

10/19/2011



103634791

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

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

**TRADEMARKS ONLY**

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

11-19-2011

**1. Name of conveying party(ies)/Execution Date(s):**

Knights Apparel, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other: \_\_\_\_\_
- Association
- Limited Partnership

Citizenship (see guidelines) Delaware

Execution Date(s) 7/18/2011

Additional names of conveying parties attached?  Yes  No

**2. Name and address of receiving party(ies)**

Additional names, addresses, or citizenship attached?  Yes  
 No  
 Name: Wells Fargo Trade Capital Services, Inc., as agent

Internal Address: \_\_\_\_\_

Street Address: 100 Park Avenue

City: New York

State: New York

Country: USA

Zip: 10017

- Association Citizenship \_\_\_\_\_
- General Partnership Citizenship \_\_\_\_\_
- Limited Partnership Citizenship \_\_\_\_\_
- Corporation Citizenship New York
- 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
- Security Agreement
- Other \_\_\_\_\_
- Merger
- Change of Name

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

A. Trademark Application No.(s) SEE SCHEDULE A ANNEXED HERETO

B. Trademark Registration No.(s) SEE SCHEDULE A ANNEXED HERETO

Additional sheet(s) attached?  Yes  No

**C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown)**  
SEE SCHEDULE A ANNEXED HERETO

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

Name: Susan O'Brien

Internal Address: CT Lien Solutions

Street Address: 187 Wolf Road - Suite 101

City: Albany

State: New York

Zip: 12205

Phone Number: 800-342-3676

Fax Number: 800-962-7049

Email Address: cls-udsalbany@wolterskluwer.com

**6. Total number of applications and registrations involved:**

9

**7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$240.00**

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

**8. Payment Information:**

a. Credit Card Last 4 Numbers 5683  
 Expiration Date 10/18

b. Deposit Account Number 10/20/2011 KNBDYEN-80000006 74255078  
 Authorized User Name: \_\_\_\_\_

01 FC:8521 40.00 OP  
02 FC:8522 200.00 OP

9. Signature: Steven B. Soll

Signature

7/19/2011

Date

Steven B. Soll


Name of Person Signing


Total number of pages including cover sheet, attachments, and document. 23

Documents to be recorded (including cover sheet) should be faxed to (703) 306-6995, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

SCHEDULE A  
TO  
RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY.

Trademarks, Service Marks and Trademark and Service Mark Applications -

Mark	Serial Number	Registration Number	Owner
IRON KNIGHTS	74/255,078	1,750,216	Knights Apparel, Inc.
GYM EQUIPMENT	74/335,491	1,774,783	Knights Apparel, Inc.
PRO EDGE	75/052,191	2,019,394	Knights Apparel, Inc.
 LC LEAGUE CITY and design	76/097,725	2,661,471	Knights Apparel, Inc.
RED OAK SPORTSWEAR	76/371,372	3,022,364	Knights Apparel, Inc.
ALTA GRACIA	77/913,018	N/A	Knights Apparel, Inc.
LEAGUE CITY	77/183,963	3,493,506	Knights Apparel, Inc.

KNIGHTS APPAREL	78/851,129	3,442,686	Knights Apparel, Inc.
 <p>KA STRENGTH HONOR KNIGHTS APPAREL, INC. and design</p>	78/855,542	3,442,697	Knights Apparel, Inc.

## TRADEMARK COLLATERAL SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL SECURITY AGREEMENT (this "Agreement") is made on the 18th day of July, 2011, by and between KNIGHTS APPAREL, INC., a Delaware corporation having its principal place of business at 5475 North Blackstock Road, Spartanburg, South Carolina 29303 ("Borrower"), and WELLS FARGO TRADE CAPITAL SERVICES, INC., a New York corporation having a place of business at 100 Park Avenue, New York, NY 10017, as agent for the Lenders party to the Loan and Security Agreement defined below ("Agent").

### BACKGROUND

Borrower, Agent and the lenders party thereto ("Lenders") have entered into a Loan and Security Agreement of even date herewith (as amended, modified, restated or supplemented from time to time, the "Loan Agreement") providing for financial accommodations by Agent to Borrower. In order to induce Agent and Lenders to execute and deliver the Loan Agreement, Borrower agreed to execute and deliver to Agent this Trademark Collateral Security Agreement (as amended, modified, restated or supplemented from time to time, this "Agreement").

NOW, THEREFORE, in consideration of the premises, Borrower and Agent hereby agree as follows:

1. Defined Terms. All capitalized terms used herein which are not otherwise defined herein shall have the meanings given to them in the Loan Agreement and the following terms shall have the following meanings, unless the context otherwise requires:

"Collateral" shall have the meaning assigned to it in Section 2 of this Agreement.

"Licenses" shall mean the trademark license agreements pursuant to which Borrower grants a license in any of its Trademarks (as defined below) and which are designated on Schedule I hereto, as any of the same may from time to time be amended, modified or supplemented.

"Proceeds" shall have the meaning assigned to it under the UCC, and in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to Borrower from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority), and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Trademarks" shall mean the registered trademarks and pending applications owned by Borrower shown in the attached Schedule A, and those registered trademarks which are hereafter adopted or acquired by Borrower, and all right, title and interest therein and thereto, and all registrations, applications, and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, or any State thereof, all whether now owned or hereafter acquired by Borrower.

2. Grant of Security Interest. As collateral security for the prompt payment of the Obligations, Borrower hereby grants and conveys to Agent a security interest in and to (a) the entire right, title and interest of Borrower in and to the Trademarks, including the registrations and applications appurtenant thereto, listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), and in and to any and all trademarks, and registrations and applications appurtenant thereto, hereafter acquired or filed by Borrower, to the extent permitted by law, including without limitation all renewals thereof, all proceeds of infringement suits, the rights to sue for past, present and future infringements and all rights corresponding thereto and the goodwill of the business to which each of the Trademarks relates and (b) all of Borrower's right, title and interest in, to and under the following:

(i) all Licenses;

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

(iii) to the extent not otherwise included, all Proceeds and products of any or all of the foregoing. All of the property referred to in this paragraph 2 is hereafter collectively called the "Collateral." Notwithstanding the foregoing, "Collateral" shall not include any Excluded Property.

3. Representations and Warranties. Borrower covenants, represents and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable in whole or in part;

(b) To Borrower's actual knowledge, each of the Trademarks is valid and enforceable;

(c) To Borrower's actual knowledge, there is no outstanding claim that the use of any of the material Trademarks violates the rights of any third person;

(d) Borrower is the owner of the right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances (except for Permitted Encumbrances) (including without limitation pledges, assignments, licenses, registered user

agreements and covenants by Borrower not to sue third persons), except for the Licenses disclosed on Schedule I attached hereto;

(e) Borrower has the right to enter into this Agreement and perform its terms;

(f) Borrower has used, and will continue to use for the duration of this Agreement, proper statutory notice, to the extent required by applicable law, in connection with its use of the Trademarks, except when Borrower in its reasonable business judgment, has determined that any Trademark has become obsolete or is of negligible economic value to Borrower;

4. [Reserved].

5. New Trademarks.

(a) If, before the Obligations shall have been paid in full, Borrower shall obtain any new Trademarks or any trademark application or trademark for any reissue, division, continuation, renewal, extension, or continuation in part of any Trademark or any improvement on any Trademark, the provisions of paragraph 2 shall automatically apply thereto and Borrower shall give Agent prompt written notice thereof.

(b) Borrower grants Agent a power-of-attorney, irrevocable until such time as the Obligations are paid in full and the Loan Agreement has been terminated, to solely modify this Agreement by amending Schedule A to include any future new Trademarks covered by this Agreement to the extent permitted by law.

6. Covenants. Borrower covenants and agrees with Agent that from and after the date of this Agreement and until the Obligations are fully satisfied:

(a) Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of Agent, Borrower will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Agent may reasonably deem appropriate in obtaining the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Code with respect to the liens and security interests granted hereby. Borrower also hereby authorizes Agent to file any such financing or continuation statement without the signature of Borrower to the extent permitted by applicable law. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged to Agent hereunder, duly endorsed in a manner satisfactory to Agent.

(b) Maintenance of Trademarks. Borrower will maintain the Trademarks in accordance with Section 6.2(a) of the Loan Agreement. Borrower shall take all commercially reasonable actions to protect the validity of the Trademarks that are necessary to the conduct of the Borrower's business.

(c) Indemnification. (A) Borrower assumes all responsibility and liability arising from the use of the Trademarks by Borrower, and Borrower hereby indemnifies and holds Agent harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of Borrower's operations of its business from the use of the Trademarks. (B) In any suit, proceeding or action brought by Agent under any License for any sum owing thereunder, or to enforce any provisions of such License, Borrower will indemnify and keep Agent harmless from and against all expense, loss or damage suffered by reason of any defense, set off, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder, arising out of a breach of Borrower of any obligation provided for thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Borrower, and all such obligations of Borrower shall be and remain enforceable against and only against Borrower and shall not be enforceable against Agent.

(d) Limitation of Liens on Collateral. Borrower will not knowingly create, permit or suffer to exist, and will defend the Collateral against and take such other action as reasonably necessary to remove any lien, security interest, encumbrance, claim or right, in or to the Collateral (subject to Permitted Encumbrances), and will defend the right, title and interest of Agent in and to any of Borrower's rights under any License and to the Proceeds thereof against the claims and demands of all persons whomever.

(e) Limitations on Modifications of Licenses. Borrower will not amend, modify, terminate or waive any provision of any material License in any manner which might materially adversely affect the value of such License or the Trademarks as Collateral.

(f) Notices. Borrower will advise Agent promptly, in reasonable detail, (i) of any lien or claim made or asserted against any of the Collateral that is not a Permitted Encumbrance and (ii) of the occurrence of any other event which would have a Material Adverse Effect on the value of any material portion of the Collateral or on the security interests created hereunder.

(g) Limitation on Further Uses of Trademarks. Borrower will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, or otherwise dispose of any of the Collateral, without prior written consent of Agent, except as otherwise permitted in the Loan Agreement.

(h) Exercise of Rights; Delivery of Notices. Borrower shall (i) exercise promptly and diligently each and every material right which it may have under each License (other than any right of termination) and (ii) deliver to Agent a copy of each material demand, notice or document sent or received by it relating in any way to any License or Trademark.

7. Agent's Appointment as Attorney-in-Fact.

(a) Until such time as the Obligations have been paid in full in cash and the Loan Agreement terminated, after the occurrence of and during the continuance of an Event of Default. Borrower hereby irrevocably constitutes and appoints Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Borrower and in the name of

Borrower or in its own name, from time to time in Agent's discretion, for the purposes of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives Agent the power and right, on behalf of and upon prior notice to Borrower, to do the following:

(ii) Upon the occurrence and continuance of an Event of Default, to (A) ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to ask for and demand payment on the applicable due date of any and all moneys to become due under any License and, in the name of Borrower or its own name or otherwise, (B) take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any License and (C) file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any and all such moneys due under any License whenever payable;

(iii) To pay or discharge taxes, liens, security interests or other encumbrances levied or placed on the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof, and

(iv) Upon the occurrence and continuance of an Event of Default and upon three (3) Business Days' prior written notice to Borrower, (A) to direct any party liable for any payment under any of the Licenses to make payment of any and all moneys due and to become due thereunder directly to Agent or as Agent shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (D) to defend any suit, action or proceeding brought against Borrower with respect to any Collateral; (E) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Agent may deem appropriate; and (F) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes, and to do, at Agent's option all acts and things which Agent deems necessary to protect, preserve or realize upon the Collateral and Agent's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as Borrower might do.

(b) This power of attorney is a power coupled with an interest and shall be irrevocable until such time as the Obligations have been paid in full and the Loan Agreement terminated. Notwithstanding the foregoing, Borrower further agrees to execute any additional documents which Agent reasonably may require in order to confirm this power of attorney, or which Agent may deem necessary to enforce any of its rights contained in this Agreement.

(c) The powers conferred on Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers.



Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to Borrower for any act or failure to act, except for its own gross (not mere) negligence or willful misconduct.

(d) Borrower also authorizes Agent to execute, in connection with the sale provided for in paragraph 10(b) of this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) At Borrower's sole cost and expense Agent hereby agrees, promptly upon the payment in full in cash of the Obligations and the termination of the Loan Agreement, to execute any additional documents and take such additional actions that Borrower reasonably may require in order to revoke this power of attorney, including, but not limited to the return or destruction of the originals and any copies of the Power of Attorney described in Section 8 hereof.

8. Execution of Power of Attorney. Concurrently with the execution and delivery hereof, Borrower shall execute and deliver to Agent, in the form of Exhibit I hereto, five (5) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Trademarks pursuant to paragraph 7 hereof.

9. Performance by Agent of Borrower's Obligations. If Borrower fails to perform or comply with any of its agreements contained herein and Agent, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses of Agent incurred in connection with such performance or compliance shall be payable by Borrower to Agent on demand and shall constitute Obligations secured hereby.

10. Remedies, Rights Upon Event of Default.

(a) If an Event of Default shall occur and be continuing:

(i) All payments received by Borrower under or in connection with any of the Collateral shall be held by Borrower in trust for Agent, shall be segregated from other funds of Borrower and shall forthwith promptly after receipt by Borrower, but in no event later than five (5) Business Days, be turned over to Agent, in the same form as received by Borrower (duly indorsed by Borrower to Agent, if required); and

(ii) Any and all such payments so received by Agent (whether from Borrower or otherwise) may, in the sole discretion of Agent, be held by Agent as collateral security for, and/or then or at any time thereafter applied in whole or in part by Agent against all or any part of the Obligations in such order as set forth in the Loan Agreement. Any balance of such payments held by Agent and remaining after payment in full of all the Obligations shall be paid over to Borrower or to whomsoever may be lawfully entitled to receive the same.

(b) If any Event of Default shall occur and be continuing, Agent may exercise in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights

and remedies of a secured party under the UCC. Borrower 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. Borrower shall also be liable for the reasonable fees of any attorneys employed by Agent to collect any such deficiency and also as to any reasonable attorney's fees incurred by Agent with respect to the collection of any of the Obligations and the enforcement of any of Agent's respective rights hereunder.

11. Termination. At such time as the Obligations are satisfied in full and the Loan Agreement is terminated, this Agreement shall terminate and Agent shall promptly execute and deliver to Borrower all such releases, deeds, assignments and other instruments as may be necessary or proper to terminate the security interests granted to Agent.

12. Notices. Any notice to Agent or Borrower under this Agreement shall be given in the manner and to the parties designated in the Loan Agreement.

13. No Waiver. No course of dealing between Borrower and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. Cumulative Remedies. All of Agent's rights and remedies with respect to the Collateral, whether established hereby or by the Loan Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

15. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

16. No Modification Except in Writing. Except as provided in paragraphs 5 and 7, no amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing executed by the parties hereto.

17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower and Agent, all future holders of the Obligations and their respective successors and assigns, except that Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent.

18. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of New York.

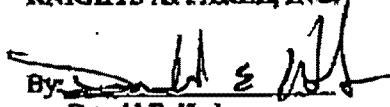
19. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

20. Counterparts; Facsimile. This Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

IN WITNESS WHEREOF, the parties hereto have executed this as of the day and year first above written.

[SIGNATURE PAGE FOLLOWS]

**KNIGHTS APPAREL, INC.**

By: 

Donald B. Hodge  
President and Chief Operating  
Officer

**WELLS FARGO TRADE CAPITAL  
SERVICES, INC., as Agent**

By: \_\_\_\_\_

Mark R. Grossman  
Senior Vice President

Trademark Collateral Security Agreement

**TRADEMARK  
REEL: 004658 FRAME: 0279**

**KNIGHTS APPAREL, INC.**

By: \_\_\_\_\_  
Donald E. Hodge  
President and Chief Operating  
Officer

**WELLS FARGO TRADE CAPITAL  
SERVICES, INC., as Agent**

By: \_\_\_\_\_  
Marc R. Grossman  
Senior Vice President

Trademark Collateral Security Agreement

**TRADEMARK  
REEL: 004658 FRAME: 0280**


SCHEDULE A


Intellectual Property

Patents and Patent Applications – None.

Copyrights and Copyright Applications – None.

Trademarks, Service Marks and Trademark and Service Mark Applications –

Mark	Serial Number	Registration Number	Owner
IRON KNIGHTS	74/255,078	1,750,216	Knights Apparel, Inc.
GYM EQUIPMENT	74/335,491	1,774,783	Knights Apparel, Inc.
PRO EDGE	75/052,191	2,019,394	Knights Apparel, Inc.
 LC LEAGUE CITY and design	76/097,725	2,661,471	Knights Apparel, Inc.
RED OAK SPORTSWEAR	76/371,372	3,022,364	Knights Apparel, Inc.
ALTA GRACIA	77/913,018	N/A	Knights Apparel, Inc.
LEAGUE CITY	77/183,963	3,493,506	Knights Apparel, Inc.

KNIGHTS APPAREL	78/851,129	3,442,686	Knights Apparel, Inc.
 KA STRENGTH HONOR KNIGHTS APPAREL, INC. and design	78/855,542	3,442,697	Knights Apparel, Inc.

Domain names -

- <http://www.knightsapparel.com>
- <http://www.knightsapparel.biz>
- <http://www.knightsapparel.net>
- <http://www.knightsapparel.org>
- <http://www.altagraciaapparel.biz>
- <http://www.altagraciaapparel.bz>
- <http://www.altagraciaapparel.com>
- <http://www.altagraciaapparel.net>
- <http://www.altagraciaapparel.us>

SCHEDULE I

LICENSES

None



EXHIBIT I

SPECIAL POWER OF ATTORNEY

STATE OF \_\_\_\_\_ )  
 ) ss.:  
COUNTY OF \_\_\_\_\_ )

KNOW ALL MEN BY THESE PRESENTS, that Knights Apparel, Inc., a Delaware corporation, with its principal office at 5475 North Blackstock Road, Spartanburg, South Carolina 29303 ("Borrower"), pursuant to a Trademark Collateral Security Agreement (as amended, modified, restated or supplemented from time to time, the "Agreement"), hereby appoints and constitutes Wells Fargo Trade Capital Services, Inc., with offices at 100 Park Avenue, New York, NY 10017, as agent for the Lenders party to that certain Loan and Security Agreement by and among Borrower, Wells Fargo Trade Capital Services, Inc., as lender and agent, and the other Lenders party thereto, dated July \_\_, 2011 (the "Agent"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Borrower:

1. Assigning, selling or otherwise disposing of all right, title and interest of Borrower in and to the Trademarks listed on Schedule A of the Agreement, the trademarks which are added to the same subsequent hereto, and all registrations and recordings thereof, and all pending applications therefor, recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, and executing and delivering any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose;

2. Executing any and all documents, statements, certificates or other papers necessary or advisable in order to obtain the purposes described above as Agent may in its sole discretion determine.

This power of attorney is made pursuant to the Agreement and may not be revoked until the payment in full of all Obligations (as defined in the Agreement) and the termination of the Agreement.

Dated: \_\_\_\_\_

KNIGHTS APPAREL, INC.

By: \_\_\_\_\_  
Donald E. Hodge  
President and Chief Operating  
Officer

STATE OF \_\_\_\_\_ )  
 ) ss.:  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_ day of July, 2011, before me personally came Donald E. Hodge, to me known, who being by me duly sworn, did depose and say he is the President and Chief Operating Officer of Knights Apparel, Inc., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the board of directors of said corporation.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

## **TRADEMARK SECURITY AGREEMENT**

This TRADEMARK SECURITY AGREEMENT is made by and between Knights Apparel, Inc., a corporation formed under the laws of Delaware located at 5475 North Blackstock Road, Spartanburg, South Carolina 29303 ("Borrower"), and Wells Fargo Trade Capital Services, Inc., as agent for the Lenders party to that certain Loan and Security Agreement by and among Borrower, Wells Fargo Trade Capital Services, Inc., as lender and agent, and the other Lenders party thereto, dated July 18, 2011 ("Agent").

WHEREAS, Borrower is obligated to Agent pursuant to (i) a certain Loan Agreement, dated the date hereof, between Agent and Borrower and (ii) a certain Trademark Collateral Security Agreement, dated the date hereof, made by Borrower in favor of Agent (as each may be amended, modified, restated or supplemented from time to time, collectively, the "Agreements"); and

WHEREAS, pursuant to the Agreements, Borrower is granting to Agent a security interest in the marks shown in the attached Schedule A (the "Marks"), the goodwill of the business symbolized by the Marks, and the registrations and applications therefor; and

WHEREAS, Borrower and Agent desire to further document such grant of security interest in the Marks in this Trademark Security Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Borrower does hereby grant to Agent a security interest in and to the Marks, together with the goodwill of the business symbolized by the Marks, and registrations and applications therefor, which security interest shall secure all the Obligations (as defined in the Agreements) and in accordance with the terms and provisions thereof.

Borrower expressly acknowledges and affirms that the rights and remedies of Agent with respect to the security interest granted hereby is more fully set forth in the Agreements.

*(Signature Page to Trademark Security Agreement)*

IN WITNESS WHEREOF, the parties hereto have executed this Trademark Security Agreement as of the day and year first above written.

**BORROWER:**

**KNIGHTS APPAREL, INC., a**  
Delaware corporation

By: 

Donald E. Hodge  
President and Chief Operating Officer

CHICAGO#2216953

**TRADEMARK**  
**REEL: 004658 FRAME: 0287**

*(Signature Page to Trademark Security Agreement)*

**WELLS FARGO TRADE CAPITAL  
SERVICES, INC.**

By: Alan Green  
Name: Alan Green  
Title: Senior Vice President

C:\11C\AGC\72316953

**TRADEMARK  
REEL: 004658 FRAME: 0288**


SCHEDULE A


Intellectual Property

Patents and Patent Applications - None.

Copyrights and Copyright Applications - None.

Trademarks, Service Marks and Trademark and Service Mark Applications -

Mark	Serial Number	Registration Number	Owner
IRON KNIGHTS	74/255,078	1,750,216	Knights Apparel, Inc.
GYM EQUIPMENT	74/335,491	1,774,783	Knights Apparel, Inc.
PRO EDGE	75/052,191	2,019,394	Knights Apparel, Inc.
 LC LEAGUE CITY and design	76/097,725	2,661,471	Knights Apparel, Inc.
RED OAK SPORTSWEAR	76/371,372	3,022,364	Knights Apparel, Inc.
ALTA GRACIA	77/913,018	N/A	Knights Apparel, Inc.
LEAGUE CITY	77/183,963	3,493,506	Knights Apparel, Inc.

KNIGHTS APPAREL	78/851,129	3,442,686	Knights Apparel, Inc.
 KA STRENGTH HONOR KNIGHTS APPAREL, INC. and design	78/855,542	3,442,697	Knights Apparel, Inc.

Domain names -

<http://www.knightsapparel.com>  
<http://www.knightsapparel.biz>  
<http://www.knightsapparel.net>  
<http://www.knightsapparel.org>  
<http://www.altagraciaapparel.biz>  
<http://www.altagraciaapparel.bz>  
<http://www.altagraciaapparel.com>  
<http://www.altagraciaapparel.net>  
<http://www.altagraciaapparel.us>

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