

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Wal-Mart Stores, Inc.		12/03/2003	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Authentic Fitness Corporation
Street Address:	6040 Bandini Boulevard
City:	Commerce
State/Country:	CALIFORNIA
Postal Code:	90040
Entity Type:	CORPORATION: DELAWARE

Name:	Authentic Fitness Products, Inc.
Street Address:	6040 Bandini Boulevard
City:	Commerce
State/Country:	CALIFORNIA
Postal Code:	90040
Entity Type:	CORPORATION: DELAWARE

Name:	Warnaco Inc.
Street Address:	501 Seventh Avenue
Internal Address:	11th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10018
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 27

Property Type	Number	Word Mark
Registration Number:	676045	HIRSCH WEIS
Registration Number:	851101	

CH \$690.00 676045

Registration Number:	1067692	
Registration Number:	1066752	STAG
Registration Number:	1292406	STAG
Registration Number:	1290203	STAGSPORT
Registration Number:	1014747	STAGSUITS
Registration Number:	615653	WHITE STAG
Registration Number:	369881	WHITE STAG
Registration Number:	2045637	WHITE STAG
Registration Number:	599396	WHITE STAG
Registration Number:	1135761	WHITE STAG
Registration Number:	2035123	WHITE STAG
Registration Number:	2033539	WHITE STAG
Registration Number:	2247898	WHITE STAG
Registration Number:	1855254	WHITE STAG
Registration Number:	2260679	WHITE STAG
Registration Number:	1831767	WHITE STAG
Registration Number:	2260658	WHITE STAG
Registration Number:	2177072	WHITE STAG
Registration Number:	1828922	WHITE STAG
Registration Number:	1955215	WHITE STAG
Registration Number:	838880	WHITE STAG
Serial Number:	78162442	STAG STRETCH
Serial Number:	75849059	WHITE STAG
Serial Number:	78334404	
Serial Number:	76382057	WHITE STAG

**CORRESPONDENCE DATA**

Fax Number: (212)894-5765  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: 212-940-6365  
Email: bret.danow@kmzr.com  
Correspondent Name: Bret J. Danow  
Address Line 1: 575 Madison Avenue  
Address Line 4: New York, NEW YORK 10022-2585

ATTORNEY DOCKET NUMBER:	100135-01073
NAME OF SUBMITTER:	Bret J. Danow

**Total Attachments: 9**

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**SECURITY AGREEMENT**

**THIS SECURITY AGREEMENT** (this “**Agreement**”) is made and entered into effective as of December 3, 2003, (the “**Effective Date**”), and is by and among, on the one hand, Authentic Fitness Corporation and Authentic Fitness Products, Inc., corporations organized and existing under the laws of the State of Delaware, having offices and places of business at 6040 Bandini Boulevard, Commerce, California 90040 (collectively, “**AFC**”), and Warnaco Inc., a Delaware corporation with its principal place of business at 501 Seventh Avenue, 11<sup>th</sup> Floor, New York, New York, 10018 and (“**Warnaco**,” and together with AFC, “**Seller**”), as secured party, and, on the other hand, Wal-Mart Stores, Inc., a Delaware corporation with its principal place of business at 702 S.W. 8th Street, Bentonville, Arkansas 72716 (“**Wal-Mart**”), as debtor.

**WITNESSETH:**

**WHEREAS**, Seller and Wal-Mart entered into a Trademark Purchase and Design Services Agreement effective as of December 3, 2003 (the “**Main Agreement**”); and

**WHEREAS**, the Main Agreement provides that Wal-Mart grants a security interest in certain trademarks and domain names to Seller to secure the payment of the Purchase Price by Wal-Mart to Seller as more fully described in the Main Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Wal-Mart and Seller, intending to be legally bound, hereby agree as follows.

**1. Definitions.**

(a) Capitalized terms used in this Agreement shall have the meanings ascribed thereto in the Main Agreement unless a different meaning is provided herein. The terms of the Main Agreement are incorporated herein by reference. The above recitals are incorporated herein.

(b) “**Trademark Collateral**” shall mean those domain names and United States and Canadian trademark applications and registrations and domain names set forth on Schedule A, which is attached hereto and incorporated by reference.

(c) “**UCC**” means the Uniform Commercial Code, as adopted and enacted and as in effect from time to time in the State of New York. Terms used herein which are defined in the UCC and not otherwise defined herein shall have the respective meanings ascribed to such terms in the UCC.

**2. Grant of Security Interest.** To secure the payment of the Purchase Price in accordance with the Main Agreement, Wal-Mart, as debtor, hereby assigns and grants to Seller, as secured party, a first priority or superior lien on and security interest in the Trademark

Collateral. Notwithstanding anything contained in this Agreement to the contrary, the lien granted in this Agreement is subordinate in terms of priority, security, and payment to any prior, first-priority, or superior (including through perfection, operation of law and/or contract) liens, encumbrances or security interests of any sort in and to any of the Trademark Collateral in accordance with the terms and conditions of the Main Agreement.

**3. Retention of Rights.** Unless and until there shall have occurred an uncured Event of Default as set forth in Paragraph 6 below, Wal-Mart shall retain the legal and equitable title to the Trademark Collateral and shall have all rights to use, assign or otherwise deal in any fashion with the Trademark Collateral, subject to the terms and conditions of the Main Agreement.

**4. Recordation and Maintenance of Trademark Collateral.**

(a) Upon the Effective Date, Seller will and shall be responsible for recording, at Seller's sole cost and expense, this Agreement, which shall be recorded with all Annexes, with the United States Patent and Trademark Office and the Canadian Intellectual Property Office. Seller shall be responsible for, at Seller's sole cost and expense, recording any amendments or other documents necessary to correct any filing errors. Prior to filing any such amendments or documents of correction, Seller will provide a copy of such amending or correcting documents to Wal-Mart for its reasonable review. Wal-Mart's approval shall not be unreasonably withheld. If Wal-Mart does not object to such amending or correcting filings within fifteen (15) days, then Seller may file such documents of amendment or correction and shall promptly provide a copy of all such filings to Wal-Mart.

(b) Until the termination of this Agreement, Wal-Mart will, at its discretion, take reasonable steps to prosecute and maintain the Trademark Collateral and to defend the Trademark Collateral from infringement by third parties.

**5. Financing Statements.** By Wal-Mart's signature hereon, Wal-Mart hereby authorizes Seller to execute (on behalf of Wal-Mart) and file against Wal-Mart one or more financing, continuation or amendment statements pursuant to the UCC in substantially the form annexed hereto as Schedule B, and Seller will pay the cost of preparing and filing the same in all jurisdictions in which such filing is deemed by Seller to be necessary or desirable in order to perfect, preserve and protect its security interest in the Trademark Collateral. Seller will provide a copy of such documents to Wal-Mart.

**6. Event of Default.** Wal-Mart shall, at Seller's option, be in breach of this Agreement only upon the failure of Wal-Mart to make three (3) consecutive Monthly Payments in accordance with the terms of the Main Agreement (such event shall be referred to as the "**Breach**"). Seller shall notify Wal-Mart in writing of the alleged Breach and Wal-Mart shall have thirty (30) days from the receipt of such notice to effect a cure of the Breach. If Wal-Mart fails to cure said Breach within the applicable thirty (30) day cure period, then such Breach will be deemed to be an uncured event of default ("**Event of Default**"). A good faith dispute between Wal-Mart and Seller regarding the calculation of one or more Monthly Payments shall

not constitute a Breach for purposes of this Paragraph 6, provided that Monthly Payments (without regard to amounts subject to good faith dispute) are or have otherwise been made.

7. **Remedies Upon Default.** Only in the event that there is an uncured Event of Default as set forth in Paragraph 6 above will Wal-Mart and Seller each execute the Trademark Collateral Assignment for United States and Canadian Trademarks in the form attached hereto as Annex A and incorporated by reference. Only upon the full execution of the Trademark Collateral Assignment, Seller may take such action permitted by law and the UCC to foreclose upon the Trademark Collateral covered hereby.

8. **Termination of Agreement.** This Agreement shall automatically terminate upon the payment of the Purchase Price in accordance with the Main Agreement. Within ten (10) business days after the termination of this Agreement, Warnaco, on behalf of itself and as agent for AFC, shall at Warnaco's sole cost and expense (i) execute and deliver to Wal-Mart all documents that are necessary to terminate Seller's security interest in the Trademark Collateral including, without limitation, the Release of Security Agreement in the form annexed hereto as Annex B and made a part hereof, (ii) terminate any and all financing statements filed hereunder. Warnaco, on behalf of itself and as agent for AFC, shall also be responsible for, at Warnaco's sole cost and expense, recording any documents necessary to terminate Seller's security interest in the Trademark Collateral including, without limitation, the Release of Security Agreement in the form annexed hereto as Annex B and made a part hereof and terminations of any and all financing statements filed hereunder. Seller shall be responsible for, at Seller's sole cost and expense, recording any amendments or other documents necessary to correct any filing errors. Prior to filing any documents, Seller will provide a copy of such documents to Wal-Mart for its review. Wal-Mart's approval shall not be unreasonably withheld. If Wal-Mart does not object to such filings within fifteen (15) business days, then Seller may file such documents as described in this Paragraph and shall promptly provide a copy of all such filings to Wal-Mart. Seller's obligations to Wal-Mart under this Paragraph 8 shall survive termination of this Agreement.

9. **Fees and Expenses.** The preparation, legalization, filing, and/or recording fees associated with any documents (including all taxes and reasonable counsel fees in connection therewith) filed or prepared to be filed in public offices shall be borne and paid by Seller.

10. **Notices.** All notices, requests and other communications to either party hereunder shall be in given in accordance with the Main Agreement.

11. **Assignment.** Wal-Mart shall have the right to assign or otherwise transfer all or any portion of its rights or obligations under this Agreement, provided that the assignee agrees to be bound by the terms of this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors, permitted assigns and legal representatives.

12. **Rules of Construction.** As used in this Agreement, unless the context otherwise requires (i) the terms "Seller" and "Wal-Mart" shall not be construed in a manner that limits or narrows the scope of any provision containing that term; (ii) references to "Paragraphs" are to

sections of this Agreement; (iii) all “Schedules” and “Annexes” referred to in this Agreement are to Schedules or Annexes, as applicable, attached to this Agreement or Annex, as applicable, and are incorporated into this Agreement by reference and made a part of this Agreement; (iv) “include,” “includes,” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import; (v) the singular includes the plural; (vi) the masculine, feminine, and neutral genders include the others; and (vii) headings of the various Sections and subsections are for convenience of reference only and will not be given any effect for purposes of interpreting this Agreement.

13. **Remedies.** All rights and remedies that either party may have hereunder or by operation of law are cumulative and the pursuit of one right or remedy will not be deemed an election to waive or renounce any other right or remedy.

14. **No Waiver.** No failure or delay by either party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or any other exercise of any other right, power or privilege. The waiver by any party of any instance of the other party’s noncompliance with any obligation or responsibility herein shall not be deemed a waiver of other instances of, or the party’s remedies for, such noncompliance.

15. **Modification or Waiver To Be In Writing.** No provision of this Agreement may be amended or waived unless such amendment or waiver is in writing expressly referring to this Agreement and signed, in the case of an amendment, by persons authorized to bind each party, or in the case of a waiver, by a person authorized to bind the party against whom the waiver is to be effective.

16. **Entire Agreement.** This Agreement and the Main Agreement represent the entire agreement between the parties relating to the subject matter hereof and all prior agreements, discussions, and documents are hereby superseded.

17. **Consultation With Counsel.** The parties acknowledge that they had the opportunity to consult and confer with counsel of their choice before entering into this Agreement. This Agreement shall be considered as drafted jointly by the parties, and no uncertainty or ambiguity found in the terms hereof shall be construed for or against either party based on an attribution of drafting to either party.

18. **Effect of Invalid Term or Provision.** If any term or provision of this Agreement is held invalid or unenforceable by a court or tribunal of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term or provision and any such invalid term or provision shall be modified to the extent necessary to make it valid and/or enforceable or severed from this Agreement if such modification is not possible.


19. **Counterparts.** This Agreement may be executed in counterparts and signatures hereon may be exchanged and transmitted by facsimile transmission, which counterparts and signatures shall, as between the parties when fully executed and exchanged, be deemed to be

originals constituting a single agreement and shall be deemed valid and binding. This Agreement shall only be effective upon the full execution by all parties and the exchange among them of signed copies.


**20. Governing Law.** This Agreement has been delivered to and accepted by Seller and will be deemed to be made in the State of New York. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.**

IN WITNESS WHEREOF, Wal-Mart, Warnaco, and AFC have each caused this Security Agreement to be executed by their duly authorized respective officers as of the date herein.


AUTHENTIC FITNESS CORPORATION

By:   
Name: Jay A. Galluzzo  
Title: Vice President

WARNACO INC.

By:   
Name: Jay A. Galluzzo  
Title: Vice President and General Counsel

AUTHENTIC FITNESS PRODUCTS, INC.

By:   
Name: Jay A. Galluzzo  
Title: Vice President

WAL-MART STORES, INC.

By: \_\_\_\_\_  
Name: Don Harris  
Title: Executive VP, General Merchandise



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AUTHENTIC FITNESS CORPORATION

WARNACO INC.

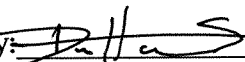
By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

AUTHENTIC FITNESS PRODUCTS, INC.

WAL-MART STORES, INC.

By: \_\_\_\_\_  
Name:  
Title:

By:   
Name: Don Harris  
Title: Executive VP, General Merchandise



**SCHEDULE A TO SECURITY AGREEMENT**

**UNITED STATES – REGISTRATIONS**

<b><u>Trademark</u></b>	<b><u>Registration No.</u></b>	<b><u>Goods</u></b>
HIRSCH WEIS & DESIGN	676,045	025: waterproof outer garments for men-namely, overcoats, coats, vests, trousers, overalls, and jackets
LEAPING STAG DESIGN	851,101	025: sweaters and ski sweaters, caps and ski caps, scarfs, mitts and ski mitts, outer shirts, parkas, hooded jackets, coats and hooded coats, jackets and ski jackets, vests, trousers, slacks, pants and ski pants, pedal pushers, outer shorts, skirts, culottes, leotards, tights, kickers, bloomers, coveralls, shifts, knitwear tops, suits, jumpsuits, skimmers, socks, after ski boots, thermal stretch underpant and undershirts, dickies, belts, and pouches
LEAPING STAG DESIGN	1,067,692	018: back packs 020: sleeping bags 022: tents
STAG (stylized)	1,066,752	018: back packs 020: sleeping bags 022: tents
STAG (typed)	1,292,406	025: men's and women's knit shirts, shirts, pants, sweaters, shorts, jackets and skirts
STAGSPORT & DESIGN	1,290,203	025: sportswear-namely, shirts, shorts, pants, culottes and jackets
STAGSUITS (stylized)	1,014,747	025: warm-up suits for men, women, boys and girls
WHITE STAG & DESIGN	615,653	020: sporting goods, namely, sleeping bags
WHITE STAG & DESIGN	369,881	025: sport and ski clothing, and wearing apparel for men, women, and children-namely, coats, jackets, hats, and caps
WHITE STAG & DESIGN	2,045,637	020: sleeping bags 022: plastic tents
WHITE STAG & DESIGN	599,396	025: clothing for men, women and children-namely, sweaters and ski sweaters, caps and ski caps, scarfs, mitts and ski mitts, outer shirts, jackets and ski jackets, coats, vests, trousers, slacks, pants and ski pants, pedal pushers, outer shorts, skirts, bloomers, and coveralls
WHITE STAG & DESIGN	1,135,761	018: back packs 022: tents

WHITE STAG & DESIGN	2,035,123	25: sports bras
WHITE STAG & DESIGN	2,033,539	025: sports bras
WHITE STAG & DESIGN	2,247,898	014: jewelry
WHITE STAG & DESIGN	1,855,254	025: men's and women's shoes and athletic shoes, sneakers, slippers.
WHITE STAG (stylized)	2,260,679	018: handbags
WHITE STAG (typed)	1,831,767	025: swimsuits 028: swim goggles
WHITE STAG (typed)	2,260,658	018: handbags
WHITE STAG (typed)	2,177,072	014: jewelry
WHITE STAG (typed)	1,828,922	025: shoes; namely, athletic and sports shoes
WHITE STAG (typed)	1,955,215	018: backpacks 020: sleeping bags 022: plastic tents 025: foul weather gear; namely, rain coats, rain boots, rain hats, and rain capes
WHITE STAG (stylized)	838,880	025: sweaters and ski sweaters, caps and ski caps, scarfs, mitts and ski mitts, outer shirts, parkas, hooded jackets, coats and hooded coats, jackets and ski jackets, vests, trousers, slacks, pants and ski pants, pedal pushers, outer shorts, skirts, culottes, leotards, tights, knickers, bloomers, coveralls, shifts, knitwear tops, suits, jumpsuits, skimmers, socks, after ski boots, thermostretch underpants and undershirts, dickies, belts, and pouches

**UNITED STATES – PENDING APPLICATIONS**

<b><u>Trademark</u></b>	<b><u>Application No.</u></b>	<b><u>Goods</u></b>
STAG STRETCH (typed)	78/162,442	025: women's sportswear, namely, jackets, blazers, tunics, pants, jeans, shorts, skirts, culottes, shirts and tops

WHITE STAG (typed)	75/849,059	035: on-line retail and catalog services in the field of men's, women's and children's clothing, sportswear and related accessories 042: computer services, namely, providing information relating to marketing and sales of men's, women's and children's clothing, sportswear and related accessories via websites on global computer networks
WHITE STAG (typed)	78/334,404 (replaced expiring 75/849,059)	035: providing information in the field of clothing via the Internet; electronic and mail order catalog services featuring clothing and related accessories; computerized on-line retail services in the field of clothing and related accessories
WHITE STAG (typed)	76/382,057	025: bras, panties, underwear, underpants, undergarments, underclothes, undershirts, teddies, slips, sarongs, negligees, lingerie, foundation garments, girdles, corsets, camisoles, body slips and body suits, sleepwear and nightgowns

**CANADA REGISTRATIONS**

<u>Trademark</u>	<u>Registration No.</u>	<u>Goods</u>
LEAPING STAG DESIGN	TMA238,866	Sleeping bags, tents, backpacks and insulated garments, namely, coats, parkas and sweater jackets
WHITE STAG DEEP & DESIGN	TMA278,204	Men's and women's waterwear and equipment, namely diving suits (2-piece), 1-piece reversible diving suits, tank suits, boots, gloves, masks, goggles, fins, inflatable stabilizer jackets sleeves for backpacks, mask straps, fin straps, wrist straps, strap buckles, mask buckles and diving gear bags, snorkels, tanks and backpacks therefore, pressure gauges, depth gauges and consoles, spears and parts therefore, lose sleeves, safety whistles, air guns, air nozzles, tire inflators and drink holders, bonding composition beeswax, mask defogger, mask keeper and suit conditioner, suit repair tape
WHITE STAG	UCAO12633	Sport and ski clothing, and wearing apparel in general for men, women and children, consisting more specifically of coats, jackets, pants, neckties, gloves made of leather or fabric and combinations thereof, mitts, leather boots, underwear, belts, hats, caps, shirts for outer wear, gaiters, suspenders, visors, vest and sweaters
STAG	TMA238,865	Sleeping bags, tents, backpacks and insulated garments, namely, coats, parkas and sweater jackets; women's, girls' and teens' sportswear, namely, jackets, pants, trousers, skirts, shorts, culottes, tops and shirts
STAGWHITES	TMA200,261	Men's and women's tennis apparel, namely tennis dresses, shirts, shorts, tops, warmups, jackets and sweaters
WHITE STAG ACTIONSPORTS	TMA248,621	Men's and women's ski, golf, tennis and sea wear, namely, shorts, shirts, dresses, jackets, skirts, tops, pants, parkas and