

10-05-2006

Form PTO-1594 (Rev. 07/05)

OMB Collection 0651-0027 (exp. 6/30/20)

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

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103317847

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

Exude LLC

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☐ Corporation- State: _____
☒ Other Limited Liability Company

Citizenship (see guidelines) USA

Additional names of conveying parties attached? ☐ Yes ☒ No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) 11/30/2004

- ☒ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☐ Other _____

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? ☐ Yes ☒ NoName: GMAC COMMERCIAL FINANCE LLC

Internal

Address: _____

Street Address: 1290 Avenue of the AmericasCity: New YorkState: New YorkCountry: _____ Zip: 10104

- ☐ Association Citizenship _____
☐ General Partnership Citizenship _____
☐ Limited Partnership Citizenship _____
☐ Corporation Citizenship _____

☒ Other Limited Liability Co Citizenship USAIf assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☒ No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

See Attached Schedule A

B. Trademark Registration No.(s)

See Attached Schedule A

Additional sheet(s) attached? ☒ Yes ☐ No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Richard L. Stehl, Esq.

Internal Address: _____

Street Address: Otterbough, Steindler, Houston & Rosen
230 Park Avenue, 30th FloorCity: New YorkState: New York Zip: 10169-0075Phone Number: 212-661-9100 ext.865Fax Number: 212-682-6104Email Address: eallen@OSHR.com

6. Total number of applications and registrations involved:

24

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 615.00

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature: _____

Signature

Date

10/05/2006 DBYRNE 00000057 74366635

Ellen M. Allen

5751000 of Person Signing

ASSIGNMENTS DIV 10/4/06

82:01W 5-1309007

Total number of pages including cover sheet, attachments, and document: 27

Documents to be recorded (including cover sheet) should be faxed to (703) 221-0100, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450TRADEMARK
REEL: 003409 FRAME: 0556

SCHEDULE A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

List Of Trademarks And Applications

<u>Registrations</u>	<u>Pending Applications</u>
<u>United States</u>	
GENERRA - App. No. 74/366,635 – Class 25 (Expires 11/16/13)	HYPERCOLOR – Class 25 (App. Filed 7/12/02; App. No. 76430049)(Use due 5/4/05)
GENERRA - App. No. 74/802,011 – Class 25 (Expires 2/28/05)	GENERRA – Class 25 (App. Filed 11/14/03; App. No. 78/327,988)
GENERRA - App. No. 73/412,568 – Class 25 (Expires 5/21/05)	GENERRA – Classes 3, 9, 14, 18 (Make-up; cosmetics, eyeglasses, jewelry, handbags, briefcases, travel bags; App. Filed 7/1/04; App. No. 78/444871)
GENERRA 73/459,399 (GENERRA) – Class 25 (Shoes) (Expires 5/21/05)	GENERRA – Class 25 (Belts) (App. Filed 10/12/04; App. No. 78/498216)
GENERRA – App. No. 75/673,099 – Class 18 (Use due 3/21/06)	GENERRA – Class 25 (App. Filed 11/14/03; App. No. 78327988)
GENERRA COLLECTION – 73/585,666 – Class 25 (Expires 11/25/06)	GENERRA (stylized) – Class 25 (App. Filed 11/18/03; App. No. 78329275)
	GENERRA (stylized) – Class 25 (App. Filed 3/24/03; App. No. 78229247)(Use due by 2/24/05)
	GENERRA (stylized) – Class 25 (App. Filed 11/17/03; App. No. 78329186)
	GENERRA CLOTHES THAT FEEL LIKE A SECOND SKIN – Class 25 (Clothing) (App. Filed 6/29/04; App. No. 78/442,915)
	GENERRA SECOND SKIN TEES – Class 25 (Clothing) (App. Filed 7/1/04; App. No. 78/444,866)
	STITCH (Left Pocket) – Class 25 (Clothing) (App. Filed 9/15/04; App. No. 78/483,784)
	STITCH (Right Pocket) – Class 25 (Clothing) (App. Filed 9/15/04; App. No. 78/783,781)
	GENERRA SECOND SKIN JEAN – Class 25 (Jeans) (App. Filed 9/28/04; App. No. 78/491,017)

SCHEDULE A
List Of Trademarks And Applications

<u>Registrations</u>	<u>Pending Applications</u>
	STITCH WITH CRYSTAL DESIGN – Class 25 (Jeans) (App. Filed 9/30/04; App. No. 78/491,983)
	DRUGSTORE COWBOY – Class 25 (Jeans) (App. Filed 9/28/04; App. No. 78/491,023)
	BREZZA MARINA – Class 25 (Jeans/jackets) (App. Filed 3/19/03; App. No. 78/227,572)
	SELECT CORPS – Class 25 (Clothing) (App. Filed 5/31/02; App. No. 76/419,993)
	BLUESTONE – Class 25 (Clothing) (App. Filed 12/15/03; App. No. 78/340,869)

**TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

This Trademark Collateral Assignment and Security Agreement ("Agreement") dated as of November 30, 2004, by Exude LLC, a Delaware limited liability company ("Debtor"), with its chief executive office at 70 Triangle Boulevard, Carlstadt, New Jersey 07072 and GMAC COMMERCIAL FINANCE LLC, a Delaware limited liability company, having an office at 1290 Avenue of the Americas, New York, New York 10104 ("Secured Party").

W I T N E S S E T H:

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

WHEREAS, Secured Party, Public Clothing Company, Inc. and Twenty-Eight LLC (collectively, the "Clients") have entered or are about to enter into financing arrangements pursuant to which Secured Party may make loans and advances and provide other financial accommodations to Clients as set forth in the Factoring Agreement, dated of even date herewith, by and among Clients and Secured Party (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Factoring 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, the Guaranty (as hereinafter defined) and this Agreement (all of the foregoing, together with the Factoring 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, Debtor has absolutely and unconditionally guaranteed the payment and performance of the Obligations (as hereinafter defined) as set forth in the Guaranty, dated of even date herewith, by Debtor in favor of Secured Party (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Guaranty"); and

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

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 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 hereby collaterally assigns to Secured Party (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: all of Debtor's trademarks, trade names, tradestyles and service marks; all prints and labels on which said trademarks, trade names, tradestyles and service marks appear, have appeared or will appear, and all of Debtor's designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing 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 countries, and all reissues, extensions and renewals thereof including those trademarks, service marks, terms, designs and applications described in Schedule A hereto (the "Trademarks"); (b) the goodwill of the Debtor's business symbolized by each of the Trademarks, including, without limitation, all of Debtor's customer lists and other records relating to the distribution of products or services bearing the Trademarks; and (c) any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Trademarks or any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the payment in full of any and all loans, indebtedness, liabilities, obligations, covenants and duties of Debtor to Secured Party, of every kind, nature and description arising under or relating to this Agreement, the Guaranty, the other Financing Agreements, any indemnification obligations to Secured Party, or transactions hereunder or under any of the foregoing, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether now existing or hereafter arising, whether after the commencement of any case with respect to Debtor or any guarantor 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 direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, original, renewed or extended and whether arising directly or acquired from others, and including, without limitation, Secured Party's charges, commissions, interest, expenses, costs and attorneys' fees chargeable to Debtor or any guarantor who is an affiliate or principal of Debtor under this Agreement, the Guaranty, or the other Financing Agreements (all hereinafter referred to as "Obligations").

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

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

(a) Debtor will pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full, and clear title thereto, and the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting and registered service marks or registered trademarks, as the case may be, including, without limitation, the filing of any renewal affidavits and applications. 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 (ii) the licenses permitted under Section 3(e) below as set forth in Schedule B hereto.

(c) Debtor will 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 thereto, except as permitted herein, in the other Financing Agreements, or otherwise dispose of any of the Collateral, without the prior written consent of Secured Party which consent shall not be unreasonably withheld. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder.

(d) Debtor will, at Debtor's expense, perform all acts and execute all documents reasonably requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in 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 or any other similar security agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(e) As of the date hereof, Debtor 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 other than those described in Schedule A annexed hereto and has not granted any licenses with respect thereto other than as set forth in Schedule B hereto.

(f) Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Power of Attorney in the form of Exhibit I 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.

(g) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as reasonably requested by Secured Party to preserve, defend, protect, maintain, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder including but not limited to all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to

Debtor, shall be payable on demand together with interest at the highest then applicable rate set forth in the Factoring Agreement and shall be part of the Obligations secured hereby.

(h) Upon filing 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 therein, or any other country, Debtor shall promptly inform Secured Party of such action. If, after the date hereof, Debtor shall (i) obtain any Trademark, file any Trademark application 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 county, or (ii) become the owner of any Trademark 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 request of Secured Party, Debtor shall execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party in such Trademark.

(i) Other than Trademarks registered in names of predecessors of Debtor and not used by Debtor (such Trademarks collectively referred to herein as "Unused Marks" and all other Trademarks collectively referred to herein as "Used Marks"), Debtor has not abandoned any of the Used Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Used Trademarks may become abandoned, invalidated, unenforceable, avoided or avoidable, except that, upon advance written notice to Secured Party, Debtors may abandon any Used Mark so long as (i) such Used Mark is no longer used or useful in the business of Debtor or any affiliate, and is not affixed to or used in connection with the manufacture, sale, distribution or use of any inventory or other assets of Debtor, (ii) such Used Mark shall not have been used by Debtor for a period of three (3) months or more from the date of such written notice to Secured Party, and (iii) any such Used Mark shall not otherwise be material to the business of Debtor or any of its affiliates in any respect and shall have little or no value. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording relating to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Debtor will render any assistance reasonably 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 or any state therein or 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.

(k) Debtor will promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design reasonably likely to cause confusion with any Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in its discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.

(l) Debtor assumes all responsibility and liability arising from its use of the Trademarks and Debtor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees) brought against or incurred by Secured Party arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labelling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof). The foregoing indemnity shall survive payment of the Obligations, termination of this Agreement and termination of the Guaranty.

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

4. EVENTS OF DEFAULT

All Obligations shall become immediately due and payable, without notice or demand, at the option of Secured Party, upon the occurrence of any one or more defaults or events of default under this Agreement, the Factoring Agreement, or any other Financing Agreement to which Debtor is a party (each an "Event of Default" hereunder).

5. RIGHTS AND REMEDIES

At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party, whether provided under law, this Agreement, the Factoring Agreement, the other Financing Agreements, 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 make use of any Trademarks on a royalty-free basis for the sale of goods, completion of work in process or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary of Debtor.

(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 five (5) business days notice in the manner set forth in Section 6(b) hereof 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.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to Section 5(c) hereof, 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, 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, legal expenses and reasonable attorneys' fees and legal expenses.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale, or other disposition of Collateral to the costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other 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 expenses or obligations remaining unpaid after the application of such proceeds, and Debtor will pay Secured Party on demand any such unpaid amount, together with interest at a rate equal to the highest rate then payable on the Obligations.

(f) Debtor shall supply to Secured Party or its 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 to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, this Agreement, the Factoring Agreement, the other Financing Agreements, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

6. MISCELLANEOUS

(a) Any failure or delay by Secured Party to require strict performance by Debtor of any of the provisions, warranties, terms, and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party or Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtor, specifying such waiver.

(b) Any notice or other communication required or permitted pursuant to this Agreement shall be deemed given (i) when personally delivered to any officer of the party to whom it is addressed, (ii) on the earlier of actual receipt thereof or five (5) days following

posting thereof by certified or registered mail, postage prepaid, return receipt requested, or (iii) upon actual receipt thereof when sent by a recognized overnight delivery service or (iv) upon actual receipt thereof when sent by telecopier to the number set forth below with telephone communication confirming receipt and subsequently confirmed by registered or certified mail, return receipt requested, or by recognized overnight delivery service to the address set forth below, in each case addressed to each party at its address set forth below or at such other address as has been furnished in writing by a party to the other by like notice:

(A) If to Secured Party GMAC COMMERCIAL FINANCE LLC
1290 Avenue of the Americas
New York, New York 10104
Attention: Portfolio Manager
Telephone: (212) 884-7000
Telecopier: (212) 884-7573

(B) If to Debtor at: EXUDE LLC
70 Triangle Boulevard
Carlstadt, New Jersey 07072
Attention: Mr. Naresh Teckwani
Telephone: (201) 460-7111 ext. 105
Telecopier: (201) 460-7390

(c) In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

(d) All references to Debtor and Secured Party herein shall include their respective successors and assigns. All references to the term "person" or "Person" herein shall mean any individual, sole proprietorship, limited partnership, general partnership, corporation (including a business trust), limited liability company, limited liability partnership, unincorporated association, joint stock corporation, trust, joint venture, association, organization or other entity or government or any agency or instrumentality or political subdivision thereof.

(e) This Agreement shall be binding upon Debtor and its successors and assigns, and shall be to the benefit of the Secured Party and its successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

(f) This Agreement shall be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York. Any judicial proceeding brought by or against Debtor with respect to any of the Obligations, this Agreement or any related agreement may be brought in any court of competent jurisdiction in the State of New York, United States of America, and, by execution and delivery of this Agreement, Debtor accepts for itself and in connection with the Collateral, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Debtor at its

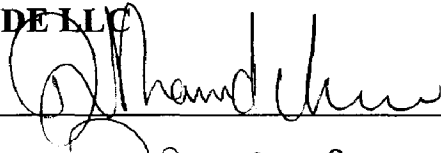
address set forth in Section 6(b), and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Secured Party to bring proceedings against Debtor in the courts of any other jurisdiction. Debtor waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Any judicial proceeding by Debtor against Secured Party involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the City of New York, State of New York.

(g) This Agreement and the documents executed concurrently herewith contain the entire understanding between Debtor and Secured Party and supersede all prior agreements and understandings, if any, relating to the subject matter hereof. Any promises, representations, warranties or guarantees not herein contained (or contained in the Factoring Agreement or the other Financing Agreements) and hereinafter made shall have no force and effect unless in writing, signed by Debtor's and Secured Party's respective officers. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. Debtor acknowledges that it has been advised by counsel in connection with the execution of this Agreement, the Factoring Agreement, and the other Financing Agreements and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(h) EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE, AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

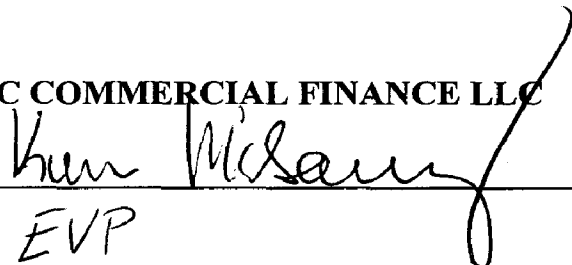
IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

EXUDE LLC

By: 

Title: PRESIDENT

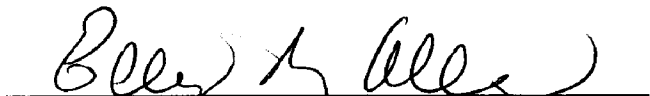
GMAC COMMERCIAL FINANCE LLC

By: 

Title: EVP

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

As of this 30th day of November, 2004, before me personally came DEEPAK SHAM DASANI, to me known, who being duly sworn, did depose and say, that he is the PRESIDENT of EXUDE LLC, the limited liability company described in and which executed the foregoing instrument; and that he signed his name thereto with the consent of the members thereof.


Notary Public

ELLEN M. ALLEN
Notary Public, State of New York
No. 01AL5057123
Qualified in Suffolk County
Commission Expires March 18, 2006

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

As of this 30th day of November, 2004, before me personally came KEVIN MCGARRY, to me known, who, being duly sworn, did depose and say, that he is a SVP of GMAC COMMERCIAL FINANCE LLC, the limited liability company described in and which executed the foregoing instrument; and that he signed his name thereto with the consent of the members thereof.


Notary Public

ELLEN M. ALLEN
Notary Public, State of New York
No. 01AL5057123
Qualified in Suffolk County
Commission Expires March 18, 2006

SCHEDULE A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

List Of Trademarks And Applications

<u>Registrations</u>	<u>Pending Applications</u>
<u>United States</u>	
GENERRA - App. No. 74/366,635 – Class 25 (Expires 11/16/13)	HYPERCOLOR – Class 25 (App. Filed 7/12/02; App. No. 76430049)(Use due 5/4/05)
GENERRA - App. No. 74/802,011 – Class 25 (Expires 2/28/05)	GENERRA – Class 25 (App. Filed 11/14/03; App. No. 78/327,988)
GENERRA - App. No. 73/412,568 – Class 25 (Expires 5/21/05)	GENERRA – Classes 3, 9, 14, 18 (Make-up; cosmetics, eyeglasses, jewelry, handbags, briefcases, travel bags; App. Filed 7/1/04; App. No. 78/444871)
GENERRA 73/459,399 (GENERRA) – Class 25 (Shoes) (Expires 5/21/05)	GENERRA – Class 25 (Belts) (App. Filed 10/12/04; App. No. 78/498216)
GENERRA – App. No. 75/673,099 – Class 18 (Use due 3/21/06)	GENERRA – Class 25 (App. Filed 11/14/03; App. No. 78327988)
GENERRA COLLECTION – 73/585,666 – Class 25 (Expires 11/25/06)	GENERRA (stylized) – Class 25 (App. Filed 11/18/03; App. No. 78329275)
	GENERRA (stylized) – Class 25 (App. Filed 3/24/03; App. No. 78229247)(Use due by 2/24/05)
	GENERRA (stylized) – Class 25 (App. Filed 11/17/03; App. No. 78329186)
	GENERRA CLOTHES THAT FEEL LIKE A SECOND SKIN – Class 25 (Clothing) (App. Filed 6/29/04; App. No. 78/442,915)
	GENERRA SECOND SKIN TEES – Class 25 (Clothing) (App. Filed 7/1/04; App. No. 78/444,866)
	STITCH (Left Pocket) – Class 25 (Clothing) (App. Filed 9/15/04; App. No. 78/483,784)
	STITCH (Right Pocket) – Class 25 (Clothing) (App. Filed 9/15/04; App. No. 78/783,781)
	GENERRA SECOND SKIN JEAN – Class 25 (Jeans) (App. Filed 9/28/04; App. No. 78/491,017)

SCHEDULE A
List Of Trademarks And Applications

<u>Registrations</u>	<u>Pending Applications</u>
	STITCH WITH CRYSTAL DESIGN – Class 25 (Jeans) (App. Filed 9/30/04; App. No. 78/491,983)
	DRUGSTORE COWBOY – Class 25 (Jeans) (App. Filed 9/28/04; App. No. 78/491,023)
	BREZZA MARINA – Class 25 (Jeans/jackets) (App. Filed 3/19/03; App. No. 78/227,572)
	SELECT CORPS – Class 25 (Clothing) (App. Filed 5/31/02; App. No. 76/419,993)
	BLUESTONE – Class 25 (Clothing) (App. Filed 12/15/03; App. No. 78/340,869)
<u>Japan</u>	
GENERRA - App. No. 2540706 – Class 25 (Expires 5/31/13)	GENERRA - Classes 3, 14, 18 (Application filed 4/18/04; Application No. 2004-34973 – being challenged in Classes 3 and 18)
<u>European Union</u>	
GENERRA - App. No. 160754 - Classes 9, 14, 25 (Expires 4/1/06) HYPERCOLOR - App. No. 1465871 – Classes 9, 14, 25 (Expires 1/13/10)	GENERRA - Classes 3, 18 (Application filed 5/17/04; Application No. 003816253 – being challenged in Class 3)
<u>India</u>	
GENERRA - App. No. 483636 – Class 25 (Expires 12/31/08)	GENERRA – Classes 3, 14, 18 (Application filed; App. No. 1283617 – being challenged in Class 3)
<u>Mexico</u>	
No present registrations or applications because of prior registrations by a third party	
<u>China</u>	
GENERRA - App. No.216961 – Class 25 (Expires 12/13/04) HYPERCOLOR - App. No.640957 – Class 25 (Expires 5/7/13)	GENERRA – Classes 3, 14, 18 (Application filed 08/04)
<u>Australia</u>	
GENERRA - App. No. 359986 – Class 25 (Expires 5/7/12) GENERRA - App. No. 543992 – Class 25 (Expires 10/16/07) GENERRA - App. No. 543991 – Class 18 (Expires 10/16/07)	GENERRA – Classes 3, 14 (Application filed 5/6/04; App. No. 1000994)

SCHEDULE A
List Of Trademarks And Applications

<u>Registrations</u>	<u>Pending Applications</u>
<u>Canada</u>	
GENERRA – App. No. 329235 – Class 25 (Expires 6/26/17) GENERRA App. No. 294569 – Class 25 (Expires 8/31/14) GENERRA App. No. 479023 – Class 9 (eyewear) (Expires 6/25/12) GENERRA App. No. 325917 – Class 25 (shoes) (Expires 4/10/17) HYPERCOLOR App. No. 400546 – Class 25 (Expires 6/24/07)	GENERRA - Class 18 (Application filed 9/27/99; App. No. 1030339)

**SCHEDULE B
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

Licenses

None – except for Master License Agreement with Public Clothing Company Inc. relating to
GENERRA® (Attached)

As of January 1, 2003

Public Clothing Company, Inc.
499 Seventh Avenue
South Tower, 20th Floor
New York, New York 10018

Re: Generra Master License Letter Agreement

Dear Sirs:

The following letter sets forth and constitutes the agreement (the "Agreement") whereby EXUDE LLC, a Delaware limited liability company, with offices at 1407 Broadway, Suite 3809, New York, New York 10018 (the "Owner"), which owns the trademarks "GENERRA®", its translations and derivatives, registered and not registered, and all goodwill associated therewith (the "Trademark") will grant a master license to Public Clothing Company, Inc., a corporation organized under the laws of New Jersey with an address at 499 Seventh Avenue, South Tower, 20th Floor, New York, New York 10018 USA (the "Licensee") to use the Trademark, in accordance with the terms and subject to the conditions hereinbelow contained. In consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Grant of License

1.1 Upon the terms and conditions hereinafter set forth, Owner hereby grants to Licensee in Territory the exclusive world-wide Master License to use the Trademark in the manufacture, sale, advertising, promotion and distribution and all other licensed products, during the Term, all in the manner set forth hereinbelow.

1.2 Licensee shall use its best efforts to: (i) exploit the license throughout the world; (ii) promote, advertise, produce, manufacture, market, distribute, ship and sell a maximum quantity of products throughout the world; (iii) grant and sublicense to use the Trademark to sub-licensees, manufacturers and others, throughout the world; (iv) maintain control over design, merchandising, pricing, quality and similar controls; and (v) establish, maintain and enhance the high standards and prestige represented by the Trademarks. For the purposes of this Agreement, "sub-licenses" refers to any agreement, whether designated "license agreement" or any other designation, whereby Licensee has licensed or otherwise permitted the use of the Trademark by any other person for any purpose.

2. Term The term of this Agreement shall commence as of the date hereof and shall continue until terminated by either party giving to the other six (6) months prior written notice of termination (the "**Term**"), unless terminated earlier in accordance with this Agreement.

3. Management of Master License

3.1 Owner reserves all rights to the Trademark and all goodwill associated therewith. Accordingly, all use of the Trademark, including, without limitation, all design, production, manufacturing, distribution, advertising, merchandising, promotion, sale of products using or associated with the Trademark and all sub-licenses granted by Licensee to third parties, shall be at all times subject to (a) Owner's approval at its sole discretion; and (b) and to such policies, instructions, standards, procedures and other requirements as Owner shall determine, from time to time, upon reasonable notice to Licensee, and with which Licensee shall comply.

3.2 To ensure compliance and approval in accordance with this Agreement, Licensee shall submit all proposed sub-licenses to Owner's review and approval and, at Owner's request, the Licensee shall submit all proposed lines of merchandise, designs, materials, concepts, sketches, prints, colorations, fabrications, artwork, samples, packaging, tags, labels, advertising and sales promotion materials, prior to its production, distribution or sale, to the Owner for its written approval.

3.3 The Licensee shall not itself, or permit any of its sub-licensees to: (a) manufacture, produce, advertise, promote, display, sell, or offer to sell, any merchandise or products using the Trademark; (b) employ designs, materials, concepts, sketches, prints, colorations, fabrications, artwork, samples, packaging, tags, labels, advertising and sales promotion materials in connection or association with the Trademark; or (c) otherwise use the Trademark, except in the manner approved by Owner in accordance with this Agreement (and, where applicable, in approved sub-licenses), and in compliance with all such instructions, standards, procedures and other requirements as are currently in force from time to time as determined by Owner.

3.4 Licensee shall ensure that the nature, quality, construction, styling, materials, workmanship and contents and all other characteristics of all licensed products and associated promotional and advertising material shall at all times be, in the sole judgment of Owner, of high quality and consistent with the prestige and reputation of Trademarks and at least equal in quality, construction, workmanship, styling and materials to the samples delivered and approved by Owner. Any lessening of quality by Licensee or sub-licensee without prior written approval of Owner shall be deemed a breach of this Agreement.

3.5 Licensee shall ensure that all licensed products shall be manufactured, sold, promoted, labeled, tagged, packaged, distributed, advertised, and shipped in accordance with all applicable laws and regulations.

3.6 Owner shall have the right to examine any and all licensed products, at any stage of production, display or sale, and to inspect manufacturing, designing, labeling, marketing and packaging methods relating to the licensed products and to inspect all facilities utilized by Licensee, sub-licensees and their respective third party contractors in connection with the manufacture of licensed products. Upon Owner's request, shall cause the immediate cessation of production, distribution and sale, as well as recall from customers of all licensed products that do not comply with this Agreement, all at the expense of Licensee (or sub-licensee), without prejudice to any other rights or remedies of Owner.

3.7 Licensee shall establish and enforce among its sub-licensees a consistent policy to ensure that licensed products are not regularly sold at prices below their regular wholesale price in such a way that would have an adverse effect on the value and reputation of the Trademark. Such policy, which is subject to Owner's approval, will ensure, among other things that (a) the percentage of "seconds" or "irregulars" of licensed products be limited; (b) "seconds" or "irregulars" be either clearly labeled as such, have the Trademark removed, (c) such "seconds" or "irregulars" not be sold through retail outlets that carry other licensed products, and/or (d) other reasonable terms and conditions.

3.5 Licensee shall ensure that public liability insurance policy including products liability coverage with respect to the licensed products and contractual coverage at levels determined from time to time by Owner shall be procured and maintained in full force and effect with a responsible, reputable insurance carrier licensed in the State of New York by Licensee and by all sub-licensees. Such insurance policies shall, among other things, insure Owner against any claims or liabilities arising from personal or property damage or injuries resulting from licensed products or the manufacture, sale, use thereof, shall name Owner as an additional insured and shall provide for at least thirty (30) days prior written notice to Owner of cancellation or modification.

4. License Fees; Fee Statement; Books and Records; Audit

4.1 In consideration of the Master License granted by Owner hereunder, Licensee shall pay to Owner a license fee ("License Fee") equal to zero percent (0%) of "Net Sales" (as hereinafter defined herein) and zero percent (0%) of Royalties, through December 31, 2006, it being agreed that in consideration for the fact, acknowledged herein by Owner and Licensee, that Licensee has expended and continues to expend considerable funds, efforts and other resources, including but not limited to "start-up costs", which have been and are necessary to develop the license granted hereunder, to enhance the value of the Trademark, Licensee shall not be required to pay any License Fee or Royalties until after the fourth anniversary of the effective date of this Agreement. The parties shall determine by mutual agreement the rates of the License Fee from January 1, 2007 and thereafter, after conducting negotiations in good faith.

4.2 For purposes hereof: (a) The term "Net Sales" is defined as gross sales of licensed products (of any kind) made by Licensee or any affiliate of Licensee, less only (i) returns

for damaged or defective merchandise for exchange only evidenced by credit memoranda, and (ii) the following if included in such gross sales and separately stated on sales invoices to Licensee's customers, actual and customary trade discounts for prompt payment actually earned and taken by customers, and shipping and freight charges for shipment of licensed products to Licensee's customers and sales and excise taxes. In determining Net Sales, no deduction shall be made for early payments, bad debts, other discounts, uncollectible accounts, advertising allowances or special promotions of any kind or for costs incurred by Licensee, in manufacturer, sale, advertising or promotion. (b) The term "Royalties" is defined as all net amounts paid to Licensee by any third party sub-licensee that is not an affiliate of Licensee, in connection with any sub-license granted by Licensee.

4.3 The License Fee hereunder shall be accounted for monthly and paid within thirty (30) days after the close of each three-month quarterly calendar period commencing on each of 1/1, 4/1, 7/1 and 10/1 ("Quarter) throughout the Term (or portion thereof in the event of prior termination for any reason).

4.5 Licensee shall deliver to Owner within thirty (30) days following the end of each Quarter during the Term, a detailed fee statement for the previous Quarter indicating all licensed products sold, the total amount of Net Sales during such Quarter, all Royalties received from each sub-licensee and all other data used in computing the License Fee. and contain a copy of all royalty statements and other reports received from sub-licensees with respect to the same period. Such statements shall be furnished to Owner whether or not any License Fees are due. All monetary amounts shall be expressed in and paid in United States Dollars. At the written request of Owner, Licensee shall deliver to Owner, within ten (10) days after receipt of said request copies of invoices and other documents. Receipt, negotiation or acceptance by Owner of any of the fee statements furnished, or of any sums paid to Owner pursuant to this Agreement will not preclude Owner from questioning their accuracy. Licensee shall deliver to Owner, not later than sixty (60) days after the close of each anniversary of this Agreement ("Contract Year") covering the entire Contract Year and containing the same information required to be contained in the quarterly statement.

4.6 Licensee at its sole cost and expense shall prepare and maintain, in accordance with generally accepted accounting principles consistently applied, complete and accurate books of account and records covering all transactions relating to this Agreement. Owner shall have the right, upon reasonable notice and at reasonable times any time during the Term of this Agreement and for three (3) years thereafter, upon reasonable notice and during regular business hours, to examine and have free and full access to such books of account and records and all other documents and materials in the possession or under the control of Licensee with respect to this Agreement. All such books of account, records, and documents shall be kept available by Licensee at least three years after the Term. If, as a result of such audit it is established that Licensee's License Fee payments for any period were less than the amount which should have been paid for such period by

an amount equal to three (3%) percent or more of the payments actually paid during such period, Licensee promptly shall reimburse Owner for the cost of such examination and pay any deficiencies together with interest at three (3%) percent above the prime rate per annum then charged by Chase Manhattan Bank.

5. Trademark.

5.1 Licensee acknowledges Owner's title, right and interest in and to the Trademark and shall never challenge nor permit any sub-licensee to challenge Owner's ownership of or the validity of the Trademark or any application for registration thereof, or any trademark registrations thereof, or any rights of Owner therein. Licensee shall not nor permit its sub-licensees during the term of this Agreement or thereafter, register or apply to register the Trademark or any trademark or logo similar thereto anywhere in the world.

5.2 Licensee shall ensure that no use is made by itself or any sub-licensee of or in connection with the Trademark except as approved by Owner. Licensee agrees that the Trademark has acquired a valuable secondary meaning and goodwill with the public and that products bearing the Trademark have acquired a reputation of high quality and style. Licensee shall not at any time do or suffer any sub-licensee to do any act or thing which may adversely affect any rights of Owner in and to the licensed products, the Trademark, any registrations or applications for registrations thereof or which, directly or indirectly, will reduce the value of the Trademark or detract from its reputation. Immediately upon Owner's written request, Licensee shall do and cause its sub-licensees to do all things reasonably required by Owner to assist Owner in preserving and protecting said right as it relates to any obligation or right set forth in this Agreement.

5.3 All sales by Licensee and sub-licensees shall be deemed to have been made by Owner for purposes of trademark registration and all uses of the Trademark by Licensee and sub-licensees shall inure to the benefit of Owner.

5.4. Owner shall own and have the right to register and/or copyright any designs, designs, materials, concepts, sketches, prints, colorations, fabrications, artwork, using the Trademark and Licensee shall cause all right, title and interest in and to same to be so vested

5.5 Licensee shall, and shall cause its sub-licensee to, timely execute any documents, to record the Licensee as a Registered User, to confirm Owner's ownership of all rights in and to the Trademark worldwide. Licensee hereby irrevocably appoints Owner as its attorney-in-fact, coupled with an interest, for the purpose of executing such documents.

5.6 Licensee will, and cause its sub-licensees to use the Trademark strictly in compliance with applicable legal requirements in each applicable jurisdiction and will use such markings in connection therewith as may be required by applicable laws or by Owner, including

employment of legends, markings, and notices on all licensed products as may be reasonably necessary to give appropriate notice of trademark and Owner's rights therein or pertaining thereto.

5.7 Licensee shall promptly notify Owner of any infringement or imitation of the Trademark or of any use by any person of a trademark similar to the Trademark. Owner may take such action as it deems advisable for the protection of its rights in and to the Trademark. If requested to do so by Owner, Licensee shall cooperate with Owner in all respects, including without limitation, by being plaintiff or co-plaintiff and by causing its officers to execute pleadings and other necessary documents. In no event however, shall Owner be required to take any action if it deems it inadvisable to do so. If Owner fails to take any such action, Licensee shall have the right to do so at Licensee's sole cost and expense, but subject to Owner's prior written consent.

6. Default; Rights on Expiration or Termination.

6.1 Upon an Event of Default, Owner shall have the right, at its sole election, to terminate this Agreement by written note, without prejudice to any remedy of Owner for the recovery of any monies then due under this Agreement or with respect to any antecedent breach of this Agreement, and without prejudice to any other right of Owner, including, without limitation, damages for breach. Each of the following is an "Event of Default":

(a) If Licensee shall fail to make any payment due hereunder and shall continue uncured for a period of five (5) days after written notice thereof has been given by Owner to Licensee.

(b) If Licensee is adjudicated bankrupt, files a petition for or seeks relief, under any bankruptcy insolvency, or reorganization law, statute or proceeding or if a petition for an order of relief under any bankruptcy law, is filed against it and is not discharged or dismissed within sixty (60) days thereafter,

(c) If Licensee or if it becomes insolvent, or makes an assignment for the benefit of its creditors or if it discontinues its business, or if a custodian, receiver or trustee is appointed for it or a substantial portion of its business or assets, or if Licensee is unable to pay its debts in the regular course of business.

(d) If Licensee fails to perform or is in breach of any of the terms, conditions, agreements, representations or covenants in this Agreement.

6.2 Notwithstanding any termination in accordance with the above, Owner shall have and hereby reserves all rights and remedies which it has, or which are granted to it by operation of law, to enjoin the unlawful or unauthorized use of the Trademark and to be compensated for damages for breach of the Agreement, and for all costs, including without limitation all reasonable legal fees and expenses incurred by Owner as a result thereof.

6.3 Upon the expiration or termination of this Agreement, all rights of Licensee

under this Agreement shall terminate forthwith and revert immediately to Owner. Licensee shall not use or permit others to use the Trademark, any licensed products merchandise, or any materials employing the Trademark in any way. Licensee immediately shall assign to Owner all sub-licenses and deliver to Owner a complete and accurate schedule of Licensee's inventory which Owner, at its option may purchase at the lower of cost or fair market value.

6.4 Anything to the contrary notwithstanding, upon expiration or termination of this Agreement, for any reason whatsoever. Licensee shall not be entitled to any additional period of time to sell and dispose of its Inventory.

7. Miscellaneous.

7.1 Relationship. Nothing contained in this Agreement shall be construed to place the parties in a relationship of legal representatives, partners, joint ventures, or agents and Licensee shall have no power or authority to obligate or bind Owner in any manner whatsoever or to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of Owner in any manner or to make any representation, warranty, covenant, agreement or commitment for or on behalf of Owner. This Agreement shall not be construed as a franchise agreement, nor shall state and federal franchise laws apply to this Agreement or to the relationship between the parties hereunder.

7.2 Notices. All notices required or permitted by this Agreement to be given to a party shall be in writing and shall be deemed to be duly given if personally delivered or mailed by certified mail, return receipt requested, to the party concerned at its address as set forth on page 1 above (or at such other address as a party may specify by written notice to the other). All notices shall be deemed received on the date of delivery if by personal delivery and three (3) days after mailing if by certified or registered mail. All notices to be given to Owner shall be addressed to the attention of its President. All notices to be given to Licensee addressed to the attention of its President.

7.3 Assignment. This Agreement and/or the master license and other rights granted hereunder are personal to Licensee and may not be assigned, sublicensed, or transferred by Licensee without the prior written consent of Owner, and any attempted violative assignment or transfer, whether voluntary or by operation of law, shall be void and of no force or effect. A direct or indirect change of control of Licensee or a transfer of all or a controlling portion of the stock of Licensee or a transfer of all or a controlling portion of the stock of Licensee shall be deemed to be an assignment of this Agreement. This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors, Owner's transferees and assigns and Licensee's permitted transferees and assigns. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, sheriff, and/or any other officer of the court or official or court charged with taking over custody of Licensee's assets or business, shall have the right to continue this Agreement or to exploit or in any way use the Trademark.

7.4 Injunctive Relief. Licensee hereby recognizes and agrees that monetary damages for breach of certain provisions of this Agreement would be inadequate. Accordingly, in the event of any such breach Owner shall be entitled to injunctive relief, in addition to such other right and remedies set forth in this Agreement and available at law or in equity.

7.5 Severability. In the event that any term or provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, this Agreement shall continue in full force and effect, unless terminated as provided for in this Agreement, except that this Agreement shall be interpreted and construed as if such term or provision, to the extent the same shall have been held invalid, illegal or unenforceable had never been contained herein. If any provision of this Agreement is inapplicable to any person or circumstance, this Agreement shall nevertheless remain applicable to all other persons and circumstances.

7.6 Waiver. No waiver by Owner, whether express or implied, of any provision of this Agreement, or of any breach or default thereof shall constitute a continuing waiver of such provision or of any other provision of this Agreement. Acceptance of payments by Owner shall not be deemed a waiver by Owner of any violation, breach or default by Licensee under any of the provisions of this Agreement.

7.7 Entire Agreement. This Agreement contains the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, supersedes all prior oral and written understandings and agreements relating thereto, and may not be modified, discharged or terminated orally.

If the above reflects our agreement, please sign where indicated below.

Very truly yours,

EXUDE, LLC

By: [Signature]

Name: DEEPAK SHANDASANI

Title: MANAGER

ACCEPTED AND AGREED:

PUBLIC CLOTHING COMPANY, INC.

By: [Signature]

Name: DEEPAK SHANDASANI

Title: PRESIDENT

EXHIBIT I

**TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

SPECIAL POWER OF ATTORNEY

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

KNOW ALL MEN BY THESE PRESENTS, that EXUDE LLC, ("Debtor"), having an office at Carlstadt, New Jersey 07072, hereby appoints and constitutes GMAC COMMERCIAL FINANCE LLC ("Secured Party"), and each of Secured Party's 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, service marks, 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, being a power coupled with an interest, is made pursuant to a Trademark Collateral Assignment and Security Agreement between Debtor and Secured Party, dated as of the date hereof (the "Security Agreement") and may not be revoked until the termination of all "Financing Agreements" and indefeasible payment in full of all Debtor's "Obligations", as each such quoted term is defined in the Security Agreement.

November ___, 2004

EXUDE LLC

By: _____

Title: _____

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

As of this _____ day of November, 2004 before me personally came _____, to me known, who being duly sworn, did depose and say, that he is a _____ of EXUDE LLC, the limited liability company described in and which executed the foregoing instrument; and that he signed his name thereto with the consent of the members thereof.

Notary Public