



Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (exp. 6/30/2005)

12/03/04

102894654

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

1. Name of conveying party(ies)/Execution Date(s):
Homestead Holdings, Inc.

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

Citizenship (see guidelines) _____

Execution Date(s) 11/10/04

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies) Yes No

Additional names, addresses, or citizenship attached? Yes No

Name: Congress Financial Corporation

Internal Address: _____

Street Address: 1133 Avenue of the Americas

City: New York

State: New York

Country: United States Zip: 10036

Association Citizenship _____
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship Delaware
 Other _____ Citizenship _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other _____

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

A. Trademark Application No.(s)
See Schedule A attached hereto.

B. Trademark Registration No.(s)
See Schedule A attached hereto.

Additional sheet(s) attached? Yes No

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

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

Name: Tracey D. Bennett

Internal Address: Otterbourg, Steindler, Houston & Rosen, P.C.

Street Address: 230 Park Avenue

City: New York

State: New York Zip: 10169

Phone Number: 212-661-9100

Fax Number: 212-682-6104

Email Address: tbenne@oshr.com

6. Total number of applications and registrations involved: 21

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 540.00

Authorized to be charged by credit card
 Authorized to be charged to deposit account
 Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____
Authorized User Name _____

9. Signature: Tracey D. Bennett 11/22/04
Signature Date

Tracey D. Bennett

Total number of pages including cover sheet, attachments, and document: 24

Name of Person Signing

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

12/03/2004 GTDN11 00000103 78296025

01 FC:8521 40.00 UP
02 FC:8522 500.00 UP

SCHEDULE A
TO
TRADEMARK RECORDATION COVER SHEET

LIST OF TRADEMARKS AND TRADEMARK APPLICATIONS

Trademark Registration Numbers:

None.

Trademark Applications:

78/296,025	78/296,020	78/296,027
78/304,155	78/192,523	78/304,120
78/192,533	78/215,042	78/334,703
78/215,044	78/220,992	78/301,374
78/304,102	78/251,025	76/518,332
76/284,270	76/173,047	76/172,740
76/172,737	76/172,736	76/172,731

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT ("Agreement"), dated November 10, 2004, is by and between HOMESTEAD HOLDINGS, INC., a Delaware corporation ("Debtor"), having an office at 1 Madison Avenue, Norwood, New Jersey 07648 and CONGRESS FINANCIAL CORPORATION, a Delaware corporation ("Secured Party"), having an office at 1133 Avenue of the Americas, New York, New York 10036.

W I T N E S S E T H :

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

WHEREAS, Debtor, certain affiliates of Debtor and Secured Party have entered into or are about to enter into financing arrangements pursuant to which Secured Party may make loans and provide other financial accommodations to Debtor and certain of its affiliates as set forth in Amended and Restated Loan and Security Agreement, dated April 17, 2001, by and among Secured Party, Debtor and certain affiliates of Debtor, as amended through Amendment No. 4 to Loan and Security Agreement ("Amendment No. 4 to Loan Agreement"), dated as of the date hereof (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party to enter into Amendment No. 4 to Loan Agreement and to continue to make loans and advances and provide other financial accommodations to Debtor and certain of its affiliates pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein;

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

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

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and to: (i) all of Debtor's trademarks, trade names, trade styles and service marks and all applications for registration, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any trademarks, trade names, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all present and future license and distribution agreements (subject to the rights of the licensors therein) pertaining to the Trademarks, (d) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (e) the right to sue for past, present and future infringements thereof; (f) all rights corresponding thereto throughout the world; and (g) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Debtor against third parties for past or future infringement of the Trademarks.

2. OBLIGATIONS SECURED. The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor to Secured Party and/or its affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under this Agreement, the Loan Agreement or the other Financing Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Secured Party (all of the foregoing being collectively referred to herein as the "Obligations").

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

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

(b) All of the existing Trademarks are valid and subsisting and in full force and effect, and Debtor owns the sole, full and, except as provided below in this Section 3(b), clear title to

the Collateral, and the right and power to grant the security interest granted hereunder. Debtor shall, at Debtor's expense, (x) perform all acts and execute all documents necessary to maintain the existence of the Collateral consisting of registered Trademarks as registered trademarks or service marks, as the case may be, and to maintain the existence of all of the Collateral as valid and subsisting, including, without limitation, the filing of any affidavits of use, renewal affidavits and applications and (y) Debtor shall provide Secured Party with written confirmation that the necessary filings to maintain the existence, validity and subsistence of this Collateral have been made prior to the time that the filings are due. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement and (iii) the licenses permitted under Section 3(e) hereof.

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

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

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

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

(g) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the security interest and collateral assignment granted hereunder, including, but not limited to, all filing or recording fees,

court costs, collection charges, reasonable attorneys' fees and legal expenses. Debtor shall be liable to Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to Debtor, shall be payable on demand together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(h) Within ten (10) days after filing, Debtor shall provide notice to Secured Party of the filing of any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States. If, after the date hereof, Debtor shall (i) obtain any registered trademark or trade name, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States, any State thereof, any political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, Debtor shall promptly execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interest in and conditional assignment of such Trademark in favor of Secured Party.

(i) Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided, or avoidable, except upon Debtor's compliance with, and in the absence of Lender's objection pursuant to Section 3(n) hereof as to the affected Trademarks. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable. As of the date hereof, Debtor represents to Secured Party that there are Persons other than Debtor that own trademark and/or service mark applications and/or registrations for trademarks or common law rights to trademarks in countries other than the United States and Canada that may be identical to and/or confusingly similar to, certain of the Trademarks and which may infringe on the rights of Debtor to use such Trademarks in such countries but not in the United States and Canada. Debtor represents and warrants that the foregoing set of facts and circumstances do not impair the ability of Debtor to use and enjoy the benefits of any Trademarks in the United States and Canada and would have a de minimus impact, if any, on the fair market value of the Collateral. As of the date hereof, Debtor also represents to Secured Party that Debtor is not currently using certain Trademarks in countries other than the United States and Canada and that Debtor's trademark applications and/or registrations in respect of such Trademarks may be cancelled, invalidated, avoided or avoidable solely for such non-use. Debtor represents and warrants that the cancellation, invalidation or avoidance of such trademark applications and/or registrations would have a de minimus impact, if any, on the fair market value of the Collateral. The representations and warranties contained in this Section 3(i) shall not in any manner be deemed to constitute notice by Debtor pursuant to Section 3(n) hereof.

(j) Except as to registered Trademarks with respect to which Debtor has complied with Section 3(n) hereof and Lender has failed to object in accordance with Section 3(n) hereof,

Debtor shall render any assistance, as Secured Party shall determine is necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or, in Secured Party's good faith judgment, in any other country, to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's interests therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings. As of the date hereof, Debtor represents to Secured Party that there are Persons other than Debtor and LFI that own trademark and/or service mark applications and/or registrations for trademarks or common law rights to trademarks in countries other than the United States and Canada that may be identical to and/or confusingly similar to, certain of the Trademarks and which may infringe on the rights of Debtor to use such Trademarks in such countries but not in the United States and Canada. Debtor represents and warrants that the foregoing set of facts and circumstances do not impair the ability of Debtor to use and enjoy the benefits of any Trademarks in the United States and Canada and would have a de minimus impact, if any, on the fair market value of the Collateral. As of the date hereof, Debtor also represents to Secured Party that Debtor is not currently using certain Trademarks in countries other than the United States and Canada and that Debtor's trademark applications and/or registrations in respect of such Trademarks may be cancelled, invalidated, avoided or avoidable solely for such non-use. Debtor represents and warrants that the cancellation, invalidation or avoidance of such trademark applications and/or registrations would have a de minimus impact, if any, on the fair market value of the Collateral. The representations and warranties contained in this Section 3(j) shall not in any manner be deemed to constitute notice by Debtor pursuant to Section 3(n) hereof.

(k) To the best of Debtor's knowledge, no material infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Secured Party, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Secured Party hereunder. There has been no judgment holding any of the Trademarks invalid or unenforceable, in whole or in part, nor is the validity or enforceability of any of the Trademarks presently being questioned in any litigation or proceeding to which Debtor is a party. Debtor shall promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design which infringes on any Trademark or is likely to cause confusion with any Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's discretion, may deem advisable in its good faith judgment for the protection of Secured Party's interest in and to the Trademarks. So long as no Event of Default exists or has occurred and is continuing, Debtor may, subject to the terms and conditions of this Agreement and the other Financing Agreements, take such action at its sole cost and expense to halt the infringement of any of the Trademarks. Without limiting the other representations or warranties contained in this Section 3(k), as of the date hereof, Debtor hereby represents to Secured Party that Debtor is not currently using certain Trademarks in countries other than the United States and Canada and that Debtor's trademark applications and/or registrations in respect of such Trademarks may be cancelled, invalidated, avoided or avoidable solely for such non-use. Debtor represents and warrants that the cancellation, invalidation or avoidance of such trademark applications and/or registrations would have a de minimus impact,

if any, on the fair market value of the Collateral. The representations and warranties contained in this Section 3(k) shall not in any manner be deemed to constitute notice by Debtor pursuant to Section 3(n) hereof.

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

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

(n) If Debtor has ceased using and wishes to abandon any registered Trademarks or, in the case of any Trademarks registered in any country other than the United States or Canada, if Debtor determines that it would not be in the best interests of Debtor to comply with the use requirements of the trademark law of such country and wishes not to take such action to use such Trademark in such country, Debtor shall notify Secured Party of such intention, in writing, at least ten (10) business days prior to Debtor's failure to take any action otherwise required under Section 3(b) hereof, and if Secured Party has not objected to Debtor's intentions within five (5) business days after Secured Party's receipt of the notice by Debtor, Debtor shall be relieved of its Obligations under Section 3(b) hereof as to the registered Trademarks covered by its notice to Secured Party under this provision.

4. EVENTS OF DEFAULT. All Obligations shall become immediately due and payable, without notice or demand, at the option of Secured Party, upon the occurrence of any Event of Default, as such term is defined in the Loan Agreement (each an "Event of Default" hereunder).

5. RIGHTS AND REMEDIES. At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose

whatsoever. Secured Party may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Secured Party may determine.

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

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of five (5) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

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

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

(f) Debtor shall supply to Secured Party or to Secured Party's designee, Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

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

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

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York (without giving effect to principles of conflict of laws).

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

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Debtor shall appear in answer to such process, failing which Debtor shall be deemed in default and judgment may be entered by Secured Party against Debtor for the amount of the claim and other relief requested.

(d) DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND

CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Secured Party shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment binding on Secured Party that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

7. MISCELLANEOUS.

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

If to Pledgor: Homestead Holdings, Inc.
1 Madison Avenue
Norwood, New Jersey 07648
Attention: David L. Greenstein

with a copy to: Sidley Austin Brown & Wood LLP
787 Seventh Avenue
New York, New York 10019
Attention: Jonathan P. Williams, Esq.

and London Fog Industries, Inc.
1700 Westlake Avenue North
Seattle, Washington 98109
Attention: Mr. Marv Toland

If to Pledgee: Congress Financial Corporation
1133 Avenue of the Americas
New York, New York 10036
Attention: Regional Portfolio Manager

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

(c) Upon the termination of the Loan Agreement, this Agreement and the other Financing Agreements and the indefeasible payment in full of all the Obligations in accordance with the terms and conditions of the Loan Agreement and the other Financing Agreements, Secured Party agrees at the sole cost and expense of Debtor to deliver releases of Secured Party's security interest and lien on the Trademarks for filing with United States Patent and Trademark Office.

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

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

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

construed as a bar to or waiver of any such right, power and/or remedy which Secured Party would otherwise have on any future occasion, whether similar in kind or otherwise.

(g) This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original but all of which when taken together shall constitute one and the same instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one counterpart hereof signed by each of the parties hereto. This Agreement may be executed and delivered by telecopier with the same force and effect as if it were a manually executed and delivered counterpart.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

HOMESTEAD HOLDINGS, INC.

By: _____

Name: David L. Greenstein

Title: _____

CONGRESS FINANCIAL CORPORATION

By: _____

Name: _____

Title: _____

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

HOMESTEAD HOLDINGS, INC.

By: _____

Name: David L. Greenstein

Title: _____

CONGRESS FINANCIAL CORPORATION

By: Dionne J. Rice

Name: DIONNE J. RICE

Title: VICE PRESIDENT

STATE OF New York,
COUNTY OF New York ss.:

On the 3rd day of Nov., 2004, before me personally came David L. Greenstein, to me known, who being by me duly sworn, did depose, acknowledge and say that he is the President of HOMESTEAD HOLDINGS, INC., the corporation which executed the foregoing instrument and that he signed his name thereto by order of the Board of Directors of said corporation.

Hazel V. Christopher
Notary Public

HAZEL V. CHRISTOPHER
NOTARY PUBLIC, State of New York
No. 01CR6057347
Qualified in Kings County
Commission Expires April 16, 2007

STATE OF)
) ss.:
COUNTY OF)

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

Notary Public

STATE OF)
) ss.:
COUNTY OF)

On the ___ day of _____, 2004, before me personally came David L. Greenstein, to me known, who being by me duly sworn, did depose, acknowledge and say that he is the _____ of HOMESTEAD HOLDINGS, INC., the corporation which executed the foregoing instrument and that he signed his name thereto by order of the Board of Directors of said corporation.

Notary Public

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

On the 3 day of NOVEMBER, 2004, before me personally came DIONNE S. RICE, to me known, who being by me duly sworn, did depose, acknowledge and say that he is the VP of CONGRESS FINANCIAL CORPORATION, the corporation which executed the foregoing instrument and that he signed his name thereto by order of the Board of Directors of said corporation.

Maria Camacho
Notary Public

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

EXHIBIT A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

List of Trademarks and Trademark Applications

Trademarks:

None.

Trademark Applications:

<u>Jurisdiction</u>	<u>Serial Number</u>	<u>Mark</u>	<u>Application Date</u>	<u>Status</u>
US	78/296,025	WINDSOR TENNIS CLUB	09/04/03	Published as of 06/29/04.
US	78/296,020	WINDSOR FOOTBALL CLUB	09/04/03	Published as of 06/29/04.
US	78/296,027	WINDSOR GOLF CLUB	09/04/03	Published as of 06/22/04.
US	78/304,155	KIDZ KINGDOM	09/23/03	Approved for publication.
US	78/192,523	WINDSOR POLO CLUB	12/09/02	Published 09/09/03. Opposed as of 10/09/03.
US	78/304,120	ROYAL WINDSOR RUGBY CLUB	09/23/03	Approved for publication.
US	78/192,533	WINDSOR RUGBY CLUB	12/09/02	Published 12/02/03 Opposed as of 01/07/04.
US	78/215,042	QUALITY	02/14/03	Published 01/13/04. Request for extension of time to file an opposition filed 02/11/04.
US	78/334,703	CRIB IN A BAG	12/01/03	Examination pending.

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<u>Jurisdiction</u>	<u>Serial Number</u>	<u>Mark</u>	<u>Application Date</u>	<u>Status</u>
US	78/215,044	WRC & Design	02/14/03	Published 09/23/03. Opposed as of 10/30/03.
US	78/220,992	Design mark	03/03/03	Notice of Allowance 01/13/04.
US	78/301,374	WINDOW SWEATER	09/17/03	Examination pending.
US	78/304,102	ROYAL WINDSOR POLO CLUB	09/23/04	Examination pending.
US	78/251,025	WINDOW IN A BAG	05/16/03	Examination pending.
US	76/518,332	COMFORT IN A BAG	06/02/03	Notice of Allowance 5/4/04.
US	76/284,270	SMARTGUARD	07/12/01	Notice of Allowance 3/25/03. Second extension for filing statement of use 3/25/04.
US	76/173,047	SMARTBLOC	11/29/00	Examination suspended.
US	76/172,740	SMARTSWIM	11/29/00	Examination suspended.
US	76/172,737	SMARTFLEX	11/29/00	Examination suspended.
US	76/172,736	SMART TEC	11/29/00	Examination suspended.
US	76/172,731	SMARTDRY	11/29/00	Examination suspended.
Canada	1197062	COMFORT IN A BAG	11/17/03	Examination in process. Examiner's First report issued 5/21/04. A response is due by 9/21/04.

<u>Jurisdiction</u>	<u>Serial Number</u>	<u>Mark</u>	<u>Application Date</u>	<u>Status</u>
Canada	1197061	WINDOW IN A BAG	11/17/03	Examination in process. Examiner's First report issued 5/21/04. A response is due by 9/21/04.
Canada	1180277	Design of Horses, Crown and Shield	06/05/03	Examination in process. Examiner's First report issued 5/11/04. A response is due by 9/11/04.
EC	3,536,992	COMFORT IN A BAG	11/13/03	Application accepted.
EC	3,536,885	WINDOW IN A BAG	11/13/03	Application accepted.
EC	3,215,993	WRC	06/05/03	Application published.
EC	3,215,969	WINDSOR RUGBY CLUB	06/05/03	Opposition pending.
EC	3,215,944	wpc QUALITY	06/05/03	Registration pending.
EC	3,215,878	WINDSOR POLO CLUB	06/05/03	Application published.

EXHIBIT B
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

List of Licenses

None.

EXHIBIT C
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

Form of Special Power of Attorney

(See attached)

SPECIAL POWER OF ATTORNEY

STATE OF)
) ss.:
COUNTY OF)

KNOW ALL MEN BY THESE PRESENTS, that HOMESTEAD HOLDINGS, INC. (“Debtor”), having an office at 1 Madison Avenue, Norwood, New Jersey 07648 hereby appoints and constitutes, CONGRESS FINANCIAL CORPORATION, as Agent (“Secured Party”), and each of its officers, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

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

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

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

Dated: _____, 2004

HOMESTEAD HOLDINGS, INC.

By: _____

Name: David L. Greenstein

Title: _____

STATE OF

)

) ss.:

COUNTY OF

)

On the __ day of _____, 2004, before me personally came David L. Greenstein, to me known, who being by me duly sworn, did depose, acknowledge and say that he is the _____ of HOMESTEAD HOLDINGS, INC., the corporation which executed the foregoing instrument and that he signed his name thereto by order of the Board of Directors of said corporation.

Notary Public

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.

230 PARK AVENUE
NEW YORK, NY 10169-0075

TRACEY D. BENNETT
TBENNETT@OSHR.COM

TELEPHONE: (212) 661-9100
TELECOPIER: (212) 682-6104

December 2, 2004

VIA FEDERAL EXPRESS

U.S. Patent and Trademark Office
1213 Jefferson Davis Highway, 3rd floor
Arlington, Virginia 22202
Attn: Customer Services Center

Re: Congress Financial Corporation with London Fog Industries, Inc.

Dear Madam/Sir:

Enclosed for recording are the following original documents:

1. Trademark Collateral Assignment and Security Agreement, dated November 10, 2004, by and between Homestead Holdings, Inc. and Congress Financial Corporation; and
2. Patent Collateral Assignment and Security Agreement, dated November 10, 2004, by and between Homestead Holdings, Inc. and Congress Financial Corporation.

Also enclosed are check nos. 1338 and 1339, each dated November 19, 2004, in the amounts of \$540.00 and \$40.00 respectively, payable to the Commissioner of Patent & Trademarks, representing payment of the recording fees for the above mentioned documents.

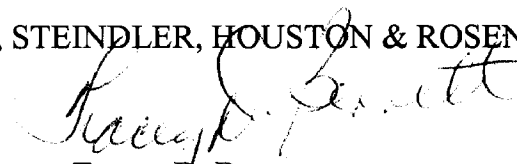
Please acknowledge receipt of the foregoing by returning a signed copy of this letter annexed hereto in the self-addressed, stamped envelope to my attention.

U.S. Patent & Trademark Office
December 2, 2004
Page 2

Feel free to call if you have any questions. Thank you.

Very truly yours,

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.



Tracey D. Bennett
Paralegal

Encls.

cc: Matthew J. Miller, Esq.
Alex Yastremski, Esq.