

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM511119

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
IM Brands, LLC		02/11/2019	Limited Liability Company: DELAWARE
RECEIVING PARTY DATA			
Name:	Bank Hapoalim B.M., as Agent		
Street Address:	1120 Avenue of the Americas		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10036		
Entity Type:	Corporation: ISRAEL		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Serial Number:	87602833	IM	
Registration Number:	5075221	IMNYC	
Serial Number:	87161536	ISAAC MIZRAHI JEANS	
CORRESPONDENCE DATA			
Fax Number:	2024083141		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	2024083141		
Email:	jean.paterson@cscglobal.com		
Correspondent Name:	CSC		
Address Line 1:	1090 Vermont Avenue, NW		
Address Line 4:	Washington, D.C. 20005		
ATTORNEY DOCKET NUMBER:	642150-3		
NAME OF SUBMITTER:	Jean Paterson		
SIGNATURE:	/jep/		
DATE SIGNED:	02/22/2019		
Total Attachments: 25			
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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is made as of February 11, 2019 (this "IP Security Agreement"), by **IM BRANDS, LLC**, a Delaware limited liability company ("Grantor"), in favor of **BANK HAPOALIM B.M.** ("BHI"), as agent (in such capacity, the "Agent") for the Lenders (as defined below) from time to time party to the Loan Agreement (as defined below).

RECITALS

WHEREAS, pursuant to a Second Amended and Restated Loan and Security Agreement dated the date hereof (as amended, modified, supplemented and restated from time to time, the "Loan Agreement") among Xcel Brands, Inc. ("Borrower"), Grantor, the other Credit Parties party thereto from time to time, the financial institutions party thereto from time to time (the "Lenders") and Agent, Lenders are providing financial accommodations to Borrower and Grantor has guaranteed the payment and performance of Borrower's obligations to Lenders' secured lien and security interest in favor of Agent for the benefit of Lenders in substantially all of its assets to secure its obligations to Lenders.

WHEREAS, it is a condition precedent to the Agent's and Lenders' making credit available to the Grantor under the Loan Agreement and to make any loans or otherwise extend credit to the Grantor under the Loan Documents, that the Grantor execute and deliver to the Agent an intellectual property security agreement in substantially the form hereof; and

WHEREAS, the Grantor wishes to grant a security interest in favor of the Agent for the benefit of Lenders as herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Grantor hereby represents, warrants, covenants and agrees with Agent, as follows:

1. **DEFINED TERMS.** When used in this IP Security Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

1.1 "Collateral" shall have the meaning assigned to such term in Section 2 of this IP Security Agreement.

1.2 "Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

1.3 "Copyright License" means any written agreement in which Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any right in or to any Copyright or Copyright registration (whether Grantor is the licensee or the licensor

thereunder) including, without limitation, licenses pursuant to which Grantor has obtained the exclusive right to use a copyright owned by a third party, a sublicense to use a copyright, a distribution agreement regarding copyrighted works and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by Grantor and now or hereafter covered by such license agreements.

1.4 “Copyrights” means all of the following in which Grantor now holds or hereafter acquires any right, title or interest: (a) all copyrights, whether registered or unregistered, held or existing pursuant to the laws of the United States, any State thereof or any other country; (b) registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; (c) any continuations, renewals or extensions of any copyright; (d) any registrations to be issued in any pending applications; (e) any prior versions of works covered by copyright and all works based upon, derived from or incorporating such works; (f) any original embodiments of a work that are necessary for the manufacture or production of a copyrighted work including, without limitation, molds, master tapes, master film reels, master CDs, master DVDs, master disks or other master magnetic or electronic media; (g) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to copyrights, including, without limitation, damages, claims and recoveries for past, present or future infringement; (h) any rights to sue for past, present and future infringements of any copyright; and (i) any other rights corresponding to any of the foregoing rights throughout the world.

1.5 “Event of Default” means an event or circumstance defined as an “Event of Default” in any Loan Document, which entitles the Agent to accelerate the payment of the Secured Obligations.

1.6 “Excluded Swap Obligation” means, with respect to the Grantor, any Swap Obligation if, and to the extent that, all or a portion of the grant by such Grantor of a security interest to secure such Swap Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Grantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the grant of such security interest becomes effective with respect to such Swap Obligation (or guaranty thereof). If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such security interest is or becomes illegal.

1.7 “License” means any Copyright License, Patent License, Trademark License or other license of trade secrets now held or hereafter acquired by Grantor.

1.8 “Lien” means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

1.9 “Litigation” means any suits, actions, proceedings (administrative, judicial or in arbitration, mediation or alternative dispute resolution), claims or counterclaims for

infringement, misappropriation, or other violation of any of the Copyrights, Patents, Trademarks and/or Licenses.

1.10 “Patent License” means any written agreement in which Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any right with respect to any Patent (whether Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which Grantor has obtained the exclusive right to use a patent owned by a third party, a sublicense to use a patent, a distribution agreement regarding one or more patented products or processes and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by Grantor and now or hereafter covered by such license agreements.

1.11 “Patents” means all of the following in which Grantor now holds or hereafter acquires any right, title or interest: (a) all United States or foreign patents (including, without limitation, utility, design and plant patents), all registrations and recordings thereof and all applications for United States or foreign patents, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (b) all reissues, divisions, continuations, renewals, continuations in part or extensions of any patent; (c) all petty patents, divisionals and patents of addition; (d) all patents to issue in any such applications; (e) all means of manufacturing patented products, including, without limitation, trade secrets, formulas, customer lists, manufacturing processes, mask works, molds and prototypes, (f) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to patents, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (g) any rights to sue for past, present and future infringements of any patent.

1.12 “Secured Obligations” means all of the indebtedness, obligations and liabilities of the Grantor to the Agent for the benefit of Lenders, individually or collectively, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the Loan Agreement and the other Loan Documents or pursuant to this IP Security Agreement, *provided* that Secured Obligations shall in no event include Excluded Swap Obligations.

1.13 “Swap Obligation” means, with respect to the Grantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

1.14 “Trademark License” means any written agreement in which Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any license right in and to any Trademark (whether Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which Grantor has obtained the exclusive right to use a trademark owned by a third party, a sublicense to use a trademark, a distribution agreement relating to goods or services covered by one or more trademarks and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by Grantor and now or hereafter covered by such license agreements.

1.15 “Trademarks” means any of the following in which Grantor now holds or hereafter acquires any right, title or interest: (a) any United States or foreign trademarks, trade names, corporate names, company names, business names, trade styles, trade dress, service marks, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country (collectively, the “Marks”); (b) any reissues, extensions or renewals of any Marks, (c) the goodwill of the business symbolized by or associated with the Marks, (d) all domain names, (e) all means of manufacturing goods or offering services covered by the Marks, including, without limitation, trade secrets, formulas, recipes, customer lists, manufacturing processes, molds, designs, plans and prototypes, (f) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the Marks, including, without limitation, payments under all licenses entered into in connection with the Marks and damages, claims, payments and recoveries for past, present or future infringement and (g) any rights to sue for past, present and future infringements of the Marks.

1.16 “UCC” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Agent’s security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

1.17 In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: “accounts,” “account debtor,” “deposit account,” “general intangibles,” and “proceeds”. Each of the foregoing defined terms shall include all of such items now owned or existing, or hereafter arising or acquired by Grantor.

1.18 All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Loan Agreement.

2. GRANT OF SECURITY INTEREST. As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce Agent and Lenders to enter into the Loan Agreement, Grantor hereby grants to Agent for the benefit of Lenders a security interest in all of Grantor’s right, title and interest, if any, in, to and under the following, whether now owned or existing or hereafter arising or acquired and wheresoever located (collectively, the “Collateral”):

2.1 All Copyrights, Patents and Trademarks including, without limitation, the Copyrights, Patents and Trademarks listed in Schedule A, all Licenses including, without limitation, the Licenses listed in Schedule B, and any presently pending Litigation including, without limitation, the Litigation listed in Schedule C;

2.2 All accounts, contract rights and general intangibles arising under or relating to each and every License (including, without limitation, (A) all moneys due and to become due under any License, (B) any damages arising out of or for breach or default in respect of any such License, (C) all other amounts from time to time paid or payable under or in connection with any such License, and (D) the right of Grantor to terminate any such License or to perform and to exercise all remedies thereunder); and

2.3 To the extent not otherwise included, all proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing.

Notwithstanding the foregoing, the Collateral shall not include (i) any intent-to-use application for a Trademark to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use application under United States federal law and (ii) any contractual obligation entered into by Grantor that prohibits or requires the consent of any Person other than Grantor and its affiliates which has not been obtained as a condition to the creation by Grantor of a lien on any right, title or interest in such contractual obligation, but only to the extent, and for as long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the UCC; provided, however, any proceeds, products, substitutions or replacements of such items shall constitute Collateral.

3. RIGHTS OF SECURED PARTY; COLLECTION OF ACCOUNTS.

3.1 Notwithstanding anything contained in this IP Security Agreement to the contrary, Grantor expressly agrees that it shall remain liable under each of its Licenses to observe and perform in all material respects all the conditions and obligations to be observed and performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such License. Agent shall not have any obligation or liability under any License by reason of or arising out of this IP Security Agreement or the granting to Agent for the benefit of Lenders of a Lien therein or the receipt by Agent of any payment relating to any License pursuant hereto, nor shall Agent be required or obligated in any manner to perform or fulfill any of the obligations of Grantor under or pursuant to any License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any License, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times. Grantor agrees that any rights granted under this IP Security Agreement to Agent for the benefit of Lenders with respect to all of the Collateral shall be worldwide and without any liability for royalties or other related charges from Agent to Grantor.

3.2 Agent authorizes Grantor to, at any time no Event of Default exists, collect its accounts related to the sale, license, settlement, judgment or other disposition of, or otherwise arising from, any of the Collateral, provided that such collection is performed in a commercially reasonable manner, and Agent may, upon the occurrence and during the continuation of any Event of Default and with prior written notice to Grantor, limit or terminate said authority at any

time. Upon the occurrence and during the continuation of any Event of Default (beyond any applicable cure period), at the request of Agent, Grantor shall deliver all original and other documents evidencing and relating to such accounts, including, without limitation, all original orders, invoices and shipping receipts.

3.3 Agent may at any time, upon the occurrence and during the continuation of any Event of Default, without prior written notice to Grantor of its intention to do so, notify any account debtors of Grantor or any parties to the Licenses of Grantor that the accounts and the right, title and interest of Grantor in and under such Licenses have been assigned to Agent for the benefit of Lenders and that payments shall be made directly to Agent. Upon the request of Agent at any time after the occurrence and during the continuation of an Event of Default, Grantor shall so notify such account debtors and parties to such Licenses. Upon the occurrence and during the continuation of any Event of Default, Agent may, in its name or in the name of others, communicate with such account debtors and parties to such Licenses to verify with such parties, to Agent's reasonable satisfaction, the existence, amount and terms of any such accounts or Licenses.

4. REPRESENTATIONS AND WARRANTIES. Grantor hereby represents and warrants to Agent and Lenders that:

4.1 Except for the Liens disclosed on Schedule 4.1 and the security interest granted to Agent for the benefit of Lenders under this IP Security Agreement, Grantor is the legal and equitable owner of all right, title and interest in and to each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable title thereto, free and clear of any and all Liens, and will continue to be the legal and equitable owner of all right, title and interest in and to each item of the Collateral, so long as the Copyrights, Patents, Trademarks and Licenses shall continue in force, except to the extent that dispositions are permitted pursuant to the Letter Agreement.

4.2 Except for this IP Security Agreement and for the Liens disclosed on Schedule 4.1, (i) no effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, and (ii) Grantor has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer or encumbrance on any of the Collateral.

4.3 This IP Security Agreement creates a legal and valid security interest on and in all of the Collateral in which Grantor now has rights. Upon the filing of appropriate financing statements and the filing of a copy of this IP Security Agreement with the United States Copyright Office and the United States Patent and Trademark Office, Agent will have a fully perfected security interest in all of the Collateral in which a security interest can be perfected by the filing of financing statements and the filing of a copy of this IP Security Agreement with the United States Copyright Office and the United States Patent and Trademark Office.

4.4 Except as set forth on Schedule 4.1, so long as any Secured Obligation remains outstanding, Grantor will not execute, and there will not be on file in any public office, any effective financing statement or other document or instrument covering the Collateral.

4.5 On the date hereof, Grantor's chief executive office, principal place of business and the place where Grantor maintains its records concerning the Collateral are located at the address set forth on the signature page hereof on the date hereof, and Grantor's name, type of organization, jurisdiction of organization, and organizational identification number set forth on the signature page hereof on the date hereof are all true and correct.

4.6 Grantor has the full right and power to grant the security interest in the Collateral made hereby.

4.7 All information furnished to Agent concerning the Collateral and proceeds thereof, for the purpose of inducing Agent and Lenders to enter into the Loan Agreement and the transactions contemplated thereby, is or will be at the time the information is furnished, accurate and correct in all material respects.

4.8 To the best of Grantor's knowledge and belief following diligent inquiry, except as set forth on Schedule 4.8, no infringement, breach or unauthorized use presently is being made of any of the Collateral which has or may reasonably be expected to have, alone or in the aggregate, a material adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, any Collateral. Grantor has advised Agent of the existence of all contractual restrictions on the use of the Collateral, including, without limitation, those set forth on Schedule 4.8 hereto.

4.9 Except as set forth on Schedule 4.8, to the best of Grantor's knowledge and belief following diligent inquiry, (i) there are no obligations to, covenants to or restrictions (other than those disclosed pursuant to Section 4.8) from third parties affecting Grantor's use, disclosure, enforcement, transfer or licensing of the Collateral (other than this IP Security Agreement); (ii) Grantor has taken all actions necessary to maintain and protect all Collateral and no loss of such Collateral is pending, reasonably foreseeable or threatened; (iii) there has been no claim made or threatened by or against Grantor asserting the invalidity, misuse or unenforceability of any item of Collateral or challenging Grantor's right to use or ownership of any item of Collateral, and there are no grounds for any such claim or challenge; (iv) there is not and has not been any actual or threatened infringement, misappropriation, breach or other violation of any Collateral, and there are no facts raising a likelihood of infringement, misappropriation, breach or other violation; (v) the consummation of the transactions contemplated by (A) this IP Security Agreement and (B) the Loan Agreement will not alter, impair or extinguish any rights of Grantor in the Collateral; (vi) Grantor has not infringed, misappropriated or otherwise violated, and Grantor does not infringe, misappropriate, or otherwise violate, any intellectual property or proprietary right of any other person or entity; and (vii) there has been no claim made or, to Grantor's knowledge, threatened against Grantor alleging infringement, misappropriation or other violation of intellectual property.

5. COVENANTS. Grantor covenants and agrees with Agent that from and after the date of this IP Security Agreement and until the Secured Obligations have been performed and paid in full:

5.1 **Disposition of Collateral.** Grantor shall not sell, lease, assign, transfer or otherwise dispose of any of the Collateral, or contract to do so, except as permitted by the Letter Agreement.

5.2 **Relocation of Business or Collateral.** Grantor shall not relocate its chief executive office, principal place of business or its records from such address(es) provided to Agent pursuant to Section 4.5 above without prior written notice to Agent.

5.3 **Limitation on Liens on Collateral.** Except as disclosed on Schedules 4.1 and 4.8, Grantor shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral.

5.4 **Maintenance of Records.** Grantor shall keep and maintain at its own cost and expense records of the Collateral that are complete in all material respects.

5.5 **Registration and Maintenance of Intellectual Property Rights.** Except as would not have a materially adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, any Collateral, Grantor shall (i) use commercially reasonable efforts to prosecute any Patent, Trademark or Copyright for use in the United States pending as of the date hereof or thereafter, (ii) promptly make applications for, register or cause to be registered in the United States (to the extent not already registered and consistent with good faith business judgment) any such Copyright, Patent or Trademark or any Copyright License, Patent License or Trademark License related thereto, which is (a) owned or held by Grantor and set forth in Disclosure Schedule 7.13 to the Loan Agreement or (b) is individually or in the aggregate, material to the conduct of Grantor's business, with the United States Copyright Office or Patent and Trademark Office, as applicable, including, without limitation, in all such cases the filing and payment of maintenance, registration and/or renewal fees, the filing of applications for renewal, affidavits of use, affidavits of noncontestability, the filing and diligent prosecution of opposition, interference and cancellation proceedings, and promptly responding to all United States Copyright Office or Patent and Trademark Office requests and inquiries. Except as would not have a material adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, any Collateral, Grantor also agrees to take commercially reasonable steps to preserve and maintain all rights in the Collateral. Any expenses incurred in connection with prosecution, registration and maintenance shall be borne by Grantor. Grantor further agrees to retain experienced patent, trademark and copyright attorneys for the filing and prosecution of all such applications and other proceedings when and if applicable. Except as would not have a material adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, any Collateral, Grantor shall not, without Agent's prior written consent, abandon any rights in or fail to pay any maintenance or renewal fee for any Patent, Trademark or Copyright owned or held by Grantor and listed in Disclosure Schedule 7.13 to the Loan Agreement or breach, terminate, fail to renew or extend, or fail to perform any duties or obligations for any License held by Grantor and listed in Disclosure Schedule 7.13 to the Loan Agreement. Grantor further agrees that it will

not take any action, or permit any action to be taken by any person or entity to the extent that such person or entity is subject to its control, including licensees, or fail to take any action, which would affect the validity, priority, perfection or enforcement of the rights granted to Agent for the benefit of Lenders under this IP Security Agreement, and any such action if it shall take place shall be null and void and of no effect whatsoever. If Grantor fails to comply with any of the foregoing provisions of this Section 5.5, Agent shall have the right (but shall not be obligated) to do so on behalf of Grantor to the extent permitted by law, but at Grantor's expense, and Grantor hereby agrees to reimburse Agent in full for all reasonable documented expenses, including the reasonable fees and disbursements of counsel incurred by Agent in procuring, protecting, defending and maintaining the Collateral. In the event that Grantor shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to comply with any other duty under this IP Security Agreement, Agent may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Grantor, and all monies so paid out shall be Secured Obligations of Grantor repayable on demand, together with interest at the rate in effect pursuant to the Loan Agreement at such time.

5.6 Notification Regarding Changes in Intellectual Property. Grantor shall, not less frequently than on a quarterly basis as provided below, advise Agent of any right, title or interest of Grantor obtained after the date hereof in or to any Copyright, Patent, Trademark or License not specified on Disclosure Schedule 7.13 to the Loan Agreement, the provisions of Section 2 above shall automatically apply thereto, and Grantor hereby authorizes and appoints Agent as Grantor's attorney-in-fact solely to the extent necessary to modify or amend such Schedule, as necessary, to reflect any addition or deletion to such ownership rights, and pursuant to Schedule D, to make any additional filings. In addition to any requirements in this IP Security Agreement for notification, Grantor shall also provide Agent with quarterly reports within sixty (60) days of the end of each of the first three (3) calendar quarters and within ninety (90) days of the end of the fourth calendar quarter that identify the status of any new Copyrights, Patents, Trademarks and/or Licenses, any newly filed applications, the status of any pending applications, the status of Litigation and licensing, any threats of Litigation, the identification of any known or suspected infringers and the discovery of any prior art or any other information that may affect the validity or enforceability of the Collateral.

5.7 Defense of Intellectual Property. Grantor shall (i) protect, defend and maintain the validity and enforceability of all current and future Copyrights, Patents and Trademarks, (ii) use its commercially reasonable efforts to detect infringements of such Copyrights, Patents and Trademarks and promptly advise Agent in writing of infringements detected and (iii) not allow any Copyrights, Patents or Trademarks that are material to the conduct of Grantor's business or are related to the maintenance of the value of the brand name created by Grantor to be abandoned, forfeited or dedicated to the public.

5.8 Further Assurances; Pledge of Instruments. At any time and from time to time, upon the written request of Agent, and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Agent may reasonably deem necessary or desirable to obtain the full benefits of this IP Security Agreement, including, without limitation, facilitating the filing of UCC-1 Financing Statements in all applicable jurisdictions and this IP Security Agreement (and any amendment hereto) or any other document that Agent may reasonably deem necessary,

including, without limitation, any filing described in Schedule D or any other collateral assignment, (and any amendments thereto) with the United States Copyright Office, Patent and Trademark Office and/or, to the extent commercially reasonable, the state or foreign equivalents of these offices, as applicable.

5.9 Right of Inspection and Audit. Subject to the limitations set forth in Section 4(s) of the Letter Agreement, upon reasonable notice to Grantor (unless an Event of Default has occurred and is continuing, in which case no notice is necessary), Agent shall at all times have full and free access during normal business hours (or during an Event of Default at any time) to all the books, records, correspondence, office, facilities and operations of Grantor, including, without limitation, Grantor's quality control processes, and Agent or any agents or representatives of Agent may examine the same, take extracts therefrom and make photocopies thereof, and Grantor agrees to render to Agent, at Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto, provided, however, that (unless an Event of Default has occurred and is continuing) (a) Grantor shall have the right to be present during Agent's examination and (b) such examination shall not unreasonably interfere with the conduct of Grantor's business.

5.10 Continuous Perfection. Grantor shall not change its name, identity, corporate structure, jurisdiction of organization or corporation identification number in any manner which might make any financing or continuation statement filed in connection herewith seriously misleading within the meaning of Section 9-506 of the UCC (or any other then applicable provision of the UCC) unless Grantor gives Agent thirty (30) days prior written notice thereof and takes all action necessary or reasonably requested by Agent to amend such financing statement or continuation statement so that it is not seriously misleading.

5.11 Power of Attorney. Grantor hereby irrevocably appoints Agent (and any of Agent's designated officers or employees) as Grantor's true and lawful attorney to in accordance with the terms hereof: (a) send requests for verification of accounts and Licenses or notify account debtors or licensees of Agent's security interest in the accounts and Licenses; (b) endorse Grantor's name on any checks or other forms of payment or security that may come into Agent's possession in connection with the Collateral; (c) sign Grantor's name on any invoice or bill of lading relating to any account, drafts against account debtors, schedules and assignments of accounts and Licenses, verifications of accounts and Licenses, and notices to account debtors and licensees, (d) make, settle and adjust all claims under and decisions with respect to Grantor's policies of insurance relating to the Collateral; (e) settle and adjust disputes and claims respecting the accounts and Licenses directly with account debtors and licensees, for amounts and upon terms which Agent determines to be reasonable; (f) modify, in its sole discretion, any intellectual property security agreement entered into between Grantor and Agent without first obtaining Grantor's approval of or signature to such modification by amending reference to any right, title or interest in any Copyright, Patent, Trademark or License, acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyright, Patent, Trademark or License, in which Grantor no longer has or claims any right, title or interest; (g) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Collateral, (h) take any other actions with respect to the Collateral as Agent deems in the best interest of Agent (consistent with any enforceable restrictions in Licenses to Grantor); (i) grant or issue any exclusive or non-exclusive

license under the Collateral to anyone (consistent with any enforceable restrictions in Licenses to Grantor) or (j) assign, pledge, convey or transfer title in or dispose of the Collateral to anyone, including Agent or a third party to the extent permitted under the UCC, free and clear of any encumbrance upon title thereof (other than any encumbrance created by this IP Security Agreement and consistent with any enforceable restrictions in Licenses to Grantor). Grantor hereby irrevocably appoints Agent (and any of Agent's designated officers or employees) as Grantor's true and lawful attorney to and in accordance with the terms hereof: (x) file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law; and (y) with respect to the Trademarks, file a copy of this IP Security Agreement with the U.S. Patent and Trademark Office. The appointment of Agent as Grantor's attorney in fact, and each and every one of Agent's rights and powers, being coupled with an interest, is irrevocable until all of the Secured Obligations have been fully repaid and performed and Agent's obligation to provide advances hereunder is terminated. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue of this IP Security Agreement. Notwithstanding the foregoing, Agent agrees not to exercise its rights under the foregoing powers (other than as respects clauses (x) and (y) above) unless an Event of Default has occurred and is continuing.

5.12 **Intent-to-Use Trademark Applications.** To the extent that any of the Trademarks consist of intent-to-use based trademark applications, if at any time Grantor commences using such Trademark in its business, Grantor shall take such actions as may be reasonably requested by Agent to convert, within the time provided by the United States Patent and Trademark Office, such intent-to-use trademark application to a use-based application.

6. RIGHTS AND REMEDIES UPON DEFAULT.

6.1 If any Event of Default shall occur and be continuing, Agent may exercise in addition to all other rights and remedies granted to it under this IP Security Agreement and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Grantor expressly agrees that in any such event, and during the existence and continuation of an Event of Default, Agent, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith maintain, collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, license, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof (consistent with any enforceable restrictions in Licenses to Grantor), in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of Agent's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption Grantor hereby releases. During the period of any Event of Default, all use of the Trademarks by Grantor shall inure to the benefit of Agent. Agent shall apply the net proceeds of any such collection, recovery, receipt,

appropriation, realization or sale as provided in Section 6.4 hereof, Grantor remaining liable for any deficiency remaining unpaid after such application, and to the extent required by the UCC, only after so paying over such net proceeds and after the payment by Agent of any other amount required by any provision of law, need Agent account for the surplus, if any, to Grantor. To the maximum extent permitted by applicable law, Grantor waives all claims, damages, and demands against Agent arising out of the repossession, retention or sale of the Collateral except such as arise out of the gross negligence or willful misconduct of Agent. Grantor agrees that Agent need not give more than ten (10) days' notice (which notification shall be deemed given when mailed or delivered on an overnight basis, postage prepaid, addressed to Grantor at its address set forth on the signature page hereof) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Agent is entitled, Grantor also being liable for the reasonable fees of any attorneys employed by Agent to collect such deficiency.

6.2 Grantor also agrees, to pay all documented fees, costs and expenses of Agent, including, without limitation, reasonable attorneys' fees, reasonably incurred in connection with the enforcement of any of its rights and remedies hereunder.

6.3 Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this IP Security Agreement or any Collateral.

6.4 The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by Agent in the following order of priorities:

FIRST, to Agent in an amount sufficient to pay in full the reasonable costs of Agent in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances reasonably incurred or made by Agent in connection therewith, including, without limitation, reasonable attorneys' fees;

SECOND, to Agent for the benefit of Lenders in an amount equal to the then unpaid Secured Obligations; and

FINALLY, upon payment in full of the Secured Obligations, to Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

7. AGENT'S RIGHT TO SUE. From and after the occurrence and during continuation of an Event of Default, Agent shall have a right, but shall in no way be obligated, to bring suit for past, present and future damages in its own name and for its own benefit to enforce the Copyrights, Patents, Trademarks and Licenses, and if Agent commence any such suit, Grantor shall, at the request of Agent, use commercially reasonable efforts to do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement.

8. LIMITATION ON AGENT'S DUTY IN RESPECT OF COLLATERAL. Agent shall deal with the Collateral in the same manner as it deals with similar property for its own account. Agent shall be deemed to have acted reasonably in the custody, preservation and

disposition of any of the Collateral if it takes such action as Grantor requests in writing, but failure of Agent to comply with any such request shall not in itself be deemed a failure to act reasonably and no failure of Agent to do any act not so requested shall be deemed a failure to act reasonably.

9. MISCELLANEOUS.

9.1 **No Waiver; Cumulative Remedies.**

9.1.1 Agent shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy.

9.1.2 The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently and are not exclusive of any rights and remedies provided by law. Grantor acknowledges and agrees that this IP Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of the Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the UCC. Recourse to security will not be required at any time.

9.1.3 None of the terms or provisions of this IP Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Grantor and Agent.

9.2 **Releases.**

9.2.1 This IP Security Agreement is made for collateral purposes only. Subject to Section 9.2.2 below, at such time as the Secured Obligations shall have been paid and performed in full and Grantor has no further obligations under or with respect to the Loan Agreement, the Collateral shall be automatically released from the Liens created hereby, and this IP Security Agreement and all obligations of Agent and Grantor hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to Grantor. At the request and sole expense of Grantor following any such termination, Agent shall deliver to Grantor all termination statements, releases or other instruments as may be necessary or proper to revert in Grantor (without recourse to or warranty by Agent, except for encumbrances created by Agent, provided that no such recourse or warranty shall apply to any Collateral sold or otherwise disposed of by Agent pursuant to this IP Security Agreement) full title to the Collateral granted in this IP Security Agreement, subject to any acceptance or disposition of Collateral which may have been made by Agent pursuant to this IP Security Agreement.

9.2.2 This IP Security Agreement and the security interests granted herein shall remain in full force and effect and continue to be effective if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, avoided, rescinded or reduced in amount, or must otherwise be restored or returned by any

obligee of the Secured Obligations, whether as a “voidable preference,” “fraudulent conveyance” or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is avoided, rescinded, reduced, restored or returned, the Secured Obligations and the security interests granted herein shall be reinstated and the Secured Obligations shall be deemed reduced only by such amount paid and not so avoided, rescinded, reduced, restored or returned. The provisions of this Section 9.2.2 shall survive repayment of all of the Secured Obligations, and the termination of this IP Security Agreement in any manner.

9.3 Successor and Assigns. This IP Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and permitted assigns of Grantor, and shall, together with the rights and remedies of Agent hereunder, inure to the benefit of Agent, any future holder of any of the Secured Obligations and their respective successors and assigns. Agent may, without cost or expense to Grantor, assign all or any part of, or any interest (undivided or divided) in, Agent’s rights and benefits under this IP Security Agreement including, without limitation, the right, title or interest in and to the Collateral. To the extent of any assignment by Agent, the assignee shall have the same rights and benefits against Grantor hereunder as it would have had if such assignee were Agent. Grantor may not assign this IP Security Agreement without the prior written consent of Agent, which consent may be granted or withheld at the sole discretion of Agent. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the lien granted to Agent for the benefit of Lenders hereunder.

9.4 Notices. All notifications and other communications permitted or required under this Agreement shall be in writing and shall be delivered in accordance with the terms of the Note.

9.5 Counterparts. This IP Security Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

9.6 Severability. If any provision of this IP Security Agreement is held to be unenforceable under applicable law for any reason, it shall be adjusted, if possible, rather than voided in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this IP Security Agreement shall be deemed valid and enforceable to the fullest extent possible under applicable law.

9.7 Governing Law; Consent to Jurisdiction. THIS IP SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. The Grantor agrees that any suit for the enforcement of this IP Security Agreement may be brought in the courts of the State of New York sitting in New York County, or any federal court sitting therein, and consents to the non-exclusive jurisdiction of such courts and to service of process in any such suit being made upon the Grantor, by mail, at the address specified on the signature page of this IP Security Agreement, or at any address specified for the Grantor in any Loan Document. The Grantor

hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

9.8 **Waiver of Jury Trial.** EACH PARTY HERETO WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS IP SECURITY AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the Grantor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Grantor (i) certifies that neither the Agent nor any representative, agent or attorney of the Agent has represented expressly or otherwise, that the Agent would not, in the event of litigation, seek to enforce the foregoing waivers and (ii) acknowledges that, in entering into the Loan Agreement and the other Loan Documents to which the Agent is a party, the Agent is relying upon, among other things, the waivers and certifications contained in this Section 9.8.

9.9 **Advice of Counsel.** Grantor represents to Agent and Lenders that Grantor's attorneys have reviewed this IP Security Agreement and that it has discussed this IP Security Agreement with its attorneys.

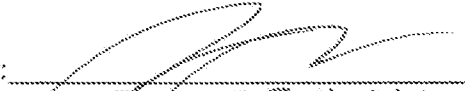
9.10 **Section and Heading Titles.** The section and heading titles are for convenience and reference only and shall not affect in any way the interpretation of any of the provisions of this IP Security Agreement.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, each of the parties hereto has caused this IP Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

IM BRANDS, LLC

By: XCEL BRANDS, INC.,
its Manager

By: 
Name: JAMES F HAGAN
Title: CFO

ADDRESS OF GRANTOR:

Chief Executive Office

1333 Broadway, 10th Floor
New York, NY 10018

Principal Accounting Office

1333 Broadway, 10th Floor
New York, NY 10018

TYPE OF ORGANIZATION: Limited Liability Company
JURISDICTION OF ORGANIZATION: Delaware
ORGANIZATIONAL ID NUMBER: 4962792

STATE OF NEW YORK)
) SS.
COUNTY OF NEW YORK)

On February 11, 2019, before me, Seth Burroughs, Notary Public, personally appeared James F. Moran, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



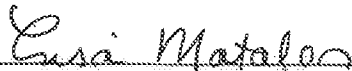
SIGNATURE OF NOTARY

[SEAL]

SETH BURROUGHS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01BUS090298
Qualified In New York County
My Commission Expires 03-29-2020

ACCEPTED AND ACKNOWLEDGED BY:

BANK HAPOALIM B.M., as Agent

By: 
Name: **Lisa Matalon**
Title: **Vice President**

By: 
Name: **MITCHELL BARNETT**
Title: **Executive Vice President**

ADDRESS:

1120 Avenue of the Americas
New York, New York 10036
Attention: Mitchell Barnett

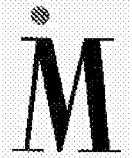
Schedule A To Security Agreement

INTELLECTUAL PROPERTY

Trademarks

1. IM Brands, LLC:

1.1

Mark	Country (Sorted ↓)	Owner	Registration No. (Application No.)	Registration Date (Application Date)	International Class + Goods/Services	Status
IM (Stylized) 	USA - (US)	IM Brands, LLC	(87/602,833)	(09/11/2017)	25: Women's Clothing, namely, suits, coats, jackets, pants, slacks, trousers, dresses, gowns, jumpsuits, blouses, skirts, hosiery, tights, stockings, jeans, shorts, shirts, sweaters, vests, t-shirts, overalls, swimsuits, socks and underwear in the nature of briefs and tops, bras and panties, lingerie, hats, scarves and gloves	Filed Notice of Allowance issued 03/20/2018; Statement of Use/Extension of Time Request due 03/20/2019
IMNYC	USA - (US)	IM Brands, LLC	5,075,221	11/01/2016	25: dresses; sportswear, namely, tops, knit tops, shirts, t-shirts, sweaters, sweatshirts, jackets, coats, bottoms, pants, skirts, tights, hats, caps; denim pants; denim jackets; footwear	Registered 8 & 15 due 11/01/2021 – 11/01/2022
ISAAC MIZRAHI JEANS	USA - (US)	IM Brands, LLC	(87/161536)	(09/06/2016)	9: eyewear; eyeglasses; sunglasses; eyeglass frames; opera glasses; spectacles; eyeglass, sunglass and spectacle cases; eyeglass, sunglass and spectacle straps; eyeglass, sunglass and spectacle chains; related accessories, namely, eyeglass cords, parts and fittings for eyewear 18: Backpacks, knapsacks, business tote bags, tote bags, cross-body bags, namely, shoulder bags, flat bags, namely, garment bags for travel, diaper bags, duffle bags, gym bags, handbags,	Filed Statement of Use/Extension of Time Request due 03/24/2019

					<p>luggage, messenger bags, reusable shopping tote bags, reusable textile grocery tote bags, travel bags and matching cosmetic bags and cosmetic cases both sold empty; small leather goods, namely, key cases, pouches, and business card holder in the nature of card cases and credit card holders</p> <p>25: men's and women's clothing, namely, bathing suits, belts, coats, jackets, jeans, jumpsuits, pants, parkas, shirts, shorts, sleepwear and loungewear, suits, sweaters, t-shirts, vests, socks, sweatshirts, tops, trousers, bottoms, hooded shirts and sweatshirts; women's clothing, namely, dresses, hosiery, leggings, skirts, tights, knee highs, panty hose; women's intimate apparel, namely, bras, slips, camisoles, and panties; shapewear, namely, girdles, body shapers, bodysuits, lingerie, and hosiery; men's clothing, namely, dress shirts and neckwear; men's and women's footwear</p>	
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Schedule B To Security Agreement

LICENSES

Schedule C To Security Agreement

PENDING LITIGATION

None.

Schedule D To Security Agreement

UCC FILING JURISDICTIONS

➤ Delaware

Other Filings

1. U.S. Copyright Office

A. Upon the occurrence of an Event of Default that is continuing, Grantor agrees to execute and deliver to Agent an assignment of Copyright Licenses and Copyrights set forth in Schedules A and B hereto and hereby authorizes Agent to file the assignments with the U.S. Patent and Trademark Office (or the appropriate foreign copyright office).

B. Grantor hereby authorizes Agent to file a copy of this IP Security Agreement with the U.S. Copyright Office for each Copyright License and Copyright set forth in Schedules A and B hereto.

2. U.S. Patent and Trademark Office

A. **Patents.** Upon the occurrence of an Event of Default that is continuing, Grantor agrees to execute and deliver to Agent conditional for each Patent License and Patent set forth in Schedule A and B hereto and hereby authorizes Agent to file the conditional assignments with the U.S. Patent and Trademark Office (or the appropriate foreign patent office).

B. Trademarks

1. Upon the occurrence of an Event of Default that is continuing, Grantor agrees to execute and deliver to Agent an assignment of Trademark Licenses and Trademarks set forth in Schedules A and B hereto and hereby authorizes Agent to complete and record with the U.S. Patent and Trademark (or the appropriate foreign or state office).

2. Grantor hereby authorizes Agent to file a copy of this IP Security Agreement with the U.S. Patent and Trademark Office for each Trademark License and Trademark now or hereafter set forth in Schedules A and B hereto.

3. Foreign Filings

Grantor shall promptly and duly execute, deliver and/or file any and all documents and instruments with any foreign recording office with respect to the Collateral and take such further action as Agent may reasonably deem necessary or desirable to perfect its security interest in the Collateral in any foreign jurisdiction, including, without limitation, any foreign patent, trademark and/or copyright office.

Schedule 4.1 To Security Agreement

EXISTING LIENS

None.

Schedule 4.8 To Security Agreement

RESTRICTIONS

None.