

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | SECURITY INTEREST |

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|--------------------|----------|----------------|-------------------------------------|
| Betsey Johnson LLC | | 08/20/2007 | LIMITED LIABILITY COMPANY: DELAWARE |

RECEIVING PARTY DATA

| | |
|-----------------|-------------------------------------|
| Name: | Paradox Syndication LLC |
| Street Address: | 885 Second Avenue, 49th Floor |
| City: | New York |
| State/Country: | NEW YORK |
| Postal Code: | 10017 |
| Entity Type: | LIMITED LIABILITY COMPANY: DELAWARE |

PROPERTY NUMBERS Total: 8

| Property Type | Number | Word Mark |
|----------------------|----------|-------------------------------|
| Serial Number: | 78834558 | BETSEY JOHNSON |
| Registration Number: | 3232866 | BETSEY JOHNSON |
| Registration Number: | 2855216 | BETSEYVILLE BY BETSEY JOHNSON |
| Registration Number: | 2706856 | BETSEY JOHNSON |
| Registration Number: | 2104236 | U L T R A BETSEY JOHNSON |
| Registration Number: | 1509297 | BETSEY JOHNSON |
| Registration Number: | 3210939 | BETSEYVILLE |
| Serial Number: | 78834566 | BETSEYVILLE |

CORRESPONDENCE DATA

Fax Number: (704)444-8847
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: (704) 343-2000
 Email: kimberly.saltrick@hmw.com, gina.eikenberry-wray@hmw.com
 Correspondent Name: Kimberly B. Saltrick, Paralegal

CH \$215.00 78834558

Address Line 1: 201 North Tryon Street
Address Line 2: Helms Mulliss & Wicker, PLLC
Address Line 4: Charlotte, NORTH CAROLINA 28202

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|-------------------------|---------------------|
| ATTORNEY DOCKET NUMBER: | 5006325-116 |
| NAME OF SUBMITTER: | Manley W. Roberts |
| Signature: | /Manley W. Roberts/ |
| Date: | 08/20/2007 |

Total Attachments: 36

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**EXHIBIT A
TO
RECORDATION FORM COVERSHEET
TRADEMARKS**

| Serial Number | Registration Number | Word Mark |
|----------------------|----------------------------|-------------------------------|
| 78834558 | | BETSEY JOHNSON |
| 78834547 | 3232866 | BETSEY JOHNSON |
| 78193832 | 2855216 | BETSEYVILLE BY BETSEY JOHNSON |
| 76416159 | 2706856 | BETSEY JOHNSON |
| 75101474 | 2104236 | U L T R A BETSEY JOHNSON |
| 73666094 | 1509297 | BETSEY JOHNSON |
| 78834563 | 3210939 | BETSEYVILLE |
| 78834566 | | BETSEYVILLE |

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT made as of August 20, 2007 (this "*Security Agreement*"), by **BETSEY JOHNSON LLC**, a Delaware limited liability company (the "*Grantor*"), in favor of **PARADOX SYNDICATION LLC**, a Delaware limited liability company, as administrative agent ("*Agent*") for the benefit of itself and the other Lenders (as defined below) party to the Loan and Security Agreement referred to below.

RECITALS

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of the date hereof (as the same may from time to time be amended, modified, supplemented or restated, the "*Loan and Security Agreement*") by and among Grantor, Agent and the lenders party thereto from time to time (collectively, the "*Lenders*" and together with Agent, the "*Secured Parties*"), the Lenders have agreed to provide a term loan (the "*Term Loan*") to Grantor in the amount and manner set forth in the Loan and Security Agreement; and

WHEREAS, it is a condition to the obligation of the Lenders to make the Term Loan to Grantor that Grantor executes and delivers to Agent this Security Agreement.

AGREEMENT

NOW, THEREFORE, in order to induce Agent and the Lenders to enter into the Loan and Security Agreement and make the Term Loan and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Grantor hereby represents, warrants, covenants and agrees with Agent for the benefit of the Secured Parties, as follows:

1. **DEFINED TERMS.** When used in this 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 Security Agreement.

1.2 "*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.

1.3 **"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, tools, 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.

1.4 **"License"** means any Copyright License, Patent License, Trademark License or other license of trade secrets now held or hereafter acquired by Grantor.

1.5 **"Lien"** means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

1.6 **"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.

1.7 **"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.

1.8 **"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 goods or offering services, including, without limitation, trade secrets, formulas, database content, distribution rights, consumer and business customer lists, manufacturing processes, mask works, tools, 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.

1.9 **“Permitted IP Encumbrances”** means (i) liens granted to the agent and the lenders under the Revolving Credit Facility and which such Revolving Credit Facility shall be subject to the intercreditor agreement referenced in Section 2.12(g) of the Loan and Security Agreement and (ii) liens described in clauses (c), (g) and (h) of the definition of “Permitted Encumbrances” in the Loan and Security Agreement, which liens attach to all assets of the Grantor (and not specifically to any Collateral) and are not agreed or consented to by the Grantor and, provided further that, (1) the indebtedness, liabilities and obligations secured by such liens do not exceed \$100,000 in the aggregate at any time, and (2) no such lien remains in effect for more than 30 days.

1.10 **“Secured Obligations”** means all obligations of Grantor of any kind under or in connection with this Security Agreement, the Loan and Security Agreement and the other Credit Documents now or hereafter existing including, without limitation, all fees, costs and expenses hereunder or thereunder.

1.11 **“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.

1.12 **“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, database content, distribution rights, consumer and business customer lists, manufacturing processes, tools, 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.

1.13 "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.

1.14 In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: "Account Debtor" 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.

1.15 All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Loan and Security 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 the Lenders to enter into the Loan and Security Agreement, Grantor hereby grants to Agent (for the benefit of the Secured Parties) 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 The accounts listed in Schedule F and all monies and other property deposited in such accounts; 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.

3. RIGHTS OF SECURED PARTY; COLLECTION OF ACCOUNTS.

3.1 Notwithstanding anything contained in this Security Agreement to the contrary but subject in all cases in this Section 3.1 to Section 9.12, Grantor expressly agrees that, as between Grantor and Agent, Grantor 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 Security Agreement or the granting to Agent 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 Security Agreement to Agent 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 collect its accounts and accounts receivable related to the sale, license, settlement, judgment or other disposition of, or otherwise arising from, any of the Collateral (collectively, the "*Accounts*"), 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, at the request of Agent, Grantor shall deliver to Agent 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, with 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 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 that:

4.1 Except for Permitted IP Encumbrances and the security interest granted to Agent under this Security Agreement, Grantor is the sole 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 (subject to dispositions permitted by Section 5.02(vi) of the Loan and Security Agreement) to be the sole 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.

4.2 Except for those with respect to Permitted IP Encumbrances, (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 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 Security Agreement with the United States Copyright Office and United States Patent and Trademark Office, Agent will have a fully perfected first priority security interest in all of the Collateral in which Grantor now has rights in the United States. This Security Agreement will create a legal and valid and fully perfected first priority security interest in the Collateral in which Grantor later acquires rights, when Grantor acquires those rights and Agent makes additional filings with the United States Copyright Office, United States Patent and Trademark Office and/or other offices as are necessary to perfect Agent's security interest in subsequent ownership rights and interests of Grantor in the Collateral.

4.4 Except for those with respect to Permitted IP Encumbrances, 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, and Grantor's corporate name, type of organization, jurisdiction of organization, and corporate identification number set forth on the signature page 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 the Lenders to enter into the Loan and Security Agreement and to effect the transaction 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, 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, an adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, any material Collateral. Grantor has advised Agent of the existence of all material contractual restrictions on the Grantor's use of the Collateral.

4.9 To the best of Grantor's knowledge and belief, (a) there are no obligations to, covenants to or restrictions from third parties affecting Grantor's use, disclosure, enforcement, transfer or licensing of the Collateral (other than (i) this Security Agreement, (ii) the Loan and Security Agreement, (iii) the other Credit Documents and (iv) Permitted IP Encumbrances); (b) all Collateral that is owned by Grantor is valid and enforceable; (c) Grantor has the right to use all Collateral that is necessary for the operation of Grantor's business in all material respects as presently conducted and as proposed by Grantor to be conducted; (d) Grantor has taken all actions necessary to maintain and protect all Collateral (unless the failure to take such action has no adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, the Collateral) and no loss of such Collateral is pending, reasonably foreseeable or threatened; (e) there has been no claim made or threatened by or against Grantor asserting the invalidity, misuse

or unenforceability of any material Collateral or challenging Grantor's right to use or ownership of such Collateral, and there are no grounds for any such claim or challenge; (f) there is not and has not been any actual or threatened infringement, misappropriation, breach or other violation of any material Collateral, and there are no facts raising a likelihood of infringement, misappropriation, breach or other violation; (g) except for Permitted IP Encumbrances, the consummation of the transactions contemplated by (or previously undertaken in reliance on) (i) this Security Agreement, (ii) the Loan and Security Agreement, and (iii) the other Credit Documents will not alter, impair or extinguish any rights of Grantor in the Collateral; (h) 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 (i) 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 Security Agreement and until the Secured Obligations have been performed and paid in full:

5.1 **Disposition of Collateral.** Subject to dispositions permitted by Section 5.02(vi) of the Loan and Security Agreement, Grantor shall not sell, lease, assign, transfer or otherwise dispose of any of the Collateral, or contract to do so. Grantor also agrees to maintain the quality of any and all merchandise and/or services in connection with which the Trademarks are used, substantially consistent with or better than the quality of said merchandise and/or services as of the date hereof.

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.** 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 (other than Permitted IP Encumbrances).

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 an adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, any material Collateral, Grantor shall (a) use commercially reasonable efforts to prosecute any Patent, Trademark or Copyright pending as of the date hereof or thereafter, and (b) promptly make applications for, register or cause to be registered (to the extent not already registered and consistent with good faith business judgment) any Copyright, Copyright License (other than any Copyright License where the Grantor is the licensor), any Patent, Patent License (other than any Patent License where the Grantor is the licensor), any Trademark or Trademark License (other than any Trademark License where the Grantor is the licensor), which is (i) set forth in Schedule A or Schedule B or (ii) is individually or in the aggregate, material to the conduct of Grantor's business, with the United States Copyright Office or United States 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 timely responding to all United States Copyright Office or United States Patent and Trademark Office requests and inquiries. Except as would not have an adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, any material Collateral, Grantor also agrees 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 and appropriate. Except as would not have an adverse effect on the value or enforceability of, or any rights of Grantor or Agent in, any material 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 listed in Schedule A or breach or fail to perform any duties or obligations for any License listed in Schedule B. Except for actions otherwise specifically authorized hereunder, Grantor further agrees that it will not take any action, or permit any action to be taken by any Person to the extent that such Person 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 the Secured Parties under this 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 expenses, including the 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 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 (which demand obligations Grantor agrees to pay), together with interest at the rate applicable to the Term Loan.

5.6 Notification Regarding Changes in Intellectual Property. Grantor shall promptly advise Agent of any right, title or interest of Grantor obtained after the date hereof in or to any material Copyright, Patent, Trademark or License not specified on Schedule A hereto, 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. Grantor hereby authorizes Agent to modify this Security Agreement by amending Schedules A and B to include any future Copyrights, Patents, Trademarks or Licenses that are Collateral under Section 2 above. Agent will make good faith efforts to provide copies of such amended Schedules A and B to Grantor, provided that, Agent's failure to provide such copies shall not constitute a breach of this Agreement nor render such amendments ineffective. In addition to any requirements in this Security Agreement for notification, Grantor shall also provide Agent with quarterly reports that identify the status of the Collateral, any new registered Copyrights, and/or any new Patents, Trademarks and/or Licenses, any newly filed applications, the status of any pending applications, the payment of any maintenance or renewal fees, 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 (a) protect, defend and maintain the validity and enforceability of all material current and future Copyrights, Patents and Trademarks, (b) use its commercially reasonable efforts to detect material infringements of such Copyrights, Patents and Trademarks and promptly advise Agent in writing of material infringements detected and (c) not allow any material Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public. Grantor shall not commence, or cause to be commenced, any action, proceeding, lawsuit, mediation or arbitration relating to the Collateral (a "Collateral Action") without the prior written consent of Agent, such consent not to be unreasonably withheld, provided that if the Agent has not responded to Grantor's request for consent within seven days of Grantor's notice to the Agent that Grantor intends to institute such Collateral Action, the Agent shall be deemed to have consented to such Collateral Action, nor shall Grantor engage in any activity or conduct relating to the Collateral that could give rise to declaratory judgment jurisdiction. At Grantor's sole expense, Agent shall have the right (but shall not be obligated) to approve Grantor's counsel (such consent not to be unreasonably withheld) and/or participate in any action, proceeding, lawsuit, mediation or arbitration that could affect the rights in, validity or enforceability of the Collateral. In addition, any proposed settlement or compromise of any action, proceeding, lawsuit, mediation or arbitration that could affect the value, validity or enforceability of, or any rights of Grantor or Agent in, the Collateral must be approved, in writing, by Agent.

5.8 Further Assurances; Pledge of Instruments. At any time and from time to time, upon the written reasonable 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 (including, without limitation, control agreements) and take such further action as Agent may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, facilitating the filing of UCC Financing Statements in all applicable jurisdictions and this 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, United States Patent and Trademark Office and/or the state or foreign equivalents of these offices, as applicable.

5.9 Right of Inspection and Audit. Subject to the limitations on inspection set forth in the Credit Agreement and the obligations of the Borrower to reimburse the Agent therefor, 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. Effective only upon the occurrence and during the continuation of an Event of Default, 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 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 of this Section 5.11: (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 Security Agreement with the United States 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 under the Credit Documents is terminated but (in the case of the power of

attorney described in the first sentence of this Section 5.11) shall be exercisable only during the continuance of an Event of Default. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue of this Security Agreement.

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 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 proceeds from the 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, postage prepaid, or personally delivered, 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 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 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 order set forth in the Loan and Security Agreement.

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 commences 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 respective 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 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 this 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 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 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 and Security Agreement or the other Credit Documents (other than Continuing Future Indemnification Obligations), the Collateral shall be automatically released from the Liens created hereby, and this 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 Security Agreement) all right, title and interest in and to the Collateral granted in this Security Agreement, subject to any acceptance or disposition of Collateral which may have been made by Agent pursuant to this Security Agreement.

9.2.2 This 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 Security Agreement in any manner.

9.3 **Successor and Assigns.** This 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 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 shall not assign this 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 hereunder.

9.4 **Notices.** All notifications and other communications permitted or required under this Security Agreement shall be in writing and delivered to the Persons and in the manner specified in the Loan and Security Agreement.

9.5 **Counterparts.** This Security Agreement and any amendments, waivers, consents, or supplements may be executed via telecopier or facsimile transmission or electronic format (including .pdf), 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 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 Security Agreement shall be deemed valid and enforceable to the fullest extent possible under applicable law.

9.7 **Governing Law.** IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS SECURITY AGREEMENT AND THE SECURED OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE EXCEPT TO THE EXTENT THAT PERFECTION OR THE EFFECT OF PERFECTION OF ANY SECURITY INTEREST IN THE COLLATERAL MAY BE GOVERNED BY THE LAWS OF ANY OTHER JURISDICTION.

9.8 **Consent to Jurisdiction and Service of Process; Waiver of Jury Trial.** ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EACH PARTY HERETO WITH RESPECT TO THIS SECURITY AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN NEW YORK COUNTY, NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT, EACH PARTY HERETO ACCEPTS, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY FINAL JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS SECURITY AGREEMENT FROM WHICH NO APPEAL HAS BEEN TAKEN OR IS AVAILABLE. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ITS NOTICE ADDRESS, SUCH SERVICE TO BECOME EFFECTIVE TEN (10) DAYS AFTER SUCH MAILING. EACH OF PARTIES HERETO IRREVOCABLY WAIVES (I) TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT AND (II) ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT IN ANY

JURISDICTION SET FORTH ABOVE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF ANY SECURED PARTY TO BRING PROCEEDINGS AGAINST GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

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

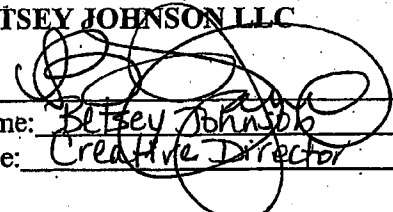
9.11 **No Inconsistent Requirements.** This Security Agreement, the Loan and Security Agreement and the other Credit Documents may use or require several different limitations, requirements, covenants, representations, warranties, tests or measurements ("**Limitations**") to regulate the same or similar matters. All such Limitations are cumulative and shall each be performed, observed or complied with in accordance with their terms.

9.12 **Licenses.** The parties hereto acknowledge that nothing in this Agreement is intended to prohibit Grantor from amending, terminating or originating Licenses in its reasonable business judgment.

(Remainder of page intentionally left blank)

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

BETSEY JOHNSON LLC

By: 
Name: Betsey Johnson
Title: Creative Director

Type of Organization:

Limited Liability Company

Jurisdiction of Organization:

Delaware

Corporate Identification Number:

4379525 (Delaware)

26-0618779 (FEIN)

Address:

498 Seventh Avenue, 21st Floor


New York, New York 10018

BETSEY JOHNSON LLC
INTELLECTUAL PROPERTY SECURITY AGREEMENT
SIGNATURE PAGE

TRADEMARK
REEL: 003604 FRAME: 0773

ACCEPTED AND ACKNOWLEDGED BY:

PARADOX SYNDICATION LLC, as Agent

By:  _____

Name: Edward P. Meintzer

Title: Vice President

Schedule A To Security Agreement

INTELLECTUAL PROPERTY

Copyrights

None.

Trademarks

I. United States Trademarks

Owner: Betsey Johnson LLC

| Trademark | Application Number | Application Date | Registration Number | Registration Date | International Class Goods |
|---|---------------------------|-------------------------|----------------------------|--------------------------|----------------------------------|
| Betsey Johnson | 73/666,094 | 6/10/87 | 1509297 | 10/18/88 | 25 |
| Betsey Johnson | 73/666,094 | 6/10/87 | 1509297 | 10/18/88 | 42 |
| Betsey Johnson | 76/416,159 | 5/31/02 | 2706856 | 4/15/03 | 3 |
| Betsey Johnson | 78/834,547 | 3/10/06 | 3232866 | 4/24/07 | 18 |
| Betsey Johnson | 78/834,558 | 3/10/06 | | | 9 |
| Betsey Johnson | 78/834,558 | 3/10/06 | | | 14 |
| Betsey Johnson | 78/834,558 | 3/10/06 | | | 24/27 |
| | | | | | |
| Betseyville | 78/834,563 | 3/10/06 | 3210939 | 2/20/07 | 18 |
| Betseyville | 78/834,566 | 3/10/06 | | | 24 |
| | | | | | |
| Betseyville by Betsey Johnson | 78/193,832 | 12/13/02 | 2855216 | 6/15/04 | 25 |
| | | | | | |
| Ultra Betsey Johnson (note: this mark will not be renewed) | 75/101474 | 5/9/96 | 2104236 | 10/7/97 | 25 |

II. Foreign Trademarks

Owner: Betsey Johnson LLC

| Country | Trademark | Application Number | Application Date | Registration Number | Registration Date | International Class - Goods |
|--------------------|----------------|--------------------|------------------|---------------------|-------------------|-----------------------------|
| Canada | Betsey Johnson | 854435 | 8/25/97 | 655918 | 12/29/05 | 9 |
| Canada | Betsey Johnson | 854435 | 8/25/97 | 655918 | 12/29/05 | 3 |
| Canada | Betsey Johnson | 854435 | 8/25/97 | 655918 | 12/29/05 | 25 |
| Canada | Betsey Johnson | 854435 | 8/25/97 | 655918 | 12/29/05 | 35 |
| Canada | Betsey Johnson | 854435 | 8/25/97 | 655918 | 12/29/05 | 18 |
| | | | | | | |
| Canada | Betseyville | 1309388 | 7/18/06 | | | 18 |
| Canada | Betseyville | 1309388 | 7/18/06 | | | 24 |
| Canada | Betseyville | 1309388 | 7/18/06 | | | 25 |
| Canada | Betseyville | 1309388 | 7/18/06 | | | 35 |
| | | | | | | |
| China | Betsey Johnson | 5452979 | 6/30/06 | | | 3 |
| China | Betsey Johnson | 970073039 | 7/16/97 | 1210232 | 9/28/98 | 18 |
| China | Betsey Johnson | 9800010344 | 2/5/98 | 1270941 | 5/7/99 | 25 |
| | | | | | | |
| China | Betseyville | 5452978 | 6/30/06 | | | 18 |
| China | Betseyville | 5452977 | 6/30/06 | | | 25 |
| | | | | | | |
| European Community | Betsey Johnson | 582031 | 7/10/97 | 582031 | 6/29/99 | 3 |
| European Community | Betsey Johnson | 582031 | 7/10/97 | 582031 | 6/29/99 | 18 |
| European Community | Betsey Johnson | 582031 | 7/10/97 | 582031 | 6/29/99 | 25 |
| | | | | | | |
| European Community | Betseyville | 5176706 | 7/3/06 | 5176706 | 6/8/07 | 18 |
| European Community | Betseyville | 5176706 | 7/3/06 | 5176706 | 6/8/07 | 24 |
| European Community | Betseyville | 5176706 | 7/3/06 | 5176706 | 6/8/07 | 25 |
| | | | | | | |
| Hong Kong | Betsey Johnson | 1582/98 | 2/10/98 | B16037/99 | 2/10/98 | 18 |
| Hong Kong | Betsey Johnson | 1582/98 | 2/10/98 | B16037/99 | 2/10/98 | 25 |
| Hong Kong | Betsey Johnson | 300665460 | 6/23/06 | 300665460 | 6/23/06 | 3 |
| Hong Kong | Betsey Johnson | 300665460 | 6/23/06 | 300665460 | 6/23/06 | 9 |
| Hong Kong | Betsey Johnson | 300665460 | 6/23/06 | 300665460 | 6/23/06 | 14 |
| | | | | | | |
| Hong Kong | Betseyville | 300665479 | 6/23/06 | 300665479 | 6/23/06 | 18 |
| Hong Kong | Betseyville | 300665479 | 6/23/06 | 300665479 | 6/23/06 | 25 |

| Country | Trademark | Application Number | Application Date | Registration Number | Registration Date | International Class - Goods |
|-------------|----------------|--------------------|------------------|---------------------|-------------------|-----------------------------|
| India | Betsey Johnson | 1470038 | 7/14/06 | | | 3 |
| India | Betsey Johnson | 1470038 | 7/14/06 | | | 25 |
| Italy | Betsey Johnson | 48360-0/89 | 3/29/89 | 872201 | 2/18/92 | 25 |
| Japan | Betsey Johnson | 122990/97 | 6/2/97 | 4253208 | 3/19/99 | 18 |
| Japan | Betsey Johnson | H05-057812 | 6/11/93 | 2692907 | 8/31/94 | 24/25 |
| Japan | Betsey Johnson | 2006-61251 | 6/30/05 | | | 3 |
| Japan | Betsey Johnson | 2006-113891 | 12/8/06 | | | 3/24/25/27 |
| Japan | Betsey Johnson | 2006-23294 | 3/15/06 | 5019712 | 1/19/07 | 9 |
| Japan | Betsey Johnson | 2006-23294 | 3/15/06 | 5019712 | 1/19/07 | 14 |
| Japan | Betsey Johnson | 2007-031524 | 4/2/07 | | | 35 |
| Japan | Betseyville | 2006-59313 | 6/26/06 | 5012956 | 12/22/06 | 18 |
| Japan | Betseyville | 2006-59313 | 6/26/06 | 5012956 | 12/22/06 | 25 |
| South Korea | Betsey Johnson | 40-2006-28405 | 5/26/06 | 694455 | 1/18/07 | 18 |
| Russia | Betsey Johnson | 2005-732743 | 12/19/05 | 323601 | 4/2/07 | 3 |
| Russia | Betsey Johnson | 2005-732743 | 12/19/05 | 323601 | 4/2/07 | 14 |
| Russia | Betsey Johnson | 2005-732743 | 12/19/05 | 323601 | 4/2/07 | 9 |
| Russia | Betsey Johnson | 2005-732743 | 12/19/05 | 323601 | 4/2/07 | 18 |
| Russia | Betsey Johnson | 2005-732743 | 12/19/05 | 323601 | 4/2/07 | 25 |
| Taiwan | Betsey Johnson | 91021042 | 5/24/02 | 1047792 | 6/16/03 | 25 |
| Taiwan | Betsey Johnson | 09503 2085 | 6/21/02 | | | 3 |
| Taiwan | Betsey Johnson | 09503 2085 | 6/21/02 | | | 18 |
| Taiwan | Betseyville | 09503 2127 | 6/21/06 | | | 3 |
| Taiwan | Betseyville | 09503 2127 | 6/21/06 | | | 18 |
| Turkey | Betsey Johnson | 2006-030749 | 6/26/06 | | | 3 |
| Turkey | Betsey Johnson | 2005/049703 | 11/21/05 | 49703 | 11/21/05 | 9 |
| Turkey | Betsey Johnson | 2005/049703 | 11/21/05 | 49703 | 11/21/05 | 14 |
| Turkey | Betsey Johnson | 2005/049703 | 11/21/05 | 49703 | 11/21/05 | 18 |
| Turkey | Betsey Johnson | 2005/049703 | 11/21/05 | 49703 | 11/21/05 | 25 |
| UAE | Betsey Johnson | 82699 | 7/10/06 | | | 3 |
| UAE | Betsey Johnson | 80899 | 5/21/06 | 78804 | 1/15/07 | 18 |
| UAE | Betsey Johnson | 65373 | 11/30/04 | 53885 | 6/18/05 | 25 |
| UAE | Betseyville | 82589 | 7/5/06 | | | 18 |

Patents

I. United States Patents

Owner: Betsey Johnson LLC

None.

II. Foreign Patents

Owner: Betsey Johnson LLC

None.

Schedule B To Security Agreement

LICENSES

License Agreement, dated as of August 14, 2007, between Betsey Johnson LLC and Jerry Leigh of California, Inc.

License Agreement, dated as of July 1, 2003, as amended, between Carole Hochman Designs, Inc. and B J Vines, Inc.

License Agreement, dated as of April 1, 2006, between Colorful Licenses BV and B J Vines, Inc.

License Agreement, dated as of March 1, 2005, between Titan Industries, Inc. and B J Vines, Inc.

License Agreement, dated as of April 1, 2005, between Haskell Jewels, Ltd. and B J Vines, Inc.

License Agreement, dated as of March 1, 2005, between B. Robinson Optical, Inc. and B J Vines, Inc.

License Agreement, dated as of September 14, 2005, as amended, between The Lunada Bay Corporation and B J Vines, Inc.

License Agreement, between WestPoint Home, Inc. and B J Vines, Inc.

License Agreement, dated as of March 1, 2007, between Levy Group, Inc. and B J Vines, Inc.

License Agreement, dated as of March 1, 2007, between Leg Resource, Inc. and B J Vines, Inc.

License Agreement between B J Vines, Inc. and Daniel M. Friedman & Associates, Inc., dated as of July 16, 2004

License Agreement between B J Vines, Inc. and Cejon Accessories, Inc., dated as of August 26, 2004

License Agreement between B J Vines, Inc. and Geneva Watch Company, dated as of December 17, 2004

License Agreement between B J Vines, Inc. and U International Office, Co. Ltd., dated June 2007

Software License Agreement between B J Vines, Inc. and Computer Generated Solutions, Inc., dated as of March 30, 2007

It is contemplated that in connection with the Castanea Acquisition and on the Castanea Acquisition Consummation Date, the Borrower will enter into the following two agreements:

(1) License Agreement by and between the Borrower and Betsey Johnson; and (2) Trademark License Agreement — Royalty-free between the Borrower and Betsey Johnson.

Schedule C To Security Agreement

PENDING LITIGATION

None.

Schedule D To Security Agreement

UCC or Other Filing Jurisdictions

- **Delaware** (Betsey Johnson LLC)

Other Filings

1. United States Copyright Office

A. Grantor has executed in blank and delivered to Agent an assignment of Copyright Licenses and Copyrights set forth in Schedules A and B hereto. The assignment is in the form of Schedule E hereto. Grantor hereby authorizes Agent to complete and record with the U.S. Copyright Office each assignment only upon the occurrence of an Event of Default that is continuing at the time of filing.

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

2. United States Patent and Trademark Office

A. **Patents.** Grantor has executed conditional assignments (in the form of Schedule E hereto) for each Patent License and Patent set forth in Schedule A and B hereto. Grantor 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. Grantor has executed in blank and delivered to Agent an assignment of Trademark Licenses and Trademarks set forth in Schedules A and B hereto. The assignment is in the form of Schedule E hereto. Grantor hereby authorizes Agent to complete and record with the United States Patent and Trademark (or the appropriate foreign or state office) each assignment only upon the occurrence of an Event of Default that is continuing at the time of filing.

2. Grantor hereby authorizes Agent to file a copy of this Security Agreement with the United States 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 E To Security Agreement

Form Assignment Documents

1. FORM OF COPYRIGHT ASSIGNMENT

COPYRIGHT ASSIGNMENT

This Assignment Agreement (this "Assignment") is made this ___ day of _____, 200__, by and between [NAME], a [TYPE OF ENTITY] ("*Assignor*") and [NAME], a [TYPE OF ENTITY] ("*Assignee*") for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged.

Assignor hereby assigns, grants and delivers (and hereby further agrees to assign, grant and deliver) exclusively unto Assignee all rights, titles and interests of every kind and nature whatsoever in and to the [DESCRIBE COPYRIGHTED MATERIAL], Copyright Registration Nos. _____, copies of which are attached hereto as Annex 1 and incorporated herein by reference, and all copies, versions, and derivatives thereof, (collectively, the "*Works*"), including all copyrights therein and thereto, all licenses to or for the Works, all renewals thereof, and all copyright registrations therefor. The rights assigned include, but are not limited to, all rights to secure copyright registration, renewals and extensions for those copyrights in the United States and every other country of the world, as well as all rights of publication, right to license, rights to create derivative works and all other rights which are incident to copyright ownership, together with all claims for damages and other remedies by reason of past infringement of any of the foregoing intellectual property rights, with the right to sue for, and collect, the same for Assignee's own use and benefit. Assignor hereby waives and transfers to Assignee any and all moral rights that Assignor may have under the law of any jurisdiction to the maximum extent permissible under law, and acknowledges that Assignee shall have the right to add to, subtract from, rearrange, edit and/or change the Works.

Assignor further agrees to execute and deliver to Assignee, its successors and assigns, such other and further instruments and documents as Assignee reasonably may request for the purpose of establishing, evidencing and enforcing or defending its complete, exclusive, perpetual and worldwide ownership of all rights, titles and interests of every kind and nature whatsoever, including all copyrights, in and to any Work, and Assignor hereby constitutes and appoints Assignee as its agent and attorney-in-fact, with full power of substitution, to execute and deliver such documents or instruments as Assignor may fail or refuse to execute and deliver, this power and agency being coupled with an interest and being irrevocable.

Should there be any conflict between any provision of this Assignment and any present or future law (statutory or common law), contrary to which the parties have no legal or enforceable right to contract, the latter shall prevail, but in such event the provision of this Assignment affected shall be curtailed and limited only to the extent necessary to bring it within legal and enforceable requirements, and the other provisions of this Assignment shall not be affected but shall remain in full force and effect.

Agreed to and accepted this ____ day of _____ 200__

[ASSIGNOR]:

[ASSIGNEE]:

By: _____
Name:
Title:

By: _____
Name:
Title:

Annex 1

[PHOTO OR COPY OF THE WORK PLUS REGISTRATION INFO]

2. FORM OF CONDITIONAL ASSIGNMENT OF PATENTS

CONDITIONAL ASSIGNMENT OF PATENTS

THIS CONDITIONAL ASSIGNMENT is made this ____ day of _____, 200__, by and between [NAME], a [TYPE OF ENTITY] ("*Assignee*"), and _____, a _____ corporation having its principal offices at _____ ("*Assignor*").

WITNESSETH:

WHEREAS, Assignor is the sole owner of all right, title and interest in and to or the licensee of the patents, patent applications and inventions identified on attached Annex 1, which is incorporated by reference, and all corresponding patents and patent applications in all jurisdictions worldwide, and divisions, continuations, continuations-in-part, reissues, reexaminations, renewals or extensions thereof, any patent issuing thereon, and all licenses to or for such patents (collectively, the "*Patents*");

WHEREAS, simultaneously with the execution of this Conditional Assignment Assignor received a term loan (the "*Term Loan*") from the Assignee pursuant to that certain Loan and Security Agreement dated as of August 20, 2007, between the Assignor and the Assignee (such agreement, as amended, restated, supplemented or otherwise modified from time to time, the "*Loan and Security Agreement*");

WHEREAS, as a material inducement to Assignee providing the Term Loan, Assignor has simultaneously executed an Intellectual Property Security Agreement dated as of the date hereof, by and between the Assignor and Assignee (the "*Intellectual Property Security Agreement*") among other matters, granting a lien in and a conditional assignment of the Patents;

WHEREAS, pursuant to the Intellectual Property Security Agreement and 37 C.F.R. § 3.56, Assignor desires to assign to Assignee, upon an Event of Default (as defined in the Loan and Security Agreement) the entire right, title and interest in and to the Patents and Assignee wishes to obtain, upon an Event of Default, the entire right, title and interest in and to the Patents;

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignor, pursuant to 37 C.F.R. §3.56, conditionally assigns all right, title and interest in and to the Patents, including all rights to sue and recover for the past infringement thereof, and any and all causes of action related thereto, to Assignee, provided that such assignment is conditioned upon the occurrence of an Event of Default. Upon the occurrence of an Event of Default, all right, title and interest in and to the Patents along with any and all rights of enforcement with respect to the Patents, including all rights to sue and recover for the past infringement thereof, and any and all causes of action related thereto shall be, and are hereby, immediately and irrevocably assigned, transferred, set over and conveyed to Assignee.

2. Assignor also agrees at any time to execute and to deliver upon request of Assignee such additional documents as the Assignee may deem necessary or desirable to secure patent protection throughout the world, and otherwise to do whatever necessary to give the full effect to and perfect the rights of the Assignee under this Assignment, including the execution, delivery and procurement of such other documents evidencing this Assignment as the Assignee may deem necessary or desirable.

3. The parties acknowledge and agree that this assignment is conditional upon the occurrence of an Event of Default and that presently, and until the occurrence of an Event of Default, there has been no assignment of the Patents. Therefore, until an Event of Default has occurred, the Assignor enjoys all of the substantive rights of patent ownership, including, without limitation, the right to sue for infringement, the right to prosecute any pending related applications and the duty to pay all maintenance fees for the Patents.

4. In the event Assignee was, is or becomes a party to or other participant in, or is threatened to be made a party to or other participant in, a threatened, pending or completed action, claim, suit or proceeding by reason of (or arising or allegedly arising in any manner out of or relating to in whole or in part) this Conditional Assignment, Assignor to the fullest extent permitted by applicable law shall indemnify and hold harmless the Assignee from and against any and all losses, damages, judgments, awards, fines, penalties, amounts paid or payable in settlement, deficiencies and expenses (including, without limitation, all reasonable attorney's fees, costs, witness fees and expenses, interest, assessments, and other charges) suffered, incurred or sustained by the Assignee or to which the Assignee becomes subject, resulting from, arising out of or relating to such action, claim, suit or proceeding (it being understood that any such losses, damages, judgments, awards, fines, penalties, amounts, deficiencies and expenses shall be paid or reimbursed (as applicable) by Assignor as soon as practicable but in any event no later than 15 days after written request is made to Assignor accompanied by supporting documentation), provided that such indemnity shall not be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and unappealable judgment to have resulted from the gross negligence or willful misconduct of Assignee. The Assignee shall give Assignor written notice of any action, claim, suit or proceeding (accompanied by such reasonable supporting documentation as may be in the Assignee's possession) as soon as practicable after the Assignee becomes aware thereof; provided that the failure of the Assignee to give such notice shall not relieve Assignor of its indemnification obligations under this Conditional Assignment.

5. Upon the occurrence of an Event of Default all of the foregoing Patents shall be held and enjoyed by Assignee for its own use and for the use of its successors, assigns or other legal representatives, as fully and entirely as the same would have been held and enjoyed by Assignor if this conditional transfer to Assignee had not been made. This Assignment is not intended to limit Assignor's obligation pursuant to the Loan and Security Agreement to assign patents and patent applications that have not been included in Schedule 1.

IN WITNESS WHEREOF, Assignor has caused this instrument of Conditional Assignment to be executed and its corporate seal to be hereunto affixed.

Agreed to and accepted this ___ day of _____ 200__.

[ASSIGNOR]:

[ASSIGNEE]:

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX 1

| <u>Country</u> | <u>Patent No.</u> | <u>Issue Date</u> | <u>Title</u> |
|----------------|-------------------|-------------------|--------------|
|----------------|-------------------|-------------------|--------------|

3. FORM OF TRADEMARK ASSIGNMENT

TRADEMARK ASSIGNMENT

WHEREAS, [NAME], a [STATE] [TYPE OF ENTITY]; having its principal place of business at _____ (“Assignor”) has used the trademarks, _____, Registration Nos. _____, registered in the United States Patent and Trademark Office as set forth on the attached Annex 1, which is incorporated herein by reference (collectively, the “Marks”); and

WHEREAS, [NAME], a [TYPE OF ENTITY], having its principal place of business at _____ (“Assignee”) is desirous of acquiring any and all rights that Assignor may have in and to the Marks and the registrations thereof, together with the goodwill of the business in connection with which any of the Marks is used and which is symbolized by such Mark, along with the right to pursue claims and recover damages and profits for past infringements thereof;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign, transfer, convey and deliver (and agrees further to assign, transfer, convey and deliver) unto Assignee all right, title and interest in and to each Mark, including the registration therefor and any common law rights therein, in the United States and throughout the world, and any and all similar designations thereto, together with the goodwill of the business in connection with which such Mark is used and which is symbolized by such Mark, along with any and all licenses to or for such Mark and the right to pursue claims and recover damages and profits for past infringements thereof.

Assignor agrees to execute and deliver at the request of the Assignee, all papers, instruments, and assignments, and to perform any other reasonable acts that Assignee may require in order to vest all of Assignor’s right, title, and interest in and to each Mark in Assignee and/or to provide evidence to support any of the foregoing in the event such evidence is deemed necessary by Assignee, to the extent such evidence is in the possession or control of Assignor.

Agreed to and accepted this ___ day of _____ 200__.

[ASSIGNOR]:

[ASSIGNEE]:

By: _____
Name:
Title:

By: _____
Name:
Title:

ANNEX 1

Registrant:

Mark:

Reg. No.:

Classes:

Reg. Date:

Schedule F to Security Agreement

IP ACCOUNTS

Any account established pursuant to Section 3.01(d)(iv) of the Loan and Security Agreement. As of the Closing Date, no account is designated strictly for receipt of proceeds of intellectual property.