License Agreements

- 1) Amended and Restated License Agreement made as of July 1, 1988, by and between Esprit de Corp., a California corporation (as Licensor) and Esprit International, a California limited partnership (as Licensee).
- 2) License Agreement dated as of November 1, 1997 by and between Esprit de Corp. and Beach Patrol Inc., as amended.
- 3) License Agreement entered into effective as of June 5, 2001 by and between Esprit de Corp. and Backflips, Inc.
- 4) License Agreement between Esprit de Corp. and The Levy Group, Inc. effective as of July 3, 2001.
- 5) License Agreement entered into effective as of June 28, 2001 by and between Esprit de Corp. and Carole Hochman Designs, Inc. (for Girls)
- 6) License Agreement entered into effective as of June 28, 2001 by and between Esprit de Corp. and Carole Hochman Designs, Inc. (for Women)
- 7) License Agreement effective as of March 1, 2001 by and between Esprit de Corp. and Midwest Apparel Group, Inc., as amended.
- 8) License Agreement between Esprit de Corp. as Licensor and Vida Shoes International, Inc. as Licensee October 1, 2000.
- 9) El Mundo License Agreements:
  - (a) Unit Agreement dated May 1, 1998 by and between Esprit de Corp. and World's Inc. (Agana Shopping Center, Agana, Guam)
  - (b) Unit Agreement dated May 1, 1998 by and between Esprit de Corp. and World's Inc. (Micronesia Mall, Dededo, Guam)
- 10) Sporto License Agreements:

Development Agreement, as amended, dated May 1986 by and between Esprit de Corp. and Sporto, Inc. and the corresponding Unit Agreements for the store locations in the following shopping centers in Puerto Rico:

- (a) Plaza Las Americas
- (b) Plaza Del Caribe
- (c) San Patricio Plaza
- (d) Montehiedra Town Center

SCHEDULE A-4  
to the Trademark Security Agreement

Threatened Disputes and Agreements with Third Parties

1. Fragrance International. On February 5, 2002, Debtor received a telephone call from Mr. Brad Levy, owner of Fragrance International. Fragrance International manufactures and distributes a fragrance bearing the name "Kiss & Tell." Mr. Levy alleged that Esprit's t-shirt (style #5133316), which contains the words "Kiss and Tell," infringed on his trademark rights.

2. Agreements With Third Parties.

a. Letter Agreement between Esprit de Corp. and Esprit de Corps for Hair, Inc., dated October 21, 1999.

b. Letter Agreement between Esprit de Corp. and Esprit De Corps Riding Academy, undated.

c. Letter Agreement between Esprit de Corp. and Tropitone Furniture Co., Inc., undated, together with Settlement Agreement between Esprit de Corp. and Tropitone Furniture Co., Inc., dated February 25, 2000.

d. Co-Existence Agreement between Esprit de Corp. and Bull, S.A., dated September 24, 1991.

e. Letter Agreement between Esprit de Corp. and Spectrian Corporation, dated June 8, 1998.

f. Letter Agreement between Esprit de Corp. and Ben Berger & Son d/b/a Ben Berger, dated December 14, 1995.

g. Letter Agreement between Esprit de Corp. and E. Remy Martin & Co., S.A. dated \_\_\_ day of \_\_\_, 1994.

h. Letter Agreement between Esprit de Corp. and Esprit "The Ultimate" Ski & Sports Club, Inc., dated March 31, 2000.

i. Letter Agreement between Esprit de Corp. and William G. Currier and Esprit Libre, dated June 27, 1999.

j. Agreement between Esprit de Corp. and UFO Contemporary, Inc., dated April 7, 1992.

k. Agreement between Esprit de Corp. and Technical Concepts L.P. , dated April 1, 1998.