

MRD

RECOF
TRA

02-06-2004

Docket No.:

Tab settings

2-2-04



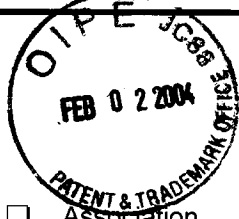
102663686

inal documents or copy thereof.

To the Director of the United States Patent and Trademark Office

1. Name of conveying party(ies):

Nazareth/Century Mills, Inc.



- Individual(s)
- General Partnership
- Corporation-State Delaware
- Other

Additional names(s) of conveying party(ies) Yes No

2. Name and address of receiving party(ies):

Name: General Electric Capital Corporation

Internal Address:

Street Address: 83 Wooster Heights Road

City: Danbury State: CT ZIP: 06810

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

If assignee is not domiciled in the United States, a domestic designation is Yes N
(Designations must be a separate document from Additional name(s) & address(es) Yes N

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Surrender of Collateral
- Merger
- Change of Name

Execution Date: May 2, 2002

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,777,919

Additional numbers

Yes No

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

Name: Gerald E. Hespos

Internal Address:

Street Address: 274 Madison Avenue - Suite 1703

02/05/2004 DBYRNE 00000076 031030 1777919

01 FC:8521 40.00 BA

City: New York State: NY ZIP: 10016

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:

03-1030

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.

Gerald E. Hespos

Name of Person Signing

Signature

January 29, 2004

Date

Total number of pages including cover sheet, attachments, and

6

Mail documents to be recorded with required cover sheet information to:

Mail Stop Recordation Services
Director of the United States Patent and Trademark Office
P.O. Box 1450, Alexandria, VA 22313-1450

TRADEMARK

REEL: 002909 FRAME: 0799

May 2, 2002

GENERAL ELECTRIC CAPITAL CORPORATION

Lee Farm Corporate Park
83 Wooster Heights Road
Danbury, Connecticut 06810

Re: Surrender of Collateral

Gentlemen:

Nazareth/Century Mills, Inc. ("**Debtor**") is indebted to General Electric Capital Corporation ("**GE Capital**") under various financing agreements, including, without limitation, that certain Loan and Security Agreement dated as of December 28, 1999 (as the same may have heretofore been or may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced, the "**Loan Agreement**") entered into by and among Debtor, Nazareth/Century Corporation and GE Capital (all of the foregoing, together with all other agreements, documents, guaranties, mortgages, notes or instruments, as the same may now exist or may hereafter be amended, modified, supplemented, renewed, or extended, are hereinafter collectively referred to as the "**Financing Agreements**"). The indebtedness and obligations owing by the Debtor to GE Capital under the Financing Agreements (the "**Obligations**") are secured by, *inter alia*, all of the Debtor's existing and future inventory, accounts, general intangibles, equipment and all other personal property, all as more fully described in the Financing Agreements, together with the proceeds and products thereof and all books and records, including, without limitation, all Collateral, as more particularly described in the Loan Agreement (collectively, the "**Collateral**"). All capitalized terms used herein shall have the respective meanings assigned thereto in the Loan Agreement unless otherwise defined herein.

1. Debtor (a) acknowledges that multiple Events of Default have occurred and are continuing under the Financing Agreements, as more particularly described in that certain Forbearance Agreement, dated as of September 18, 2001 among Debtor, Nazareth/Century Corporation and GE Capital, and (b) confirms that Debtor does not have the capital to continue its business or the means to protect the Collateral.

2. As a result of the foregoing, Debtor hereby surrenders, delivers and grants to GE Capital or its designees peaceful possession of all of the following property of Debtor wherever located: all Accounts; all General Intangibles; all Books and Records; all of the current season's Inventory located at Debtor's facilities at 101 Box Lane, Quitman, Mississippi, as more specifically listed on Schedule A attached hereto; and certain of Debtor's equipment, as more specifically listed

on Schedule A attached hereto. This surrender is made to GE Capital in recognition of GE Capital's rights as a secured party under the Code and other applicable law.

3. No disposition of any Collateral shall be made other than with GE Capital's consent and any of the Collateral in the custody of any party shall be so held as GE Capital's agent and subject to GE Capital's sole instruction.

4. GE Capital may, at any time, remove any and all of the Collateral from the premises where the same is located, take such action as it may deem appropriate and GE Capital may at any time exercise its rights to dispose of such Collateral as provided for under the Financing Agreements, applicable provisions of law or otherwise, without prejudice to all of GE Capital's other rights.

5. The delivery to GE Capital of possession of the above-mentioned Collateral shall in no way discharge Debtor's liability to GE Capital or the liability of any third-party obligors arising pursuant to any agreements, guarantees or other documents executed by such parties in favor of GE Capital (except that any proceeds realized by GE Capital from the disposition of such Collateral shall be applied to payment of the Obligations), and it is understood that GE Capital fully reserves any and all of its rights under the Financing Agreements and any other agreements, guarantees or other documents among GE Capital and any other Credit Party or any other obligor.

6. Debtor is delivering possession of the above-mentioned Collateral to GE Capital on the express understanding that the Proceeds of any sale, disposition or other realization upon such Collateral shall be applied by GE Capital upon receipt to the Obligations in accordance with the Loan Agreement. After the indefeasible payment and satisfaction in full in cash of all of the Obligations, any remaining surplus will be paid to Borrower or its representatives or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct, all in accordance with the Loan Agreement.

7. Debtor is delivering possession of the above-mentioned Collateral to GE Capital on the express understanding that (a) GE Capital will not sell all or substantially all of the Accounts in a bulk sale without the prior written consent of Debtor (which consent shall not be unreasonably withheld) and (b) GE Capital will use its reasonable good faith efforts to collect the outstanding Accounts.

8. Debtor hereby waives and renounces all of its rights to notification under §9-611 of the Code as to the sale or disposition by GE Capital of the above described Collateral, and under §§9-620 and 9-623 of the Code regarding acceptance of the Collateral as discharge of the obligations of Debtor to GE Capital, and waiver of the right to redeem the Collateral, respectively.

9. The foregoing is without prejudice to and specifically reserves all of your rights. This letter may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the same agreement. Except as specifically modified herein, all provisions of

any agreements between you and the undersigned and/or related third parties shall remain in full force and effect.

Very truly yours,

NAZARETH/CENTURY MILLS, INC.

By: Sandra J. Menichelli
Name: SANDRA J. MENICHELLI
Title: CEO

Each of the undersigned as a guarantor of the debts and obligations of Nazareth/Century Mills, Inc. ("**Debtor**") to General Electric Capital Corporation ("**GE Capital**") under the Loan and Security Agreement dated as of December 28, 1999, as same may have been amended or modified from time to time, hereby (i) ratifies and confirms the terms and provisions of its respective Guarantee, (ii) consents to the aforesaid letter granting peaceful possession described therein and (iii) waives and renounces all of its rights to notification under §9-611 of the Uniform Commercial Code ("**UCC**") as to the sale or disposition by GE Capital of the above described Collateral, and under §§9-620 and 9-623 of the UCC regarding acceptance of the Collateral as discharge of the obligations of Debtor to GE Capital, and waiver of the right to redeem the Collateral, respectively.

NAZARETH/CENTURY CORPORATION

By: Sandra J. Menichelli
Name: SANDRA J. MENICHELLI
Title: CEO

SCHEDULE A to Surrender Letter

Finished Goods Inventory:

<u>Style #</u>	<u>Dozens</u>
58C-9048A	110
58-9028	46
58C-9040	119
58C-9044	616
58C-9044A	70
58C-9044B	51
58C-9042P	533
Assorted	4,687

Furniture and Equipment:

AT&T Globalyst 520 PC and Monitor
 Compaq Deskpro PC and Monitor
 Dell Optiplex 465/LE PC and Monitor
 Gateway FMN400C PC and Monitor
 Gateway GP6-433CSE PC and Monitor
 Gateway GP6-400CSE PC and Monitor
 IBM Thinkpad 2609 21U Laptop
 Toshiba Satellite Laptop - 2060
 Toshiba Satellite Laptop - 2060
 Epson 9000 Printer
 HP Deskjet 812C Printer
 (2) HP Deskjet 520 Printers
 (2) HP Deskjet 500 Printers
 (2) HP Deskjet 612C Printers
 (2) HP Deskjet 672C Printers
 Epson Stylus 760 Printer
 Epson FX2180 Printer
 HP Kayak XU Computer
 HP P1100 Monitor
 Umax Mirage Scanner 11SE
 Iomega Zip 250 MB
 Iomega Zip Jazz Drive
 Epson Stylus Pro 9000
 HP Deskjet 812C Printer
 10 Base T Ethernet Hub
 Lynksys Print Server
 HP Photosmart Digital Camera
 Subtotal
 Office Furniture in New York Office

SCHEDULE A to Surrender Letter

Intangibles and Goodwill:

Trademarks-

<u>Trademark</u>	<u>Registration Number</u>
Dual Image	1,797,087
Nazareth	141,186
Nazareth	158,040
Nazareth & Design	407,340
Nazareth & Design	856,061
Next Wave	1,356,853
Precious Cargo	1,809,252
Riddles	1,777,919
Savage	800,752
Savage	1,729,474
Urban Surf	748,474

Intellectual Property

Trade names

Trade dress

Trade secrets

Product development archives

Customer lists

Product Specifications and records

Distribution contracts

Vendor contracts*

Customer Contracts*

Goodwill*

All other intellectual property and intangibles

* - To the extent assignment of same is not prohibited by terms.