

6-13-03

RECORD
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06-19-2003



DEPARTMENT OF COMMERCE
S. Patent and Trademark Office

102477407

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

1. Name of conveying party(ies):

Fila U.S.A., Inc.

- 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: 6/10/03

2. Name and address of receiving party(ies)

Name: Madeleine L.L.C., as collateral agent
Internal (Fila Luxembourg as Borrower)
Address: _____

Street Address: 450 Park Avenue, 28th Floor

City: New York State: NY Zip: 10022

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

Other New York limited liability company

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 2,096,149

Additional number(s) attached Yes No

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

Name: Josh S. Ridout, Esq.

Internal Address: _____

Paul, Hastings, Janofsky & Walker LLP

Street Address: 515 S. Flower St., 25th Floor

City: Los Angeles State: CA Zip: 90071-2228

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

16-0752

DO NOT USE THIS SPACE

9. Signature.

Josh S. Ridout
Name of Person Signing

Signature

June 13 2003
Date

Total number of pages including cover sheet, attachments, and document: 19

06/18/2003 6T011 00000150 2096149

01 FC:8521

40.00 OP

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

TRADEMARK
REEL: 002758 FRAME: 0403

TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of June 10, 2003, is made by and between **FILA U.S.A., INC.**, a Delaware corporation ("Debtor"), in favor of **MADELEINE L.L.C.**, a New York limited liability company ("Madeleine"), as the collateral agent for the below defined Lender Group (in such capacity, together with its successors, if any, in such capacity, "Collateral Agent"), with reference to the following:

RECITALS

WHEREAS, Fila Luxembourg Sàrl, a Luxembourg public limited company ("Borrower"), Enyce Holding LLC, a Delaware limited liability company ("Enyce Holdco"), Debtor, Enyce, L.L.C., a Delaware limited liability company ("Enyce"), Fila Trading, Inc., a Delaware corporation ("Fila Trading"), Brandon One Equipment, LLC, a Delaware limited liability company ("Brandon"), and Fila Canada Inc., an Ontario Corporation ("Fila Canada") (Enyce Holdco, Debtor, Enyce, Fila Trading, Fila Luxembourg, Brandon, and Fila Canada, each a "Guarantor" and collectively, jointly and severally, the "Guarantors"), the below defined Lenders, Madeleine, as administrative agent for the below defined Lender Group (in such capacity, together with its successors, if any, in such capacity, "Administrative Agent"), and Collateral Agent have entered into that certain Financing Agreement, dated as of June 10, 2003 (as amended, restated, supplemented or otherwise modified from time to time, the "Financing Agreement"), pursuant to which the below defined Lender Group has agreed to make certain financial accommodations to Borrower;

WHEREAS, Debtor has executed and delivered to Collateral Agent that certain Security Agreement, dated as of June 10, 2003 (the "Security Agreement"), pursuant to which Debtor has granted to Collateral Agent, for the benefit of the below defined Lender Group, security interests in (among other things) all or substantially all of Debtor's general intangibles; and

WHEREAS, pursuant to the below defined Loan Documents, and as one of the conditions precedent to the obligations of the below defined Lenders under the Financing Agreement, Debtor has agreed to execute and deliver this Agreement to Collateral Agent for filing with the below defined PTO and with any other relevant recording systems in any jurisdiction, and as further evidence of and to effectuate Collateral Agent's existing security interests in the below defined Trademark Collateral.

AGREEMENT

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. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Financing Agreement. As used in this Agreement, the following terms shall have the following meanings:

“Administrative Agent” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Agreement” shall have the meaning ascribed to such term in the preamble of this Agreement.

“Bankruptcy Code” shall mean the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended, and any successor statute.

“Borrower” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Collateral Agent” shall have the meaning ascribed to such term in the preamble to this Agreement.

“Debtor” shall have the meaning ascribed to such term in the preamble to this Agreement.

“Event of Default” means any Event of Default under the Financing Agreement.

“Financing Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Guarantor” and “Guarantors” shall have the meanings ascribed to such terms in the recitals to this Agreement.

“Lender Group” shall mean collectively the Lenders, Administrative Agent and Collateral Agent.

“Lenders” shall mean, individually and collectively, each of the lenders identified on the signature pages of the Financing Agreement, and any other Person made a party thereto in accordance with the provisions of Section 12.07 thereof (together with their respective successors and assigns).

“Loan Documents” shall have the meaning ascribed to such term in the Financing Agreement.

“Madeleine” shall have the meaning ascribed to such term in the preamble to this Agreement.

“Proceeds” shall mean 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 such term is defined in the UCC, 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 or infringement of rights in any Trademark Collateral by any Person.

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

“Secured Obligations” shall mean the Obligations (as defined under the Financing Agreement) and all other indebtedness and liabilities, obligations, or undertakings of any kind or description of Debtor to Collateral Agent, Administrative Agent, or any Lender arising out of, outstanding under, advanced or issued pursuant to, evidenced by, or in connection with the Financing Agreement, the Security Agreement, this Agreement, or any other Loan Document, including, without limitation, all unpaid principal, interest, fees, indemnification payments, expense reimbursements, and all other amounts payable thereunder or in connection therewith, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and including without limitation interest, fees, and other such amounts, which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such interest, fees, and other amounts are allowed or allowable in whole or in part in any such Insolvency Proceeding.

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

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

“Trademarks” shall have the meaning set forth in Section 2.

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

“United States” and “U.S.” shall each mean the United States of America, including all territories thereof and all protectorates thereof.

(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) Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any

pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. References in this Agreement to "determination" by any Agent include estimates by such Agent (in the case of quantitative determinations) and beliefs by such Agent (in the case of qualitative determinations). Any reference in this Agreement or in any of the other Loan Documents to this Agreement or any of the other Loan Documents shall include all alterations, amendments, restatements, changes, extensions, modifications, renewals, replacements, substitutions, and supplements, thereto and thereof, as applicable. In the event of a direct conflict between the terms and provisions of this Agreement and the Financing Agreement, or between the terms and provisions of this Agreement and the Security Agreement, it is the intention of the parties hereto that 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 between this Agreement and the Financing Agreement that cannot be resolved as aforesaid, the terms and provisions of the Financing Agreement shall control and govern. In the event of any actual, irreconcilable conflict between this Agreement and the Security Agreement 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 Lender Group (whether under federal law or applicable New York law), in each case in respect of the Trademark Collateral, shall not be deemed a conflict with the Financing Agreement or the Security Agreement.

2. Security Interest.

(a) Assignment and Grant of Security in respect of the Secured Obligations. To secure the prompt payment and performance of the Secured Obligations, Debtor hereby grants, assigns, transfers and conveys to Collateral Agent, for the benefit of the Lender Group, 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 or in which Debtor now has or hereafter acquires or develops an interest and wherever the same may be located 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, 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 or with any other Governmental Authority anywhere in the world, any State of the United States or in any other country or jurisdiction in the world (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 the equivalent) for such trademark or service mark) 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 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 Debtor's name or in the name of Collateral Agent or in the name of Collateral Agent for the benefit of the Lender Group 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 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 17.

(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) Licenses. Debtor may grant licenses of the Trademark Collateral in accordance with the terms of the Loan Documents or as otherwise agreed to by Collateral Agent in writing.

(e) Excluded Collateral. Anything contained in this Agreement to the contrary notwithstanding, the term "Trademark Collateral" shall not include any rights or interests in any contract, permit, license, charter or license agreement covering personal property that are now or hereafter held by Debtor in the event that: (a) as a result of the grant of a security interest therein, Debtor's rights in or with respect to such asset would be forfeited or Debtor would be deemed to have breached or defaulted under the applicable agreement that governs such asset pursuant to restrictions contained in the applicable agreement or implied in such

agreement by applicable law; and (b) any such restriction is effective and enforceable under applicable law (including, without limitation, Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction); provided, however, that in no event shall the foregoing be construed to exclude from the security interest created by this Agreement: (X) any and all proceeds of such assets, or (Y) such assets at any time that the restrictions in the agreement are no longer effective and enforceable or at any time that the consent of the other party to the agreement is obtained to the grant of a security interest in and to such asset in favor of Collateral Agent.

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 any and all documents and instruments, in form and substance reasonably satisfactory to Collateral Agent, in its discretion, and take any and all action, which Collateral Agent may 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 Lender Group or to otherwise 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 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 Lender Group, 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 may deem necessary or advisable to maintain, preserve and protect the Trademark Collateral and to accomplish the purposes of this Agreement, including (A) upon 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) upon the occurrence and during the continuation of any Event of Default, to assert or retain any rights under any license agreement for any of the Trademark Collateral, including any rights of Debtor arising under Section 365(n) of the Bankruptcy Code, and (C) upon the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Collateral Agent to use the Trademark Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Trademark Collateral, and to assign, convey or otherwise transfer title in or dispose of the Trademark Collateral. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, and Debtor agrees to reimburse such attorney or Collateral Agent, as applicable, in full upon demand for all expenses, including reasonable attorney's fees, incurred by such attorney or Collateral Agent in relation hereto. 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 17.

4. Representations and Warranties. Debtor represents and warrants to each member of the Lender Group as follows:

(a) True and Complete List; No Other Trademarks. Set forth on Schedule A is a true and complete list of all of Debtor's existing 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. jurisdiction, and that are owned or held (whether pursuant to a license or otherwise) by Debtor.

(b) Validity. Each of Debtor's 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 set forth on Schedule A is valid and enforceable.

(c) Ownership of Trademark Collateral; No Violation. (i) Debtor has rights in and good and defensible title to the Trademark Collateral (other than Trademarks for which Debtor is the licensee), (ii) Debtor has the right to use the Trademarks for which Debtor is the licensee, (iii) Debtor is the sole and exclusive owner of the Trademark Collateral, free and clear of any Liens and rights of others (other than interests created hereunder and other than Permitted Liens), including licenses, registered user agreements and covenants by Debtor not to sue third persons (in each case, except as disclosed in writing to Collateral Agent prior to the date hereof), and (iv) except as set forth on Schedule 4(c) of this Agreement, with respect to any Trademarks for which Debtor is either a licensor or a licensee pursuant to a license or licensing agreement regarding such Trademark, each such license or licensing agreement is in full force and effect, Debtor is not in material default of any of its obligations thereunder and, (A) other than the parties to such licenses or licensing agreements, or (B) in the case of any non-exclusive license or license agreement entered into by Debtor or any such licensor regarding such Trademark, the parties to any other such non-exclusive licenses or license agreements entered into by Debtor or any such licensor with any other Person, no other Person has any rights in or to any of the Trademark Collateral.

(d) No Infringement; No Violation. To the Debtor's knowledge, (i) no material infringement or unauthorized use presently is being made of any of Trademark Collateral by any Person, (ii) the past (except as set forth on Schedule 6.01(f) to the Financing Agreement or Schedule 4(d) of this Agreement), 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 arrangement of or with any other Person or give such Person the right to terminate any such license arrangement, and (iii) the execution, delivery and performance by Debtor of this Agreement do not violate any provision of law or the governing documents of Debtor or result in a breach of or constitute a default under any contract, obligation, indenture or other instrument to which Debtor is a party or by which Debtor may be bound.

(e) Powers. Debtor has the unqualified right, power and authority to pledge and to grant to Collateral Agent security interests in 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:

(a) comply with all of the covenants, terms and provisions of this Agreement, the Financing Agreement and the other Loan Documents to which Debtor is a party;

(b) promptly give Collateral Agent written notice of the occurrence of any event that could reasonably be expected to 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;

(c) on a continuing basis, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, including appropriate financing and continuation statements and security agreements, and take all such action as may be necessary or advisable or may be reasonably requested by Collateral Agent, in its discretion, to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interests granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to the Trademark Collateral. Without limiting the generality of the foregoing sentence, Debtor:

(i) hereby authorizes Collateral Agent, in its discretion, 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, to modify this Agreement without first obtaining Debtor's approval of or signature to such modification by amending Schedule A hereof to include a reference to any right, title or interest in any existing Trademark Collateral or Trademark Collateral acquired or developed by Debtor after the execution hereof, or to delete any reference to any right, title or interest in any Trademark Collateral in which Debtor no longer has or claims any right, title or interest; and

(ii) hereby authorizes Collateral Agent, in its discretion, to file one or more financing or continuation statements, if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any such amendment thereto it is requested to execute and deliver by Collateral Agent, and any amendments thereto, relative to all or any portion of the Trademark Collateral, without the signature of Debtor where permitted by law;

(d) comply, in all material respects, with all applicable statutory and regulatory requirements in connection with any and all of the Trademark Collateral, the failure to comply with which could reasonably be expected to have a Material Adverse Effect, and give such notice of trademark, prosecute such material claims, and do all other acts and take all other measures which, in Debtor's reasonable business judgment, may be necessary or desirable to preserve, protect and maintain the Trademark Collateral and all of Debtor's rights therein;

(e) comply with each of the terms and provisions of this Agreement and the Financing Agreement, and not enter into any agreement (for example, a license agreement) which is inconsistent with the obligations of Debtor under this Agreement or the Financing Agreement without Collateral Agent's prior written consent; and

(f) not permit the inclusion in any contract to which Debtor becomes a party of any provision that could reasonably be expected to impair or prevent the creation of a

security interest in favor of Collateral Agent, for the benefit of the Lender Group, in Debtor's rights and interest in any property included within the definition of Trademark Collateral acquired under such contracts.

6. Future Rights. If and when Debtor shall obtain rights to any new Trademarks, or any reissue, renewal or extension of any Trademarks, the provisions of this Agreement shall automatically apply thereto and Debtor shall give to Collateral Agent prompt notice thereof in accordance with Section 12.01 of the Financing Agreement. Debtor shall do all things deemed necessary by Collateral Agent in its discretion to ensure the validity, perfection, priority and enforceability of the security interests of Collateral Agent in such future acquired Trademark Collateral. 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 Lender Group. Notwithstanding any provision contained in this Agreement, neither Collateral Agent nor any member of the Lender Group 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 other member of the Lender Group hereunder or in connection herewith, neither Collateral Agent nor any member of the Lender Group 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 the Financing Agreement shall constitute an Event of Default hereunder.

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 Financing Agreement and the other Loan Documents and applicable law (which rights and remedies are cumulative) with respect to its 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 the UCC. 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 asset of Debtor in which Collateral Agent has a security interest, including Collateral Agent's rights to sell or license general intangibles, 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, Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its diligent efforts, 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 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 Debtor and Collateral Agent for the benefit of the Lender Group 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 Financing 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 the 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 and the other Loan Documents, together with the Schedules hereto and thereto, contains 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 to this Agreement. Notwithstanding the foregoing, Collateral Agent may reexecute this Agreement or modify, amend or supplement the Schedules hereto as expressly provided herein, and the terms of any such modification, amendment, supplement or supplemental Trademark Security Agreement shall be deemed to be incorporated herein by this reference.

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. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

16. Security Agreement. Debtor acknowledges that the rights and remedies of Collateral Agent 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 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.

18. Termination. Upon the payment and performance in full in cash of the Secured Obligations and the full and final termination of any commitment to extend any financial accommodations under the Financing Agreement, this Agreement and the security interests granted hereunder 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 interest granted by Debtor to Collateral Agent for the benefit of the Lender Group hereunder.

[Signature page follows]

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

FILA U.S.A., INC.

By: 

Name: _____

Title: _____

[SIGNATURE PAGE TO FILA USA EUROPEAN FACILITY TRADEMARK SECURITY AGREEMENT]

MADELEINE L.L.C.,
as Collateral Agent

By: _____
Name: Kevin Gonda
Title: Chief credit officer

[SIGNATURE PAGE TO FILA USA EUROPEAN FACILITY TRADEMARK SECURITY AGREEMENT]

SCHEDULE A

To the Fila USA Trademark Security Agreement
Trademarks of Debtor

1. Trademarks

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiration Date</u>
TWENTY FOUR 7	32664	9/16/1993	9/16/2003
Miscellaneous Design (Stackhouse Shoe Upper)	52831	6/25/1996	6/25/2006
Miscellaneous Design (Stackhouse Shoe Upper)	28384	8/2/1996	8/2/2006
PAINGAIN	2096149	9/9/97	9/9/07

2. Domain Names

Domain name	Country	Expiring date
Fila-usa.com	USA	Dec. 28, 2005
Fila.com	USA	Apr. 13, 2008
Fila2biz.com	USA	Oct. 25, 2003
Filafamily.com	USA	July15, 2003
Filafan.com	USA	July 15, 2008
Filanet.net	USA	Oct. 11, 2006
Filarunning.com	USA	Nov.14, 2003
Filaspecialty.com	USA	Oct. 04, 2003
Filaspecialtystores.com	USA	Oct. 04, 2003
Filastore.com	USA	Nov. 18, 2008
Filatennis.com	USA	Nov. 10, 2008
Filatobiz.com	USA	Oct.18, 2003
Filausa.com	USA	Aug.10, 2005
Filausa.net	USA	Aug. 10, 2005
Enyce.com	USA	Oct. 08, 2005
Enyce.info	USA	Nov. 29, 2003
Enyce.biz	USA	Dec. 13, 2003
Ladyenyce.com	USA	Oct. 03, 2003
Sportbrandsinternational.com	USA	March 11, 2008
Sportsbrandsinternational.com	USA	March 11, 2008

SCHEDULE B

To the Fila USA Trademark Security Agreement
Excluded Collateral

None

SCHEDULE 4(c)

Breaches of License Agreements

Schedule - Fila USA, Inc. Grant Hill Agreement		
FILA'S ENGAGEMENT	DUE DATE	COMMENTS
manufacture, market and sell at all times . . . a line of Hill Products . . . that shall include basketball shoes and apparel bearing . . . (3A)	"at all times during the term"	not exactly fulfilled
the above products to be developed in consultation with Hill etc. (3A)	"at all times during the term"	see above
Registering copyrights, trademarks and service marks in the name of Hill (4F)	during the agreement	not done
Consult with Hill on timing to launch the Hill Signature Shoe, the pricing of HSS (5A)	during the agreement	not exactly fulfilled
Meet representatives designated by Hill to discuss all aspects of the Hill Endorsement (SB)	every four months	see above
Sports and Athlete Committee: establish it. Appoint Hill as Chairman (6)	"as soon as possible"	not done
Design consultation, research and development (13)	during the agreement	not exactly fulfilled
Prominently feature Hill in advertising campaigns in all countries in which Fila products are sold (15Bi)	during the agreement	not done
Prominently feature Hill in the promotion, advertising, marketing, sale and distribution of Fila products in Fila catalogues, and Fila point of sales, advertisements and promotional materials in all countries in which Fila products are sold (15Bii)	during the agreement	not done
Minimum annual expenditures – marketing commitments	yearly	not done
Certification of the	at the end of each year or	not done

expenditures (15C)	partial year	
agreement on the increase of the marketing expenditures, in case Fila loses NBA Uniform rights (15C)	when losing NBA uniform rights	not done
to continuously market, promote, and use . . . Hill products . . . in order to firmly associate Hill with the Hill products and his endorsement of Fila products (15D)	during the agreement	not done
to undertake . . . significant advertising campaigns . . . to promote . . . Hill products in international markets (15D) [material breach]	during the agreement	not done
cross promotion (16A)	each contract year	not done
premium items (16B)	each contract year	not done
"Hill shall be Fila's preeminent athlete endorser worldwide and Fila shall promote and market Hill more than any other athlete endorsing Fila products" (17B(iv))	"throughout the term"	not done

Fila USA, Inc. – JELENA DOKIC

"During the Term, FILA shall design, manufacture, promote and distribute quality FILA products (or designate certain items of its existing ladies tennis collection of FILA products), including tennis apparel, ladies tennis shoes, . . . for the above mentioned right granted to FILA by PLAYER commencing with the sale of FILA's fall 2000 tennis collection, FILA will pay a royalty of 5% . . ." (art. 3 of the Fila USA-Jelena Dokic agreement of May 4, 1999)	During the Term (May 1, 1999 – December 31, 2003)	The payments were conceived and the related royalty was paid, solely in the last part of the duration of the agreement, and not at its beginning
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SCHEDULE 4(d)

To the Fila Luxembourg Sarl Trademark Security Agreement
Trademark Opposition Proceedings in which Fila Luxembourg Sarl is the Defendant

Parties	Nature of Action	Court	Value	Status	Date of commencement
1. Fila Luxembourg Sarl (as successor to Fila Sport S.p.A.) (applicant) Oficina de Patentes y Marcas (opponent)	opposition to trademark Ski Runner e Runner no. 615211 cl.25	Trademark Office Spain	Indef	Application refused	January 7, 2002
2. Fila Luxembourg Sarl (as successor to Fila Sport S.p.A.) (applicant) Teclapharm Gmbh (opponent)	opposition to trademark F Fila N.56945 cl.3	Trademark Office Holland	Indef	pending	November 8, 2002