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Form **PTO-1594**  
(Rev. 10/02)  
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RECOR  
TR.

DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):  
Kent Apparel Inc.

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

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)  
Name: LaSalle Bank National Association  
Internal Address: \_\_\_\_\_  
Address: \_\_\_\_\_  
Street Address: 135 S. LaSalle Street, Suite 223  
City: Chicago State: IL Zip: 60603

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_  
 Other National Banking Association

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

3. Nature of conveyance:  
 Assignment                               Merger  
 Security Agreement                       Change of Name  
 Other \_\_\_\_\_

Execution Date: March 15, 2004

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s)  
B. Trademark Registration No.(s)  
2312361, 2283569, 2278335

Additional number(s) attached  Yes  No

6. Total number of applications and registrations involved: 3

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Daniel B. Stolarsky, Esq.  
Internal Address: Kaye Scholer LLC  
Street Address: 3 First National Plaza, Suite 4100  
70 West Madison Street  
City: Chicago State: IL Zip: 60602-4231

7. Total fee (37 CFR 3.41).....\$ 90.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
\_\_\_\_\_  
(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.*

Johanne R. Remy  
Name of Person Signing  
00000062 2312361

J. R. Remy  
Signature

MARCH 26, 2004  
Date

Total number of pages including cover sheet, attachments, and document: 10

03/30/2004 DBY:NE  
01 FC:8521  
02 FC:8522

40.00 OP  
50.00 DP

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

30859958.PDF

## KENT INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS KENT INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of March 11, 2004 (as from time to time amended, modified, restated, supplemented and in effect, this "Intellectual Property Security Agreement"), by and between KENT APPAREL INC. (the "Kent"), a Delaware corporation, and LASALLE BANK NATIONAL ASSOCIATION, a national banking association (herein, together with its successors and assigns, called the "Bank"). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to the them in the Security Agreement (as defined below).

WHEREAS, pursuant to and upon the terms and conditions set forth in the Credit Agreement among the Companies and the Bank dated as of February 16, 2001 (as from time to time further amended, modified, restated, supplemented and in effect, the "Credit Agreement"), the Bank has agreed to make a revolving credit facility available to the Companies;

WHEREAS, the Kent is a party to that certain Forbearance Agreement and Fourth Amendment to Credit Agreement (the "Fourth Amendment"), dated as of the date hereof, which adds Kent as a Company under the Credit Agreement;

WHEREAS, in connection with the Credit Agreement, the Companies have executed and delivered a Security Agreement, dated as of May 16, 2000 (as from time to time further amended, modified, restated, supplemented and in effect, the "Security Agreement") (all terms used in this Intellectual Property Security Agreement, unless otherwise defined herein, have the meanings provided (or incorporated by reference) in the Security Agreement);

WHEREAS, the Companies (except for Kent) have executed that certain Intellectual Property Security Agreement, dated as of May 16, 2000, in favor of the Bank;

WHEREAS, it is a condition precedent to the entry of the Fourth Amendment that Kent execute and deliver this Intellectual Property Security Agreement to Bank.

NOW, THEREFORE, for and in consideration of the covenants and provisions set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### ARTICLE I

#### SECURITY INTEREST

**Section 1.1 Grant of Security Interest.** (a) As security for the Obligations, each of the Kent hereby sells, conveys, assigns, pledges and grants a continuing and unconditional security interest to the Bank, its successors and assigns, in and to all of the following property, whether now owned or hereafter acquired or existing of Kent (the "Trademark Collateral"):

(i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels which on any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (i) being collectively called a "**Trademark**"), now existing in the United States or hereafter adopted or acquired in the United States, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in Item A of Schedule 1 attached hereto;

(ii) all Trademark licenses and other agreements providing Kent with the right to use any items of the type described in clause (i), including each Trademark license referred to in Item A of Schedule 1 attached hereto;

(iii) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (i) and (ii);

(iv) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (i) and, to the extent applicable, clause (ii); and

(v) all proceeds of, and rights associated with, the foregoing, including any claim by Kent against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A of Schedule 1 attached hereto, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

(b) As security for the Obligations, Kent hereby sells, conveys, assigns, pledges and grants a continuing and unconditional security interest to the Bank, its successors and assigns, in and to all of the following property, whether now owned or hereafter acquired or existing of Kent (the "**Patent Collateral**"):

(i) all letters patent, design patents and utility patents and applications for, and registrations and recordings of, any such patents throughout the world, including all patent applications in preparation for filing anywhere in the world and including each patent and patent application referred to in Item B of Attachment 1 attached hereto;

(ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and re-examinations of any of the foregoing items described in clause (i);

(iii) all patent licenses, including each patent license referred to in Item B of Schedule 1 attached hereto;

(iv) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent and patent application referred to in Item B of Schedule 1 attached hereto, and for breach or enforcement of any patent license referred to in Item B of Schedule 1 attached hereto, and all rights corresponding thereto throughout the world.

(c) As security for the Obligations, Kent hereby sells, conveys, assigns, pledges and grants a continuing and unconditional security interest to the Bank, its successors and assigns, in and to all of the following property, whether now owned or hereafter acquired or existing of Kent (the "**Copyright Collateral**"):

(i) all copyrights of Kent, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world, including, without limitation, all of Kent's right, title and interest in and to all copyrights registered in the United States Copyright Office or anywhere else in the world, and all applications for registration (including pending applications), registrations and recordings thereof, and all copyrights resulting from such applications, registrations or recordings, including those referred to in Item C of Schedule 1 attached hereto;

(ii) all reissues, divisions, continuations, continuations-in-part and extensions and renewals of any thereof, including those referred to in Item C of Schedule 1 attached hereto;

(iii) all copyright licenses, contracts and other agreements naming Kent as licensee or licensor and providing Kent with the right to use or sell any of the items of the type referred to in clauses (i) and (ii), including those referred to in Item C of Schedule 1 attached hereto;

(iv) the right to sue for past, present and future infringements of any of the Copyright Collateral referred to in clauses (i) and (ii) and, to the extent applicable, clause (iii); and

(v) all proceeds of the foregoing, including without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit and all rights corresponding thereto throughout the world.

The property set forth in clauses (a), (b) and (c) of this Section 1.1, together with property of a similar nature which Kent hereafter owns or in which Kent hereafter acquires any interest, is referred to herein as the "**Intellectual Property Collateral**"; provided, however, that the following shall be excluded from the property in which a security interest is granted: (a) any licensed right to any computer hardware and software if the terms of any such license (x) prohibit the grant of a security interest therein or (y) provide for a penalty or termination of such license if a security interest therein is granted; (b) any licensed rights to Intellectual Property Rights if the terms of such license (x) prohibit the grant of a security interest therein or (y) provide for a penalty or termination of such license if a security interest therein is granted; and (c) any general intangibles, including, without limitation, contract rights, to the extent the

assignment thereof is not permitted. Collateral which is located outside of the United States and is owned by Kent shall be referred to as the "**Foreign Collateral**".

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

**Section 2.1 Representations and Warranties.** Kent represents, warrants and agrees that:

(a) its Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part in a manner which would have a Material Adverse Effect;

(b) Kent has the full right, power and authority to enter into this Intellectual Property Security Agreement and to grant all of the right, title and interest herein granted;

(c) its execution, delivery and performance by Kent of this Intellectual Property Security Agreement does not and will not contravene any contractual restriction binding on or affecting Kent or any of its properties;

(d) this Intellectual Property Security Agreement has been duly executed and delivered by Kent and is a legal, valid and binding obligation of Kent enforceable against Kent in accordance with its terms;

(e) Kent has not previously assigned, transferred, conveyed or otherwise encumbered such right, title and interest in the Intellectual Property Collateral; provided, however, that Kent may enter into licensing agreements pursuant to the Agent Agreement with Selective Licensing and Promotion, Ltd. with respect to its Intellectual Property Collateral;

(f) there are no claims, judgments or settlements to be paid by Kent or pending claims or litigation relating to the Intellectual Property Collateral, except as set forth in **Schedule 2** hereto;

(g) no effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of its Intellectual Property Collateral is on file or of record in any public office, except such as may have been filed by Kent pursuant to this Intellectual Property Security Agreement or such as relate to other Permitted Liens; and

(h) this Intellectual Property Security Agreement is effective to create a valid and continuing first priority lien on and first priority security interest in the Intellectual Property Collateral in favor of the Bank. All action necessary or desirable to protect and create such security interest in each item of its Intellectual Property Collateral has been duly taken.

**Section 2.2 Survival.** All representations, warranties and agreements of Kent contained in this Intellectual Property Security Agreement shall survive the execution, delivery and performance of this Intellectual Property Security Agreement until the termination of this Intellectual Property Security Agreement pursuant to **Section 5.5** hereof.

### **ARTICLE III**

#### **SECURITY AGREEMENT**

**Section 3.1 Security Agreement.** This Intellectual Property Security Agreement has been executed and delivered by Kent for the purpose of registering the security interest of the Bank in the Intellectual Property Collateral with the United States Patent and Trademark Office, United States Copyright Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Bank under the Security Agreement. The Security Agreement (and all rights and remedies of the Bank thereunder) shall remain in full force and effect in accordance with its terms.

### **ARTICLE IV**

#### **RELEASE**

**Section 4.1 Release of Security Interest.** Upon (i) the sale, transfer or other disposition of Intellectual Property Collateral in accordance with the terms of the Credit Agreement or (ii) the satisfaction in full of the Obligations after the Revolving Credit Commitment has been terminated and all Letters of Credit have been canceled or cash collateralized, (A) the security interests created hereby shall terminate with respect to (x) such Intellectual Property Collateral (in the case of clause (i) but not in the proceeds thereof) or (y) all of the Intellectual Property Collateral (in the case of clause (ii)), and all rights to such Intellectual Property Collateral, and (B) the Bank will, at Kent's expense, promptly (x) return to Kent such of the Intellectual Property Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms thereof, and (y) execute and deliver to Kent such documents as Kent shall reasonably request to evidence such termination, all without any representation, warranty or recourse whatsoever.

### **ARTICLE V**

#### **ACKNOWLEDGMENT**

**Section 5.1 Acknowledgment.** Kent does hereby further acknowledge and affirm that the rights and remedies of the Bank with respect to the security interest in the Intellectual Property Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

ARTICLE VI

MISCELLANEOUS


**Section 6.1 Amendments.** Neither this Intellectual Property Security Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by each of Kent and the Bank.

**Section 6.2 Severability.** In the event any one or more of the provisions contained in this Intellectual Property Security Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby provided, however, that any disclosure by Kent of any matter for inclusion in any of the Schedules that are a part of this Security Agreement shall be deemed to amend such Schedule to incorporate such disclosure.

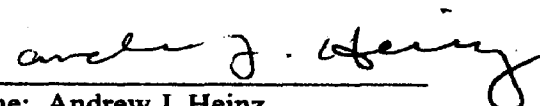
**Section 6.3 Counterparts.** This Intellectual Property Security Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one contract, and shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto shall be delivered to the Bank.

**IN WITNESS WHEREOF,** the Bank and the Kent have executed this Intellectual Property Security Agreement as of the date first above written.

KENT APPAREL INC.

By:   
Name: John A. Hetherley  
Title: President & CEO

LASALLE BANK NATIONAL  
ASSOCIATION

By:   
Name: Andrew J. Heinz  
Title: Vice President

**SCHEDULE 1**

**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**A. TRADEMARKS**

**TRADEMARKS**

<b>MARK NAME</b>	<b>COUNTRY</b>	<b>SERIAL/REG. NO.</b>	<b>FILING/ REG. DATE</b>
Stylized Peek A Boo	U.S.	2312361	1/25/00
Little Goose	U.S.	2283569	10/5/99
Little Moose N' Me	U.S.	2278335	9/14/99

**TRADEMARK LICENSES**

License Agreement with Healthtex Apparel Corp.  
Trademark Sublicense with Dana Undies, Inc.  
Trademark License with The Flavia Company, Inc.  
License Agreement with Hasbro, inc.  
Accounting Software licensed from Aria Systems, Inc.  
Various "shrink wrap" software licenses.  
Merchandise License Agreement with Hugs 'N More

**PENDING TRADEMARK APPLICATIONS**

None

**TRADEMARK APPLICATIONS IN PREPARATION**

None

**COMMON LAW TRADEMARKS**

Kent Giraffe design Moose N' Me

**B. PATENTS**

**ISSUED PATENTS**

None

**PATENT LICENSES**

None

**PENDING PATENT APPLICATIONS**

None

**PATENT APPLICATIONS IN PREPARATION**

None

**C. COPYRIGHTS**



COPYRIGHTS

No registered copyrights

COPYRIGHT LICENSES

No copyright licenses are included in the Collateral

PENDING COPYRIGHT APPLICATIONS

None

COPYRIGHT APPLICATIONS IN PREPARATION

None

**SCHEDULE 2**

**CLAIMS, JUDGMENTS AND LITIGATION**

None.

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**RECORDED: 03/26/2004**

**TRADEMARK  
REEL: 002938 FRAME: 0137**