

03-27-2001



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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)
Document ID # 700003546

Correction of PTO Error
Reel # [] Frame # []

Corrective Document
Reel # [] Frame # []

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger
Effective Date
Month Day Year []

Change of Name

Other []

Conveying Party

Mark if additional names of conveying parties attached

Name Converse Inc. Execution Date Month Day Year 05211997

Formerly [] 75881244

Individual General Partnership Limited Partnership Corporation Association

Other []

Citizenship/State of Incorporation/Organization []

Receiving Party

Mark if additional names of receiving parties attached

Name BT Commercial Corporation

DBA/AKA/TA []

Composed of []

Address (line 1) 233 South Wacker Drive

Address (line 2) Suite 8400

Address (line 3) Chicago Illinois 60606

City State/Country Zip Code

Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Corporation Association

Other []

Citizenship/State of Incorporation/Organization Delaware

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="75881244"/>	<input type="text" value="75694069"/>	<input type="text" value="75694054"/>
<input type="text" value="75662559"/>	<input type="text" value="75662558"/>	<input type="text" value="75662557"/>
<input type="text" value="75662556"/>	<input type="text" value="75662555"/>	<input type="text" value="75662554"/>

<input type="text" value="2296653"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
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Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Michael McGuire



March 26, 2001

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

75654970	<input type="text"/>	<input type="text"/>
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01/09/2001



700003546

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment License
- Security Agreement *Hunc Pro Tunc* Assignment
Effective Date
Month Day Year _____
- Merger
- Change of Name
- Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name Converse Inc.

Execution Date
Month Day Year
05211997

Formerly _____

- Individual General Partnership Limited Partnership Corporation Association
- Other _____
- Citizenship/State of Incorporation/Organization _____

Receiving Party

Mark if additional names of receiving parties attached

Name BT Commercial Corporation

DBA/AKA/TA _____

Composed of _____

Address (line 1) 233 South Wacker Drive

Address (line 2) Suite 8400

Address (line 3) _____
City

State/Country

Zip Code

- Individual General Partnership Limited Partnership
- Corporation Association

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Other _____

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01/09/2001 20:06

FORM PTO-1618B

Page 2

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

212-735-3000

Name

Amy C. White

Address (line 1)

Skadden, Arps, Slate, Meagher & Flom LLP

Address (line 2)

Four Times Square

Address (line 3)

New York, New York 10036

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

16

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

75881244

75694069

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2296653

75662559

75662558

75662557

75662556

75662555

75662554

Number of Properties

Enter the total number of properties involved.

#

11

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

290

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

19-2385

Authorization to charge additional fees:

Yes

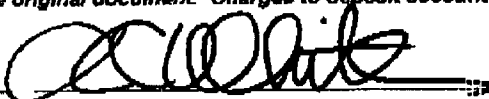
No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Any C. White

Name of Person Signing



Signature

January 9, 2001

Date Signed

01/09/2001 20:06

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

FORM PTO-1618C
Expires 06/30/99
OMB 0691-0027

Conveying Party Mark if additional names of conveying parties attached

Enter Additional Conveying Party Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party Mark if additional names of receiving parties attached

Enter Additional Receiving Party

Name

DBA/AKA/TA

Composed of

Address (line 1)

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Address (line 3)

City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

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Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75654970"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Security Agreement") is made and entered into as of May 21, 1997 by CONVERSE INC. (the "Borrower"), in favor of BT COMMERCIAL CORPORATION, as agent (the "Agent") for the financial institutions and their successors and assigns (the "Lenders") which are or may hereafter become parties to the Credit Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower desires to obtain a revolving credit facility to provide for the working capital, letter of credit and general corporate needs of the Borrower; and

WHEREAS, the Borrower, the Lenders and the Agent have entered into that certain Credit Agreement of even date herewith (as amended or otherwise modified from time to time, the "Credit Agreement"), providing for the extension of credit by the Lenders to the Borrower to provide for the working capital, letter of credit and general corporate needs of the Borrower. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement; and

WHEREAS, the Agent and the Lenders have required, as a condition to their entering into the Credit Agreement, that the Borrower (i) grant to the Agent a security interest in and to the Collateral (as defined herein) and (ii) execute and deliver this Security Agreement in order to secure the payment and performance by the Borrower of the Obligations.

AGREEMENT

NOW THEREFORE, in consideration of the premises and in order to induce the Lenders to extend credit under the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby agrees with the Agent for its benefit and the ratable benefit of the Lenders as follows:

SECTION 1. CREATION OF SECURITY INTEREST. The Borrower hereby grants to the Agent for the benefit of the Agent and the Lenders a continuing security interest in all of the Borrower's right, title and interest in and to the collateral described in Section 2 hereof (the "Collateral") in order to secure the payment and performance of all Obligations.

SECTION 2. COLLATERAL. The Collateral is:

- (a) **Accounts.** All of the Borrower's accounts, including, without limitation:
- (i) all accounts receivable (whether or not specifically listed on schedules furnished to

the Agent), including, without limitation, all accounts created by or arising from all of the Borrower's sales of goods or rendition of services; (ii) all unpaid seller's rights (including rescission, replevin, reclamation and stopping in transit) relating to the foregoing or arising therefrom; (iii) all rights to any goods represented by any of the foregoing, including returned or repossessed goods; (iv) all reserves and credit balances held by the Borrower with respect to any such accounts receivable or account debtors; (v) all guarantees or collateral for any of the foregoing; and (vi) all insurance policies or rights relating to any of the foregoing (all of the foregoing property and similar property included as Collateral under Section 2(f) hereto being hereinafter referred to as "Accounts");

(b) **Inventory**. All of the Borrower's inventory including, without limitation: (i) all raw materials, work in process, parts, components, assemblies, supplies and materials used or consumed in the Borrower's business, wherever located and whether in the possession of the Borrower or any other Person; (ii) all goods, wares and merchandise, finished or unfinished, held for sale or lease or leased or furnished or to be furnished under contracts of service, wherever located and whether in the possession of the Borrower or any other Person; and (iii) all goods returned to or repossessed by the Borrower (all of the foregoing property and similar property included as Collateral under Section 2(f) hereto being hereinafter referred to as "Inventory");

(c) **Intangibles and Contracts**. All of the Borrower's general intangibles, instruments, securities (including, without limitation, United States of America Treasury Bills), credits, claims, demands, documents, letters of credit and letter of credit proceeds, chattel paper, documents of title, certificates of title, certificates of deposit, warehouse receipts, bills of lading, leases which do not contain valid, enforceable prohibitions against the grant of a security interest pursuant to the terms of this Agreement unless and until the necessary consents have been obtained or such prohibitions have been rendered unenforceable or ineffective by reason of law, court proceeding, court order or otherwise, deposit accounts, money, tax refund claims, contract rights which are permitted to be assigned or pledged, and other rights (including all rights to the payment of money) (all of the foregoing property and similar property included as Collateral under Section 2(f) hereto being hereinafter referred to as "Intangibles");

(d) **Equipment**. All of the Borrower's equipment, including, without limitation, machinery, equipment, office equipment and supplies, computers and related equipment, furniture, furnishings, tools, tooling, jigs, dies, fixtures, manufacturing implements, fork lifts, trucks, trailers, motor vehicles, and other equipment (all of the foregoing property and similar property included as Collateral under Section 2(f) hereto being hereinafter referred to as "Equipment");

(e) **Intellectual Property.** All of the Borrower's intellectual property, including, without limitation, patents, patent applications, trademarks, trademark applications, service marks, service mark applications, trade names, technical knowledge and processes, formal or informal licensing arrangements which are not expressly prohibited from being assigned or pledged, blueprints, technical specifications, know-how, computer software, copyrights, copyright applications and trade secrets, and all embodiments thereof, and rights thereto, including, without limitation, all of the trademarks, trademark applications, service marks and service mark applications, patents and patent applications and registered and unregistered copyrights listed on Schedule A hereto and all of the Borrower's rights to use the patents, copyrights, trademarks, service marks, or other property of the aforesaid nature of other Persons now or hereafter licensed to the Borrower (which are permitted to be assigned or pledged), and all income, royalties, damages and payments now or hereafter due or payable with respect thereto including, without limitation, damages and payments for past or future infringement and rights to royalties under licenses of and consents relating to any of the foregoing, together with the goodwill of the business symbolized by or connected with the Borrower's trademarks, service marks, licenses and the other rights under this subsection (all of the foregoing property and similar property included as Collateral under Section 2(f) hereto being hereinafter referred to as "Intellectual Property"); and

(f) **After-acquired Collateral, Proceeds and Records.** The Collateral includes all items described in this Section 2, whether now owned or hereafter at any time acquired by the Borrower and wherever located, and includes all replacements, additions, accessions, substitutions, repairs, proceeds and products relating thereto or therefrom, and all books and records, documents, ledger sheets and files of the Borrower relating thereto. Proceeds hereunder include, without limitation, (i) whatever is now or hereafter received by the Borrower upon the sale, exchange, collection or other disposition of any item of Collateral, whether such proceeds constitute inventory, accounts, accounts receivable, general intangibles, instruments, securities (including, without limitation, United States of America Treasury Bills), credits, claims, demands, documents, letters of credit and letter of credit proceeds, chattel paper, documents of title, certificates of title, certificates of deposit, warehouse receipts, bills of lading, leases, deposit accounts, money, tax refund claims, contract rights, goods or equipment; (ii) any such items which are now or hereafter acquired by the Borrower with any proceeds of Collateral hereunder; and (iii) any insurance now or hereafter payable by reason of loss or damage to any item of Collateral or any proceeds thereof;

excluding, however, (i) assets of Foreign Subsidiaries (other than capital stock of Foreign Subsidiaries pledged in conformity with the representations under Section 5.13 of the Credit Agreement), (ii) any property securing industrial revenue bonds if and to the extent the terms and conditions of such industrial revenue bonds prohibit the creation of other liens and security interests with respect to such property, and (iii) any property of Borrower located outside the United States, Canada or Puerto Rico.

SECTION 3. THE BORROWER'S REPRESENTATIONS AND WARRANTIES.

The Borrower hereby makes all representations and warranties, and agrees to comply with all of the obligations, requirements and restrictions in the covenants and agreements, contained in the Credit Agreement applicable to the Borrower. The Borrower further represents and warrants that:

(a) the execution, delivery and performance by the Borrower of this Security Agreement are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with (except for any filings provided for hereunder), any governmental authority and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or bylaws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien (other than Permitted Encumbrances) on any asset of the Borrower;

(b) this Security Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principles of equity;

(c) it is (or, to the extent that this Security Agreement states that the Collateral is to be acquired after the date hereof, will be) the sole owner of its Collateral; and

(d) except as permitted in the Credit Agreement, none of the Collateral is subject to Contractual Obligations which may restrict or inhibit the Agent's rights or abilities to sell or dispose of the Collateral or any part thereof after the occurrence of an Event of Default, except as set forth in Schedule B.

SECTION 4. COVENANTS OF THE BORROWER.

(a) The Borrower will, promptly upon request by the Agent, execute and deliver or use its best efforts to procure any document (including, without limitation, warehouseman or processor disclaimers, mortgagee waivers, landlord disclaimers or subordination agreements with respect to any and all inventory, equipment or fixtures that are a part of the Collateral), give any notices, execute and file any financing statements, mortgages or other documents, all in form and substance reasonably satisfactory to the Agent, mark any chattel paper, deliver any chattel paper or instruments to the Agent and take any other actions that are necessary or, in the reasonable opinion of the Agent, desirable to perfect or continue the perfection and the priority of the Agent's security interest in the Collateral (other than any property located outside the United States and Puerto Rico), or to effect the purposes of this Security Agreement;

provided that, prior to an Event of Default, Borrower shall not be required to execute or deliver any documents with respect to perfection of Agent's security interest in rolling stock or vehicles subject to certificates of title. To the extent required in the Credit Agreement, the Borrower will pay all costs incurred in connection with any of the foregoing.

(b) Without the prior written consent of the Agent, the Borrower will not in any way hypothecate or create or permit to exist any Lien, on or other interest in the Collateral, except for Permitted Encumbrances and the Lien created by this Security Agreement, and the Borrower will not sell, transfer, assign, pledge, collaterally assign, exchange or otherwise dispose of the Collateral, except as permitted in the Credit Agreement. If the proceeds of any such sale are notes, instruments, documents of title, letters of credit or chattel paper, such proceeds shall be promptly delivered to the Agent to be held as Collateral hereunder. If the Collateral, or any part thereof, is sold, transferred, assigned, exchanged, or otherwise disposed of in violation of those provisions, the security interest of the Agent shall continue in such Collateral or part thereof notwithstanding such sale, transfer, assignment, exchange or other disposition, and the Borrower will hold the proceeds thereof in a separate account for the benefit of the Agent and the Lenders. Following such a sale, the Borrower will, in accordance with the Credit Agreement, transfer such proceeds to the Agent in kind.

(c) Except as permitted in the Credit Agreement, the Borrower will not enter into any Contractual Obligations which may restrict or inhibit the Agent's rights or ability to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

(d) Upon the occurrence and continuance of an Event of Default, the Agent shall have the right at any time to make any payments and do any other acts the Agent may deem necessary to protect its security interests in the Collateral, including, without limitation, the rights to pay, purchase, contest or compromise any Lien which, in the judgment of the Agent, appears to be prior to or superior to the security interests granted hereunder, and appear in and defend any action or proceeding purporting to affect its security interests in, and/or the value of, the Collateral. The Borrower hereby agrees to reimburse the Agent for all payments made and expenses incurred under this Security Agreement including fees, expenses and disbursements of attorneys and paralegals (including, the allocated costs of inside counsel) acting for the Agent, including any of the foregoing payments under or acts taken to protect its security interests in the Collateral, which amounts shall be secured under this Security Agreement, and agrees it shall be bound by any such payment made or act taken by the Agent hereunder absent Agent's gross negligence or willful misconduct. The Agent shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts.

(e) Prior to an Event of Default, at the request of the Agent, the Borrower shall use best efforts to promptly (but in no event later than thirty days) deliver to the Agent any documents or certificates of title issued with respect to any property included in the Collateral, and any promissory notes, letters of credit or instruments related to or otherwise in connection with any property included in the Collateral, which in any such case came into the possession of the Borrower, or shall cause the issuer thereof to deliver any of the same directly to the Agent, in each case with any necessary endorsements in favor of the Agent; provided, however, upon such request of the Agent, the Borrower shall deliver to the Agent at least 90% (in number) of such documents, certificates and instruments. Upon the occurrence and continuance of an Event of Default, at the request of the Agent, the Borrower shall promptly (but in no event later than thirty days) deliver to the Agent all such documents, certificates and instruments.

SECTION 5. REMEDIES UPON AN EVENT OF DEFAULT. Upon the occurrence of an Event of Default, the Agent may, subject to the provisions of Sections 10.2 and 10.3 of the Credit Agreement, but without any further requirement of notice to or demand upon the Borrower, do any one or more of the following:

(a) exercise any or all of the rights and remedies provided for by the applicable Uniform Commercial Code, specifically including, without limitation, the right to recover the fees and expenses incurred by the Agent in the enforcement of this Security Agreement or in connection with the Borrower's redemption of the Collateral, including reasonable fees, expenses and disbursements of attorneys and paralegals (including the allocated costs of inside counsel);

(b) require the Borrower to assemble the Collateral or any part thereof and make it available at one or more places as the Agent may reasonably designate and to deliver possession of the Collateral or any part thereof to the Agent, who shall have full right to enter upon any or all of the Borrower's premises and property to exercise the Agent's rights hereunder;

(c) use, manage, operate and control the Collateral and the Borrower's business and property to preserve the Collateral or its value, including, without limitation, the rights to take possession of all of the Collateral, to exclude any third parties, whether or not claiming under the Borrower, from the Borrower's premises and property, to complete any unfinished Inventory, to make repairs, replacements, alterations, additions and improvements to the Collateral, and to dispose of all or any portion of the Collateral in the ordinary course of the Borrower's business;

(d) use, in connection with any assembly, use or disposition of the Collateral, any Intellectual Property, Intangibles or other technical knowledge or process used or utilized from time to time by the Borrower;

(e) enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent the Agent from pursuing any other or further remedy which it may have, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release the Borrower from its respective obligations hereunder and under the Credit Agreement and the other Credit Documents until full and final payment of any deficiency has been made in cash;

(f) in connection with any public or private sale under the applicable Uniform Commercial Code, the Agent shall give the Borrower at least ten days' prior written notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition thereof may be made, which shall be deemed to be reasonable notice of such sale or other disposition. Such notice may be given to the Borrower in accordance with the provisions of Section 6(a) hereof;

(g) proceed by an action or actions at law or in equity to recover the Obligations or to foreclose this Security Agreement and sell the Collateral, or any portion thereof, pursuant to a judgment or decree of a court or courts of competent jurisdiction;

(h) if the Agent recovers possession of all or any part of the Collateral pursuant to a writ of possession or other judicial process, whether prejudgment or otherwise, the Agent may thereafter retain, sell or otherwise dispose of such Collateral in accordance with this Security Agreement or the applicable Uniform Commercial Code, and following such retention, sale or other disposition, the Agent may voluntarily dismiss without prejudice the judicial action in which such writ of possession or other judicial process was issued. The Borrower hereby consents to the voluntary dismissal by the Agent of such judicial action, and the Borrower further consents to the exoneration of any bond that the Agent files in such action;

(i) execute and deliver to the Agent any assignment of patents and patent applications and Patent Security Agreement as the Agent may determine to be necessary or desirable to record with the U.S. Patent and Trademark Office and revise, update, and amend any assignments of patents and patent applications and Patent Security Agreement as the Agent may determine to be necessary or desirable to file, record and register any or all of the assignments of patents and patent applications and Patent Security Agreement with the United States Patent and Trademark Office in order to assign, pledge, or otherwise transfer the patents and patent applications covered by this Agreement, the Patent Security Agreement or any assignment of patents and patent applications, to any Person including, without limitation, the Agent or any of the Lenders; and

(j) execute and deliver to the Agent any assignment of trademark registrations and applications and Trademark Security Agreement as the Agent may determine to be necessary or desirable to record with the United States Patent and Trademark Office and

revise, update and amend any trademark assignments and Trademark Security Agreement as the Agent may determine to be necessary or desirable to file, record and register any or all of the trademark assignments and Trademark Security Agreements with the United States Patent and Trademark Office in order to pledge, assign or otherwise transfer the trademarks covered by this Agreement, the Trademark Security Agreement, or any trademark assignment to any Person, including, without limitation, the Agent or any of the Lenders.

SECTION 6. MISCELLANEOUS PROVISIONS.

(a) Notices. All notices, approvals, consents or other communications required or desired to be given hereunder shall be in the form and manner, and delivered to each of the parties hereto at their respective addresses, as set forth in Section 13.5 of the Credit Agreement.

(b) Headings. The headings in this Security Agreement are for purposes of reference only and shall not affect the meaning or construction of any provision of this Security Agreement.

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

(d) Amendments, Waivers and Consents. Any amendment or waiver of any provision of this Security Agreement and any consent to any departure by the Borrower from any provision of this Security Agreement shall be effective only if made or given in compliance with all of the terms and provisions of Section 13.11 of the Credit Agreement.

(e) Interpretation of Agreement. Time is of the essence in each provision of this Security Agreement of which time is an element. All terms not defined herein or in the Credit Agreement shall have the meaning set forth in the applicable Uniform Commercial Code, except where the context otherwise requires. To the extent a term or provision of this Security Agreement conflicts with the Credit Agreement and is not dealt with herein with more specificity, the Credit Agreement shall control with respect to the subject matter of such term or provision. Acceptance of or acquiescence in a course of performance rendered under this Security Agreement shall not be relevant in determining the meaning of this Security Agreement even though the accepting or

acquiescing party had knowledge of the nature of the performance and opportunity for objection.

(f) **Continuing Security Interest; Transfer of Notes.** This Security Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full (including after the Expiration Date) of the Obligations and termination of the Credit Agreement and the other Credit Documents, (ii) be binding upon the Borrower, its successors and assigns, and (iii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, the Lenders and their respective successors, transferees and assigns.

(g) **Reinstatement.** To the extent permitted by law, this Security Agreement shall continue to be effective or be reinstated if at any time any amount received by the Agent or any Lender in respect of the Obligations is rescinded or must otherwise be restored or returned by the Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon the appointment of any receiver, intervenor, conservator, trustee or similar official for the Borrower or any substantial part of the Borrower's assets, or otherwise, all as though such payments had not been made.

(h) **Survival of Provisions.** All representations, warranties and covenants of the Borrower contained herein shall survive the execution and delivery of this Security Agreement, and shall terminate only upon the full and final payment and performance by the Borrower of the Obligations secured hereby and termination of the Credit Agreement and the other Credit Documents.

(i) **Setoff.** The Agent shall have rights of setoff set forth in Section 13.20 of the Credit Agreement.

(j) **Power of Attorney.** In addition to all of the powers granted to the Agent pursuant to Article 9 of the Credit Agreement, the Borrower hereby appoints and constitutes the Agent as the Borrower's attorney-in-fact to exercise all of the following powers upon and at any time after the occurrence and during the continuance of an Event of Default: (i) collection of Accounts or proceeds of any Collateral, (ii) conveyance of any item of Collateral to any purchaser thereof, (iii) giving of any notices or recording any Liens under Section 4(a) hereof, and (iv) making of any payments or taking any acts under Section 4(d) hereof. The Agent's authority hereunder shall include, without limitation, the authority to endorse and negotiate, for the Agent's own account, any checks or instruments in the name of the Borrower, execute and give receipt for any certificate of ownership or any document, transfer title to any item of Collateral, send verifications of Accounts to any customer, sign the Borrower's name on all financing statements or any other documents deemed necessary or appropriate to preserve, protect

or perfect the security interest in the Collateral and to file the same, prepare, file and sign the Borrower's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with any Account and prepare, file and sign the Borrower's name on a proof of claim in bankruptcy or similar document against any customer of the Borrower, and to take any other actions arising from or incident to the powers granted to the Agent in this Security Agreement. This power of attorney is coupled with an interest and is irrevocable by the Borrower.

(k) **Authority of the Agent.** The Agent shall have and be entitled to exercise all powers hereunder which are specifically granted to the Agent by the terms hereof, together with such powers as are reasonably incident thereto. The Agent may perform any of its duties hereunder or in connection with the Collateral by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Neither the Agent nor any director, officer, employee, attorney or agent of the Agent shall be liable to the Borrower for any action taken or omitted to be taken by it or them hereunder, except for its or their own gross negligence or willful misconduct, nor shall the Agent be responsible for the validity, effectiveness or sufficiency hereof or of any document or security furnished pursuant hereto. The Agent and its directors, officers, employees, attorneys and agents shall be entitled to rely on any communication, instrument or document reasonably believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons. The Borrower agrees to indemnify and hold harmless the Agent and any other person from and against any and all costs, expenses (including reasonable fees, expenses and disbursements of attorneys and paralegals (including, without duplication, reasonable charges of inside counsel)), claims or liability incurred by the Agent or such person hereunder, unless such claim or liability shall be due to willful misconduct or gross negligence on the part of the Agent or such person.

(l) **Release of Liens.** Liens on any Collateral consisting of vehicles or rolling stock or assets located in Canada shall be released automatically upon the sale, lease, transfer or other disposition thereof pursuant to Section 7.5 of the Credit Agreement; and upon request of the Borrower, Agent will execute and deliver written confirmation of such release. Otherwise, the Agent shall, in accordance with the provisions of the Credit Agreement, including, without limitation, Section 12.10 thereof, execute and deliver to the Borrower releases (including, without limitation, UCC termination statements, Patent, Trademark and Copyright Release Statements, and instruments of satisfaction, discharge and/or reconveyance) in recordable form and otherwise in form reasonably satisfactory to the Borrower. Such releases shall be without warranty by or recourse to the Agent, except as to the absence of any prior assignments by the Agent of its interest in the Collateral, and shall be at the expense of the Borrower. Without limiting the generality of the foregoing, in the event that Funded Debt (as defined in the Credit Agreement) shall be incurred pursuant to Section 7.1(v) of the Credit Agreement and such Funded Debt shall be secured by a Lien on any Collateral of the Borrower or a Subsidiary

pursuant to Section 7.4(e) of the Credit Agreement, the Agent shall release any Lien granted to or held by the Agent and the Lenders with respect to such Collateral at or prior to the issuance of such Funded Debt.

(m) Release; Termination of Agreement. Subject to the provisions of Sections 6(f) and 6(g) hereof, this Security Agreement and the security interests created hereunder shall automatically terminate upon full and final payment and performance of all the Obligations and termination of the Credit Agreement and the other Credit Documents.

(n) Counterparts. This Security Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement.

(o) WAIVER OF DAMAGES; WAIVER OF NOTICE.

(i) THE BORROWER (A) AGREES THAT NEITHER THE AGENT NOR ANY LENDER SHALL HAVE ANY LIABILITY TO THE BORROWER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) FOR LOSSES SUFFERED BY THE BORROWER IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO, THE TRANSACTIONS CONTEMPLATED AND THE RELATIONSHIP ESTABLISHED BY THIS SECURITY AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, UNLESS IT IS DETERMINED BY A JUDGMENT OF A COURT THAT IS BINDING ON THE AGENT OR SUCH LENDER, AS THE CASE MAY BE (WHICH JUDGMENT SHALL BE FINAL AND NOT SUBJECT TO REVIEW ON APPEAL), THAT SUCH LOSSES WERE THE RESULT OF ACTS OR OMISSIONS ON THE PART OF THE AGENT OR SUCH LENDER, AS THE CASE MAY BE, CONSTITUTING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND (B) WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM AGAINST THE AGENT OR ANY LENDER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE), EXCEPT A CLAIM BASED UPON GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WHETHER OR NOT SUCH DAMAGES ARE RELATED TO A CLAIM THAT IS SUBJECT TO THE WAIVER EFFECTED ABOVE AND WHETHER OR NOT SUCH WAIVER IS EFFECTIVE, NEITHER THE AGENT NOR ANY LENDER SHALL HAVE ANY LIABILITY WITH RESPECT TO, AND THE BORROWER HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM FOR, ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES SUFFERED BY THE BORROWER IN CONNECTION WITH,

ARISING OUT OF, OR IN ANY WAY RELATED TO THE TRANSACTIONS CONTEMPLATED OR THE RELATIONSHIP ESTABLISHED BY THIS SECURITY AGREEMENT OR ANY OTHER CREDIT DOCUMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, UNLESS IT IS DETERMINED BY A JUDGMENT OF A COURT THAT IS BINDING ON THE AGENT OR SUCH LENDER, AS THE CASE MAY BE (WHICH JUDGMENT SHALL BE FINAL AND NOT SUBJECT TO REVIEW ON APPEAL), THAT SUCH DAMAGES WERE THE RESULT OF ACTS OR OMISSIONS ON THE PART OF THE AGENT OR SUCH LENDER, AS THE CASE MAY BE, CONSTITUTING WILLFUL MISCONDUCT.

(ii) THE BORROWER WAIVES ALL RIGHTS OF NOTICE AND HEARING OF ANY KIND PRIOR TO THE EXERCISE BY THE AGENT OR ANY LENDER OF ITS RIGHTS FROM AND AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT TO REPOSSESS THE COLLATERAL WITH JUDICIAL PROCESS OR TO REPLEVY, ATTACH OR LEVY UPON THE COLLATERAL. THE BORROWER WAIVES THE POSTING OF ANY BOND OTHERWISE REQUIRED OF THE AGENT OR ANY LENDER IN CONNECTION WITH ANY JUDICIAL PROCESS OR PROCEEDING TO OBTAIN POSSESSION OF, REPLEVY, ATTACH OR LEVY UPON COLLATERAL OR OTHER SECURITY FOR THE OBLIGATIONS, TO ENFORCE ANY JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE AGENT OR ANY LENDER, OR TO ENFORCE BY SPECIFIC PERFORMANCE, TEMPORARY RESTRAINING ORDER OR PRELIMINARY OR PERMANENT INJUNCTION THIS SECURITY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT AMONG THE BORROWER, THE AGENT AND/OR THE LENDERS.

IN WITNESS WHEREOF, the undersigned has caused this Security Agreement to be duly executed and delivered as of the day and year first above written.

CONVERSE INC.

By: *Donald Combs*
Title: *Senior Vice President*

By its acceptance hereof, as of the day and year first above written, the Agent agrees to be bound by the provisions hereof.

BT COMMERCIAL CORPORATION,
as Agent

By: Wayne D. Hillock
Title: Sr. V.P.

**SCHEDULE A
TO
SECURITY AGREEMENT**

**Trademarks, Trademark Applications, Service Marks and Service Mark Applications,
Patents and Patent Applications and Registered and Unregistered Copyrights**

(See Attached)

Converse Inc. U.S. Trademarks

Mark	Country	Reg. No. (App. No.)	Reg. Date (App. Date)	Owner of Record	Status/Comments
CONVERSE ALL STAR CHUCK TAYLOR and design	United States	(75/881,244)	(12/27/1999)	Converse Inc.	Pending
Design Only	United States	(75/694,069)	(4/29/1999)	Converse Inc.	Pending-Intent to Use
CONVERSE.COM	United States	(75/694,054)	(4/29/1999)	Converse Inc.	Pending-Intent to Use
ALL STAR and Design	United States	(75/662,559)	(3/17/1999)	Converse Inc.	Pending-Intent to Use
CONVERSE	United States	(75/662,558)	(3/17/1999)	Converse Inc.	Pending-Intent to Use
Design Only	United States	(75/662,557)	(3/17/1999)	Converse Inc.	Pending-Intent to Use
ALL STAR and Design	United States	(75/662,556)	(3/17/1999)	Converse Inc.	Pending-Intent to Use
CONVERSE	United States	(75/662,555)	(3/17/1999)	Converse Inc.	Pending

Mark	Country	Reg. No. (App. No.)	Reg. Date (App. Date)	Owner of Record	Status/Comments
CONVERSE ALL STAR CHUCK TAYLOR and Design	United States	(75/662,554)	(3/17/1999)	Converse Inc.	Pending-Intent to Use
CONVERSE ALL STAR CHUCK TAYLOR and Design	United States	(75/654,970)	(3/5/1999)	Converse Inc.	Pending-Intent to Use
STAY TRUE	United States	2,296,653 (75/373,121)	11/30/1999 (10/15/1997)	Converse, Inc.	Registered