

06-18-2004

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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2006) Tab settings

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EET Y U.S. 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): JA APPAREL CORP.

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

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

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

Internal Address:

Street Address: 1133 Avenue of the Americas

City: New York State: NY Zip: 10036

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

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: 3/30/2004

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

A. Trademark Application No.(s) See Exhibit A Attached

B. Trademark Registration No.(s) See Exhibit A Attached

Additional number(s) attached Yes No

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

Name: Otterbourg, Steindler, Houston

Internal Address: & Rosen, P.C.

Attn: Preston R. Cappello

Street Address:

230 Park Avenue

City: New York State: NY Zip: 10169

6. Total number of applications and registrations involved: 17

7. Total fee (37 CFR 3.41) \$ 440.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Preston R. Cappello Name of Person Signing

Preston R. Cappello Signature

6/17/04 Date

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

06/18/2004 GT0N11 00000037 2345776

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

01 FC:8521 40.00 DP 02 FC:8522 400.00 DP

TRADEMARK REEL: 002992 FRAME: 0941

EXHIBIT A

List of Trademarks and Trademark Applications

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
JOSEPH ABOUD	2,345,776	4/25/2000
JA II AND DESIGN	1,648,203	6/18/1991
JOSEPH ABOUD	1,675,915	2/18/1992
JOSEPH ABOUD	1,756,084	3/2/1993
JOSEPH ABOUD	2,357,617	6/13/2000
JOSEPH ABOUD	2,408,660	11/28/2000
JOSEPH ABOUD	2,423,249	1/23/2001
JOSEPH ABOUD	2,471,279	7/24/2001
JOSEPH ABOUD	2,408,887	11/28/2000
JOSEPH ABOUD	2,408,889	11/28/2000
JOSEPH ABOUD & DIAMOND DESIGN	2,690,336	2/25/2003
JOSEPH ABOUD AND DESIGN	2,355,271	6/6/2000
JOSEPH ABOUD ENVIRONMENTS & DIAMOND DESIGN	2,796,710	12/23/2003
JUST ONE EARTH AND DESIGN	1,893,638	5/9/1995
MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2,400,258	10/31/2000
MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2,419,195	1/9/2001
MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2,408,888	11/28/2000

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement"), dated March 30, 2004, is by and between JA APPAREL CORP., a Delaware corporation ("Debtor"), and CONGRESS FINANCIAL CORPORATION, a Delaware corporation, in its capacity as agent (in such capacity, "Secured Party") pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the financial institutions which are parties thereto as lenders (each individually, a "Lender" and collectively, "Lenders").

W I T N E S S E T H:

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Debtor, Edera Inc., a New York corporation ("Edera"), Nashawena Mills Corp., a Massachusetts corporation ("Nashawena"), Riverside Manufacturing Corp., a Delaware corporation ("Riverside" and together with Debtor, Edera and Nashawena, collectively, "Borrowers"), Secured Party and Lenders have entered into or are about to enter into financing arrangements pursuant to which Secured Party and Lenders may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Borrowers, JA Holding, Inc., a Delaware corporation ("Guarantor"), Secured Party and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Borrowers pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST. As collateral security for the prompt performance, observance and payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party a continuing security interest in and a general lien upon, and a collateral assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and

to: (i) all of Debtor's trademarks, trade names, trade styles and service marks and all applications for registration, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any trademarks, trade names, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all present and future license and distribution agreements (subject to the rights of the licensors therein) pertaining to the Trademarks, (d) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (e) the right to sue for past, present and future infringements thereof; (f) all rights corresponding thereto throughout the world; and (g) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Debtor against third parties for past or future infringement of the Trademarks. Notwithstanding anything to the contrary contained in this Section 1, the Collateral shall not include, and Debtor shall not be deemed to have granted to Secured Party a security interest in, any rights or interest in any contract, license or instrument covering personal property of Debtor, so long as under the terms of such contract, license or instrument, or applicable law with respect thereto, the grant of a security interest or lien therein to Secured Party is prohibited or would result in the termination of or a default under such contract, license or instrument and such prohibition or restriction has not been or is not waived or the consent of the other party to such contract, license or instrument has not been or is not otherwise obtained or under applicable law such prohibition or restriction cannot be waived; provided, that, the foregoing exclusion shall in no way be construed (i) to apply if any such prohibition or restriction is unenforceable under the Uniform Commercial Code or other applicable law or (ii) so as to limit, impair or otherwise affect Secured Party's unconditional continuing security interests in and liens upon any rights or interests of Debtor in or to monies due or to become due under any such contract, license or instrument.

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the prompt performance, observance and payment in full of the following (all of the following being collectively referred to herein as the "Obligations"): (a) any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor or any other Borrower to Secured Party, any Lender and/or any of their respective Affiliates (as defined in the Loan Agreement), including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under this Agreement, the Loan Agreement or the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor or any other Borrower under the United States Bankruptcy Code or any similar statute

(including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Secured Party or any Lender and (b) for purposes only of Section 1 hereof and subject to the priority in right of payment set forth in Section 6.4 of the Loan Agreement, (i) all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor or any other Borrower to an Affiliate of Secured Party arising under or pursuant to a Hedge Agreement (as defined in the Loan Agreement), reasonably acceptable to Secured Party, whether now existing or hereafter arising (and whether or not such counterparty continues to be an Affiliate of Secured Party after the date of the applicable Hedge Agreement), provided, that, such obligations, liabilities and indebtedness shall only be included within the Obligations if upon Secured Party's request, Secured Party shall have entered into an agreement, in form and substance satisfactory to Secured Party, with such Affiliate that is a counterparty to such Hedge Agreement, as acknowledged and agreed to by Debtor or such other Borrower, providing for the delivery to Secured Party by such counterparty of information with respect to the amount of such obligations and providing for the other rights of Secured Party and such Affiliate in connection with such arrangements, and (ii) all obligations, liabilities and indebtedness owing to Secured Party or Wachovia Bank, National Association in its individual capacity (and not as Lender) arising from or in connection with ACH Transactions (as defined in the Loan Agreement).

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to Secured Party the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) To the Debtor's knowledge, all of the existing Trademarks are valid and subsisting in full force and effect. Debtor owns the sole, full and clear title to or has valid rights as a licensee to, the Collateral, and the right and power to grant the security interest and collateral assignment granted hereunder. Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Trademarks, including, without limitation, the filing of any renewal affidavits and applications, except as otherwise permitted under the Loan Agreement. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement and (iii) the licenses permitted under Section 3(e) below.

(b) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Secured Party, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder.

(c) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents requested at any time by Secured Party in writing to evidence, perfect, maintain, record or enforce the security interest in and collateral assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Secured Party or as otherwise determined by Secured Party. Debtor further authorizes Secured Party to have this Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(d) As of the date hereof, Debtor, to its knowledge, does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(e) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder.

(f) In the event Debtor shall file any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, Debtor shall provide Secured Party with written notice of such action as soon as practicable but in no event later than thirty (30) days after such action. If, after the date hereof, Debtor shall (i) obtain any registered trademark or trade name, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States, any State thereof, any political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, Debtor shall promptly execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be reasonably requested by Secured Party to evidence the security interest in and collateral assignment of such Trademark in favor of Secured Party.

(g) Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided, or avoidable, except as otherwise permitted under the Loan Agreement.

(h) Debtor shall render any assistance, as Secured Party shall determine in good faith is necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's

interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(i) To Debtor's knowledge, no material infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Secured Party, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Secured Party hereunder. As of the date hereof, to Debtor's knowledge, there has been no judgment holding any of the Trademarks invalid or unenforceable, in whole or in part, nor is the validity or enforceability of any of the Trademarks presently being questioned in any litigation or proceeding to which Debtor is a party. Debtor shall promptly notify Secured Party if Debtor, any other Borrower, Guarantor or any of their respective subsidiaries learns of any use by any person of any term or design which infringes on any Trademark or is likely to cause confusion with any Trademark. At any time an Event of Default exists, if requested by Secured Party in writing, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.

(j) As between Debtor and Secured Party, Debtor assumes all responsibility and liability arising from the use by Debtor of the Trademarks and Debtor hereby indemnifies and holds Secured Party and Lenders harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor, any other Borrower, Guarantor or any of their respective subsidiaries in connection with any Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor, any other Borrower, Guarantor or any of their respective subsidiaries. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination of the Loan Agreement.

(k) Debtor shall promptly pay Secured Party and Lenders for any and all expenditures made by Secured Party or any Lender pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

4. EVENTS OF DEFAULT

The existence of any Event of Default under the Loan Agreement is referred to herein individually as an "Event of Default" and collectively as "Events of Default".

5. RIGHTS AND REMEDIES

At any time an Event of Default exists, in addition to all other rights and remedies of Secured Party, whether provided under this Agreement, the Loan Agreement, the other

Financing Agreements, applicable law or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may require that neither Debtor, any other Borrower, Guarantor nor any of their respective subsidiaries make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Secured Party may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Secured Party by Debtor, any other Borrower, Guarantor or any of their respective subsidiaries or for such other reason as Secured Party may determine.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, upon the occurrence and during the continuance of an Event of Default, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application for registration, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees and legal expenses. Debtor agrees that Secured Party and Lenders have no obligation to preserve rights to the Trademarks against any other parties.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all reasonable legal, travel and other reasonable out-of-pocket expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its discretion determine. Debtor shall remain liable to Secured Party for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Secured Party on demand any such unpaid amount, together with interest at the rate then applicable to the

Obligations set forth in the Loan Agreement.

(f) Debtor shall supply to Secured Party or to Secured Party's designee, Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party or any Lender to take any such action at any time. All of Secured Party's and any Lender's rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

6. JURY TRIAL WAIVER; OTHER WAIVERS
AND CONSENTS; GOVERNING LAW

(a) The validity, interpretation and enforcement of this Agreement and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York without regard to principals of conflicts of laws, but excluding any rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York in New York County and the United States District Court for the Southern District of New York, whichever Secured Party may elect, and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Debtor and Secured Party or any Lender in respect of this Agreement or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or thereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral.

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Debtor in any other manner provided under the rules of any such courts.

(d) DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY OR ANY LENDER IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH

CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Notwithstanding any other provision contained herein, Secured Party and Lenders shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party or such Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct.

7. MISCELLANEOUS

(a) All notices, requests and demands to or upon the respective parties hereto shall be in writing and shall be deemed to have been duly given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by registered or certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor: JA Apparel Corp.
650 Fifth Avenue
New York, New York 10019
Attention: Chief Financial Officer
Telephone No.: 212- 586-9140
Telecopier No.: 212-397-9360

with a copy to: Kaye Scholer LLP
425 Park Avenue
New York, New York 10022
Attention: Edmond Gabbay, Esq.
Telephone No.: 212-836-8000
Telecopier No.: 212-836-6476

If to Secured Party: Congress Financial Corporation, as Agent
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Telephone No.: 212-840-2000

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Secured Party and any Lender pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist until such Event of Default is waived in accordance with Section 7(e) hereof. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

(c) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Secured Party and Lenders and their respective successors and assigns.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party and Debtor. Secured Party and Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Secured Party or such Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

(f) This Agreement (i) may be executed in separate counterparts, each of which taken together shall constitute one and the same instrument and (ii) may be executed and delivered by telecopier with the same force and effect as if it were as a manually executed and delivered counterpart.

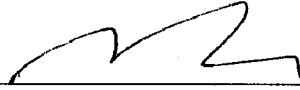
(g) Upon payment and satisfaction in full of the Obligations (other than contingent Obligations that constitute indemnification obligations that survive termination of the Loan Agreement) and the termination of the Loan Agreement and upon Debtor's written request and at

Debtor's expense, Secured Party shall promptly deliver the Collateral to Debtor which has not been used or applied towards payment of the Obligations and shall execute such documents and instruments necessary to effectuate the foregoing.

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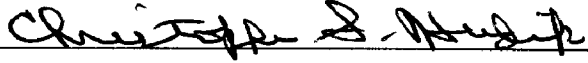
IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

JA APPAREL CORP.

By: 

Mark J. Tricolli
Vice President

CONGRESS FINANCIAL CORPORATION,
as Agent

By: 

Title: ^{1st} V.P.

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 21 day of March, 2004, before me personally came Mark J. Tricolli, to me known, who being by me duly sworn, did depose, acknowledge and say that he is the Vice President of JA APPAREL CORP., the corporation which executed the foregoing instrument and that he signed his/her name thereto by order of the Board of Directors of said corporation.



Notary Public

DONNA BECK
Notary Public, State of New York
No. 01BE4920173
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires February 16, 2004

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 29 day of March, 2004, before me personally came Christopher S. Hudson, to me known, who being duly sworn, did depose and say, that he is the 1st VP of CONGRESS FINANCIAL CORPORATION, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

MARIA CAMACHO NOTARY PUBLIC, State of New York No.: 01CA5086952 Qualified in Queens County Certificate Filed in New York County Commission Expires October 27, 2005
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Alana Camacho
Notary Public

EXHIBIT A
TO
TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

List of Trademarks and Trademark Applications

<u>Country</u>	<u>Owner</u>	<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Declaration of Use or Renewal</u>
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	2,345,776	4/25/2000	4/25/2005
UNITED STATES	JA Apparel Corp.	JA II AND DESIGN	1,648,203	6/18/1991	6/18/2011
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	1,675,915	2/18/1992	2/18/2012
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	1,756,084	3/2/1993	3/2/2013
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	2,357,617	6/13/2000	6/13/2005
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	2,408,660	11/28/2000	11/28/2005
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	2,423,249	1/23/2001	1/23/2006
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	2,471,279	7/24/2001	7/24/2006
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	2,408,887	11/28/2000	11/28/2005
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD	2,408,889	11/28/2000	11/28/2005
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD & DIAMOND DESIGN	2,690,336	2/25/2003	2/25/2008
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD AND DESIGN	2,355,271	6/6/2000	6/6/2005
UNITED STATES	JA Apparel Corp.	JOSEPH ABBOUD ENVIRONMENTS & DIAMOND DESIGN	2,796,710	12/23/2003	12/23/2008
UNITED STATES	JA Apparel Corp.	JUST ONE EARTH AND DESIGN	1,893,638	5/9/1995	5/9/2005
UNITED STATES	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2,400,258	10/31/2000	10/31/2005
UNITED STATES	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2,419,195	1/9/2001	1/9/2006

UNITED STATES	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2,408,888	11/28/2000	11/28/2005
AUSTRALIA	Joseph M. Abboud	JOSEPH ABBOUD	628745	9/4/1996	5/3/2004
AUSTRIA	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	126503	8/10/1989	8/31/2009
AUSTRIA	Joseph M. Abboud	JOSEPH ABBOUD	129196	1/23/1990	1/23/2010
BENELUX	Joseph M. Abboud	JOSEPH ABBOUD	468886	10/6/1989	10/6/2009
BENELUX	Joseph M. Abboud	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	460339	2/16/1989	2/16/2009
CANADA	JA Apparel Corp.	JOSEPH ABBOUD	TMA422111	1/21/1994	1/21/2009
CANADA	JA Apparel Corp.	JOSEPH ABBOUD	TMA512584	6/30/1996	6/30/2014
CANADA	JA Apparel Corp.	JOSEPH ABBOUD	TMA509744	3/22/1999	3/22/2014
CANADA	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	TMA382228	3/29/1991	3/29/2006
CANADA	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	TMA435238	11/11/1994	11/11/2009
CANADA	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	TMA415014	7/30/1993	7/30/2008
CANADA	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	TMA483753	10/8/1997	10/8/2012
COLOMBIA	Joseph M. Abboud	JOSEPH ABBOUD	187,065	4/16/1996	4/16/2006
COLOMBIA	Joseph M. Abboud	JOSEPH ABBOUD	173879	3/21/1995	3/21/2004
COLOMBIA	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	158,278	4/29/1994	4/29/2004
FRANCE	Joseph M. Abboud	JOSEPH ABBOUD	1,463,108	5/2/1988	5/1/2008
FRANCE	Joseph M. Abboud	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	1,516,535	2/27/1989	2/26/2009

GERMANY	JA Apparel Corp.	MISCELLANEOUS COLORED DESIGN	1,182,061	11/23/1988	11/22/2008
GERMANY	Joseph M. Abboud	JOSEPH ABBOUD	1,130,076	5/2/1988	5/2/2008
HONG KONG	Joseph M. Abboud	JOSEPH ABBOUD	199509460	5/26/1995	5/26/2015
ITALY	Joseph M. Abboud	FIGURE OF RHOMB AND RECTANGLE	553,952	11/18/1991	12/14/2008
ITALY	Joseph M. Abboud	JOSEPH ABBOUD	518,092	11/25/1989	5/13/2008
JAPAN	JA Apparel Corp.	J.O.E JUST ONE EARTH & DESIGN	2654924	4/28/1994	4/28/2004
JAPAN	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2654923	4/28/1994	4/28/2013
JAPAN	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2526961	4/28/1993	4/28/2013
JAPAN	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2531165	4/28/1993	4/28/2013
JAPAN	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2506540	2/26/1993	2/26/2013
JAPAN	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2548303	6/30/1993	6/30/2013
JAPAN	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2559782	7/30/1993	7/30/2013
JAPAN	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	2339804	9/30/1991	9/30/2011
JAPAN	Joseph M. Abboud	JOSEPH ABBOUD	2506539	2/26/1993	2/26/2013
JAPAN	Joseph M. Abboud	JOSEPH ABBOUD	2623800	2/28/1994	2/28/2004
JAPAN	Joseph M. Abboud	JOSEPH ABBOUD	2538998	5/31/1993	5/31/2013
JAPAN	Joseph M. Abboud	JOSEPH ABBOUD	2205975	1/30/1990	1/30/2010
JAPAN	Joseph M. Abboud	JOSEPH ABBOUD	2409539	5/29/1992	5/29/2013
MACAO	Joseph M. Abboud	JOSEPH ABBOUD	12.997-M	10/20/1993	4/20/2004

MEXICO	Joseph M. Abboud	JOSEPH ABBOUD	396951	6/24/1991	2/20/2006
MEXICO	Joseph M. Abboud	JOSEPH ABBOUD	379787	7/20/1990	10/19/2004
NORWAY	Joseph M. Abboud	JOSEPH ABBOUD	162436	5/11/1994	5/10/2004
PANAMA	JA Apparel Corp.	J.O.E. IN DESIGN	064779	9/20/1994	9/20/2004
PORTUGAL	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	259663	9/23/1993	9/23/2008
PORTUGAL	JA Apparel Corp.	DIAMOND DESIGN	1615988	3/3/1992	4/20/2004
PORTUGAL	Joseph M. Abboud	JOSEPH ABBOUD	258886	5/5/1993	4/20/2004
PORTUGAL	Joseph M. Abboud	JOSEPH ABBOUD	270557	2/3/1993	4/20/2004
SOUTH KOREA	Joseph M. Abboud	JOSEPH ABBOUD	410109	7/15/1998	7/15/2008
SPAIN	Joseph M. Abboud	JOSEPH ABBOUD	1534539	11/5/1991	11/30/2009
SWITZERLAND	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	368751	11/19/1988	11/19/2008
SWITZERLAND	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	388375	11/20/1991	2/12/2011
SWITZERLAND	Joseph M. Abboud	JOSEPH ABBOUD	387369	1/9/1991	1/9/2011
SWITZERLAND	Joseph M. Abboud	JOSEPH ABBOUD	363306		5/19/2008
TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD	926370	1/16/2001	10/15/2010
TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD	923002	1/1/2001	11/30/2010
TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD	931404	2/16/2001	1/31/2011
TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD	922787	1/1/2001	12/15/2010
TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD	913910	11/16/2000	11/15/2010
TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD & DESIGN	917219	12/1/2000	11/30/2010
TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD AND DESIGN	919830	12/16/2000	12/15/2010
TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD AND DESIGN	928245	2/1/2001	1/31/2011

TAIWAN	Joseph M. Abboud	JOSEPH ABBOUD AND DESIGN	910309	10/16/2000	10/15/2010
TAIWAN	Joseph M. Abboud	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	911818	11/1/2000	10/31/2010
UNITED KINGDOM	JA Apparel Corp.	J.O.E. JUST ONE EARTH AND ENVIRONMENT OF STYLE AND DESIGN	1,485,131	12/5/1991	6/27/2008
UNITED KINGDOM	JA Apparel Corp.	LOZENGE DESIGN	1,364,230	11/22/1988	11/22/2005
UNITED KINGDOM	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	1,455,594	2/13/1991	2/13/2008
UNITED KINGDOM	Joseph M. Abboud	ABBOUD	1,452,165	1/4/1991	1/4/2008
UNITED KINGDOM	Joseph M. Abboud	JOSEPH ABBOUD	1,343,597	5/5/1988	5/5/2005
UNITED KINGDOM	Joseph M. Abboud	JOSEPH ABBOUD	1,523,782	1/13/1993	1/13/2010
URUGUAY	JA Apparel Corp.	MISCELLANEOUS MARK (DIAMOND AND RECTANGLE DESIGN)	243055	3/24/1994	3/24/2004
VENEZUELA	Joseph M. Abboud	JOSEPH ABBOUD	162740-F	7/7/1994	7/7/2004
VENEZUELA	Joseph M. Abboud	JOSEPH ABBOUD	161592-F	6/6/1994	6/6/2004

<u>Country</u>	<u>Trademark Application</u>	<u>Application/Serial Number</u>	<u>Application Date</u>
NEW ZEALAND	JOSEPH ABBOUD ENVIRONMENTS AND DIAMOND DESIGN	Pending	Pending

EXHIBIT B
TO
TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

List of Licenses

1. License and Supply Agreement, dated as of April 30, 2002, by and between Mohegan Tribal Gaming Authority and JA Apparel Corp.
2. License Agreement by and between JA Apparel Corp. (Licensor) and Canning Vale Weaving Mills Ltd. (Licensee) dated as of October 10, 2002.
3. License Agreement by and between JA Apparel Corp. (Licensor) and Creative Bath Products Inc. (Licensee) dated as of October 3, 2002.
4. License Agreement by and between JA Apparel Corp. (Licensor) and Concept Marketing Group, Inc. (Licensee) dated as of June 19, 2001.
5. License Agreement by and between JA Apparel Corp. (Licensor) and Creative Home Furnishings, Inc. (DBA Dakotah) (Licensee) dated as of October 3, 2002.
6. License Agreement by and between JA Apparel Corp. (Licensor) and Divatex Home Fashions Inc. (Licensee) dated as of September 10, 2002.
7. License Agreement by and between JA Apparel Corp. (Licensor) and The Excel Group (Licensee) dated as of March 24, 2003.
8. License Agreement by and between JA Apparel Corp. (Licensor) and Kravet Fabrics, Inc. (Licensee) dated as of July 14, 2000.
9. Term Sheet by and between Houndstooth Corporation (Licensor) and The Simmons Company (Licensee) commencing July 1, 2000.
10. License Agreement by and between JA Apparel Corp. (Licensor) and United Feather & Down Inc. (Licensee) dated as of September 16, 2003.
11. License Agreement by and between JA Apparel Corp. (Licensor) and Altair Eyewear (Licensee) dated as of September 4, 2003.
12. License Agreement by and between JA Apparel Corp. (Licensor) and C&J Jewelry Co., Inc. (Licensee) dated as of May 13, 2003.
13. License Agreement by and between JA Apparel Corp. (Licensor) and Echo Lake Industries Ltd. (Licensee) dated as of April 10, 2002.
14. License Agreement by and between JA Apparel Corp. (Licensor) and Euroitalia S.R.L. (Licensee) dated as of November 13, 1990.
15. License Agreement by and between JA Apparel Corp. (Licensor) and Gruner & Co. Inc. (Licensee) dated as of September 12, 2003.
16. License Agreement by and between JA Apparel Corp. (Licensor) and Majestic Industries (Canada) Ltd. and Majestic International USA, Inc. (Licensee) dated as of September 12, 2002, as amended by First Amendment to Licensing Agreement, dated March 23, 2003 by

and between JA Apparel Corp. (Licensor) and Majestic Industries Canada Ltd. and Majestic International USA, Inc. (licensor).

17. License Agreement by and between JA Apparel Corp. (Licensee) and V. Fraas (Licensee) dated as of July 8, 2003.
18. License Agreement by and between Houndstooth Corporation (Licensor) and Carnival Industrial Corporation (Licensee) dated as of November 30, 1998.
19. License Agreement by and between JA Apparel Corp. (Licensor) and Caulfield Apparel Group Ltd. (Licensee) dated as of April 14, 2003.
20. License Agreement by and between JA Apparel Corp. d/b/a Joseph Abboud Company (Licensor) and Onward Kashiyama Co., Ltd. (Licensee) dated as of July 1, 2000.
21. License Agreement by and between JA Apparel Corp. (Licensor) and General Motors Corporation d/b/a GM (Licensee) dated as of December 18, 2002.

EXHIBIT C
TO
TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

Form of Special Power of Attorney

SPECIAL POWER OF ATTORNEY

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

KNOW ALL MEN BY THESE PRESENTS, that JA APPAREL CORP. ("Debtor"), having an office at 650 Fifth Avenue, New York, New York 10019, hereby appoints and constitutes, CONGRESS FINANCIAL CORPORATION, as Agent ("Secured Party"), and each of its officers, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Secured Party, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Collateral Assignment and Security Agreement, dated of even date herewith, between Debtor and Secured Party (the "Security Agreement") and is subject to the terms and provisions thereof. This Power of Attorney, being coupled with an interest, is irrevocable until all "Obligations", as such term is defined in the Security Agreement, are paid in full and the Security Agreement is terminated in writing by Secured Party.

Dated: March __, 2004

JA APPAREL CORP.

By: _____

Title: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ___ day of March, 2004, before me personally came _____, to me known, who being by me duly sworn, did depose, acknowledge and say that he is the _____ of JA APPAREL CORP., the corporation which executed the foregoing instrument and that he signed his/her name thereto by order of the Board of Directors of said corporation.

Notary Public